

THE FOLLOWING IS AN ENGLISH TRANSLATION PREPARED FOR THE CONVENIENCE OF THE SHAREHOLDERS AND INVESTORS. THE OFFICIAL TEXT IN JAPANESE OF THE CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS HAS BEEN PREPARED IN ACCORDANCE WITH STATUTORY PROVISIONS AND MAILED TO THE RESPECTIVE SHAREHOLDERS. SHOULD THERE BE ANY INCONSISTENCY BETWEEN THE TRANSLATION AND THE OFFICIAL TEXT IN TERMS OF THE CONTENTS OF THE NOTICE, THE OFFICIAL TEXT SHALL PREVAIL.  
 THE COMPANY ACCEPTS NO LIABILITY FOR ANY MISUNDERSTANDING CAUSED BY THE TRANSLATION FOR ANY REASON WHATSOEVER.

**CONVOCAION NOTICE OF  
 THE 11TH ORDINARY GENERAL MEETING OF  
 SHAREHOLDERS**



**Date and Time:**

Friday June 25, 2021 at 10:00 a.m. (Reception will open at 9:00 a.m.)

**Place:**

Ball Room “Aoi,” Second Floor, Palace Hotel Tokyo  
 1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

**Deadline for Exercise of Voting Right(s) in Writing or via the Internet:**

Thursday, June 24, 2021 until 5:30 p.m.

**Matters to be Resolved:**

- Proposal 1: Appropriation of Surplus
- Proposal 2: Election of 11 Directors who are not Audit and Supervisory Committee Members
- Proposal 3: Election of 2 Directors who are Audit and Supervisory Committee Members

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**ENEOS Holdings, Inc.**  
 Securities Code: 5020

**A Request to Our Shareholders**

- This ordinary general meeting of shareholders is to be held by taking as many measures as possible to prevent the spread of infection of COVID-19 and ensure safety of shareholders.
- As shareholders may exercise their voting right(s) in advance in writing or via the Internet, we strongly encourage you to make use of these options, and to refrain from attending the meeting in person on the day.
- If you are found to have a fever or appear to be unwell when you arrive at the venue, you may be refused entry.
- Please refer to our website (<https://www.hd.eneos.co.jp/ir/stock/meeting/>) for information and requests regarding countermeasures against COVID-19 infections.

No souvenirs will be distributed at this ordinary general meeting of shareholders. We ask for your understanding and cooperation in this matter.



## Greetings

We wish to begin by expressing our sincere gratitude for your continued support and patronage. We also offer our respectful condolences to the families of those who have lost loved ones to COVID-19, while praying for the speedy recovery of those who have contracted this disease or who are struggling with its consequences.

You are hereby cordially notified of the 11th ordinary general meeting of shareholders of ENEOS Holdings, Inc. (the “Company”), to be held on Friday June 25, 2021.

This convocation notice, which you are invited to read at your leisure, contains explanations of the status of the ENEOS Group during the 11th fiscal term, as well as of the proposals to be resolved at the ordinary general meeting of shareholders.

June 2021

Ota Katsuyuki

Representative Director, President

## ENEOS Group Philosophy

### Mission

Harnessing the Earth’s power for the common good and for the day-to-day life of each individual, we will contribute to the development of our communities and help to ensure a vibrant future through creation and innovation in energy, resources, and materials.

### Our Five Core Values

#### As a member of the community

##### High ethical standards

Based on our core principles of integrity and fairness, we conduct all of our business activities in accordance with our high ethical standards.

##### Health, safety, and environment

We give the highest priority to health, safety and environmental initiatives, which are vital to the well-being of all living things.

#### Supporting day-to-day life

##### Focus on customers

We strive to meet the expectations and evolving needs of our valued customers and of society as a whole through the stable provision of products and services while creating new value as only we can.

#### For a vibrant future

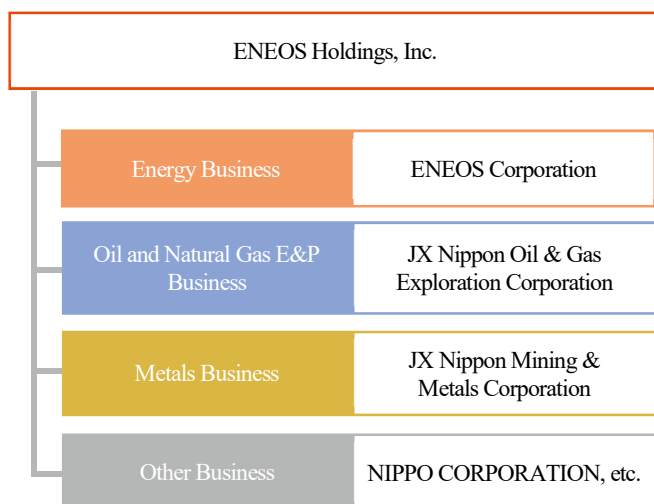
##### Taking on challenges

Taking changes in stride, we rise to the challenge of creating new value while seeking innovative solutions for today and tomorrow.

##### Moving Forward

Looking to the future, we continue to grow, both as individuals and as a company, through the personal and professional development of each and every employee.

## ENEOS Group Operation System



\*ENEOS Corporation, JX Nippon Oil & Gas Exploration Corporation and JX Nippon Mining & Metals Corporation shall hereinafter collectively be referred to as the “Principal Operating Companies.”

1. Pursuant to laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following items are posted on the Company’s website and are not included in this convocation notice: (1) part of the business report (Part of Matters Concerning Present Condition of the Corporate Group, Matters Concerning the Accounting Auditor, and System to Ensure Proper Operations and the Operating Effectiveness of Such System), (2) consolidated statement of changes in equity and the notes to consolidated financial statements of the consolidated financial statements (3) the statement of changes in equity and notes to non-consolidated financial statements of the financial statements of the Company. The Audit and Supervisory Committee audits items (1) to (3) in addition to the business report, consolidated financial statements, and non-consolidated financial statements in this convocation notice. The financial auditor has audited the consolidated financial statements and the non-consolidated financial statements, in addition to items (2) and (3).
2. Where it becomes necessary to revise the business report, the consolidated financial statements, the non-consolidated financial statements or the reference materials for the general meeting of shareholders, the revised information and data thereof will be posted on the Company’s website.
3. The information contained in this convocation notice has been disclosed on our website before sending this convocation notice with the objective of providing the information promptly.

URL \_\_\_\_\_

<https://www.hd.eneos.co.jp/ir/stock/meeting/>

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June 3, 2021

Dear Our Shareholders,

Ota Katsuyuki  
Representative Director, President  
ENEOS Holdings, Inc.  
1-2, Otemachi 1-chome  
Chiyoda-ku, Tokyo, Japan

## **CONVOCATION NOTICE OF THE 11TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially notified of the 11th ordinary general meeting of shareholders of ENEOS Holdings, Inc. (the “Company”) to be held as described below.

Due to the continuation of the COVID-19 pandemic, appropriate measures have been taken to prevent the spread of infection at this ordinary general meeting of shareholders.

We strongly request you to refrain from attending this meeting in person regardless of your health conditions from the perspective of preventing the spread of infection. Instead, we urge you to examine the “Reference Materials for the General Meeting of Shareholders” set out below, and exercise your voting right(s) either in writing or electronic means (e.g., the Internet) in advance of the meeting.

### **Particulars**

- 1. Date and Time:** Friday June 25, 2021 at 10:00 a.m. (Reception will open at 9:00 a.m.)
- 2. Place:** Ball Room “Aoi,” Second Floor, Palace Hotel Tokyo  
1-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
- 3. Purposes**  
**Matters to be Reported:**
  - 1. The business report, the consolidated financial statements, and the auditors’ reports on the consolidated financial statements by the financial auditor and the Audit and Supervisory Committee, for the 11th fiscal term (from April 1, 2020 to March 31, 2021)**
  - 2. The non-consolidated financial statements for the 11th fiscal term (from April 1, 2020 to March 31, 2021)**

#### **Matters to be Resolved:**

- Proposal 1: Appropriation of Surplus**
- Proposal 2: Election of 11 Directors who are not Audit and Supervisory Committee Members**
- Proposal 3: Election of 2 Directors who are Audit and Supervisory Committee Members**

#### 4. Matters concerning Exercise of Voting Right(s):

##### Exercise Voting Right(s) by Electronic Means (e.g., the Internet)



You may exercise voting right(s) through the Internet by either of the following methods.

- (1) Scanning the QR code (“Smart Voting”)
- (2) Entering the code and password for the exercise of voting right(s)

Please exercise your voting right(s) by referring to the [Exercising Voting Right\(s\) through the Internet](#) on the following page.

Deadline for exercise of voting right(s):

**5:30 p.m., Thursday June 24, 2021**

- If you exercise voting right(s) by through electronic means (e.g., the Internet) and/or a proxy card multiple times, and the votes conflict, the Company will treat the last vote received as valid. Where you exercise your voting right(s) both through electronic means (e.g., the Internet) and in writing, and the votes reach the Company on the same day, the vote through electronic means (e.g., the Internet) will be treated as valid.
- If you exercise voting right(s) multiple times through electronic means (e.g., the Internet), and the votes conflict with respect to the same proposal, the Company will treat the last vote received as valid.
- Telecommunication fees and any other fees which may be required for using the voting website shall be borne by you.

**Institutional investors are able to use the “electronic voting platform” operated by ICJ, Inc.**

##### Exercise Voting Right(s) in Writing



Please indicate your approval or disapproval regarding the proposals on the agenda on the enclosed proxy card, and mail it to us without a stamp.

Deadline for exercise of voting right(s):

**Must be received by 5:30 p.m., Thursday June 24, 2021**

- If you submit a proxy card indicating neither approval nor disapproval of any of the proposals, your vote will be treated as an affirmative vote to such proposal.

##### Attendance at the General Meeting of Shareholders



Please present the enclosed proxy card at the reception desk. Please refer to the previous page for the date and time, and place.

Due to the spread of infection of COVID-19, the starting time and the venue could change depending on directives from the Japanese government or Tokyo Metropolitan Government, the circumstance of the Palace Hotel Tokyo, etc. Any change of starting time and venue will be notified on the Company’s website (<https://www.hd.jxtg-group.co.jp/english/ir/stock/meeting/>).

- If you desire to exercise your voting right(s) by a proxy, please exercise them by appointing 1 proxy who is also a shareholder of the Company entitled to exercise his/her voting right(s) at this general meeting of shareholders.

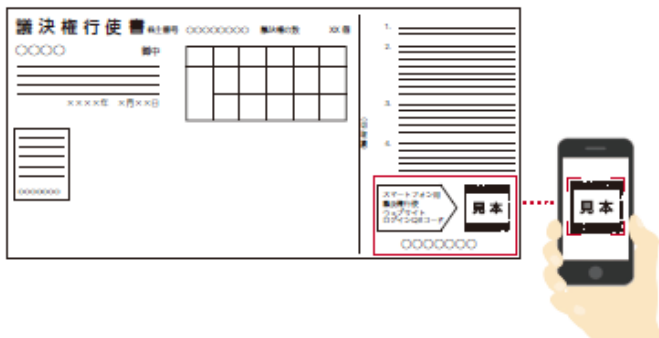
End

## Exercising Voting Right(s) through the Internet

### 1 Scanning the QR code ("Smart Voting")

You can log in to the voting website for Smart Voting without entering the code or password for the exercise of voting right(s).

- 1 Scan the QR code on the lower right of the proxy card.



※ "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.

- 2 Follow the instructions on the screen and enter your approval or disapproval.



Exercising voting right(s) through Smart Voting is valid only once.

If you wish to change your vote after voting, please access and log in to the desktop site set out on the right as 2 by entering the code and password for the exercise of voting right(s) written in the proxy card, and vote again.

※ You will be moved to the desktop site by rescanning the QR code.

For inquiries regarding how to operate your computer, smartphone or any other device to exercise voting right(s) via the Internet, please call the help desk on the right.

### 2 Entering the code and password for the exercise of voting right(s)

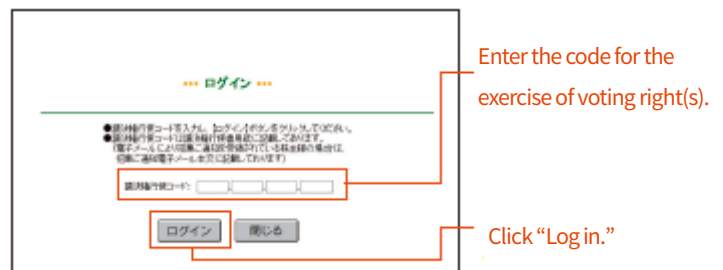
Website for exercising voting right(s):

<https://www.web54.net>

- 1 Access the website for exercising voting right(s).



- 2 Enter the code for the exercise of voting right(s) set out in the proxy card.



- 3 Enter the password set out in the proxy card.



- 4 Follow the instructions on the screen and enter your approval or disapproval.

Direct telephone number for the online stock agency support service by Sumitomo Mitsui Trust Bank, Limited

Telephone: 0120-652-031 (toll-free in Japan)

Hours: 9:00 a.m.-9:00 p.m.

The main contents of the convocation notice can be viewed on smartphones, tablets and computers.

The icon features a stylized smartphone with orange and yellow horizontal lines above and below it, suggesting motion or connectivity.

## Smart Convocation

The Company has introduced a service that makes it easier to view the main contents of the convocation notice and exercise voting right(s) on smartphones and other devices.

Please access the following URL or scan the QR code.

<https://p.sokai.jp/5020/>



1

Convocation notice can be viewed anytime, anywhere

You can access the convocation notice from your smartphone.

2

Exercise of voting right(s) via the Internet is becoming easy

Direct access to the website for exercising voting right(s) on the Internet makes the exercise of voting right(s) on the Internet easier and more accessible.

3

Support for multiple devices

The website can be viewed from a smartphone, tablet or computer.



## Reference Materials for the General Meeting of Shareholders

### Proposals and Matters for Reference

Proposal No. 1

## Appropriation of Surplus

The Company considers returning its profits to shareholders as a significant management task, and therefore the Company aims to make efforts to continue stable distribution of dividends on the basis of implementing profit returns that reflect results and projections for consolidated results over the medium-term. In addition, under the second medium-term management plan (from FY2020 to FY2022), the Company aims to avoid reducing dividends from the annual dividend of 22 yen per share.

Under the aforementioned policy, the Company would like to propose, as this fiscal year's year-end dividend, 11 yen per share, as set out below, taking into account factors such as consolidated results, financial status and investment plans.

### 1. Matters regarding Allocation of Dividend Property to the Shareholders, and its Total Amount:

11 yen per common share of the Company

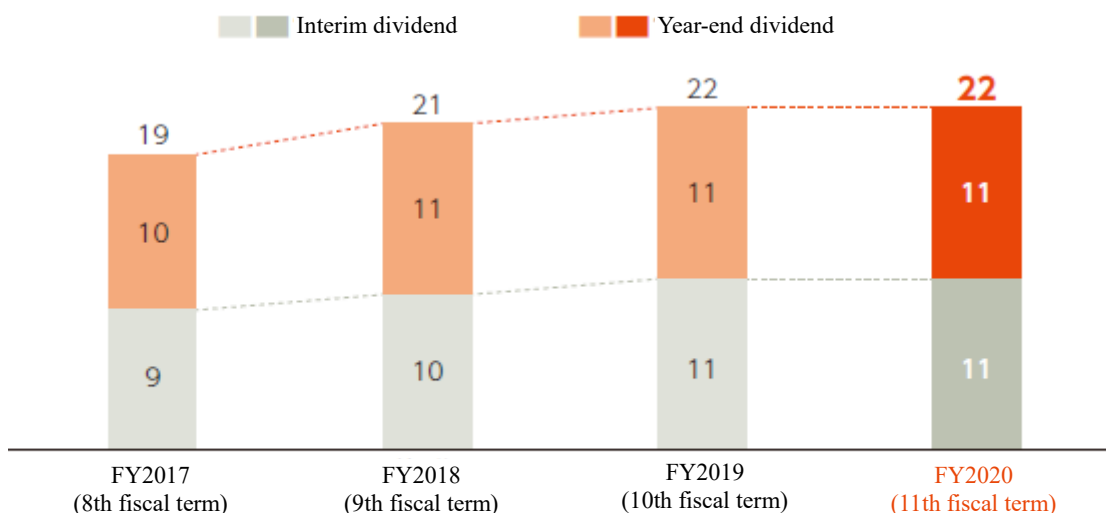
Total amount: 35,452,986,899 yen

### 2. The Date on which Surplus Distribution Takes Effect:

June 28, 2021

The amount of this fiscal year's annual dividend will be 22 yen per share in conjunction with the interim dividend of 11 yen per share distributed based on the resolution of the Board of Directors' meeting held on November 11, 2020.

[Reference] Changes in dividends per share (yen)





## Election of 11 Directors who are not Audit and Supervisory Committee Members

Since the terms of all of the directors who are not audit and supervisory committee members (11 directors) will expire as of the conclusion of this ordinary general meeting of shareholders, the Company would like to propose the election of 11 directors who are not audit and supervisory committee members.

The candidates for directors who are not audit and supervisory committee members are as follows.

### [Reference] List of Candidates

| No. | Name             |            | Gender | Current Position and Assignment at the Company  | Board Meeting Attendance (Number of times attended / Number of Board meetings held) | No. of Concurrent Offices at Other Listed Companies |               |
|-----|------------------|------------|--------|---|---|---|---------------|
|     |                  |            |        | (Current Main Duty)   |   | Executive   | Non-executive |
| 1   | Sugimori Tsutomu | Reelection | Male   | Representative Director, Chairman of the Board, Group CEO   | 100% (11/11)  | 0   | 0             |
| 2   | Ota Katsuyuki    | Reelection | Male   | Representative Director, President  | 100% (11/11)  | 0   | 0             |
| 3   | Yokoi Yoshikazu  | Reelection | Male   | Director, Executive Vice President Assistant to President   | 100% (10/10)  | 0   | 0             |
| 4   | Iwase Junichi    | Reelection | Male   | Director, Executive Vice President Assistant to President (responsible for Safety, Health & Environment Dept. and Quality Assurance Dept.)  | 100% (10/10)  | 0   | 0             |
| 5   | Yatabe Yasushi   | Reelection | Male   | Director, Executive Vice President Assistant to President (responsible for Secretariat, Corporate Planning Dept., Controller Dept., Finance Dept., Investor Relations Dept., Human Resources Dept., General Administration Dept., Legal & Corporate Affairs Dept.), and responsible for Secretariat | 100% (10/10)  | 0   | 0             |
| 6   | Hosoi Hiroshi    | Reelection | Male   | Director (Part-time)<br>(Representative Director, Chief Executive Officer and President of JX Nippon Oil & Gas Exploration Corporation)   | 100% (11/11)  | 0   | 0             |
| 7   | Murayama Seiichi | Reelection | Male   | Director (Part-time)<br>(President & Representative Director and Chief Executive Officer of JX Nippon Mining & Metals Corporation)  | 100% (11/11)  | 0   | 0             |

| No. | Name            |  | Gender | Current Position and Assignment at the Company  | Board Meeting Attendance (Number of times attended / Number of Board meetings held) | No. of Concurrent Offices at Other Listed Companies |               |
|-----|-----------------|--|--------|---|---|---|---------------|
|     |                 |  |        | (Current Main Duty)   |   | Executive   | Non-executive |
| 8   | Saitou Takeshi  | New Election   | Male   | Executive Vice President, CDO Assistant to President (responsible for Internal Audit Dept., Internal Control Dept., Public Relations Dept., IT Planning & Development Dept., Crisis Management Dept., Procurement Dept. and Emerging Business Development Dept.), and responsible for IT Planning & Development Dept. and Emerging Business Development Dept. | –   | 0   | 0             |
| 9   | Ota Hiroko      | Reelection<br>Outside Director<br>Independent Director   | Female | Outside Director (Senior Professor at the National Graduate Institute for Policy Studies)   | 90.9% (10/11)   | 0   | 1             |
| 10  | Miyata Yoshiiku | Reelection<br>Outside Director<br>Independent Director   | Male   | Outside Director  | 100% (11/11)  | 0   | 1             |
| 11  | Kudo Yasumi     | New Election<br>Outside Director<br>Independent Director | Male   | –<br>(Senior Advisor of Nippon Yusen Kabushiki Kaisha)  | –   | 0   | 0             |

- (Notes) 1. “(Current Main Duty)” is presented in the relevant column only for the candidates who have such duty other than their “Current Position and Assignment at the Company.”
2. “Board Meeting Attendance” indicates the attendance in the fiscal year 2020.
3. “No. of Concurrent Offices at Other Listed Companies” indicates the expected number on and after July 1, 2021.
4. Mr. Sugimori Tsutomu, Mr. Ota Katsuyuki, Mr. Yokoi Yoshikazu, Mr. Iwase Junichi and Mr. Yatabe Yasushi concurrently serve as Directors of ENEOS Corporation.

|          |                         |  |                      |
|----------|-------------------------|--|----------------------|
| No.      | <b>Sugimori Tsutomu</b> | Date of birth  | October 21, 1955     |
| <b>1</b> |                         | Number of Company Shares Owned                                 | 86,481 common shares |
|          |                         | Duration of Office as Director<br>(as of the date of this GMS) | 7 years              |
|          |                         | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 11/11 (100%)         |



Reelection

Male

#### Brief biographical outlines, and position and assignment at the Company

|            |  |
|------------|--|
| April 1979 | Joined Nippon Oil Co., Ltd.  |
| April 2008 | Executive Officer (General Manager of Chubu Branch Office) of Nippon Oil Corporation   |
| July 2010  | Director, Senior Vice President (Division Manager of Retail Marketing & Sales Division) of JX Nippon Oil & Energy Corporation                      |
| June 2014  | Director of the Company (Part-time)<br>Representative Director, President of JX Nippon Oil & Energy Corporation                                    |
| June 2018  | Representative Director, President of the Company  |
| June 2020  | Representative Director, Chairman of the Board, Group CEO of the Company (to present)<br>Representative Director of ENEOS Corporation (to present) |

#### Important concurrent office

Representative Director of ENEOS Corporation  
 President of Petroleum Association of Japan  
 Vice Chairman of KEIDANREN (Japan Business Federation)

#### Reasons for nominating Mr. Sugimori as a candidate and outline of his expected role

Mr. Sugimori has been in charge of sales strategy, corporate planning and other affairs in the energy business for many years and has had abundant experience and achievements in the business field. Further, he assumed the office of the Representative Director and President of JX Nippon Oil & Energy Corporation in June 2014, where he was in charge of the management of energy business. Following that, he assumed the offices of Representative Director, President of the Company in June 2018 and of Representative Director, Chairman of the Board, Group CEO in June 2020. Through this role, he has been responsible for the management of the Company and the ENEOS Group.

Given that the Company has determined that he is expected to enhance the management function and the supervising function of the business execution of the Company's Board of Directors by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Sugimori as a candidate for director who is not an audit and supervisory committee member.

|     |               |  |                      |
|-----|---------------|--|----------------------|
| No. | Ota Katsuyuki | Date of birth  | May 26, 1958         |
| 2   |               | Number of Company Shares Owned                                 | 65,905 common shares |
|     |               | Duration of Office as Director<br>(as of the date of this GMS) | 6 years              |
|     |               | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 11/11 (100%)         |



Reelection

Male

#### Brief biographical outlines, and position and assignment at the Company

|            |   |
|------------|---|
| April 1982 | Joined Nippon Oil Co., Ltd.   |
| June 2014  | Executive Officer of the Company (General Manager of Controller Dept.)  |
| June 2015  | Director, Executive Officer of the Company (responsible for Controller Dept.)   |
| June 2017  | Director, Senior Vice President of the Company (responsible for Internal Audit Dept., Controller Dept. and Finance & Investors Relations Dept.)               |
| June 2018  | Director of the Company (Part-time)<br>Representative Director, President of JXTG Nippon Oil & Energy Corporation (currently, ENEOS Corporation) (to present) |
| June 2020  | Representative Director, President of the Company (to present)  |

#### Important concurrent office

Representative Director and President of ENEOS Corporation

#### Reasons for nominating Mr. Ota as a candidate and outline of his expected role

Mr. Ota has been in charge of accounting and financial affairs for many years and has had abundant experience and achievements in those sectors. Further, he has been in charge of the management of the energy business as Representative Director and President of JXTG Nippon Oil & Energy Corporation since June 2018 and assumed the office of Representative Director and President of the Company in June 2020, where he has been in charge of the management of the Company and the ENEOS Group.

Given that the Company has determined that he is expected to enhance the management function and the supervising function of the business execution of the Company's Board of Directors by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Ota as a candidate for director who is not an audit and supervisory committee member.

|          |                        |  |                      |
|----------|------------------------|--|----------------------|
| No.      | <b>Yokoi Yoshikazu</b> | Date of birth  | August 15, 1957      |
| <b>3</b> |                        | Number of Company Shares Owned                                 | 36,883 common shares |
|          |                        | Duration of Office as Director<br>(as of the date of this GMS) | 1 year               |
|          |                        | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 10/10 (100%)         |



Reelection  
Male

**Brief biographical outlines, and position and assignment at the Company**

- April 1984    Joined Mobil Sekiyu K.K.
- March 2013    Executive Officer of TonenGeneral Sekiyu K.K. (in charge of Public & Government Relations)
- November 2014    Executive Officer of EMG Marketing Godo Kaisha (Marketing & Sales Deputy Division Manager)
- March 2015    Director of TonenGeneral Sekiyu K.K. (in charge of Marketing & Sales, Lubricants & Specialties, Marketing & Supply Coordination)  
Vice President of EMG Marketing Godo Kaisha (in charge of Marketing & Sales, Lubricants & Specialties, Marketing & Supply Coordination)
- March 2016    Managing Director of TonenGeneral Sekiyu K.K. (in charge of Marketing & Sales, Lubricants & Specialties, Marketing & Supply Coordination)
- April 2017    Director, Senior Vice President of JXTG Nippon Oil & Energy Corporation (Deputy Division Manager of Marketing & Sales Division)
- April 2019    Director, Executive Vice President of JXTG Nippon Oil & Energy Corporation (Assistant to President)
- April 2020    Director, Executive Vice President of JXTG Nippon Oil & Energy Corporation (currently ENEOS Corporation) (Assistant to President and responsible for Business Design & Development Dept.) (to present)
- June 2020    Director, Executive Vice President of the Company (Assistant to President) (to present)

**Important concurrent office**

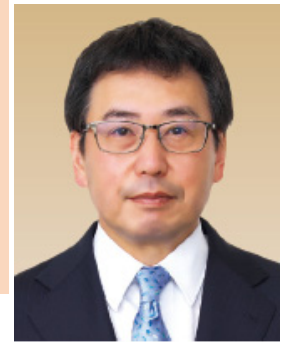
Director, Executive Vice President, Assistant to President (responsible for Supply Planning & Optimization Dept., Products Supply & Trading Dept., Crude Trading & Shipping Dept., Distribution & Logistics Dept., Marketing & Sales Planning Dept., Retail Support Dept., Nationwide Sales Dept., Industry Energy Sales Dept., Business Design & Development Dept., Basic Chemicals Planning Dept., Basic Chemical Sales Dept. and Branch Offices), and responsible for Business Design & Development Dept. of ENEOS Corporation

**Reasons for nominating Mr. Yokoi as a candidate and outline of his expected role**

Mr. Yokoi has been in charge of sales strategy, corporate planning and other affairs in the energy business for many years and has had abundant experience and achievements in the business field. Further, he has been responsible for the management of the energy business as Director, Executive Vice President of JXTG Nippon Oil & Energy Corporation since April 2019, and he assumed the office of Director, Executive Vice President of the Company in June 2020, where he has been responsible for the management of the Company and the ENEOS Group. He is currently responsible for the Business Design & Development Dept. of ENEOS Corporation, and is promoting the building of the “ENEOS Platform.”

Given that the Company has determined that he is expected to enhance the management function and the supervising function of the business execution of the Company’s Board of Directors by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Yokoi as a candidate for director who is not an audit and supervisory committee member.

|     |               |  |                      |
|-----|---------------|--|----------------------|
| No. | Iwase Junichi | Date of birth  | June 8, 1958         |
| 4   |               | Number of Company Shares Owned                                 | 30,998 common shares |
|     |               | Duration of Office as Director<br>(as of the date of this GMS) | 1 year               |
|     |               | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 10/10 (100%)         |



Reelection  
Male

**Brief biographical outlines, and position and assignment at the Company**

- April 1982 Joined Koa Oil Co., Ltd.
- June 2014 Executive Officer of JX Nippon Oil & Energy Corporation (General Manager of Technical & Engineering Dept.)
- April 2017 Director, Senior Vice President of JXTG Nippon Oil & Energy Corporation (Division Manager of Refining & Manufacturing Division)
- April 2019 Director, Executive Vice President of JXTG Nippon Oil & Energy Corporation (currently ENEOS Corporation) (Assistant to President) (to present)
- June 2020 Director, Executive Vice President of the Company (Assistant to President, responsible for Safety, Health & Environment Dept. and Quality Assurance Dept.) (to present)

**Important concurrent office**

Director, Executive Vice President, Assistant to President (responsible for Safety, Health & Environment Dept., Quality Assurance Dept., Refining and Manufacturing Dept., Mechanical Engineering Dept., Engineering & Capital Planning Dept., Hydrogen Business Promotion Dept., Fuel Cell Customer Support Office, Lubricants Company, Central Technical Research Laboratory, Refineries and Plants) of ENEOS Corporation

**Reasons for nominating Mr. Iwase as a candidate and outline of his expected role**

Mr. Iwase has been in charge of technological affairs, such as refining technologies and refinery operations in the energy business for many years and has had abundant experience and achievements in this sector. Further, he has been responsible for the management of the energy business as Director, Executive Vice President of JXTG Nippon Oil & Energy Corporation since April 2019, and assumed the office of Director, Executive Vice President of the Company in June 2020, where he has been responsible for the management of the Company and the ENEOS Group. He is currently promoting the introduction of digital technology and the development of human resources at manufacturing locations of ENEOS Corporation, and environmental management, amongst other issues.

Given that the Company has determined that he is expected to enhance the management function and the supervising function of the business execution of the Company's Board of Directors by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Iwase as a candidate for director who is not an audit and supervisory committee member.

|          |                       |  |                      |
|----------|-----------------------|--|----------------------|
| No.      | <b>Yatabe Yasushi</b> | Date of birth  | November 11, 1960    |
| <b>5</b> |                       | Number of Company Shares Owned                                 | 18,364 common shares |
|          |                       | Duration of Office as Director<br>(as of the date of this GMS) | 1 year               |
|          |                       | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 10/10 (100%)         |



|            |
|------------|
| Reelection |
| Male       |

#### Brief biographical outlines, and position and assignment at the Company

|            |  |
|------------|--|
| April 1984 | Joined Nippon Oil Co., Ltd.  |
| June 2015  | Executive Officer of JX Nippon Oil & Energy Corporation (General Manager of Coal Business Dept., Resources & Power Company)  |
| April 2019 | Director, Senior Vice President of JXTG Nippon Oil & Energy Corporation (President of Resources & Power Company)   |
| April 2020 | Director, Executive Vice President of JXTG Nippon Oil & Energy Corporation (currently ENEOS Corporation) (Assistant to President) (to present)   |
| June 2020  | Director, Executive Vice President of the Company (Assistant to President)   |
| April 2021 | Director, Executive Vice President of the Company (Assistant to President, responsible for Secretariat, Corporate Planning Dept., Controller Dept., Finance Dept., Investor Relations Dept., Human Resources Dept., General Administration Dept., Legal & Corporate Affairs Dept.), and responsible for Secretariat (to present) |

#### Important concurrent office

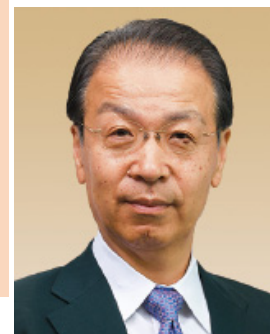
Director, Executive Vice President, Assistant to President of ENEOS Corporation (responsible for Secretariat, Corporate Planning Dept., Controller Dept., Finance Dept., Investor Relations Dept., Human Resources Dept., General Administration Dept., Legal & Corporate Affairs Dept., Overseas Business Planning & Development Dept., Resources & Power Company), and responsible for Secretariat

#### Reasons for nominating Mr. Yatabe as a candidate and outline of his expected role

Mr. Yatabe has been in charge of industrial energy, the gas supply business, the coal business and other affairs in the energy business field for many years and has abundant experience and achievements in the area of international transactions. Further, he has been in charge of the management of the energy business as Director, Executive Vice President of JXTG Nippon Oil & Energy Corporation since April 2020, and assumed the office of Director, Executive Vice President of the Company in June 2020, where he has been in charge of the management of the Company and the ENEOS Group. He is currently promoting the strengthening of the management foundation through structural reforms in the administrative departments of the Company and ENEOS Corporation, such as human resources, accounting & finance, and legal.

Given that the Company has determined that he is expected to enhance the management function and the supervising function of the business execution of the Company's Board of Directors by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Yatabe as a candidate for director who is not an audit and supervisory committee member.

|          |                      |  |                      |
|----------|----------------------|--|----------------------|
| No.      | <b>Hosoi Hiroshi</b> | Date of birth  | August 25, 1956      |
| <b>6</b> |                      | Number of Company Shares Owned                                 | 95,769 common shares |
|          |                      | Duration of Office as Director<br>(as of the date of this GMS) | 3 years              |
|          |                      | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 11/11 (100%)         |



Reelection

Male

#### Brief biographical outlines, and position and assignment at the Company

|            |   |
|------------|---|
| April 1979 | Joined Nippon Oil Co., Ltd.   |
| July 2010  | Executive Officer of JX Nippon Oil & Energy Corporation (Deputy Division Manager of Supply Division)  |
| June 2012  | Senior Vice President of JX Nippon Oil & Energy Corporation (Division Manager of Supply Division)   |
| June 2014  | Director, Senior Vice President of JX Nippon Oil & Energy Corporation (responsible for Crude Trading & Shipping Dept., Products Supply & Trading Dept., and Distribution & Logistics Dept.) |
| April 2017 | Director, Executive Officer and Executive Vice President of JX Nippon Oil & Gas Exploration Corporation   |
| June 2018  | Director of the Company (Part-time) (to present)<br>Representative Director, Chief Executive Officer and President of JX Nippon Oil & Gas Exploration Corporation (to present)              |

#### Important concurrent office

Representative Director, Chief Executive Officer and President of JX Nippon Oil & Gas Exploration Corporation

#### Reasons for nominating Mr. Hosoi as a candidate and outline of his expected role

Mr. Hosoi has been in charge of procurement and supply of crude oil and petroleum products for many years and has abundant experience and achievements in the area of international transactions. Following that, he assumed the office of Director, Executive Officer and Executive Vice President of JX Oil & Gas Exploration Corporation in April 2017, and Representative Director, Chief Executive Officer and President of that company in June 2018, where he is responsible for the management of oil and gas exploration and production business, as well as for expanding the environmentally friendly business and promoting the introduction of digital technology.

Given that the Company has determined that he is expected to enhance the management function and the supervising function of the business execution of the Company's Board of Directors by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Hosoi as a candidate for director who is not an audit and supervisory committee member.



|     |                         |  |                      |
|-----|-------------------------|--|----------------------|
| No. | <b>Murayama Seiichi</b> | Date of birth  | September 17, 1957   |
| 7   |                         | Number of Company Shares Owned                                 | 23,175 common shares |
|     |                         | Duration of Office as Director<br>(as of the date of this GMS) | 2 years              |
|     |                         | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 11/11 (100%)         |



|            |
|------------|
| Reelection |
| Male       |

#### Brief biographical outlines, and position and assignment at the Company

|            |  |
|------------|--|
| April 1980 | Joined Nippon Mining Co., Ltd.   |
| April 2010 | Executive Officer of Nippon Mining & Metals Co., Ltd. (General Manager of Planning & Coordination Dept.)   |
| July 2010  | Executive Officer of JX Nippon Mining & Metals Corporation (General Manager of Planning & Coordination Dept.)  |
| April 2013 | Senior Vice President of JX Nippon Mining & Metals Corporation (responsible for Planning & Coordination Dept., Accounting & Finance Dept., IT Dept., Logistics Dept. and Internal Auditing Office)           |
| June 2013  | Director, Senior Vice President of JX Nippon Mining & Metals Corporation (responsible for Planning & Coordination Dept., Accounting & Finance Dept., IT Dept., Logistics Dept. and Internal Auditing Office) |
| June 2019  | Director of the Company (Part-time) (to present)<br>President & Representative Director and Chief Executive Officer of JX Nippon Mining & Metals Corporation (to present)                                    |

#### Important concurrent office

President & Representative Director and Chief Executive Officer of JX Nippon Mining & Metals Corporation  
Chairman, Japan Mining Industry Association

#### Reasons for nominating Mr. Murayama as a candidate and outline of his expected role

Mr. Murayama has been in charge of corporate planning, sales and general affairs etc. in the metals business field for many years and has had abundant experience and achievements in that field. Further, he assumed the office of Director and Senior Executive Officer of JX Nippon Mining & Metals Corporation in June 2013, and President & Representative Director and Chief Executive Officer of that company in June 2019, where he has been in charge of the management of the metals business and been promoting development of the technology-based business and the introduction of digital technology.

Given that the Company has determined that he is expected to enhance the management function and the supervising function of the business execution of the Company's Board of Directors by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Murayama as a candidate for director who is not an audit and supervisory committee member.

|          |                       |                                |                      |
|----------|-----------------------|--------------------------------|----------------------|
| No.      | <b>Saitou Takeshi</b> | Date of birth                  | July 28, 1962        |
| <b>8</b> |                       | Number of Company Shares Owned | 12,789 common shares |



New Election  
Male

### Brief biographical outlines, and position and assignment at the Company

|            |  |
|------------|--|
| April 1986 | Joined Nippon Oil Co., Ltd.  |
| June 2014  | General Manager of Industrial Fuels Marketing Dept., JX Nippon Oil & Energy Corporation  |
| April 2017 | Executive Officer of JXTG Nippon Oil & Energy Corporation (General Manager of Marketing & Sales Planning Dept., Marketing & Sales Division)  |
| April 2019 | Director, Senior Vice President of JXTG Nippon Oil & Energy Corporation (responsible for Marketing & Sales Planning Dept., Retail Support Dept., Nationwide Sales Dept., Industry Energy Sales Dept., and Branch Offices)  |
| April 2021 | Executive Vice President, CDO of the Company (Assistant to President (responsible for Internal Audit Dept., Internal Control Dept., Public Relations Dept., IT Planning & Development Dept., Crisis Management Dept., Procurement Dept. and Emerging Business Development Dept.)), and responsible for IT Planning & Development Dept. and Emerging Business Development Dept. (to present)<br>Executive Vice President, CDO of ENEOS Corporation (Assistant to President, responsible for IT Planning & Development Dept. and Emerging Business Development Dept.) (to present) |

### Important concurrent office

Director, Executive Vice President, CDO, and Assistant to President of ENEOS Corporation (responsible for Internal Audit Dept., Internal Control Dept., Public Relations Dept., IT Planning & Development Dept., Crisis Management Dept., Procurement Dept., Emerging Business Development Dept., and High Performance Materials Company), and responsible for IT Planning & Development Dept. and Emerging Business Development Dept.

### Reasons for nominating Mr. Saitou as a candidate and outline of his expected role

Mr. Saitou has been in charge of sales strategy, industrial energy and other affairs in the energy business for many years and has abundant experience and achievements in this business field. Further, he assumed the office of the Director, Senior Vice President of JXTG Nippon Oil & Energy Corporation in April 2019. In this role, he has been in charge of the management of the energy business. Currently, in addition to assisting the President in the areas of IT Planning & Development and crisis management as Executive Vice President of the Company, he is serving in the role of CDO, who is the person responsible for promoting the digital transformation of the ENEOS Group. Given that the Company has determined that he is expected to enhance the management function and the supervisory function of the business execution of the Company's Board of Directors by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Saitou as a candidate for director who is not an audit and supervisory committee member.

|     |            |  |                      |
|-----|------------|--|----------------------|
| No. | Ota Hiroko | Date of birth  | February 2, 1954     |
| 9   |            | Number of Company Shares Owned                                 | 28,400 common shares |
|     |            | Duration of Office as Director<br>(as of the date of this GMS) | 9 years              |
|     |            | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 10/11 (90.9%)        |



|                      |
|----------------------|
| Reelection           |
| Outside Director     |
| Independent Director |
| Female               |

#### Brief biographical outlines, and position and assignment at the Company

|                |   |
|----------------|---|
| May 1981       | Research Fellow at the Japan Institute of Life Insurance                            |
| April 1993     | Associate Professor at the School of Economics of Osaka University                  |
| April 1996     | Associate Professor at Saitama University   |
| October 1997   | Associate Professor at the National Graduate Institute for Policy Studies           |
| April 2001     | Professor at the National Graduate Institute for Policy Studies                     |
| April 2002     | Director of Policy Analysis in Cabinet Office                                       |
| March 2003     | Deputy Director General for Economic Research in Cabinet Office                     |
| April 2004     | Director General for Economic Research in Cabinet Office                            |
| August 2005    | Professor at the National Graduate Institute for Policy Studies                     |
| September 2006 | Minister of State for Economic and Fiscal Policy                                    |
| August 2008    | Professor at the National Graduate Institute for Policy Studies                     |
| June 2012      | Outside Director of the Company (to present)  |
| April 2019     | Senior Professor at the National Graduate Institute for Policy Studies (to present) |

#### Important concurrent office

Senior Professor at the National Graduate Institute for Policy Studies  
Outside Director of Panasonic Corporation

#### Reasons for nominating Ms. Ota as a candidate and outline of her expected role

Ms. Ota specializes in public economics and economic policies, and has long been engaged in education and research at the National Graduate Institute for Policy Studies. In addition, she has held positions such as Director General for Economic Research in Cabinet Office and Minister of State for Economic and Fiscal Policy, as a result of which she has abundant expertise and experience regarding human resources development, the economy and finance. The Company expects that she will be able to utilize this knowledge and experience to provide the Company with guidance and advice on its management, as well supervising its management from an independent and objective perspective. We have therefore decided to nominate Ms. Ota as a candidate for outside director who is not an audit and supervisory committee member.

Ms. Ota has not been involved in company management other than by holding office as an outside director or outside corporate auditor; however, the Company assesses that she is qualified to appropriately perform duties as an outside director who is not an audit and supervisory committee member due to the reasons above.

#### Matters related to independence

Ms. Ota meets the “Standards for Consideration of Independence of Independent Directors” set forth on page 31 of this convocation notice, and is an independent director under the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed. If her reelection is approved, she will remain as an independent director.

|           |                        |  |                      |
|-----------|------------------------|--|----------------------|
| No.       | <b>Miyata Yoshiiku</b> | Date of birth  | April 24, 1953       |
| <b>10</b> |                        | Number of Company Shares Owned                                 | 23,400 common shares |
|           |                        | Duration of Office as Director<br>(as of the date of this GMS) | 4 years and 3 months |
|           |                        | Attendance at Meetings<br>of the Board of Directors (FY2020)   | 11/11 (100%)         |



#### Brief biographical outlines, and position and assignment at the Company

|              |  |                      |
|--------------|--|----------------------|
| April 1977   | Joined Matsushita Electric Industrial Co., Ltd.  | Reelection           |
| April 2007   | Executive Officer of Matsushita Electric Industrial Co., Ltd.<br>Chairman of Panasonic Europe Ltd.   | Outside Director     |
| April 2009   | Managing Executive Officer of Panasonic Corporation, Senior Vice President,<br>Director, Visual Products and Display Devices Business Group of AVC<br>Networks Company | Independent Director |
| April 2011   | Senior Managing Executive Officer of Panasonic Corporation (in charge of Overseas Operations)  | Male                 |
| June 2011    | Representative Director, Senior Managing Director of Panasonic Corporation (in charge of Overseas Operations)  |                      |
| January 2012 | Representative Director, Senior Managing Director, Director, Global Consumer Marketing Sector of Panasonic Corporation   |                      |
| April 2013   | Representative Director, Senior Managing Director, Tokyo Representative of Panasonic Corporation   |                      |
| April 2014   | Representative Director, Senior Managing Director of Panasonic Corporation   |                      |
| June 2014    | Corporate Advisor of Panasonic Corporation   |                      |
| March 2015   | Outside Director of TonenGeneral Sekiyu K.K.   |                      |
| April 2017   | Outside Director of the Company (to present)   |                      |

#### Important concurrent office

Outside Director, Kobe Steel, Ltd. (Audit & Supervisory Committee Member)

#### Reasons for nominating Mr. Miyata as a candidate and outline of his expected role

Mr. Miyata has been in charge of corporate management in and out of Japan at Panasonic Corporation for many years, and through past roles including Chairman of Panasonic Europe Ltd., head of the Visual Products and Display Devices Business Group, and Director of the Global Consumer Marketing Sector, he has deep insights and abundant experience of international business and the field of digital technology. Further, he had served as an Outside Director of TonenGeneral Sekiyu K.K. from March 2015, and has served as the Outside Director of the Company since April 2017. The Company expects that he will be able to utilize these insights and experience to provide the Company with guidance and advice on its management, as well supervising its management from an independent and objective perspective. We have therefore decided to nominate Mr. Miyata as a candidate for outside director who is not an audit and supervisory committee member.

#### Matters related to independence

Mr. Miyata meets the “Standards for Consideration of Independence of Independent Directors” set forth on page 31 of this convocation notice, and is an independent director under the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed. If his reelection is approved, he will remain as an independent director.

In FY2020, the Principal Operating Companies of the Company conducted the following transactions with Panasonic Corporation, where he served as the Representative Director and Senior Managing Director until June 2014.

| Business partner                           | Main substance of transactions       | Comparator                                    | Amount |
|--|--------------------------------------|---|--------|
| Panasonic Corporation<br>(Until June 2014) | Sale of electronic material products | Consolidated revenue of the Company           | 0.03%  |
|  | Purchase of raw materials            | Consolidated revenue of Panasonic Corporation | 0.01%  |

Further, the Company does not own shares in Panasonic Corporation, at which Mr. Miyata was previously employed.

No.

**Kudo Yasumi**

Date of birth

November 14, 1952

11

Number of Company Shares Owned

5,000 common shares



New Election

Outside Director

Independent Director

Male

### Brief biographical outlines

|               |  |
|---------------|--|
| April 1975    | Joined Nippon Yusen Kabushiki Kaisha   |
| June 1998     | General Manager, Semi-liner Group of Nippon Yusen Kabushiki Kaisha                                   |
| June 1999     | General Manager, Car Carrier Group No.2 of Nippon Yusen Kabushiki Kaisha                             |
| November 2000 | General Manager, Car Carrier Group No.1 of Nippon Yusen Kabushiki Kaisha                             |
| April 2001    | General Manager, Car Carrier Group of Nippon Yusen Kabushiki Kaisha                                  |
| April 2002    | Corporate Officer of Nippon Yusen Kabushiki Kaisha   |
| June 2004     | Managing Director, Corporate Officer of Nippon Yusen Kabushiki Kaisha                                |
| April 2006    | Representative Director, Senior Managing Corporate Officer of Nippon Yusen Kabushiki Kaisha          |
| April 2008    | Representative Director, Executive Vice-President Corporate Officer of Nippon Yusen Kabushiki Kaisha |
| April 2009    | President, President Corporate Officer of Nippon Yusen Kabushiki Kaisha                              |
| April 2015    | Chairman, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha                                |
| June 2019     | Senior Advisor of Nippon Yusen Kabushiki Kaisha (to present)   |

### Important concurrent office

Senior Advisor of Nippon Yusen Kabushiki Kaisha

### Reasons for nominating Mr. Kudo as a candidate and outline of his expected role

Mr. Kudo had been in charge of corporate management for many years at Nippon Yusen Kabushiki Kaisha which is operating the business internationally. He has gained deep insights and abundant experience in corporate management at one of Japan's representative listed companies and has solid accomplishments. The Company expects that he will be able to utilize these insights and experience to provide the Company with guidance and advice on its management, as well supervising its management from an independent and objective perspective. We have therefore decided to nominate Mr. Kudo as a candidate for outside director who is not an audit and supervisory committee member.

### Matters related to independence

Mr. Kudo meets the "Standards for Consideration of Independence of Independent Directors" set forth on page 31 of this convocation notice, and if his election is approved, he will be an independent director under the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed.

In FY2020, the Principal Operating Companies of the Company conducted the following transactions with Nippon Yusen Kabushiki Kaisha, where he served as Chairman, Chairman Corporate Officer until June 2019, and its key affiliates.

| Business partner                                   | Main substance of transactions                    | Comparator  | Amount |
|--|---|---|--------|
| Nippon Yusen Kabushiki Kaisha<br>(Until June 2019) | Sales of petroleum products                       | Consolidated revenue of the Company                   | 0.13%  |
|  | Payments for expenses incurred for transportation | Consolidated revenue of Nippon Yusen Kabushiki Kaisha | 0.19%  |

Further, the Company does not own shares in Nippon Yusen Kabushiki Kaisha, at which Mr. Kudo was previously employed.

- (Notes)
1. No special interest exists between any of the candidates and the Company.
  2. The Company has concluded a liability limitation agreement with both of Ms. Ota Hiroko and Mr. Miyata Yoshiiku. If their reelections are approved, their respective agreements will remain in effect. This is as presented in “Outline of the Contents of the Liability Limitation Agreement” on page 62 of this convocation notice. If the election of Mr. Kudo Yasumi is approved, the Company plans to conclude the same agreement with him.
  3. The Company has entered into a directors and officers liability insurance agreement with the insurance company. The outline of the contents of this agreement is as presented on page 58 of this convocation notice. Candidates for directors who are standing for reelection are already covered by this agreement, and in the event that their reelections are approved, they will remain covered. In the cases of Mr. Saitou Takeshi and Mr. Kudo Yasumi, who are standing for election for the first time, in the event that their elections are approved, they will become covered by this insurance agreement. The Company plans to renew this insurance agreement with the same details during their term of office.
  4. Ms. Ota Hiroko has served as an outside director of Panasonic Corporation since June 2013. Panasonic Corporation and its US subsidiary Panasonic Avionics Corporation were subject to investigations for alleged violation of the US Foreign Corrupt Practices Act and other US securities-related laws with respect to certain transactions between the said US subsidiary and an airline company and appointment of agents and consultants related to those transactions. In May 2018, they agreed with the US Securities and Exchange Commission and the US Department of Justice to pay \$280,602,830.93 to the US Government and make efforts to improve compliance. Although Ms. Ota was not aware of the issue until it came to light, she has been executing her duties through the Board of Directors and other meetings from a compliance perspective on a day-to-day basis and made efforts to prevent execution of business in violation of laws. After the discovery of the issue, Ms. Ota has performed her duties by, for example, ordering thorough investigations on the issue and prevention of recurrence, and checking the details of the measures made to prevent recurrence.
  5. Mr. Miyata Yoshiiku has served as an outside director of Kobe Steel, Ltd. from June 2016. In October 2017, Kobe Steel, Ltd. announced that they and its group companies conducted transactions inappropriately, such as shipping or providing to customers products that were held out as satisfying official standards or customer specifications despite not satisfying such standards or specifications, by means of falsifying or fabricating inspection results. And, in March 2019, Kobe Steel, Ltd. was convicted of violation of the Japanese Unfair Competition Prevention Act with respect to some of those conducts. Mr. Miyata was not aware of the issue until it came to light, but he routinely offered comments on ideal company operations or making recommendations from the perspective of corporate compliance at meetings of the Board of Directors and on other occasions. After the discovery of the issue, Mr. Miyata expressed various opinions at the board of directors on the appropriateness and suitability of investigation methods and with respect to uncovering the root causes and verifying safety, proactively expressing constructive opinions with respect to matters such as measures for product quality governance enhancement, reform of organization, change their mindset etc. including at group companies, based on his personal experience and knowledge, and contributed to the formulation of measures to prevent the issue from reoccurring. Further, after formulating these preventive measures, which include governance reforms and raising of employee awareness, at meetings of the Board of Directors he has been providing guidance for their execution, and has been monitoring the efforts to restore trust by regularly checking whether these measures are proceeding according to plan.
  6. Between June 2015 and January 2019, Mr. Kudo Yasumi served as Chairman of the Board (Director (Part-time)) of Nippon Cargo Airlines Co., Ltd. In October 2016, that company received a severe administrative warning from the Minister for Land, Infrastructure, Transport and Tourism in relation to inappropriate maintenance of aircraft. Further, in July 2018 that company received a business improvement order and an operational improvement order from the Minister for Land, Infrastructure, Transport and Tourism in relation to multiple violations of the law with regard to inappropriate maintenance, etc. of aircraft.

## ● **Opinion of the Audit and Supervisory Committee**

The Audit and Supervisory Committee has confirmed the status of deliberations by the Nomination Advisory Committee and the Compensation Advisory Committee as to the nomination and compensation of the directors who are not audit and supervisory committee members.

Based on this, the Audit and Supervisory Committee carefully considered and concluded that there is no particular issue with the procedure for nominating director candidates and that each of the director candidates have been nominated in accordance with “ENEOS Group Basic Policy on Corporate Governance,” which stipulates the procedure for nominating director candidates, and therefore concluded that those candidates are appropriate as the directors of the Company.

The Audit and Supervisory Committee also concluded that there is no particular issue with the procedure for deciding the directors’ compensation and that the substance of such matter is appropriate.

## Election of 2 Directors who are Audit and Supervisory Committee Members

An audit and supervisory committee member, Mr. Kato Hitoshi, will resign as of the conclusion of this ordinary general meeting of shareholders, and the term of a director who is an audit and supervisory committee member, Ms. Mitsuya Yuko, will expire as of the conclusion of this ordinary general meeting of shareholders; therefore, the Company would like to propose the election of 2 directors who are audit and supervisory committee members.

The candidates for directors who are audit and supervisory committee members are as follows.

Consent has been obtained from the Audit and Supervisory Committee for this proposal.

### [Reference] List of Candidates

| No. | Name             |                      | Gender | Current Position and Assignment at the Company           | Board Meeting Attendance and  | No. of Concurrent Offices at Other Listed Companies |               |
|-----|------------------|----------------------|--------|--|---|---|---------------|
|     |                  |                      |        | (Current Main Duty)                                      | Attendance at Audit and Supervisory Committee Meetings (Number of times attended / Number of meetings held) | Executive   | Non-executive |
| 1   | Nishimura Shingo | New Election         | Male   | –  | –   | 0   | 0             |
|     |                  |                      |        | (Aide to President of ENEOS Corporation)                 | –   |   |               |
| 2   | Mitsuya Yuko     | Reelection           | Female | Outside Director, Audit and Supervisory Committee Member | 100% (11/11)  | 0   | 2             |
|     |                  | Outside Director     |        | (President of Japan Basketball Association)              | 100% (14/14)  |   |               |
|     |                  | Independent Director |        |  |   |   |               |

(Notes) 1. “Board Meeting Attendance” and “Attendance at Audit and Supervisory Committee Meetings” indicates the attendance statuses for the fiscal year 2020.

2. “No. of Concurrent Offices at Other Listed Companies” indicates the anticipated numbers on and after July 1, 2021.



|     |                  |                                |                      |
|-----|------------------|--------------------------------|----------------------|
| No. | Nishimura Shingo | Date of birth                  | August 13, 1962      |
| 1   |                  | Number of Company Shares Owned | 51,100 common shares |



New Election  
Male

**Brief biographical outlines**

- April 1985      Joined Nippon Oil Co., Ltd.
- April 2013    General Manager of Secretariat of JX Nippon Oil & Energy Corporation
- June 2015    General Manager of Gas Business Dept., Resources & Power Company of JX Nippon Oil & Energy Corporation
- June 2017    Executive Officer of JXTG Nippon Oil & Energy Corporation (Executive Regional Officer, China)
- April 2021    Aide to President of ENEOS Corporation (to present)

**Important concurrent office**

Corporate Auditor of ENEOS Corporation (Full-time) [scheduled to assume office on June 25, 2021]

**Reasons for nominating Mr. Nishimura as a candidate for director and outline of his expected role**

Mr. Nishimura has been in charge of gas supply business and other affairs in the energy business for many years and has abundant experience and achievements in the area of international transactions. Further, he assumed the office of the Executive Officer and Executive Regional Officer, China, of JXTG Nippon Oil & Energy Corporation in June 2017. In this role, he has worked on risk management related to the expansion of the overseas business. Given that the Company has determined that he is able to contribute to enhancing the management function of the Company’s Board of Directors, and is expected to audit and supervise the execution of duties by directors who are not audit and supervisory committee members from an objective and fair perspective, by utilizing the experience and achievements mentioned above, we have decided to nominate Mr. Nishimura as a candidate for director who is an audit and supervisory committee member.

## Candidate for Outside Director

|     |              |   |                     |
|-----|--------------|---|---------------------|
| No. | Mitsuya Yuko | Date of birth   | July 29, 1958       |
| 2   |              | Number of Company Shares Owned                                  | 9,600 common shares |
|     |              | Duration of Office as Director (as of the date of this GMS)     | 2 years             |
|     |              | Attendance at Meetings of the Board of Directors (FY2020)       | 11/11 (100%)        |
|     |              | Attendance at Audit and Supervisory Committee Meetings (FY2020) | 14/14 (100%)        |



Reelection

Outside Director

Independent Director

Female

### Brief biographical outlines

|            |   |
|------------|---|
| April 1981 | Joined Hitachi, Ltd.  |
| April 1990 | Part-time instructor of University of Tsukuba   |
| July 2010  | Representative Director of Cipher Co., Ltd.   |
| May 2011   | Director of Fujimura Gakuen (to present)  |
| April 2012 | Administrative Council member of University of Tsukuba  |
| April 2014 | Visiting Professor of Tokyo Women's College of Physical Education and Tokyo Women's Junior College of Physical Education  |
| June 2014  | Advisor of the Tokyo Organising Committee of the Olympic and Paralympic Games (to present)<br>Outside Corporate Auditor of ASICS Corporation<br>Council member of Japan Volleyball Association (to present) |
| March 2015 | Outside Director of Fujita Kanko Inc.   |
| April 2015 | Outside Director of Paloma Co., Ltd.  |
| May 2015   | Board member and Vice President of Japan Basketball Association   |
| June 2016  | President of Japan Basketball Association (to present)  |
| May 2017   | Member of Central Board of International Basketball Federation (to present)   |
| June 2018  | Outside Director of the Fukui Bank, Ltd. (to present)   |
| April 2019 | Visiting Professor of Tokyo Women's College of Physical Education and Tokyo Women's Junior College of Physical Education  |
| June 2019  | Outside Director, Audit and Supervisory Committee Member of the Company (to present)<br>Outside Director of DENSO Corporation (to present)  |

### Important concurrent office

President of Japan Basketball Association  
Outside Director of the Fukui Bank, Ltd.  
Outside Director of DENSO Corporation

### Reasons for nominating Ms. Mitsuya as a candidate for director and outline of her expected role

Ms. Mitsuya has been involved in management of a number of companies, and has also held important positions at various sports associations, including the President of Japan Basketball Association. Over the years she has also made significant contributions to education and human development at universities and elsewhere. As such, she has abundant experience and knowledge of corporate management, and of reforming organizations and developing human resources. The Company expects that she will be able to utilize these insights and experience to provide the Company with guidance and advice on its management, and is capable of auditing and supervising the execution of duties by directors who are not audit and supervisory committee members from an objective and fair perspective. We have therefore decided to nominate Ms. Mitsuya as a candidate for outside director who is an audit and supervisory committee member.

### Matters related to independence

Ms. Mitsuya meets the "Standards for Consideration of Independence of Independent Directors" set forth on page 31 of this convocation notice, and is an independent director under the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed. If her reelection is approved, she will remain as an independent director.



In FY2020, the Company and the Principal Operating Companies conducted the following transactions with the Japan Basketball Association, where Ms. Mitsuya serves as President.

| Current affiliation/organization of origin | Main substance of transactions                                  | Comparator                                      | Amount |
|--|---|---|--------|
| Japan Basketball Association               | Receipt of subsidies for women's basketball team activities     | Consolidated revenue of the Company             | 0.00%  |
|  | Payment of registration fees related to women's basketball team | Ordinary income of Japan Basketball Association | 0.01%  |

Further, the Company does not own shares in Hitachi, Ltd., at which Ms. Mitsuya was previously employed.

- (Notes)
1. No special interest exists between any of the candidates and the Company.
  2. The Company has concluded a liability limitation agreement with Ms. Mitsuya. If the reelection of Ms. Mitsuya is approved, her agreement will remain in effect. This is as presented in "Outline of the Contents of the Liability Limitation Agreement" on page 62 of this convocation notice.
  3. The Company has entered into a directors and officers liability insurance agreement with the insurance company. The "Outline of the Contents of the Liability Limitation Agreement" is as presented on page 62 of this convocation notice. Among the candidates, Ms. Mitsuya is already covered by this agreement, and in the event that her reelection is approved, she will remain covered. In the case of Mr. Nishimura, who is standing for election for the first time, in the event that his election is approved, he will become covered by the agreement. The Company plans to renew this insurance agreement with the same details during their term of office.

### [Reference] Independence of outside directors, audit and supervisory committee members, who are not standing for election

| Name   | Matters related to independence  |   |                                |            |        |                                    |   |   |       |   |   |  |       |
|--|--|---|--------------------------------|------------|--------|------------------------------------|---|---|-------|---|---|--|-------|
|  <p>Nishioka Seiichiro</p> | <p>Mr. Nishioka meets the "Standards for Consideration of Independence of Independent Directors" set forth on page 31 of this convocation notice, and is an independent director under the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed.</p>  |   |                                |            |        |                                    |   |   |       |   |   |  |       |
|  <p>Oka Toshiko</p>       | <p>Ms. Oka meets the "Standards for Consideration of Independence of Independent Directors" set forth on page 31 of this convocation notice, and is an independent director under the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed. In FY2020, the Principal Operating Companies of the Company conducted the following transactions with PwC Advisory LLC, where she was a Partner until June 2016 and with ABeam Consulting Ltd., where she was a President and Representative Director until August 2012.</p> <table border="1"> <thead> <tr> <th>Business partner</th> <th>Main substance of transactions</th> <th>Comparator</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>PwC Advisory LLC (Until June 2016)</td> <td>Payments for expenses incurred for research into electricity market</td> <td>Operating income of PwC Japan LLC, the parent of that company</td> <td>0.01%</td> </tr> <tr> <td>ABeam Consulting Ltd. (Until August 2012)</td> <td>Payments for expenses incurred for introducing Enterprise</td> <td>Consolidated revenue for ABeam Consulting Ltd.</td> <td>0.41%</td> </tr> </tbody> </table> | Business partner  | Main substance of transactions | Comparator | Amount | PwC Advisory LLC (Until June 2016) | Payments for expenses incurred for research into electricity market | Operating income of PwC Japan LLC, the parent of that company | 0.01% | ABeam Consulting Ltd. (Until August 2012) | Payments for expenses incurred for introducing Enterprise | Consolidated revenue for ABeam Consulting Ltd. | 0.41% |
| Business partner   | Main substance of transactions   | Comparator  | Amount                         |            |        |                                    |   |   |       |   |   |  |       |
| PwC Advisory LLC (Until June 2016)   | Payments for expenses incurred for research into electricity market  | Operating income of PwC Japan LLC, the parent of that company | 0.01%                          |            |        |                                    |   |   |       |   |   |  |       |
| ABeam Consulting Ltd. (Until August 2012)  | Payments for expenses incurred for introducing Enterprise  | Consolidated revenue for ABeam Consulting Ltd.                | 0.41%                          |            |        |                                    |   |   |       |   |   |  |       |

**[Reference] Constitution of the Board of Directors after the conclusion of this general meeting of shareholders**

If Proposals 2 and 3 are approved as originally proposed, the constitution of the Board of Directors will be as follows, and the ratio of the outside directors will be 37.5% (6 out of 16 directors).

| No. | Name             | Gender | Position and Assignment at the Company   | Advisory Committee            |                                 |
|-----|------------------|--------|--|-------------------------------|---------------------------------|
|     |                  |        | (Main Duty)  | Nomination Advisory Committee | Compensation Advisory Committee |
| 1   | Sugimori Tsutomu | Male   | Representative Director, Chairman of the Board, Group CEO  | ○                             | ○                               |
| 2   | Ota Katsuyuki    | Male   | Representative Director, President   | ○                             | ○                               |
| 3   | Yokoi Yoshikazu  | Male   | Director, Executive Vice President Assistant to President  |                               |                                 |
| 4   | Iwase Junichi    | Male   | Director, Executive Vice President Assistant to President (responsible for Safety, Health & Environment Dept. and Quality Assurance Dept.)   |                               |                                 |
| 5   | Yatabe Yasushi   | Male   | Director, Executive Vice President Assistant to President (responsible for Secretariat, Corporate Planning Dept., Controller Dept., Finance Dept., Investor Relations Dept., Human Resources Dept., General Administration Dept., and Legal & Corporate Affairs Dept.) and responsible for Secretariat   |                               |                                 |
| 6   | Saitou Takeshi   | Male   | Director, Executive Vice President, CDO<br>Assistant to President (responsible for Internal Audit Dept., Internal Control Dept., Public Relations Dept., IT Planning & Development Dept., Crisis Management Dept., Procurement Dept. and Emerging Business Development Dept.), and responsible for IT Planning & Development Dept. and Emerging Business Development Dept. |                               |                                 |
| 7   | Hosoi Hiroshi    | Male   | Director (Part-time)<br>(Representative Director, Chief Executive Officer and President of JX Nippon Oil & Gas Exploration Corporation)  |                               |                                 |
| 8   | Murayama Seiichi | Male   | Director (Part-time)<br>(President & Representative Director and Chief Executive Officer of JX Nippon Mining & Metals Corporation)   |                               |                                 |
| 9   | Ota Hiroko       | Female | Director (Part-time)<br>(Senior Professor at the National Graduate Institute for Policy Studies)   | ○<br>(Chairman)               | ○<br>(Chairman)                 |
| 10  | Miyata Yoshiiku  | Male   | Outside Director   | ○                             | ○                               |
| 11  | Kudo Yasumi      | Male   | Outside Director<br>(Special Advisor of Nippon Yusen Kabushiki Kaisha)   | ○                             | ○                               |
| 12  | Ouchi Yoshiaki   | Male   | Director, Full-time Audit and Supervisory Committee Member   |                               |                                 |
| 13  | Nishimura Shingo | Male   | Director, Full-time Audit and Supervisory Committee Member   |                               |                                 |

| No. | Name               | Gender                                   | Position and Assignment at the Company | Advisory Committee   |                                 |  |
|-----|--------------------|--|--|--|---------------------------------|--|
|     |                    |  | (Main Duty)                            | Nomination Advisory Committee  | Compensation Advisory Committee |  |
| 14  | Nishioka Seiichiro | Outside Director<br>Independent Director | Male                                   | Outside Director, Audit and Supervisory Committee Member (Attorney-at-Law, Of Counsel at Asahi Law Offices)        |                                 |  |
| 15  | Mitsuya Yuko       | Outside Director<br>Independent Director | Female                                 | Outside Director, Audit and Supervisory Committee Member (President of Japan Basketball Association)               |                                 |  |
| 16  | Oka Toshiko        | Outside Director<br>Independent Director | Female                                 | Outside Director, Audit and Supervisory Committee Member (Full-time Professor at Meiji University Graduate School) |                                 |  |

- (Notes) 1. Mr. Sugimori Tsutomu, Mr. Ota Katsuyuki, Mr. Yokoi Yoshikazu, Mr. Iwase Junichi, and Mr. Yatabe Yasushi concurrently serve as Directors of ENEOS Corporation, and Mr. Saitou Takeshi is also scheduled to serve as Director of ENEOS Corporation.
2. Mr. Ouchi Yoshiaki concurrently serves as Corporate Auditor (Full-time) of ENEOS Corporation, and Mr. Nishimura Shingo is also scheduled to concurrently serve as Corporate Auditor (Full-time) of ENEOS Corporation.

Areas in which the Company has particularly high expectations

| Name               | Corporate management | Focus areas for achieving the Long-Term Vision |         |                            |                                      | Corporate          |                       | Business                     |                 |
|--------------------|----------------------|--|---------|----------------------------|--------------------------------------|--------------------|-----------------------|------------------------------|-----------------|
|                    |                      | ESG  | Digital | International business/M&A | Fostering/developing human resources | Finance/accounting | Legal/risk management | Technology/manufacturing/R&D | Sales/marketing |
| Sugimori Tsutomu   | ○                    | ○  |         |                            | ○                                    |                    |                       |                              | ○               |
| Ota Katsuyuki      | ○                    | ○  |         | ○                          |                                      | ○                  |                       |                              |                 |
| Yokoi Yoshikazu    |                      |  | ○       | ○                          |                                      |                    |                       | ○                            | ○               |
| Iwase Junichi      |                      | ○  | ○       |                            | ○                                    |                    |                       | ○                            |                 |
| Yatabe Yasushi     |                      |  |         | ○                          | ○                                    | ○                  | ○                     |                              |                 |
| Saitou Takeshi     |                      |  | ○       |                            |                                      |                    | ○                     | ○                            | ○               |
| Hosoi Hiroshi      | ○                    | ○  | ○       | ○                          |                                      |                    |                       |                              |                 |
| Murayama Seiichi   | ○                    | ○  | ○       |                            |                                      |                    |                       |                              | ○               |
| Ota Hiroko         |                      | ○  |         |                            | ○                                    | ○                  |                       |                              |                 |
| Miyata Yoshiiku    | ○                    |  | ○       | ○                          |                                      |                    |                       |                              |                 |
| Kudo Yasumi        | ○                    |  |         | ○                          |                                      |                    |                       |                              | ○               |
| Ouchi Yoshiaki     |                      | ○  |         |                            |                                      | ○                  | ○                     |                              |                 |
| Nishimura Shingo   |                      |  |         | ○                          |                                      |                    | ○                     |                              | ○               |
| Nishioka Seiichiro |                      | ○  |         |                            | ○                                    |                    | ○                     |                              |                 |
| Mitsuya Yuko       | ○                    | ○  |         |                            | ○                                    |                    |                       |                              |                 |
| Oka Toshiko        |                      |  |         | ○                          | ○                                    | ○                  |                       |                              |                 |

**[Reference] Policy and Procedure for Nominating Director Candidates  
(Basic Policy on Corporate Governance of ENEOS Group (Excerpt))**

**[Policy on Nomination of Director Candidates]**

The Board of Directors of the Company shall be composed of such appropriate number of directors as enables free, open and constructive discussions and exchange of opinions, and the Company shall select members thereof taking into account knowledge, experience and capability of each director in consideration of diversity. Under this recognition, the Company shall nominate director candidates in accordance with the following nomination policy and endeavor to ensure that more than one third (1/3) of the directors are independent outside directors who meet the “Standards for Consideration of Independence of Independent Directors” prescribed by the Company:

**1. Policy on nomination of candidates for directors who are not audit and supervisory committee members**

With respect to the directors of the Company who are not audit and supervisory committee members, the Company shall nominate as a candidate a person who has high level of professional ethics, superior ability in strategic thinking and judgment, and flexibility to changes, and is also capable of decision-making and supervision of management in the light of the whole group optimization. Among the directors, two (2) or more directors shall be independent outside directors.

**2. Policy on nomination of candidates for directors who are audit and supervisory committee members**

With respect to the directors of the Company who are audit and supervisory committee members, the Company shall nominate as a candidate a person who has high level of professional ethics and expert knowledge such as for law, finance, accounting, and are capable of auditing the performance of duties by directors appropriately and overseeing the execution of operations by the directors appropriately. The majority of the directors who are audit and supervisory committee members shall be independent outside directors.

**[Establishment and operation of the Nomination Advisory Committee]**

The Board of Directors of the Company shall establish as an advisory body for the Board of Directors the Nomination Advisory Committee consisting of three outside directors and two representative directors and be chaired by an outside director, and consult thereto on personnel affairs for directors of the Company (including appointment and dismissal). The Board of Directors of the Company shall allow one audit and supervisory committee member to attend the Nomination Advisory Committee’s meetings so that the Audit and Supervisory Committee of the Company may adequately exercise the right to state opinions on personnel affairs of directors who are not audit and supervisory committee members at General Meetings of Shareholders.

The Company shall hold the Nomination Advisory Committee several times every year so that the Company shall appoint the directors of the Company, deploying sufficient time and resources. The Company may from time to time hold the Nomination Advisory Committee by judgement of the Chairman of the Committee.

The Board of Directors of the Company shall consult the Nomination Advisory Committee on the succession planning concerning the Chairman and the President of the Company, and the President of the Principal Operating Companies.

## **[Reference] Standards for Consideration of Independence of Independent Directors**

The Company considers outside directors who meet the following requirements to be independent directors who are not likely to have any conflicts of interest with the general shareholders.

### **1. The outside directors do not presently fall, nor have they during the past three years fallen, into the following categories:**

- (1) A main customer<sup>\*1</sup> of the Company or any person who executes the business of such a customer (“business executor”);

\*1 A customer to which the Company and its Principal Operating Companies’ total amount of net sales in any of the latest three business years has exceeded 2% of the Company’s consolidated net sales.

- (2) A business operator of which the Company is a main customer<sup>\*2</sup> or a business executor of such a business operator;

\*2 A business operator whose total amount of net sales to the Company and its Principal Operating Companies in any of the latest three business years has exceeded 2% of the business operator’s consolidated net sales.

- (3) A main lender to the Company<sup>\*3</sup> or a business executor of such a lender;

\*3 A lender to which the amount of the Company’s loans payable on a consolidated basis as of the last day of any of the latest three business years has exceeded 2% of the consolidated total assets of the Company.

- (4) A legal expert, a certified public accountant, or a consultant, who receives from the Company a large amount of fees, other than compensation for directors/officers<sup>\*4</sup> (where the person who receives such fees is a corporation, an association, or any other body, then a legal expert, a certified public accountant, or a consultant who belongs thereto);

\*4 A person who receives fees from the Company and its Principal Operating Companies, the total amount of which has exceeded ¥10 million in any of the latest three business years.

- (5) The Company’s financial auditor or a certified public accountant who belongs to an auditing firm that is the Company’s financial auditor;

- (6) A person who receives a large donation from the Company<sup>\*5</sup> (where the person who receives such a donation is a corporation, an association, or any other body, then a person who runs the business thereof); or

\*5 A beneficiary who receives a donation from the Company and its Principal Operating Companies, the total amount of which has exceeded 2% of the total revenue of the beneficiary in any of the latest three business years.

- (7) One of the Company’s major shareholders<sup>\*6</sup> or a business executor of such a shareholder.

\*6 A person who holds 10% or more of the total votes of the Company.

### **2. None of the relatives within the second degree of kinship of an outside director presently falls, nor have any of them during the past three years fallen, into the following categories (excluding those who are not material):**

- (1) A business executor of the Company or a subsidiary of the Company; or
- (2) A person who falls into the categories of 1. (1) through 1. (7) above.



## Business Report

### The 11th Fiscal Term (from April 1, 2020 to March 31, 2021)

#### 1 Matters Concerning Present Condition of the Corporate Group

##### (1) Business Progress and Results

###### A. Circumstances Surrounding the ENEOS Group

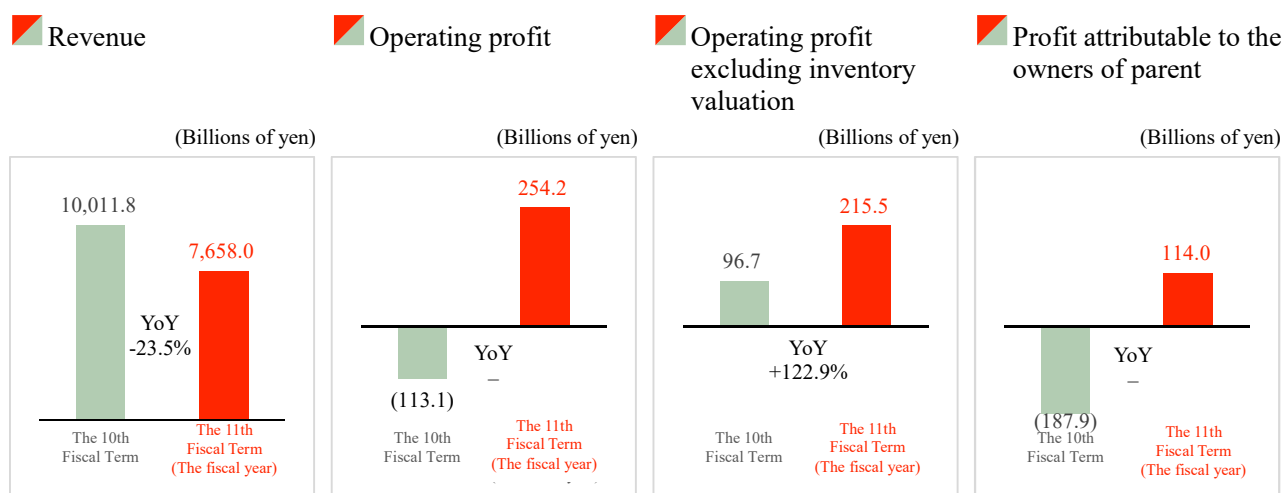
Although the world economy in this fiscal year showed a sign of recovery thanks to measures taken by each country and phased resumption of economic activities, genuine recovery did not occur due to the resurgence of COVID-19.

The price of Dubai crude oil was 21 dollars per barrel at the beginning of the fiscal year owing to the demand downturn along with the spread of COVID-19; however, it recovered to 63 dollars by the end of the fiscal year as a result of the coordinated production cut by OPEC Plus and anticipation of energy demand recovery by the resumption of economic activities. Nevertheless, the average for the fiscal year under review was 45 dollars, which is 15 dollars less than the previous fiscal year.

Meanwhile, the copper price at London Metal Exchange (LME) dropped at one point because of the concern that the demand may decline due to the spread of COVID-19. However, demand for copper ingot recovered in China and the supply from copper mines in South America decreased; therefore, in the end the price rose from 216 cents per pound at the beginning of the fiscal year to 401 cents at the end of the fiscal year.

###### B. Outline of the Consolidated Results of this Fiscal Year

Operating under the business environment described above, the ENEOS Group continued its business operations while taking thorough measures to prevent COVID-19 infection, and implemented various initiatives in line with the Second Medium-Term Management Plan (see next page). The operating profit excluding inventory valuation for this fiscal year was 215.5 billion yen owing to stable petroleum product margins, sales growth of electronic materials, etc., despite the declined sales of petroleum products and decreased copper production caused by the spread of COVID-19.



## Reference

## Main points of the Second Medium-Term Management Plan (FY 2020 to FY 2022)

Striking a good balance between the business strategies for the Long-Term Vision and management that focuses on cash flows foundation



## Financial Planning

|   |                       |  |   |
|---|-----------------------|--|---|
| Operating income (excluding inventory valuation)  |                       | Capital investment/Sales of assets       |   |
| 970.0 billion yen                                 |                       | 1,500.0 billion yen / 150.0 billion yen  |   |
| (cumulative amount in FY 2020 - FY 2022)          |                       | (cumulative amount in FY 2020 - FY 2022) |   |
| Free CF*  | Net D/E ratio         | ROE                                      | Total return ratio  |
| 150.0 billion yen                                 | 0.8 times or lower    | 10.0% or more                            | 50.0% or more   |
| (cumulative amount in FY 2020 - FY 2022)          | (capital total basis) |  | (cumulative amount in FY 2020 - FY 2022, based on profit excluding inventory valuation) |
| * After completing repayment of lease liabilities |                       |  |   |

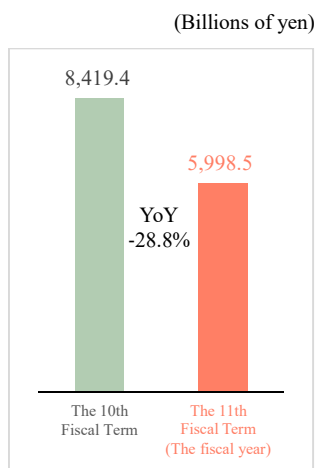
## Business Strategies



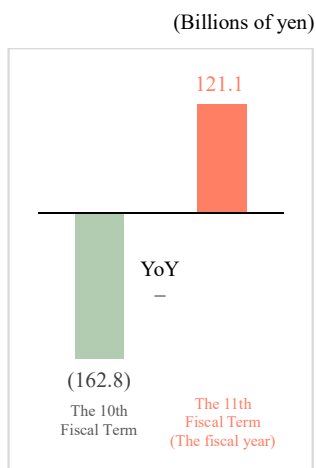
## C. Progress and Results of Each Business

### Energy Business

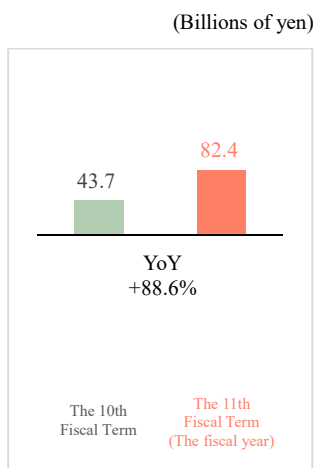
#### Revenue



#### Operating profit



#### Operating profit excluding inventory valuation



### Business Summary

Demands for petroleum and petrochemical products decreased significantly due to the spread of COVID-19, resulting in a decline of sales of jet fuel, diesel fuel, and gasoline among others, compared to the previous fiscal year. On the other hand, domestic petroleum product margins remained robust.

Operating profit excluding inventory valuation for the Energy Business amounted to 82.4 billion yen owing to factors such as improvement in petroleum product margins and cost reductions, despite the impact from a sales decline, temporary loss associated with restructuring of refineries and plants, sharp rise in electricity procurement cost for electricity retail business and other factors.



### Core business

In the petroleum refining and marketing business, the Company strived to fulfill its mission to provide stable supply of energy, which is essential for people's daily life. While taking thorough measures to prevent COVID-19 infection at each site of manufacturing, transportation and marketing, we continued our operations and management thereof. In addition, we implemented the following initiatives to further strengthen our competitive power.

#### Reinforcing the SS network

The Company has endeavored to develop various services to improve customers' convenience and satisfaction in order to make its service station (SS) network, which is the largest in Japan, even more robust business foundation.

Specifically, the Company expanded its own self SS brand "EneJet," accelerated the distribution of "EneKey" which is a speedy settlement tool in a key holder shape, and started a web car maintenance booking system "Eneappoyoyaku" mainly at Dr.Drive SSs.



Self SS brand "EneJet"

- Reform of the supply chain

To reinforce the competitiveness of the whole supply chain, the Company terminated the refining function at the Osaka Refinery which was run by Osaka International Refining Company, Limited, a joint venture of the Company and PetroChina International (Japan) Co., Ltd., and changed the refinery it operates to the Chiba Refinery. Moreover, the Company has decided to stop the production function at the Chita Plant by October 2021 and demolish part of the crude oil processing equipment and the lubricant base oil production equipment at the Negishi Refinery by October 2022.



Petroleum tank inspection using a drone

- Aggressive application of digital technologies

To establish stable and efficient operations, the Company explored development of automatic plant operation technologies using AI jointly with Preferred Networks, Inc., and carried out a demonstration experiment on equipment inspection using a drone jointly with SENSYN ROBOTICS, Inc. at the Kawasaki Refinery.



## Growth businesses

Taking long-term perspective over the decarbonized and recycling-oriented society, unfolding digital revolution, and changing life styles, the Company has worked on the following approach to develop and reinforce the growth businesses based on a long-term vision.



## Petrochemical Business

The Second Medium-Term Management Plan upholds the Company's entry to the area of derivatives with high added values. As part of this movement, a feasibility study was carried out for new ethylidene norbornene (ENB; for use as synthetic rubber additive for automobile parts) production equipment in Saudi Arabia.



## Materials Business

The Company has switched the gasoline engine oils sold at domestic service stations to new range of the latest international standard compliant products, and renewed the brand name of ENEOS oil to "ENEOS X."

The Company has also concluded an agreement with JSR Corporation in May 2021 on acquisition of its elastomer business which produces and markets mainly synthetic rubber, in order to obtain and expand technology-based business which serves as the core of the materials business. This acquisition will provide the Company with new technologies and research and development functions in the material field and will develop the materials business for vehicles.



ENEOS X Series



## Next-generation Energy Supply and Community Services Business

- Energy service

The Company has started commercial operation of Muroran Biomass Power Plant, which is one of the largest plants in Japan. In addition, the Company has agreed with erex Co., Ltd. to consider turning a large-scale biomass power plant into a joint project.

Meanwhile, the Company has started operation of three new mega solar power plants at Sakata City in Yamagata, Shimonoseki City in Yamaguchi, and Takaoka City in Toyama, increasing the number of plants to 21. The Company also entered solar power, onshore wind, and offshore wind generation businesses across Japan.



Sakata Mega Solar Power Plant  
(Sakata City, Yamagata)

For the hydrogen business, in Japan, we newly established ENEOS Hydrogen Stations in four locations, bringing the total number to 45 stations.

In addition, aiming to construct an international CO2-free hydrogen supply chain, we continued to study matters regarding the utilization of organic hydrides (MCH) in Australia, the manufacture of hydrogen and MCH using surplus power from hydroelectric generation in Malaysia, and the conversion of petroleum derived hydrogen to CO2-free hydrogen and its export in Saudi Arabia.

“ENEOS Denki,” electricity retails business, established the nationwide sales network in June 2020 (excluding areas covered by the Okinawa Electric Power Company, Incorporated and remote islands) and achieved approximately 850,000 customers by the end of this fiscal year, while “ENEOS Toshi Gas,” city gas business, achieved approximately 98,000 customers by the end of this fiscal year.

“ENEOS Toshi Gas” started its commercial operations of production and supply facilities of urban gas at a joint venture (Ogishima Toshi Gas Supply Co., Ltd.) of JERA Co., Inc. and Osaka Gas Co., Ltd.

The Company is also liaising with local partners to develop the next-generation energy supply platform, and has concluded a basic agreement with the Shizuoka Prefecture on promotion of next-generation energy and local planning.

- Mobility service and life support

Along with the continued experiment on “ENEOS Car Share,” we have started experiment on “ENEOS Car Lease” which is a car leasing business hosted by its service station network. Also, the Company started an experiment on a new life support business such as shopping and laundry agent services while expanding the ENEOS brand coin laundry “ENEOS Laundry.”



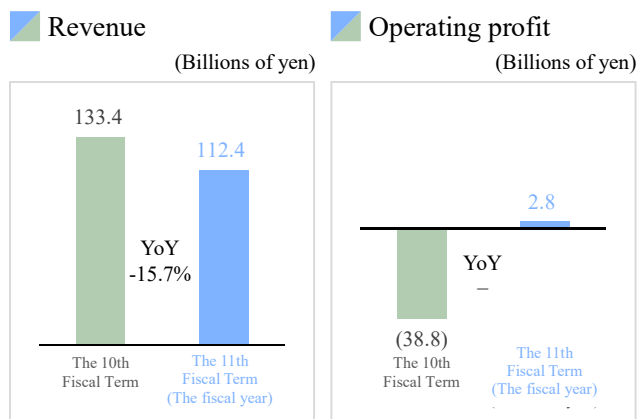
Concluding the basic agreement with the Shizuoka Prefecture



## Environmentally Friendly Business

The Company has started a demonstration experiment on EV bus operations jointly with a bus operating company, aiming at establishing the “lease, reuse and recycling” cyclic model for batteries for EV buses.

## Oil and Natural Gas Exploration and Production (E&P) Business



### Business Summary

In this fiscal year, the Company made particular efforts in maximizing the value of the existing businesses and promoting the environmentally friendly business as a growth business by improving enhanced oil recovery (EOR) technologies and propelling digitalization as well as taking measures against the spread of COVID-19 and maintaining the stable production of petroleum and natural gases.

The operating profit for the Oil and Natural Gas Exploration and Production (E&P) Business amounted to 2.8 billion yen due to such factors as the absence of an impairment loss, despite the negative impact from the fall of the crude oil and natural gas prices.



### Core business

#### ◦ Crude oil and natural gas production volumes

The Company maintained the stable production despite the spread of COVID-19 infection, and even achieved the highest ever volume for a fiscal year by projects in Malaysia and Papua New Guinea. Also, the production of crude oil and natural gas greatly exceeded the previous fiscal year to 125,000 barrels of crude oil equivalent per day thanks to the healthy output from the Culzean gas field and the Mariner oil field in the North Sea in the U.K. whose production started in the previous fiscal year.

#### ◦ Efforts to expand production

The Company placed particular emphasis on expanding production in a number of projects in order to maximize the value of the existing businesses.

In Malaysia, we started shipping crude oil through the floating production, storage, and offloading (FPSO) system from the Layang oil & gas field in block SK10 where we had previously been producing natural gases. We also started crude oil production through FPSO at the Helang gas field in the same block in October 2020. In addition, the Company is continuing exploration activities in the surrounding area of these oil & gas fields.

In Indonesia, the Company is promoting the Tangguh LNG Project to produce liquefied natural gas (LNG) at the Berau block. The Company's effort into building the third liquefaction facility for natural gas continued throughout this fiscal year to significantly expand the production ability of LNG.

#### ◦ Application of digital technologies to the existing businesses

The Company successfully increased the volume of production by introducing automatic operation and remote operation technologies of the equipment at Mariner oil field in the U.K., and automated control of liquefaction and cooling processes for the Tangguh LNG Project in Indonesia. Also, we participated in a joint research project for application of digital technologies with other companies. As a result, we have achieved improvement in accuracy and speed in technical evaluation to optimize reserve estimation and development planning. The research project is continuing to further optimize data management, procurement, and distribution.



Natural gas liquefaction facilities for the Tangguh LNG Project (Indonesia)



## Growth businesses

### ◦ Petra Nova CCUS Project

The “Petra Nova CCUS\* Project” (U.S.) was the first commercially succeeded project that greatly contributes to reduction of greenhouse gas emission by recovering CO<sub>2</sub> from the exhaust gas of the thermal power plant and injecting it into an aged oil field. The Company continued to work on this project in this fiscal year and achieved the accumulated total of CO<sub>2</sub> recovery being approximately 3.77 million tons.

The Company improved the EOR\* technology used in this project in order to apply it to other existing oil fields and increase the recoverable reserves at a low cost and high probability. We also started research into the digital oil technology\* jointly with the University of Tokyo in order to apply digital technologies to the EOR technology.



Facilities of the Petra Nova CCUS Project  
(U.S.)

\* CCUS (Carbon dioxide Capture, Utilization and Storage): the carbon-dioxide capture, utilization and storage

\* EOR (Enhanced Oil Recovery)

\* Digital oil technology: Technique to reproduce crude oil molecules in a digital space and simulate the chemical reaction by calculations.

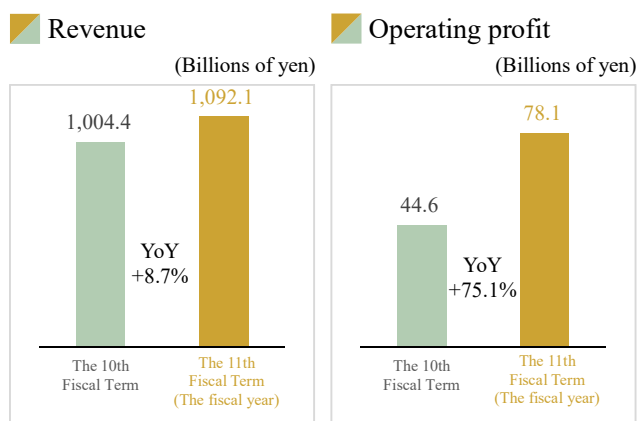
### ◦ Promotion of environmentally friendly business

The Company joined the Geological Carbon Dioxide Storage Technology Research Association to obtain more knowledge concerning CCS\* and CCUS technologies. Also, in April 2021, the Company newly established the “Sustainable Business Unit” within JX Nippon Oil & Gas Exploration Corporation in order to swiftly and intensively promote the environmentally friendly business. The Company is determined to promote the environmentally friendly business using CCS and CCUS technologies as well as continuing to develop new businesses in the future through these activities.

\* CCS (Carbon dioxide Capture and Storage)



## Metals Business



### Business Summary

Although the Caserones Copper Mine continued operations with measures against COVID-19, the production volume declined year on year due to the delay in mining.

On the other hand, sales of functional materials and thin film materials generally exceeded the previous fiscal year mainly due to the increased demands in high-performance IT areas such as smartphones, servers, and communications infrastructure, thanks to widespread teleworking, etc.

Operating profit of the Metals Business amounted to 78.1 billion yen due to such factors as the rise in copper price and sales growth of electronic materials, despite an impact from reduced production at the Caserones Copper Mine.



## Base Business



### Mineral Resources Business

The Company considered that securing high-quality and high-purity copper concentrate from the Caserones Copper Mine was extremely important for the copper smelting and refining business which is the core of the metal supply chain; therefore, the Company concluded the basic agreement with the joint investors Mitsui Mining & Smelting Co., Ltd. and Mitsui & Co., Ltd. to take over all rights and interests held by them, and the transfer was completed in February 2021.

Also, in January 2021, the Company switched the entire electricity used at the Caserones Copper Mine to renewable energy sources in order to contribute to significant reduction of the total CO<sub>2</sub> emission.



Caserones Copper Mine (Chile)



### Metals and Recycling Business

To increase the collection and processing capacity of recycled materials for the Saganoseki Smelter & Refinery as part of reinforcing the smelting and refining business and the recycling business by integrating them, the Company has decided to build a distribution base for recycled materials, etc. at the Oita port Ozainishi area in Oita, Oita prefecture.



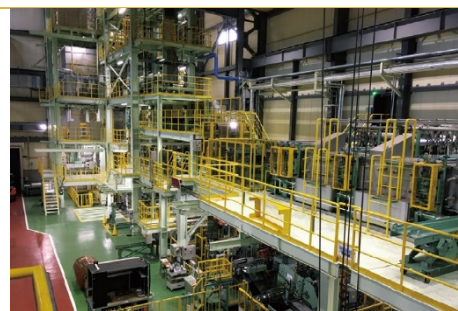
## Focus Business



### Functional Materials Business

The Company increased the production capacity of treated rolled copper foils and high-performance copper alloy strips by approximately 30% (of area size) compared to FY 2017 in order to meet the increased demands due to the advancement of IoT and AI.

In addition, we have developed super-strong copper-titanium alloys; high-strength, high conductivity Corson alloys; and highly heat resistant treated rolled copper foils (for lithium-ion batteries) to respond to the demands of high-performance materials that support the advancing data society. We started shipping sample products.



Facilities for treated rolled copper foils and high-performance copper alloy strips (Kurami Works)



### Thin Film Materials Business

We have increased the production capacity of sputtering targets for semiconductors by approximately 30% (number of sheets) compared to FY 2017. Furthermore, the Company has decided to increase the overall production capacity by some 30%, with expectation that the growth of the semiconductor market will accelerate by the increasing demands for communications infrastructure and mobile terminals due to the expansion of teleworking, etc.



### Tantalum and Niobium Business

With regard to H. C. Starck Tantalum and Niobium (German company) which produces high-performance tantalum powder, etc. for capacitors and semiconductors and was acquired by the Company in July 2018, the Company changed the company name to “TANI OBIS GmbH” on July 1, 2020, with the intention of establishing the Company’s own brand and cultivating the brand presence toward the future.



Logo for TANI OBIS GmbH



### Research and Development

The Company made an equity participation to Novel Crystal Technology, Inc., aiming at practical application of gallium oxide crystal based on the “Co-creative Research and Development System Promotion” policy in the “JX Nippon Mining & Metals Group Long-Term Vision 2040.” We have also started working together with Lotus Thermal Solution Inc. to explore the practical application of lotus metal, a porous metallic material that is used for heat sinks.



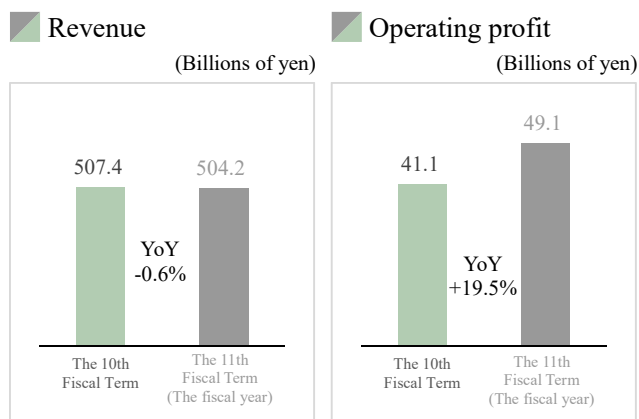
New plant for ultra-fine nickel powder (Wakamatsu Plant)



### Titanium Business (Toho Titanium Co., Ltd.)

The Company built a new plant at the Wakamatsu Plant for ultra-fine nickel powder which is an electronic part material created by an application of titanium production technologies, and prepared the plant for its production launch, in April 2021 and completed construction in the same month. The Company also started building a new plant at the Chigasaki Plant for THC catalyst which is used to produce polypropylene.

## Other Business



Solar power generation pavement “e-Smart ROAD”

(Note) Figures above indicate a total of results of the group companies which engage in such businesses as land transportation, real-estate lease and financing as well as NIPPO CORPORATION.

### NIPPO CORPORATION

NIPPO CORPORATION (“NIPPO”) primarily engages in pavement, civil engineering and construction work, as well as the manufacturing and sales of asphalt mixtures. During this fiscal year, the business environment remained severe, as public investment remained firm, but private capital investment weakened, and the effects of the COVID-19 and trends in labor supply and demand, raw material prices, and other factors continued to require attention.

Operating under such an environment, NIPPO continued its business operations at each construction site and plant facility while taking measures to prevent COVID-19 infection. Also, NIPPO endeavored to secure the revenue by engaging in activities to win orders emphasizing its technological superiority, reinforcing the marketing of asphalt mixture, etc., and improving costs and operational efficiency. NIPPO promoted the performance test of solar power generation pavement “e-Smart ROAD” jointly with MIRAI-LABO Co., Ltd., aiming at practical application of distributed power generation and distributed power storage systems.

## D. Efforts for ESG (Environmental, Social, and Governance) Practices

### Promotion of ESG management

The ENEOS Group is promoting ESG management in order to contribute to implementation of sustainable society targeted by SDGs (Sustainable Development Goals) and create its social value as well as the economic value, as described as “our envisioned goals” in the “ENEOS Group Long-Term Vision 2040.” The Company comprehensively discusses and identifies the potential risks and business opportunities while taking mounting social issues into account in its Executive Council meetings based on the “Basic Policy for ESG Management.”

Contribution through our business activities (Five key items)



Contribution through corporate activities (Five key items)



### Assessment by a third party (as of March 31, 2021)

The Company is highly valued as it is selected into multiple ESG indexes for investors.



THE INCLUSION OF ENEOS Holdings, Inc. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ENEOS Holdings, Inc. BY MSCI OR ANY OF ITS AFFILIATES.  
THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

### ESG briefing session

The Company held an online ESG briefing for analysts and institutional investors to provide information on its ESG management in December 2020. Materials for the ESG briefing and the ESG-related information on the Group are available from the Company’s website below.

URL

<https://www.hd.eneos.co.jp/english/csr/>



President Ota explaining the Company’s approach to ESG

## Specific initiatives

### Environmental

### Contribute to the development of a decarbonized, recycling- oriented society

The ENEOS Group is endeavoring to reduce CO<sub>2</sub> emission to contribute to the realization of decarbonized society. In the production scene, the Group is introducing more efficient and energy-saving facilities and optimizing operations of equipment in refineries and smelters & refineries, etc., whereas in the marketing scene, the Group is expanding the sales of environmentally friendly products including renewable energies. The Group is also promoting the hydrogen business and introducing CO<sub>2</sub>-EOR technologies.

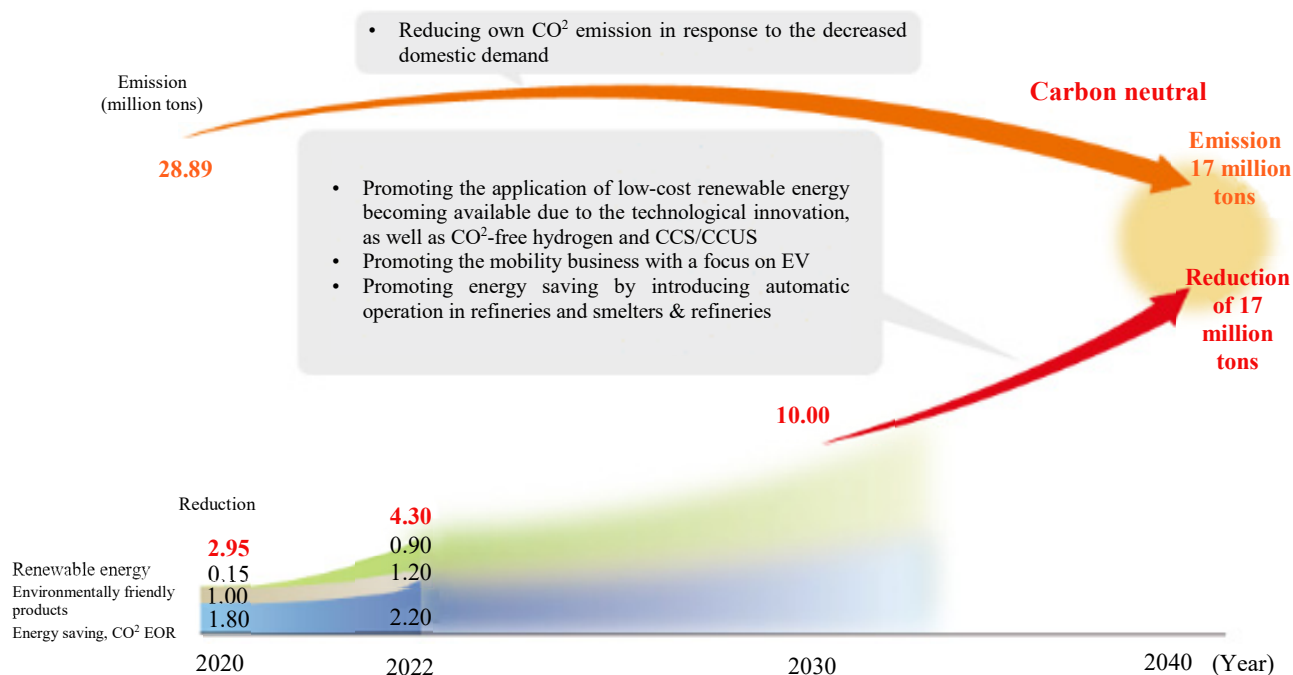
Furthermore, the Group is promoting the 3R initiative (reduce, reuse, and recycle) as part of movement towards forming recycling-oriented society and maintaining its zero-emission (waste-to-landfill ratio of less than 1%) by strict recycling and waste sorting in every business area. The Group is also promoting the recycling and environmental services business such as recycling of waste plastic and rear metals.



Hydrogen production and shipping center  
(Naka Ward, Yokohama City)

### Aiming at carbon neutral

The Group is aiming at carbon neutrality (net zero CO<sub>2</sub> emission) in our own CO<sub>2</sub> emissions by 2040 through reinforcing and expanding businesses with smaller environmental footprint and strengthening the environmentally friendly business.



### Social

### Make persistent efforts to solve social challenges

The ENEOS Group considers the respect for human rights as one of the top-priority issues. Based on the result of due diligence which the Group exercised to avoid violation of human rights in FY2019, the Group has resolved that the respect for human rights both in Japan and overseas, consideration for environment, etc. should be assessed when selecting suppliers, and established the “ENEOS Group Procurement Policy.” Measures for raising human rights awareness and preventing violations of such rights include holding human rights training for all directors, officers and employees, and refurbishing the help desk.



## (2) Matters the Company Should Address

Movement towards carbon neutrality is expanding globally. General expectation for enterprises to fulfill social responsibilities, such as to contribute to the SDGs set by the UN Summit, is becoming higher.

Based on such global trends towards forming a decarbonized, recycling-oriented society, the ENEOS Group envisaged the domestic demands for fuel oil in 2040 would be approximately half the volume of 2018 in the “ENEOS Group Long-Term Vision 2040” (Long-Term Vision), however, the speed of decline of demands may be faster, considering the recent changes in people’s mindsets regarding work styles and movement.

On the other hand, various needs may emerge as the digital revolution permeates with AI, IoT and 5G, and a “new life style” with COVID-19 measures takes root.

In such an uncertain and fast-moving business environment, the Group will take thorough measures to prevent COVID-19 infection and work to strengthen the competitive power of its core businesses while continuing to fulfill its mission to provide stable supply of energy and materials. While responding to the global trend of pursuing carbon neutrality, we are implementing initiatives to cultivate and strengthen growth businesses to meet the needs of our changing society.

To that end, the ENEOS Group will accomplish “Our Envisioned Goals in 2040,” as given in the Long-Term Vision, by taking measures described on the following pages in line with the Second Medium-Term Management Plan.

| Our Envisioned Goals for 2040  |  |
|--|--|
| <b>1. Become one of the most prominent and internationally-competitive energy and materials company groups in Asia</b> | The ENEOS Group, as one of the most prominent and internationally-competitive energy and materials company group in Asia, will contribute to the development of our communities and help to ensure a vibrant future by optimizing our value chain and efficiently providing a stable supply of products and services.                        |
| <b>2. Create value by transforming our current business structure</b>  | The ENEOS Group will create new value by expanding our growing businesses globally, enhancing our technology based-business, and establishing innovative businesses, taking opportunities arising from digital transformation and changes in social needs.   |
| <b>3. Contribute to the development of a low-carbon, recycling-oriented society</b>                                    | The ENEOS Group will contribute to the development of a low-carbon, recycling oriented society through the enhancement of environmentally conscious businesses and the pursuit of carbon neutral status in its own CO <sub>2</sub> emissions, as well as the reinforcement and expansion of businesses with smaller environmental footprint. |

Details of the Long-Term Vision and the Medium-Term Management Plan of the ENEOS Group are available on the Company’s website on the right.

URL

<https://www.hd.eneos.co.jp/english/company/system/plan.html>

## Core Business

### ◦ Petroleum Refining and Marketing Business

The ENEOS Group will aim at further reinforcement of competitiveness by actively introducing new technologies including AI and digital twin (a virtual representation of the real world on the computer) to establish a stable and efficient operation system at refineries and by decisively reforming the supply chain.

### ◦ Oil and Natural Gas Exploration and Production (E&P) Business

The Group will continue to apply measures against COVID-19 and continue safe and stable operations. In addition, to improve resistance against the low oil price, the Group will apply digital technologies to reduce costs and improve efficiency, thereby maximizing cash flow from the existing projects.

### ◦ Copper Resources Development/Smelting and Refining Businesses

The Group aims to improve profitability at the Caserones Copper Mine by development and steady execution of the action plan against operational priority issues. We will also endeavor to maximize business revenue by promoting activities to reinforce competitiveness of the Saganoseki Smelter & Refinery. The specific activities include optimizing the raw material mix, and increasing the collection and processing of recycled materials through the establishment and capacity expansion of new logistics bases.

## Growth Businesses

### ◦ Petrochemical Business

At Kashima Complex, the Group will actively explore efficiency improvement of raw materials and production processes, use of mineralized gasoline base materials, and optimization of production of petrochemical products including derivatives. The Group is also implementing measures to increase the chemical ratios at Kawasaki, Mizushima, and Oita Complexes.

With regard to ENB (for use as synthetic rubber additive for automobile parts), the Group will continue to review building of new production equipment in Saudi Arabia. Furthermore, the Group will promote building of new production equipment for other products with technological superiority such as hydrogenated petroleum resin (for use as adhesive for disposable diapers) and wire insulation materials (for use in high-voltage and ultrahigh-voltage special wires).

### ◦ Materials (Electronic Materials, etc.) Business

#### ■ High-performance Materials and Lubricant Business

The Group will develop lubricant technologies for electric vehicles (EV) and hybrid vehicles whose popularity is expected to grow further, and provide useful products and services. In addition, we concluded an agreement with JSR Corporation in May 2021 on acquisition of its elastomer business, and will propel acquisition and expansion of technology-based business which is the core of the materials business.

#### ■ Functional Materials and Thin Film Materials Business

The Group will establish the electronic material production and development system in anticipation of increasing demands due to the realization of data society and the trend toward electrification and automation of mobility, and will further reinforce production capability based on market trend. In particular, in a global shortage of semiconductors, we will steadily expand and boost capacity at facilities that manufacture sputtering targets for semiconductors in order to build a supply system that can respond to their expanding need.

#### ■ Tantalum and Niobium Business

The Group will endeavor to achieve synergy as early as possible with TANIOBIS GmbH to enhance its marketing and development capabilities, improve operational efficiency, and promote new business expansion, etc.

### ◦ Next-generation Energy Supply and Community Services Business

The Group will propel the building of “ENEOS Platform” which links all kinds of data from energy services, mobility services, and life support services and puts them into a database in order to provide highly useful services to customers.



With regard to the energy service, we will endeavor to expand our customer base of “ENEOS Denki” and “ENEOS Toshi Gas” under a collective name for the services, “Ouchi ENEOS.” The Group will work harder on new development and acquisition of renewable power sources such as solar, biomass, and onshore and offshore wind power, and carry out experiments on Virtual Power Plant (VPP) to control energy resources including these power sources.

In addition, aiming to contribute to a decarbonized, recycling oriented society, we aim to construct an international CO<sub>2</sub>-free hydrogen supply chain from its manufacture overseas to its supply in Japan, and we will proceed with preparing the infrastructure for the hydrogen supply business, which will make maximum use of our refineries as bases for receiving the CO<sub>2</sub>-free hydrogen. Furthermore, at “Woven City,” the demonstration city to be built under the leadership of Toyota Corporation, it is planned that there will be hydrogen stations fitted with water electrolysis systems (systems for producing hydrogen from electric power derived from renewable energies). We have initiatives to supply hydrogen energy for mobility, and collaborate with the energy management in Woven City. We will also proceed with technology development for renewable synthetic fuel created by chemical reactions of hydrogen and CO<sub>2</sub>, aiming at commercialization from 2030.

By promoting these efforts and the environmentally friendly business, the ENEOS Group will aim at carbon neutrality in our own CO<sub>2</sub> emissions by 2040 and further reduction of CO<sub>2</sub> emission.

With regard to the mobility service and life support service, the Group will promote the nationwide expansion of “ENEOS Car Lease” and “ENEOS Laundry” while continuing to experiment on “ENEOS Car Share.” In addition, we will endeavor to create new businesses to meet the needs of ever-changing society through experiment on shopping and laundry agent services. Furthermore, we will promote efforts to build the EV charging network and other business operations focused on the arrival of EV popularization in society.

The Group will work in closer liaison with local communities on the next-generation energy supply and community services business. Specifically, in the Shizuoka Prefecture, with which we have exchanged the basic agreement, we will utilize the site of the former Shimizu Refinery (unused land within the Shimizu Oil Terminal) to create an autonomous energy supply system to enable local production and local consumption of solar power, etc. In addition, we will promote the provision of new added-value services including mobility services and further explore a wider range of uses and applications for hydrogen with the aim of realizing a hydrogen-powered future society.

- Environmentally Friendly Business

The ENEOS Group will continue its study of chemical recycling technologies to reuse waste plastic as the material for petroleum refinement and petrochemical products. With regard to recycling of lithium-ion batteries for vehicles, the Group aims to establish the mass production process at the appropriate cost by repeating experiments at the Technology Development Center of JX Nippon Mining & Metals Corporation and other locations. We will also continue to experiment on the “lease, reuse, and recycle” cyclic model for batteries for EV buses to facilitate its establishment and commercialization.

In the oil and natural gas Exploration and Production (E&P) field, the Group will continue to accumulate field data from the “Petra Nova CCUS Project,” under which the commercialization of CCS and CCUS technologies are promoted, in order to improve technical capabilities, and we will obtain the knowledge of CCS and CCUS technologies through joint study with external organizations. Moreover, we will propel the joint study with partners in Indonesia and Malaysia, aiming for the commercialization in the future.

In addition to these measures, the ENEOS Group will make all-out efforts for digital transformation such as implementation of a data analysis platform and supply chain optimization by application of ICT, thereby striving to improve efficiency of the core businesses and create revolutionary new products and services. Also, we will actively participate in open innovation projects with start-up enterprises, universities, etc. so that we could exploit technologies and ideas from different businesses and fields to create revolutionary businesses.

To achieve “Our Envisioned Goals in 2040,” the ENEOS Group will accelerate the structural reform in line with the Second Medium-Term Management Plan, strengthen competitiveness of the core businesses as well as develop and reinforce the growth businesses, thus further improving its corporate value.

We greatly appreciate your continued support as a shareholder.

### (3) Financing

The Company primarily procures the long-term funds for the business of each company in the ENEOS Group.

During this fiscal year, the Company procured 35.0 billion yen through issuing bonds payable and 208.5 billion yen through long-term loans. Among the bonds payable, 15.0 billion yen was procured by issuing the “ENEOS green bonds” whose purpose is capital investment for the renewable energy business.

### (4) Capital Investment

| Business Segment and Category    | Capital Investment Amount<br>(100 million yen) | Main Investment  |
|----------------------------------|--|--|
| Energy Business                  | 1,719  | Refinery and plant facility work; service station construction and reconstruction work |
| Oil and Natural Gas E&P Business | 318  | Oil and gas field exploration and development  |
| Metals Business                  | 489  | Copper mines, offices, smelters & refineries, and plant facilities construction work   |
| Other Business                   | 227  | Asphalt mixture plant manufacturing facility renewal                                   |
| Total                            | 2,753  | –  |
| (Adjustments)                    | (-4)   | –  |
| Consolidated Total               | 2,749  | –  |

### (5) Acquisition or Disposition of Shares, etc. of Other Companies

- Acquisition of all rights and interests of the Caserones Copper Mine

JX Nippon Mining & Metals Corporation acquired all rights and interests of the Caserones Copper Mine in February 2021 by obtaining rights and interests held by joint investors Mitsui Mining & Smelting Co., Ltd. (25.87%) and Mitsui & Co., Ltd. (22.63%) for the purpose of securing copper concentrates that are the important material for its group smelters and refineries.

### (6) Financial Position and Operating Results

| Item                                    | Consolidated Fiscal Year | FY 2017:<br>(8th fiscal term) | FY 2018:<br>(9th fiscal term) | FY 2019:<br>(10th fiscal term) | FY 2020:<br>This fiscal year (11th) |
|---|--------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------------------|
| Revenue                                 | (100 million yen)        | 103,011                       | 111,296                       | 100,118                        | 76,580                              |
| Operating profit                        | (100 million yen)        | 4,875                         | 5,371                         | (1,131)                        | 2,542                               |
| Profit attributable to owners of parent | (100 million yen)        | 3,619                         | 3,223                         | (1,879)                        | 1,140                               |
| Basic profit per share                  |                          | 105.92 yen                    | 95.36 yen                     | (57.86) yen                    | 35.48 yen                           |
| Total assets                            | (100 million yen)        | 84,576                        | 84,778                        | 80,113                         | 80,588                              |
| Total equity                            | (100 million yen)        | 29,200                        | 31,198                        | 27,079                         | 27,526                              |

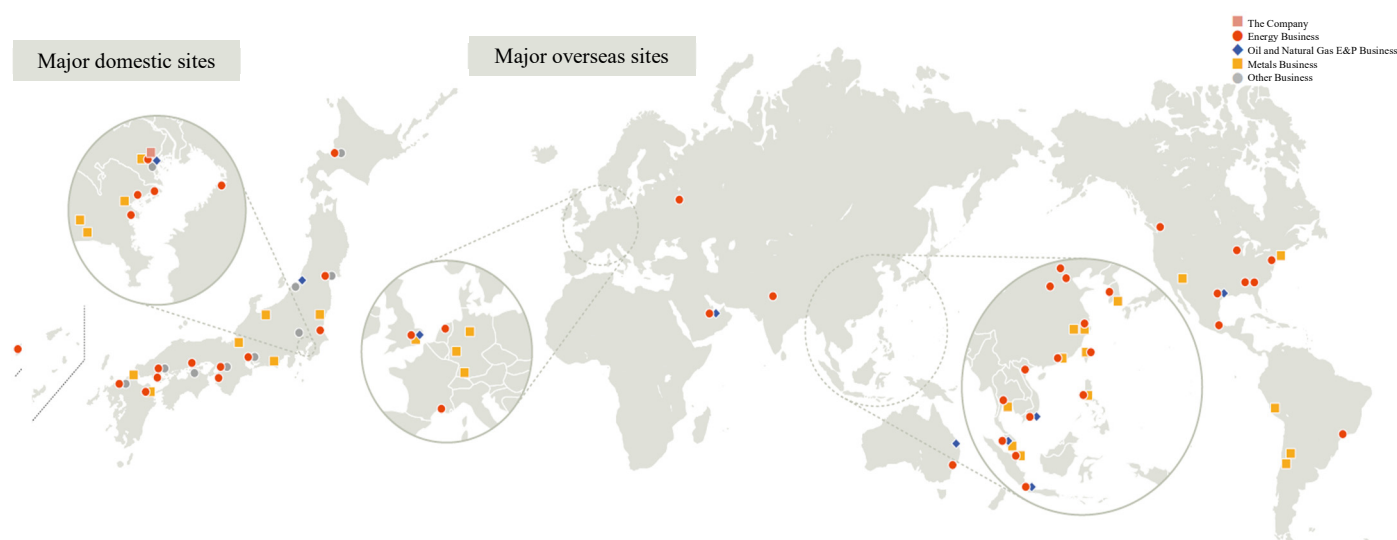
## (7) Material Subsidiaries

The Company has 506 subsidiaries and 171 subsidiaries and affiliates accounted for using the equity method as of March 31, 2021. Material subsidiaries are set forth below.

| Business Segment                 | Company Name                                | Common stock (100 million yen) | Voting Rights Ratio (%) | Details of Major Business Activities  |
|----------------------------------|---|--------------------------------|-------------------------|---|
| Energy Business                  | ENEOS Corporation                           | 300                            | 100                     | <ul style="list-style-type: none"> <li>◦ Manufacturing and marketing petroleum products (e.g. gasoline, kerosene, and lubricant, etc.)</li> <li>◦ Manufacturing and marketing of petrochemical products and high-performance materials</li> <li>◦ Supply of electricity, gas and hydrogen</li> <li>◦ Development and operation of renewable energy power source</li> </ul>  |
| Oil and Natural Gas E&P Business | JX Nippon Oil & Gas Exploration Corporation | 779                            | 100                     | <ul style="list-style-type: none"> <li>◦ Exploring, developing, and producing oil and natural gas</li> </ul>  |
| Metals Business                  | JX Nippon Mining & Metals Corporation       | 750                            | 100                     | <ul style="list-style-type: none"> <li>◦ Exploring and developing non-ferrous metal resources (e.g. copper and gold)</li> <li>◦ Smelting, refining and marketing non-ferrous metal products (e.g. copper, gold, silver and rare metals)</li> <li>◦ Manufacturing and marketing electro-deposited copper foils and treated rolled copper foils</li> <li>◦ Manufacturing and marketing thin-film materials (e.g. sputtering targets, surface treatment agents and compound semiconductor materials)</li> <li>◦ Manufacturing and marketing precision rolled products and precision-fabricated products</li> <li>◦ Recycling of non-ferrous metal materials and treatment of industrial waste</li> </ul> |
|                                  | Toho Titanium Co., Ltd.                     | 120                            | 50.4                    | <ul style="list-style-type: none"> <li>◦ Manufacturing, processing and marketing titanium metals</li> </ul>   |
| Other Business                   | NIPPO CORPORATION                           | 153                            | 57.0                    | <ul style="list-style-type: none"> <li>◦ Civil engineering work, including roadwork and pavement construction</li> <li>◦ Construction work</li> </ul>   |

- (Notes)
1. The voting rights ratio in the column for Toho Titanium Co., Ltd. is the ratio of the voting rights held by JX Nippon Mining & Metals Corporation, which invested in the company.
  2. The status of specified wholly-owned subsidiaries as of March 31, 2021 is as follows.  
 Name of the specified wholly-owned subsidiary: ENEOS Corporation  
 Address of the specified wholly-owned subsidiary: 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo  
 Book value of shares of the specified wholly-owned subsidiary: 1,397,931 million yen  
 The amount of total assets of the Company: 3,808,260 million yen

## (8) Main Business Offices and Plants (as of March 31, 2021)



### ■ The Company

|             |  |
|-------------|--|
| Head Office | 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo |
|-------------|--|

### ● Energy Business

#### ENEOS Corporation

|                          |   |
|--------------------------|---|
| Head Office              | 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo                            |
| Laboratory               | Central Technical Research Laboratory (Kanagawa)                    |
| Refineries               | 10 refineries including Mizushima (Okayama) and Kawasaki (Kanagawa) |
| Branch Offices           | 12 branch offices including Tokyo (Tokyo) and Osaka Daiichi (Osaka) |
| Overseas Operating Sites | China, Singapore, U.S., U.K., etc.                                  |

### ◆ Oil and Natural Gas Exploration and Production (E&P) Business

#### JX Nippon Oil & Gas Exploration Corporation

|                          |  |
|--------------------------|--|
| Head Office              | 1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo |
| Field Office             | Nakajo (Niigata)                         |
| Overseas Operating Sites | Vietnam, Malaysia, U.S., U.K., etc.      |

### ■ Metals Business

#### JX Nippon Mining & Metals Corporation

|                          |  |
|--------------------------|--|
| Head Office              | 10-4, Toranomom 2-chome, Minato-ku, Tokyo                  |
| Laboratory               | Technology Development Center (Ibaraki)                    |
| Offices                  | Hitachi (Ibaraki)  |
| Smelters and Refineries  | Saganoseki (Oita)  |
| Plants                   | 6 plants including Kurami (Kanagawa) and Isohara (Ibaraki) |
| Overseas Operating Sites | China, Chile, Germany, U.S., etc.                          |

## Toho Titanium Co., Ltd.

|             |   |
|-------------|---|
| Head Office | 1-1, Minamisaiwai 1-chome, Nishi-ku, Yokohama-shi, Kanagawa     |
| Plants      | 5 plants including Chigasaki (Kanagawa) and Wakamatsu (Fukuoka) |

- **Other Business**

### **NIPPO CORPORATION**

|                |  |
|----------------|--|
| Head Office    | 19-11, Kyobashi 1-chome, Chuo-ku, Tokyo                              |
| Laboratory     | NIPPO Technical Center, Technical Research Center (Saitama)          |
| Branch Offices | 11 branch offices including Kanto Daiichi (Tokyo) and Kansai (Osaka) |

\* Main offices and plants of the Group are described.

\* Operating sites of each company's group companies are included.

### (9) Employees (as of March 31, 2021)

| Business Segment and Category    | Number of Employees |          |
|----------------------------------|---------------------|----------|
| The Company                      | 818                 | [0]      |
| Energy Business                  | 21,931              | [13,341] |
| Oil and Natural Gas E&P Business | 709                 | [60]     |
| Metals Business                  | 9,401               | [305]    |
| Other Business                   | 7,894               | [655]    |
| Total                            | 40,753              | [14,361] |

- (Notes)
1. The figures above include the number of employees for the Company as well as its subsidiaries.
  2. The numbers in brackets indicate the number of temporary employees (the number of employees excluded from the non-bracketed number, the annual average number of employees).
  3. The number of employees for the Company indicates the number of employees belonging to the joint organization of the Company and ENEOS Corporation. The number of employees in the Energy Business does not include the number of employees belonging to the joint organization.

### (10) Main Lenders and Loans Payable (as of March 31, 2021)

| Lender   | Balance of Loans Payable (100 million yen) |
|--|--|
| Mizuho Bank, Ltd.                                  | 3,096                                      |
| The Japan Oil, Gas and Metals National Corporation | 2,388                                      |
| MUFG Bank, Ltd.                                    | 2,375                                      |
| Sumitomo Mitsui Banking Corporation                | 2,361                                      |
| Japan Bank for International Cooperation           | 1,466                                      |

## 2 Matters Concerning Shares (as of March 31, 2021)

- Total number of authorized shares issuable by the Company: 8,000,000,000 shares
- Total number of issued shares: 3,230,282,649 shares
- Number of shareholders: 417,864
- Large shareholders (top ten (10))

| Shareholders' Names                                  | Number of Shares Held (thousand shares) | Shareholding Ratio (%) |
|--|---|------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 267,252                                 | 8.29                   |
| Custody Bank of Japan, Ltd. (Trust Account)          | 175,122                                 | 5.43                   |
| Custody Bank of Japan, Ltd. (Trust Account 7)        | 64,862                                  | 2.01                   |
| SMBC Nikko Securities Inc.                           | 52,604                                  | 1.63                   |
| STATE STREET BANK WEST CLIENT - TREATY 505234        | 50,323                                  | 1.56                   |
| JPMorgan Securities Japan Co., Ltd.                  | 49,300                                  | 1.52                   |
| Custody Bank of Japan, Ltd. (Trust Account 5)        | 46,139                                  | 1.43                   |
| Custody Bank of Japan, Ltd. (Trust Account 9)        | 44,799                                  | 1.38                   |
| Custody Bank of Japan, Ltd. (Trust Account 6)        | 40,890                                  | 1.26                   |
| Kochi Shinkin Bank                                   | 40,570                                  | 1.25                   |

(Note) Shareholding ratio is calculated excluding treasury shares (7,283,840 shares) from the total number of issued shares. Shares related to share-based remuneration (8,184,901 shares), which were purchased through a trust established by the Company, are not included in the treasury shares.

- The Company's shares granted to the Company's executives as consideration for execution of duties (common shares)

| Receivers                                | Number of shares (shares) | Number of eligible persons (persons) |
|--|---------------------------|--------------------------------------|
| Directors (including resigned directors) | 121,967                   | 9                                    |




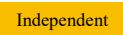


(Note) Outside directors and directors who are Audit and Supervisory Committee members do not receive share-based remuneration.

### 3 Matters Concerning the Company's Executives

#### (1) Names, etc. of Directors (as of March 31, 2021)

| Name             | Position  | Responsibilities   | Important Concurrent Office   |
|------------------|---|--|---|
| Sugimori Tsutomu | Representative Director, Chairman of the Board<br>Group CEO |  | Representative Director of ENEOS Corporation<br>President of Petroleum Association of Japan<br>Vice Chairman of KEIDANREN (Japan Business Federation)   |
| Ota Katsuyuki    | Representative Director,<br>President                       |  | Representative Director and President of ENEOS Corporation<br>Director of Japan Oil Transportation Co., Ltd.  |
| Yokoi Yoshikazu  | Director,<br>Executive Vice President                       | Assistant to President   | Director and Executive Vice President of ENEOS Corporation<br>Assistant to President<br>(responsible for Supply Planning & Optimization Dept., Products Supply & Trading Dept., Crude Trading & Shipping Dept., Distribution & Logistics Dept., Marketing & Sales Planning Dept., Retail Support Dept., Nationwide Sales Dept., Industry Energy Sales Design & Development Dept., Chemicals Planning Dept., Olefins Dept., Aromatics Dept. and Branch Offices)<br>and responsible for Business Design & Development Dept. |
| Iwase Junichi    | Director,<br>Executive Vice President                       | Assistant to President<br>(responsible for Safety, Health & Environment Dept. and Quality Assurance Dept.)   | Director and Executive Vice President of ENEOS Corporation<br>Assistant to President<br>(responsible for Safety, Health & Environment Dept., Quality Assurance Dept., Renewable Energy Business Dept., Refining and Manufacturing Dept., Mechanical Engineering Dept., Engineering & Capital Planning Dept., Hydrogen Business Promotion Dept., Fuel Cell Customer Support Office, Central Technical Research Laboratory, Refineries and Plants)  |
| Adachi Hiroji    | Director,<br>Executive Vice President<br>CDO                | Assistant to President<br>(responsible for Corporate Planning Dept., ESG Strategy Development Dept., IT Planning & Development Dept. and Emerging Business Development Dept.)<br>and responsible for IT Planning & Development Dept. and Emerging Business Development Dept. | Director, Executive Vice President, and CDO of ENEOS Corporation<br>Assistant to President<br>(responsible for Corporate Planning Dept., ESG Strategy Development Dept., IT Planning & Development Dept., Emerging Business Development Dept. and Overseas Business Planning & Development Dept.)<br>and responsible for IT Planning & Development Dept. and Emerging Business Development Dept.  |



| Name  | Position  | Responsibilities  | Important Concurrent Office   |
|---|---|---|---|
| Yatabe Yasushi  | Director,<br>Executive Vice<br>President                              | Assistant to<br>President<br>(responsible for<br>Secretariat,<br>Internal Audit<br>Dept., Internal<br>Control Dept.,<br>Controller Dept.,<br>Finance &<br>Investor<br>Relations Dept.,<br>Human<br>Resources Dept.,<br>Public Relations<br>Dept., General<br>Administration<br>Dept., Legal &<br>Corporate Affairs<br>Dept., Crisis<br>Management<br>Dept. and<br>Procurement<br>Dept.) | Director and Executive Vice President of ENEOS<br>Corporation<br>Assistant to President<br>(responsible for Secretariat, Internal Audit Dept., Internal<br>Control Dept., Controller Dept., Finance & Investor<br>Relations Dept., Human Resources Dept., Public<br>Relations Dept., General Administration Dept., Legal &<br>Corporate Affairs Dept., Crisis Management Dept.,<br>Procurement Dept., Resources & Power Company,<br>Lubricants Company and High Performance Materials<br>Company) |
| Hosoi Hiroshi   | Director (Part-time)  |   | Representative Director, Chief Executive Officer and<br>President of JX Nippon Oil & Gas Exploration<br>Corporation   |
| Murayama<br>Seiichi   | Director (Part-time)  |   | President & Representative Director and Chief Executive<br>Officer of JX Nippon Mining & Metals Corporation   |
| Ota Hiroko<br><br>          | Outside Director  |   | Senior Professor at the National Graduate Institute for<br>Policy Studies<br>Outside Director of Panasonic Corporation  |
| Otsuka<br>Mutsutake<br><br> | Outside Director  |   | Executive Advisor of East Japan Railway Company<br>Outside Corporate Auditor of Electric Power<br>Development Co., Ltd.   |
| Miyata Yoshiiku<br><br>     | Outside Director  |   | Outside Director, Audit & Supervisory Committee<br>Member of Kobe Steel, Ltd.   |
| Kato Hitoshi  | Director<br>Full-Time Audit<br>and Supervisory<br>Committee<br>Member |   | Corporate Auditor of ENEOS Corporation (full-time)  |
| Ouchi Yoshiaki  | Director<br>Full-Time Audit<br>and Supervisory<br>Committee<br>Member |   | Corporate Auditor of ENEOS Corporation (full-time)  |

| Name   | Position   | Responsibilities | Important Concurrent Office   |
|--|--|------------------|---|
| Nishioka Seiichiro<br>Outside<br>Independent | Outside Director<br>Audit and Supervisory Committee Member |                  | Attorney-at-Law, Of Counsel at Asahi Law Offices  |
| Mitsuya Yuko<br>Outside<br>Independent       | Outside Director<br>Audit and Supervisory Committee Member |                  | President of Japan Basketball Association<br>Outside Director of the Fukui Bank, Ltd.<br>Outside Director of DENSO Corporation                            |
| Oka Toshiko<br>Outside<br>Independent        | Outside Director<br>Audit and Supervisory Committee Member |                  | CEO of Oka & Company Ltd.<br>Outside Director of Hitachi Metals, Ltd.<br>Outside Director of Sony Corporation<br>Outside Director of HAPPINET CORPORATION |

- (Notes)
- Mr. Sugimori Tsutomu, Director, assumed the office of the President of Petroleum Association of Japan on May 22, 2020.
  - Mr. Sugimori Tsutomu, Director, resigned as the President of the Japan Petroleum Energy Center on June 25, 2020.
  - Mr. Murayama Seiichi, Director, assumed the office of the Chairman of Japan Mining Industry Association on April 1, 2021.
  - Ms. Ota Hiroko, Outside Director, resigned as the outside director of Mizuho Financial Group, Inc. on June 25, 2020.
  - Mr. Otsuka Mutsutake, Outside Director, assumed the office of the Executive Advisor of East Japan Railway Company on June 1, 2020.
  - Mr. Otsuka Mutsutake, Outside Director, resigned as the outside director of Nippon Steel Corporation on June 24, 2020.
  - Mr. Kato Hitoshi and Mr. Ouchi Yoshiaki were appointed as full-time Audit and Supervisory Committee members in order to sufficiently exhibit the audit and supervisory functions of Audit and Supervisory Committee by gathering information on a daily basis and collaborating with the internal audit and other divisions.
  - Mr. Ouchi Yoshiaki, Director, who is a full-time Audit and Supervisory Committee member, has experience working in the finance division of the Company and has considerable knowledge and insights regarding finance and accounting.
  - Ms. Oka Toshiko, Outside Director, who is an Audit and Supervisory Committee member, has worked as a consultant specializing in finance, accounting, and M&A areas over many years, and thus has considerable knowledge and insights regarding finance and accounting.
  - Ms. Oka Toshiko, Outside Director, who is an Audit and Supervisory Committee member, was appointed as the full-time professor of Meiji University Graduate School on April 1, 2021.
  - Sony Corporation, where Ms. Oka Toshiko, Outside Director, who is an Audit and Supervisory Committee member, held an important concurrent office, changed the company name to Sony Group Corporation on April 1, 2021.
  - Among the companies where Outside Directors held important concurrent office as outside directors or outside corporate auditors in FY2020, including those from which they retired in June 2020, Panasonic Corporation, Mizuho Financial Group, Inc., NIPPON STEEL CORPORATION, Electric Power Development Co., Ltd., Kobe Steel, Ltd., Japan Basketball Association, DENSO Corporation, Hitachi Metals, Ltd. and Sony Group Corporation have a business relationship with the Company and the Company's Principal Operating Companies, but there is no special relationship.
  - Among the companies where Outside Directors held important concurrent office as outside directors or outside corporate auditors in FY2020, the Fukui Bank, Ltd., Oka & Company Ltd., and HAPPINET CORPORATION have no special relationship with the Company and the Company's Principal Operating Companies.
  - Ms. Ota Hiroko, Mr. Otsuka Mutsutake, Mr. Miyata Yoshiiku, Mr. Nishioka Seiichiro, Ms. Mitsuya Yuko, and Ms. Oka Toshiko, all Outside Directors, all meet the "Standards for Consideration of Independence of Independent Officers" of the Company which is set out on page 31, and all are independent directors in accordance with the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed.
  - Positions and responsibilities of the following directors changed as of April 1, 2021.

| Name           | Position                              | Responsibilities   |
|----------------|---------------------------------------|--|
| Adachi Hiroji  | Director                              |  |
| Yatabe Yasushi | Director,<br>Executive Vice President | Assistant to President<br>(Secretariat, Corporate Planning Dept., Controller Dept., Finance Dept., Investor Relations Dept., Human Resources Dept., General Administration Dept. and Legal & Corporate Affairs Dept.)<br>and responsible for Secretariat |

## (2) Matters Concerning Directors and Officers Liability Insurance Agreement

- (i) Scope of the insured persons

Directors and corporate auditors of the Company and 44 Group companies (Directors and Officers for overseas subsidiaries)

(ii) Outline of the insurance

- Ratio of the insurance premium borne by the insured persons

The insurance premium is paid by the Company and not borne by the insured persons.

- Outline of the insurance coverage

The insurance company covers the losses (amount of indemnification and litigation expenses) incurred by the insured persons due to claims against the insured persons for their business acts (including failure to act).

- Measure to maintain adequateness of insured persons' duties

The agreement provides a deductible and for coverage exclusion (for criminal conduct, etc.)

### (3) Remunerations for Directors (for fiscal year 2020)

| Category  | Total amount (million yen) | Number of Receivers (persons) | Details of Remuneration            |                               |                       |                               |  |                               |
|---|----------------------------|-------------------------------|------------------------------------|-------------------------------|-----------------------|-------------------------------|--|-------------------------------|
|   |                            |                               | Monthly remuneration (million yen) | Number of Receivers (persons) | Bonuses (million yen) | Number of Receivers (persons) | Share-based remuneration (million yen) | Number of Receivers (persons) |
| Directors who are not Audit and Supervisory Committee members (Outside Directors) | 882<br>(43)                | 15<br>(3)                     | 362<br>(43)                        | 15<br>(3)                     | 395<br>(-)            | 10<br>(-)                     | 126<br>(-)                             | 10<br>(-)                     |
| Directors who are Audit and Supervisory Committee members (Outside Directors)     | 108<br>(40)                | 7<br>(4)                      | 108<br>(40)                        | 7<br>(4)                      | -<br>(-)              | -<br>(-)                      | -<br>(-)                               | -<br>(-)                      |
| Total (Outside Directors)   | 990<br>(83)                | 22<br>(7)                     | 470<br>(83)                        | 22<br>(7)                     | 395<br>(-)            | 10<br>(-)                     | 126<br>(-)                             | 10<br>(-)                     |

- (Notes)
1. The information in the table includes the amount of remunerations for four (4) directors who are not Audit and Supervisory Committee members and two (2) directors who are Audit and Supervisory Committee members (including one [1] outside director who is an Audit and Supervisory Committee member) who retired upon the conclusion of the 10th ordinary general meeting of shareholders held on June 25, 2020.
  2. The information in the table includes the amount of bonuses for FY 2020 that is expected to be paid after the 11th ordinary general meeting of shareholders.
  3. Bonuses and share-based remuneration are applicable to performance-linked remunerations. Also, share-based remuneration is applicable to non-monetary remunerations.
  4. The share-based remuneration amounts indicated in the table are the average price per share of the Company purchased through the trust that the Company established multiplied by the number of standard points awarded to the director in the fiscal year and the performance-linked coefficient. The performance-linked coefficient used to calculate the share-based remuneration for FY 2020 is assumed to be 100% because it is determined after FY 2022 is finished.
  5. The Board of Directors deemed that the remunerations in FY 2020 for individual directors who are not Audit and Supervisory Committee members comply with the "Policy on Remunerations of Individual Directors" because the remuneration was determined through the deliberation of the Compensation Advisory Committee.

## (4) Matters Concerning Determination of Remunerations for Directors

### Upper Limit of Remunerations for Directors

| Category  | Type                             | Upper Limit of Remuneration   | Resolution at the General Meeting of Shareholders (GMS) | Number of Receivers |
|---|----------------------------------|---|---|---------------------|
| Directors who are not Audit and Supervisory Committee members | Monthly remuneration and bonuses | No more than 1,100 million yen per one (1) fiscal year (of which no more than 200 million yen is allocated to outside directors who are not Audit and Supervisory Committee members)  | The 8th ordinary (GMS) (June 27, 2018)                  | 13                  |
|   | Share-based remuneration         | In every three (3) fiscal years, <ul style="list-style-type: none"> <li>the upper limit the Company put in on reserve for trust: 1500 million yen</li> <li>the upper limit of the number of shares given to eligible persons: 6 million shares (6 million points)</li> </ul> (Including those awarded to executive officers who are not director) | The 10th ordinary (GMS) (June 25, 2020)                 | 6                   |
| Directors who are Audit and Supervisory Committee members     | Monthly remuneration             | No more than 200 million yen per one (1) fiscal year  | The 8th ordinary (GMS) (June 27, 2018)                  | 5                   |

- (Notes)
- The upper limit of monthly remuneration and bonus for the directors who are not Audit and Supervisory Committee members does not include salaries and bonuses to be paid as an employee if a director serves concurrently as an employee.
  - Those eligible for share remuneration include executive officers but do not include outside directors and overseas residents.

#### ◦ Policy on Remunerations of Individual Directors

Remunerations for individual directors who are not Audit and Supervisory Committee members of the Company are determined by the resolution of the Board of Directors after deliberation and recommendation by the Compensation Advisory Committee which consists of three (3) outside directors and two (2) representative directors and is chaired by an outside director.

The following summarizes the outline.

| Receivers   | Outline of the policy on remunerations for individual directors   |
|---|---|
| Directors who are not Audit and Supervisory Committee members         | <ol style="list-style-type: none"> <li>Remuneration consists of the monthly remuneration, bonus, and share-based remuneration.</li> <li>Remuneration is determined by whether the person belongs to the Company or Principal Operating Companies, whether the person is full-time or part-time, whether the person is a director or executive officer, etc.</li> <li>Bonuses are linked to the performance within a fiscal year, and paid after the given fiscal year.</li> <li>Share-based remuneration is linked to the achievement of the Medium-Term Management Plan, etc., and paid after a certain duration from the end of the fiscal year in which the duties have been executed and after the given management plan has been completed.</li> <li>The consolidated business results, remuneration levels of executives in other companies, composition ratio, etc. are taken into consideration when determining the remuneration level, composition ratio, performance indicators, etc.</li> </ol> |
| Outside directors who are not Audit and Supervisory Committee members | Remuneration for outside directors is monthly remuneration.   |

- (Notes)
- Remunerations for directors who are Audit and Supervisory Committee members consists of a monthly remuneration in consideration of independence of their roles, and paid within the limit described in the previous page, based on the discussion between directors who are Audit and Supervisory Committee members.
  - Based on the resolutions of the Board of Directors' meetings, the Company has entrusted Sugimori Tsutomu, Representative Director, Chairman of the Board, Group CEO, and Ota Katsuyuki, Representative Director, President, with the task of deciding specific matters concerning remunerations in line with the above policy, because the Company believes that remunerations should be decided

responsibly by the representative directors who have the greatest familiarity with the status of management, etc. in the Group. However, in order to ensure transparency in the process to determine remunerations, the appropriateness of the level of remuneration, composition ratio, performance indicators, etc. is deliberated in the Compensation Advisory Committee.

3. Remunerations to directors who are not Audit and Supervisory Committee members (excluding outside directors) are designed to be approximately 50% of the total for monthly remunerations, about 30% of the total for bonuses, and around 20% of the total for share-based remunerations when the performance targets are achieved.

◦ Matters Concerning Bonuses

Bonuses are linked to the performance within a single fiscal year and can fluctuate between 0% and 200% (target is 100%) depending on the level of achievement of performance targets. They are determined by multiplying the monthly remuneration by the base number of months (8 months) and the percentage of target achieved.

The indicators that affect shareholder returns and the indicators that reflect the actual performance should be used when calculating the percentage of target achieved. Therefore, the Company’s consolidated results, “profit attributable to owners of parent” and “consolidated operating profit after adjustment,” as well as “operating profit” and “operating profit after adjustment” of the Energy Business are used as performance indicators with the weight 25% each.

FY 2020 performance target for the bonus calculation process was set based on the FY 2020 result projections (disclosed in May 2020), and the resulting percentage of target achieved was 185%. The results of each performance indicator to calculate the percentage of target achieved are as follows:

| Performance indicators                                   | Weight | Results in FY 2020 |
|--|--------|--------------------|
| Profit attributable to owners of parent                  | 25%    | 114.0 billion yen  |
| Consolidated operating profit after adjustment           | 25%    | 306.6 billion yen  |
| Operating profit of the Energy Business                  | 25%    | 121.1 billion yen  |
| Operating profit of the Energy Business after adjustment | 25%    | 139.7 billion yen  |

- (Notes)
1. “Consolidated operating profit after adjustment” and “operating profit after adjustment” are calculated by subtracting temporary gain/loss, such as gain/loss on sale of fixed assets and shares and loss by disasters, from the operating profit made by the main business.
  2. Until June 2020, the Company’s consolidated results, “profit attributable to owners of parent” and “consolidated operating profit after adjustment,” were used as performance indicators with the weight 50% each, and the percentage of target achieved was 192%.

◦ Matters Concerning Share-based Remuneration

Share-based remuneration is linked to the performance over successive three fiscal years and can fluctuate between 0% and 200% (target is 100%) depending on the level of achievement of the performance targets. The share delivery points (one share per point) is determined by multiplying the “standard points” awarded according to the eligible person’s role by the “performance-linked coefficient.” Eligible persons, in principle, shall receive the Company’s shares through the trust set by the Company, according to the share delivery points, after the elapse of three years from the award of standard points of each year.

When calculating the performance-linked coefficient, the Company has adopts the following performance indicators and evaluation weightings for the following reasons: “to further strengthen the link between medium- and long-term management strategies and the remuneration system for the eligible persons,” “to cultivate the eligible persons’ incentive to contribute to the enhancement of the corporate value and their awareness for shareholder-oriented management,” and “to promote initiatives for building a sustainable society such as preserving the environment.”

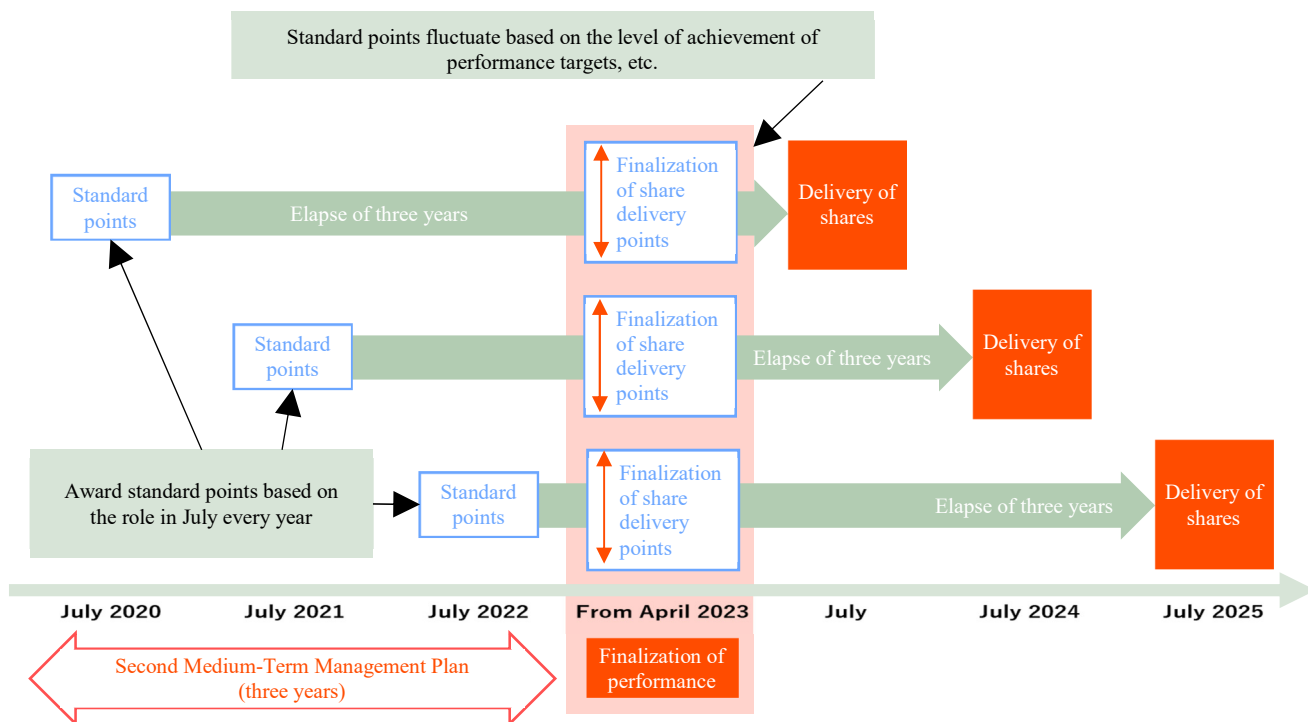
Each of performance targets is set based on the Second Medium-Term Management Plan and the Second Medium-Term Environmental Management Plan. The results and the percentage of target achieved will be determined at the end of FY 2022.

| Operating profit excluding inventory valuation | Free cash flow | Net D/E ratio | ROE | Total return ratio | Reduction of CO2 emissions |
|--|----------------|---------------|-----|--------------------|----------------------------|
| 20%  | 20%            | 20%           | 20% | 10%                | 10%                        |

- (Notes)
1. Operating profit excluding inventory valuation, free cash flow, and reduction of CO<sub>2</sub> emissions are reflecting the consolidated results and the results of the Energy Business, given the weight of 50% each.
  2. The percentages achieved for operating profit excluding inventory valuation, free cash flow, and total return ratio are calculated using the accumulated results from FY 2020 to FY 2022.
  3. The percentages achieved for net D/E ratio and ROE are calculated using the result of FY 2022.
  4. The percentage achieved for reduction of CO<sub>2</sub> emissions is calculated using the result of FY 2022 (compared to FY 2009).

**Reference**

**Flowchart of Share Remuneration with regard to the period of Second Medium-Term Management Plan**



## (5) Matters Concerning Outside Directors and Audit and Supervisory Committee member

### ◦ Main Activities in This Fiscal Year

| Position  | Name               | Attendance of the Meetings (number attended/number held) |                                 |                               |                                 |
|---|--------------------|--|---------------------------------|-------------------------------|---------------------------------|
|   |                    | Board of Directors                                       | Audit and Supervisory Committee | Nomination Advisory Committee | Compensation Advisory Committee |
| Outside Director  | Ota Hiroko         | 10/11<br>(90.9%)   |                                 | 4/4<br>(100%)                 | 3/3<br>(100%)                   |
|   | Otsuka Mutsutake   | 9/11<br>(81.8%)  |                                 | 4/4<br>(100%)                 | 3/3<br>(100%)                   |
|   | Miyata Yoshiiku    | 11/11<br>(100%)  |                                 | 4/4<br>(100%)                 | 3/3<br>(100%)                   |
| Outside Director<br>Audit and<br>Supervisory<br>Committee<br>member | Nishioka Seiichiro | 11/11<br>(100%)  | 14/14<br>(100%)                 |                               |                                 |
|   | Mitsuya Yuko       | 11/11<br>(100%)  | 14/14<br>(100%)                 |                               |                                 |
|   | Oka Toshiko        | 10/10<br>(100%)  | 10/11<br>(90.9%)                |                               |                                 |

### ◦ Outline of the Contents of the Liability Limitation Agreement

The company has, pursuant to Article 427.1 of the Japanese Companies Act and Article 23 of the Articles of Incorporation of the Company, concluded with each of its six (6) outside Directors an agreement (the liability limitation agreement) that limits the liability for damages which an outside director owes to the company under Article 423.1 of the Japanese Companies Act, to the amount set forth in Article 425.1 of the Japanese Companies Act (the amount equal to the outside director's remunerations for two (2) years) if each outside director is in good faith and is not grossly negligent in conducting each duty.

Furthermore, in accordance with the provisions of the supplementary provisions of the Articles of Incorporation of the Company, the Company has agreed with Mr. Nishioka Seiichiro, who was a corporate auditor, that the agreement (the liability limitation agreement) that limits the claim of liability for damages which an outside corporate auditor owes to the company under Article 423.1 of the Japanese Companies Act, which has been previously entered into, shall remain applicable.

| Name               | Remarks made in BOD meetings, etc. and outline of execution of expected roles   |
|--------------------|---|
| Ota Hiroko         | Based on her expert knowledge and wealth of experience in human resource development, economics, and finance, she has provided advice on the personnel system, human resource development, etc. in the Board of Directors meetings, and provided advice on clarification of directors' roles, the level of executive compensation, etc. in the Nomination Advisory Committee and the Compensation Advisory Committee meetings.  |
| Otsuka Mutsutake   | Based on his excellent discernment, wealth of experience, and sound achievement in management of leading listed domestic companies, he has provided advice on the importance on the organizational climate to promote challenges, business development after the COVID-19 pandemic, etc. in the Board of Directors meetings, and demonstrated his leadership as the chair by administering the Nomination Advisory Committee and the Compensation Advisory Committee. |
| Miyata Yoshiiku    | Based on his excellent discernment and wealth of experience as an enterprise manager engaged in international business, he has provided advice on business evaluation, human resource development, etc. in the Board of Directors meetings, and provided advice on the role and composition of the Board of Directors, the concept of executive compensation, etc. in the Nomination Advisory Committee and the Compensation Advisory Committee meetings.             |
| Nishioka Seiichiro | Based on his expert knowledge and wealth of experience in legal matters, he has provided advice on operations of the general meeting of shareholders, revision of the "Rules for the Board of Directors," etc. in the Board of Directors meetings, and provided advice on the improvement of corporate governance, legal compliance, etc. in the Audit and Supervisory Committee meetings.  |

|              |  |
|--------------|--|
| Mitsuya Yuko | Based on her excellent discernment and wealth of experience in enterprise management, organizational reform, and human resource development, she has provided advice on work-style reform in response to changes after the COVID-19 pandemic, etc. in the Board of Directors meetings, and provided advice on the organizational climate, selection and the remuneration determination process of the financial auditor, etc. in the Audit and Supervisory Committee meetings. |
| Oka Toshiko  | Based on her excellent discernment and wealth of experience as an enterprise manager and an expert in the finance, accounting, and M&A fields, she has provided advice on promotion of investment projects including M&A, optimization of business portfolio, etc. in the Board of Directors meetings, and provided advice on rationality in management decisions, risk management, etc. in the Audit and Supervisory Committee meetings.                                      |

◦ Outside Directors' Meetings

Outside Directors' meetings consisting of all the outside directors were held twice to enable each of the outside directors to collect information regarding the Group's management, as well as to promote the exchange of opinions and mutual common views among the outside directors.

(Note) The figures stated in this business report have been obtained by rounding off the fractions less than the unit indicated for each, and the ratios have been obtained by rounding off the fractions less than the digit indicated for each. However, the numbers of shares have been obtained by omitting the fractions less than the unit indicated for each, and the ratios regarding shares have been obtained by omitting the fractions less than the digit indicated for each.



## Consolidated Financial Statements

### Consolidated Statements of Financial Position (As of March 31, 2021)

(Millions of yen)

| Account   | Amount           | Account   | Amount           |
|---|------------------|---|------------------|
| <b>(Assets)</b>                                   |                  | <b>(Liabilities)</b>                              |                  |
| <b>Current assets</b>                             | <b>3,039,604</b> | <b>Current liabilities</b>                        | <b>2,674,906</b> |
| Cash and cash equivalents                         | 417,724          | Trade and other payables                          | 1,583,199        |
| Trade and other receivables                       | 1,129,421        | Bonds and borrowings                              | 616,567          |
| Inventories                                       | 1,295,576        | Income taxes payable                              | 26,186           |
| Other financial assets                            | 50,530           | Other financial liabilities                       | 28,808           |
| Other current assets                              | 141,626          | Lease liabilities                                 | 71,756           |
| Sub total   | 3,034,877        | Provisions  | 18,693           |
| Assets held for sale                              | 4,727            | Other current liabilities                         | 329,697          |
| <b>Non-current assets</b>                         | <b>5,019,214</b> | <b>Non-current liabilities</b>                    | <b>2,631,344</b> |
| Property, plant and equipment                     | 3,551,070        | Bonds and borrowings                              | 1,420,333        |
| Goodwill  | 181,507          | Liabilities for retirement benefits               | 242,269          |
| Intangible assets                                 | 342,391          | Other financial liabilities                       | 34,120           |
| Investments accounted for using the equity method | 445,304          | Lease liabilities                                 | 428,666          |
| Other financial assets                            | 386,295          | Provisions  | 175,634          |
| Other non-current assets                          | 10,080           | Other non-current liabilities                     | 53,272           |
| Deferred tax assets                               | 102,567          | Deferred tax liabilities                          | 277,050          |
|   |                  | <b>Total liabilities</b>                          | <b>5,306,250</b> |
|   |                  | <b>(Equity)</b>                                   |                  |
|   |                  | Common stock                                      | 100,000          |
|   |                  | Capital surplus                                   | 1,066,459        |
|   |                  | Retained earnings                                 | 1,042,416        |
|   |                  | Treasury stock                                    | (8,793)          |
|   |                  | Other components of equity                        | 125,026          |
|   |                  | Total equity attributable to owners of the parent | 2,325,108        |
|   |                  | Non-controlling interests                         | 427,460          |
|   |                  | <b>Total equity</b>                               | <b>2,752,568</b> |
| <b>Total assets</b>                               | <b>8,058,818</b> | <b>Total liabilities and Equity</b>               | <b>8,058,818</b> |

**Consolidated Statements of Profit or Loss (From April 1, 2020 to March 31, 2021)**

(Millions of yen)

| Account  | Amount           |
|--|------------------|
| <b>Revenue</b>   | <b>7,658,011</b> |
| <b>Cost of sales</b>   | <b>6,574,261</b> |
| <b>Gross profit</b>  | <b>1,083,750</b> |
| Selling, general and administrative expenses                         | 802,776          |
| Share of profit of investments accounted for using the equity method | 59,387           |
| Other operating income   | 122,443          |
| Other operating expenses   | 208,629          |
| <b>Operating profit</b>  | <b>254,175</b>   |
| Finance income   | 6,433            |
| Finance costs  | 29,717           |
| <b>Profit before tax</b>   | <b>230,891</b>   |
| Income tax expense   | 117,959          |
| <b>Profit for the year</b>   | <b>112,932</b>   |
| <b>Profit for the year attributable to:</b>                          |                  |
| Owners of the parent   | 113,998          |
| Non-controlling interests  | (1,066)          |
| <b>Profit for the year</b>   | <b>112,932</b>   |

**[Reference]**

**[Summary of Consolidated Statements of Cash Flows (from April 1, 2020 to March 31, 2021)]**

(Millions of yen)

| Cash flows from operating activities                          | 679,094   |
|---|-----------|
| Cash flows from investing activities                          | (306,791) |
| Cash flows from financing activities:                         | (355,081) |
| Net increase (decrease) in cash and cash equivalents          | 17,222    |
| Cash and cash equivalents at beginning of the year            | 393,302   |
| Net foreign exchange differences of cash and cash equivalents | 1,776     |
| Cash and cash equivalents at end of the year                  | 412,300   |

## Non-Consolidated Financial Statements

### Non-consolidated Balance Sheet (as of March 31, 2021)

(Millions of yen)

| Account  | Amount           | Account   | Amount           |
|--|------------------|---|------------------|
| (Assets)   |                  | (Liabilities)   |                  |
| <b>Current assets</b>  | <b>163,779</b>   | <b>Current liabilities</b>                              | <b>198,682</b>   |
| Cash and deposits  | 243              | Short-term borrowings                                   | 69,000           |
| Short-term loans receivable from subsidiaries and affiliates | 143,000          | Short-term loans payable to subsidiaries and affiliates | 34,123           |
| Accounts receivable  | 20,138           | Commercial papers                                       | 44,000           |
| Other  | 398              | Current portion of bonds                                | 30,000           |
|  |                  | Accrued expenses  | 3,143            |
|  |                  | Income taxes payable                                    | 2,740            |
|  |                  | Provision for employees' bonuses                        | 347              |
|  |                  | Other   | 15,329           |
| <b>Non-current assets</b>                                    | <b>3,644,481</b> | <b>Non-current liabilities</b>                          | <b>1,884,854</b> |
| <b>Property, plant and equipment</b>                         | <b>67,183</b>    | Bonds payable   | 170,324          |
| Buildings and structures                                     | 15,724           | Long-term loans payable                                 | 975,912          |
| Land   | 50,604           | Long-term loans payable to subsidiaries and affiliates  | 720,000          |
| Other  | 856              | Deferred tax liabilities                                | 13,168           |
|  |                  | Provision for share remuneration                        | 179              |
| <b>Intangible assets</b>                                     | <b>2,004</b>     | Other   | 5,272            |
|  |                  | <b>Total liabilities</b>                                | <b>2,083,537</b> |
| <b>Investments and other assets</b>                          | <b>3,575,294</b> | <b>(Net assets)</b>                                     |                  |
| Investments in securities                                    | 114,161          | <b>Shareholders' equity</b>                             | <b>1,692,467</b> |
| Stocks of subsidiaries and affiliates                        | 2,306,156        | <b>Common stock</b>                                     | <b>100,000</b>   |
| Long-term loans receivable from subsidiaries and affiliates  | 1,145,912        | <b>Capital surplus</b>                                  | <b>1,463,920</b> |
| Guarantee deposits   | 3,609            | Legal capital reserve                                   | 526,389          |
| Other  | 5,456            | Other capital surplus                                   | 937,531          |
|  |                  | <b>Retained earnings</b>                                | <b>135,673</b>   |
|  |                  | Other retained earnings                                 | 135,673          |
|  |                  | Reserve for advanced depreciation of non-current assets | 1,679            |
|  |                  | Retained earnings brought forward                       | 133,994          |
|  |                  | <b>Treasury stock</b>                                   | <b>(7,126)</b>   |
|  |                  | <b>Valuation and translation adjustments</b>            | <b>32,257</b>    |
|  |                  | <b>Unrealized gain on securities</b>                    | <b>32,334</b>    |
|  |                  | <b>Deferred hedge gains and losses</b>                  | <b>(77)</b>      |
|  |                  | <b>Total net assets</b>                                 | <b>1,724,724</b> |
| <b>Total assets</b>  | <b>3,808,260</b> | <b>Total liabilities and net assets</b>                 | <b>3,808,260</b> |

**Non-consolidated Statements of Income (from April 1, 2020 to March 31, 2021)**

(Millions of yen)

| Account title                                       | Amount |               |
|---|--------|---------------|
| <b>Operating revenue</b>                            |        |               |
| Dividends income                                    | 22,117 |               |
| Management fee income                               | 11,371 | <b>33,488</b> |
| <b>Selling, general and administrative expenses</b> |        | <b>10,795</b> |
| <b>Operating income</b>                             |        | <b>22,692</b> |
| <b>Non-operating income</b>                         |        |               |
| Interest income                                     | 8,515  |               |
| Dividends income                                    | 3,201  |               |
| Rent income   | 2,337  |               |
| Other   | 1,409  | 15,462        |
| <b>Non-operating expenses</b>                       |        |               |
| Interest expenses                                   | 10,933 |               |
| Interest on bonds                                   | 1,258  |               |
| Rent expenses                                       | 1,150  |               |
| Other   | 315    | 13,656        |
| <b>Ordinary income</b>                              |        | <b>24,498</b> |
| <b>Special gain</b>                                 |        |               |
| Gain on sales of investments in securities          |        | 945           |
| <b>Special loss</b>                                 |        |               |
| Impairment loss                                     |        | 893           |
| <b>Income before income taxes</b>                   |        | <b>24,550</b> |
| Income taxes-current                                | 812    |               |
| Income taxes-deferred                               | (742)  | 69            |
| <b>Net income</b>                                   |        | <b>24,481</b> |

## Audit Reports

### Copy of the Financial Auditor's Report (on Consolidated Financial Statements)

#### Independent Auditor's Report

May 14, 2021

To: The Board of Directors of ENEOS Holdings, Inc.

Ernst & Young ShinNihon LLC

Tokyo office

Umemura Kazuhiko

Certified Public Accountant,

Designated Limited Liability Partner, and Engagement Partner

Yamazaki Kazuhiko

Certified Public Accountant,

Designated Limited Liability Partner, and Engagement Partner

Yamagishi Satoshi

Certified Public Accountant,

Designated Limited Liability Partner, and Engagement Partner

Hara Kan

Certified Public Accountant,

Designated Limited Liability Partner, and Engagement Partner

#### Opinion

Pursuant to Article 444.4 of the Japanese Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity, and the notes to the consolidated financial statements of ENEOS Holdings, Inc. (the "Company") applicable to the consolidated fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the consolidated financial statements referred to above, which is a partially condensed version as some disclosure items were omitted from the reporting standards as set out in the IFRS pursuant to the latter part of Article 120.1 of the Japanese Rules of Corporate Accounting, present fairly, in all material respects, the financial position and results of operations of the corporate group consisting of ENEOS Holdings, Inc. and its consolidated subsidiaries applicable to the 11th fiscal year ended March 31, 2021.

#### Basis for Audit Opinion

We conducted our audit in accordance with the auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the relevant ethical requirements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's and Audit and Supervisory Committee's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements, which is a partially condensed version as some disclosure items were omitted from the reporting standards as set out in the IFRS pursuant to the latter part of Article 120.1 of the Japanese Rules of Corporate Accounting. This responsibility includes development and operation of such internal control as management determines necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with the latter part of Article 120.1 of the Japanese Rules of Corporate Accounting, which allows the preparation of the consolidated financial statements with some omissions of disclosure items required by IFRS, for disclosing, as necessary, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to the risks of material misstatement. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for an opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with the latter part of the first paragraph of Article 120.1 of the Japanese Rules of Corporate Accounting, which allows the preparation of the consolidated financial statements with some omissions of disclosure items required by IFRS, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Japanese Certified Public Accountants Act.

End

## Copy of the Financial Auditor's Report (on Non-consolidated Financial Statements)

### Independent Auditor's Report

May 14, 2021

To: The Board of Directors of ENEOS Holdings, Inc.

Ernst & Young ShinNihon LLC  
Tokyo office  
Umemura Kazuhiko  
Certified Public Accountant,  
Designated Limited Liability Partner, and Engagement Partner  
Yamazaki Kazuhiko  
Certified Public Accountant,  
Designated Limited Liability Partner, and Engagement Partner  
Yamagishi Satoshi  
Certified Public Accountant,  
Designated Limited Liability Partner, and Engagement Partner  
Hara Kan  
Certified Public Accountant,  
Designated Limited Liability Partner, and Engagement Partner

#### Opinion

Pursuant to Article 436.2.1 of the Japanese Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements, and the supplementary schedules thereof ("financial statements, etc.") of ENEOS Holdings, Inc. (the "Company") applicable to the 11th fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of ENEOS Holdings, Inc. applicable to the 11th fiscal year ended March 31, 2021 in conformity with accounting principles generally accepted in Japan.

#### Basis for Audit Opinion

We conducted our audit in accordance with the auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements, etc. section of our report. We are independent of the Company in accordance with the relevant ethical requirements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's and Audit and Supervisory Committee's Responsibility for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the financial statements, etc. in accordance with the accounting standards generally accepted in Japan. This responsibility includes development and operation of such internal control as management determines necessary to enable the preparation and fair presentation of the financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the financial statements, etc. In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to the risks of material misstatement. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for an opinion.
- When auditing the consolidated financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements, etc., with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty



exists, we are required to draw attention in our auditor's report to the notes to the financial statements, etc. or, if the notes to the financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation of the financial statements, etc. and notes to the financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the financial statements, etc., including the related notes thereto, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Japanese Certified Public Accountants Act.

End

## **| Copy of Audit and Supervisory Committee's Report |**

### **Audit and Supervisory Committee's Report**

The Audit and Supervisory Committee has audited directors' execution of duties for the 11th fiscal term from April 1, 2020 to March 31, 2021. The followings are the reports of the methods and the results of the audit.

#### 1. The methods and contents of the audit

(1) With respect to the contents of the resolution of the Board of Directors regarding the matters set forth in Article 399-13.1 (b) and (c) of the Companies Japanese Act, and the systems (Internal Control Systems) developed based on such resolution, the Audit and Supervisory Committee received periodic reports from the directors, employees and other relevant functions concerning the status of formation and implementation of such systems, and asked for explanations as necessary.

In addition, with respect to internal control relating to financial reports, the Audit and Supervisory Committee received reports from the directors, other relevant personnel and Ernst & Young ShinNihon LLC on assessment of such internal control and the status of audit and asked for explanations as necessary.

(2) In accordance with the audit policy and the allocation of duties and other terms defined by the Audit and Supervisory Committee, the Audit and Supervisory Committee, in coordination with the internal control divisions of the Company, the Audit and Supervisory Committee, while using methods via telephone lines or the Internet, etc., attended material meetings, received reports from the directors, employees and other relevant functions on matters related to their execution of duties, asked for explanations as necessary, and investigated the status or condition of the business activities and assets by inspecting important approval documents and reports. Regarding the subsidiaries, the Audit and Supervisory Committee sought to communicate and exchange information with directors, corporate auditors and other relevant personnel of the subsidiaries, and received reports on business from the subsidiaries as necessary.

(3) The Audit and Supervisory Committee monitored and verified that the Financial Auditor maintained independence and conducted appropriate audits, received reports from the Financial Auditor on the status of their audit work, and asked for explanations as necessary. The Audit and Supervisory Committee were also advised by the Financial Auditor that they had the "systems for ensuring that the performance of the financial auditors is being carried out correctly" (matters set forth in each item of Article 131 of the Rules of Corporate Accounting)" in place in accordance with the "Quality Control Standards" (Business Accounting Council, October 28, 2005) and other relevant regulations and asked for explanations as necessary.

Based on the above stated steps, the Audit and Supervisory Committee examined the business report and the supplementary schedules, financial statements and the supplementary schedules, and the consolidated financial statements, for the current fiscal year.

#### 2. Results of the audit

(1) Results of the audit of the business report and the supplementary schedules

It is our opinion that:

A. The business report and the supplementary schedules present fairly the status of the Company's business conditions in conformity with the applicable laws and regulations and the Articles of Incorporation;

B. There is no indication of significant wrongdoing or violation of laws and regulations and the Articles of Incorporation in the directors' execution of duties; and

C. The contents of the resolution by the Board of Directors regarding the internal control systems were appropriate. Also, there is no item to be noted on description in the business report and the directors' execution of duties regarding the internal control systems, including internal controls relating to financial reports.

(2) Result of the audit of the financial statements and the supplementary schedules

The methods and results of audits conducted by Ernst & Young ShinNihon LLC, Financial Auditor of the Company, are appropriate.

(3) Result of the audit of the consolidated financial statements

The methods and results of audits conducted by Ernst & Young ShinNihon LLC, Financial Auditor of the Company, are appropriate.

May 14, 2021

ENEOS Holdings, Inc., Audit and Supervisory Committee

Full-Time Audit and Supervisory Committee Member  
Kato Hitoshi [Seal]

Full-Time Audit and Supervisory Committee Member  
Ouchi Yoshiaki [Seal]

Audit and Supervisory Committee Member  
Nishioka Seiichiro [Seal]

Audit and Supervisory Committee Member  
Mitsuya Yuko [Seal]

Audit and Supervisory Committee Member  
Oka Toshiko [Seal]

(Note) Audit and Supervisory Committee Members Mr. Nishioka Seiichiro, Ms. Mitsuya Yuko and Ms. Oka Toshiko are outside directors as stipulated in Article 2.15 and Article 331.6 of the Companies Japanese Act.