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REPORT FOR THE 14TH FISCAL TERM

(From April 1, 2023 to March 31, 2024)



Notice Regarding This Paper-Based Document

- Among the matters for an electronic provision measure, pursuant to laws and regulations and Article 15 paragraph 2 of the Articles of Incorporation of the Company, the following items are posted on the Company's website and are not included in this paper-based document: (1) part of the business report (Part of Matters Concerning Present Condition of the Corporate Group, Matters Concerning the Financial 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, and (3) statement of changes in equity and the notes to non-consolidated financial statements of the non-consolidated financial statements. 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 paper-based document. The financial auditor has audited the consolidated financial statements and the non-consolidated financial statements, in addition to items (2) and (3).

- The revised items will be posted on the Company's website and other sites.

The Company's website:

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

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ENEOS Holdings, Inc.
Securities Code: 5020

Business Report

The 14th Fiscal Term (From April 1, 2023, to March 31, 2024)

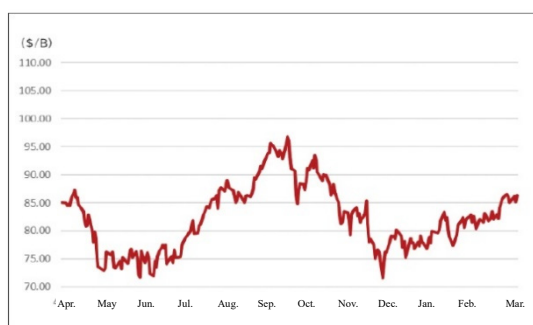
1 Matters Concerning Present Condition of the Corporate Group

(1) Business Progress and Results

A. Circumstances Surrounding the ENEOS Group

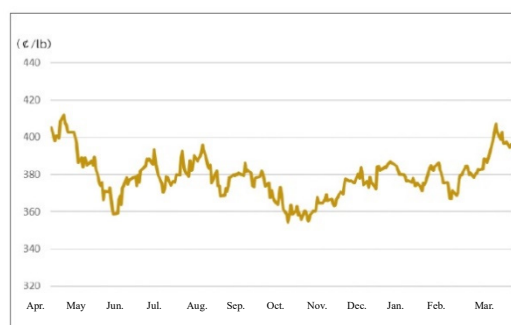
Growth of the global economy in this fiscal year slowed due to concerns about an economic slowdown resulting from monetary tightening in various countries, a delay in economic recovery in China, and other factors. Meanwhile, the Japanese economy generally continued to see a gradual recovery with progress toward normalization of economic and social activities as COVID-19 is now classified as Category V infectious disease.

Changes in Dubai Crude Oil Price



Prices of Dubai crude oil had fluctuated over an agreement on voluntary production cuts by OPEC+ during the fiscal year, but they rose toward the end of the fiscal year due to instability in global circumstances, a strong U.S. economy, and other factors.

Changes in LME (London Metal Exchange) Copper Price



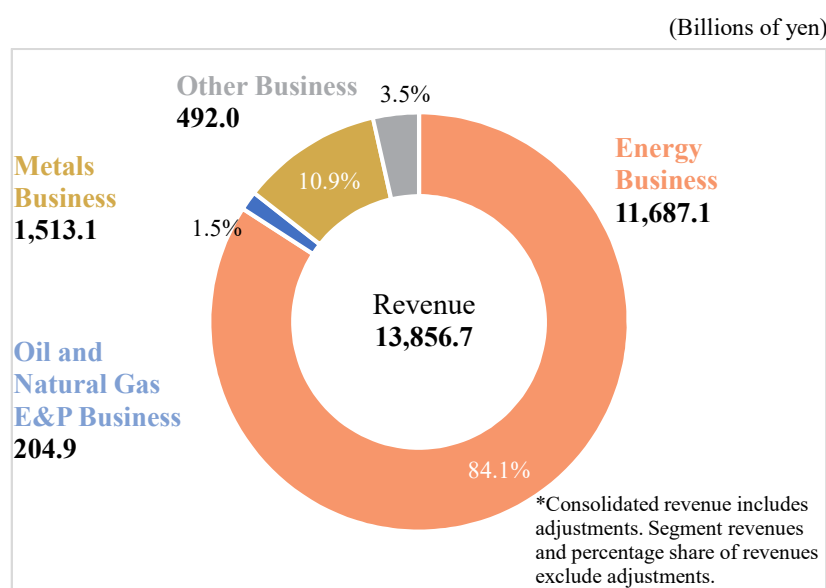
The LME copper prices had been weak, affected by concerns about a global economic slowdown, a delay in economic recovery in China and other things, but then rose toward the end of the fiscal year due to a media report on production cuts by smelting companies in China and others.

B. Outline of the Consolidated Results of this Fiscal Year

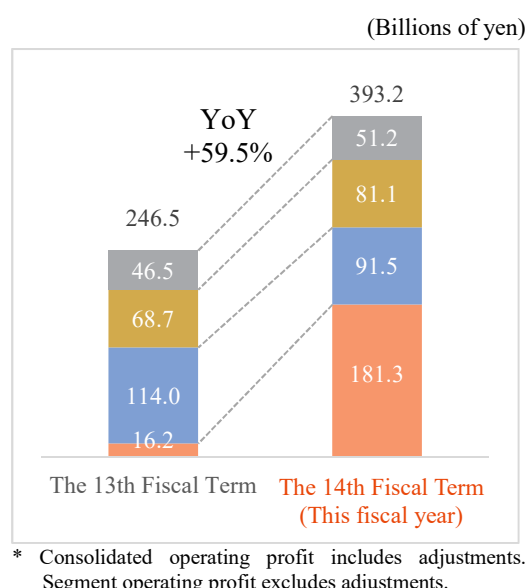
In this business environment, as a result of the implementation of various measures based on the Third Medium-Term Management Plan, operating profit excluding inventory valuation for this fiscal year increased 59.5% from the previous year to 393.2 billion yen, mainly due to an increase in profit in the Energy Business.

Click here to see the financial results materials:
<https://www.hd.eneos.co.jp/ir/library/statement/>

■ Percentage share of revenue*

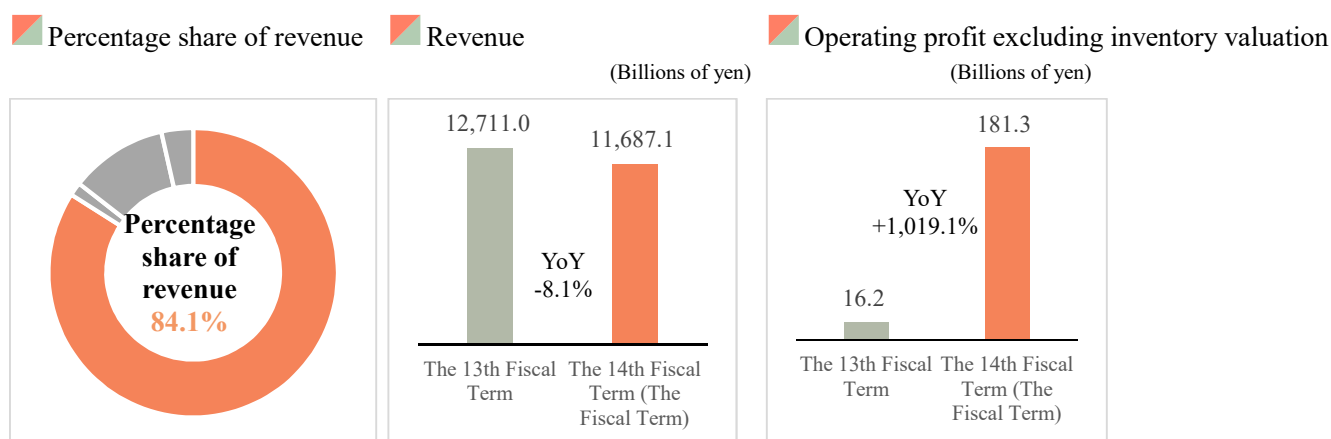


■ Operating profit excluding inventory valuation*



C. Progress and Results of Each Business

Energy Business



●Details of Major Business Activities

ENEOS Corporation is engaged in a wide range of businesses, including the sales of electricity and natural gas, in addition to the petroleum refining and marketing business, which has the largest share of fuel oil sales in Japan. As for growth businesses, the Company focuses on supplying renewable energy, hydrogen, etc., and also works on materials and environmentally friendly businesses.

●Business Summary

Operating profit excluding inventory valuation in the Energy Business for the fiscal year amounted to 181.3 billion yen, up 1,019.1% from the previous fiscal year, due to the positive time lag during a phase of rising crude oil prices as well as improved margins for petroleum products such as gasoline and diesel fuel, and for petrochemical products.

TOPICS

Click here to see details of ENEOS Corporation's business: <https://www.hd.eneos.co.jp/ircollege/>

Reform of core business

The Group promoted initiatives aimed at improving the capacity utilization rate of refineries in order to achieve “Establishment of a solid earnings base,” a basic policy of the Third Medium-Term Management Plan. Specifically, we analyzed the failures by factor and implemented measures such as reviewing a strategy for equipment maintenance, sharing knowledge with construction contractors, and strengthening the management structure. As a result, the percentage of unscheduled suspension of refineries during this fiscal year was 7%.

We also worked on business process re-engineering, such as optimizing organizational structures, having advanced profitability management and improving operational efficiency, without exception, in order to boost profitability strongly. During this fiscal year, initiatives in more than 60 cross-divisional working groups under the Business Process Re-engineering Dept., which is a dedicated organization, produced an improvement in profitability of approx. 27.0 billion yen (two-year cumulative total of approx. 47.0 billion yen).



Kawasaki Refinery

Initiatives for realization of energy transition

In order to remain a main player in supplying primary energy in Japan in a carbon neutral society, the Group continued to promote initiatives for the realization of energy transition in this fiscal year.

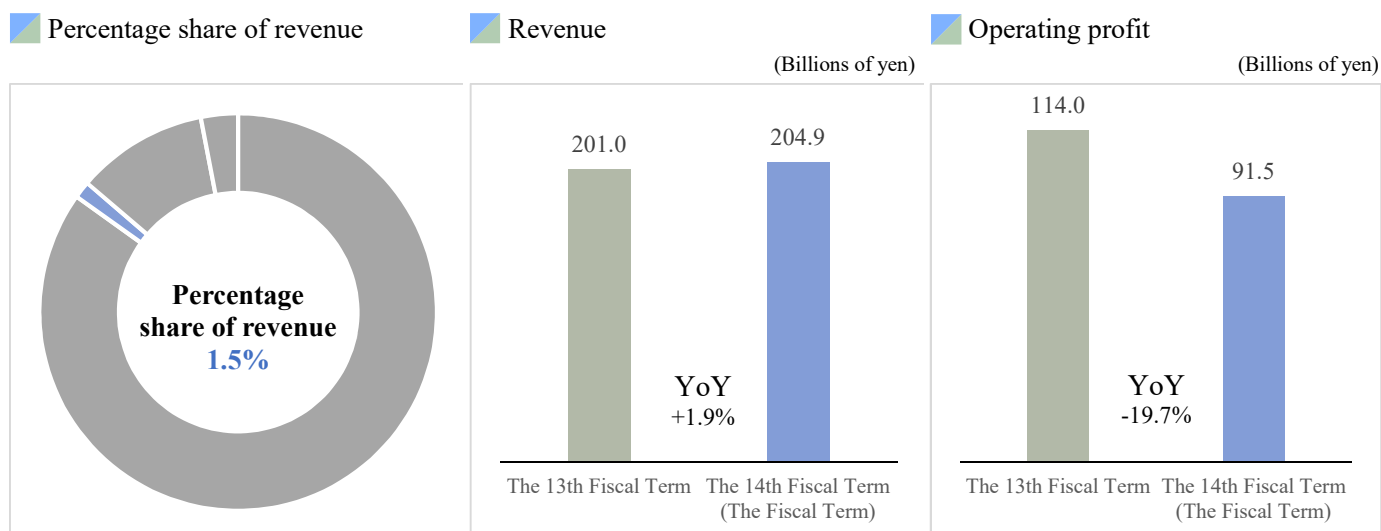
Specifically, in the renewable energy field, we started operating wind farms and solar power plants in a total of 11 sites in Japan and overseas, and a project company for which the ENEOS Group serves as the lead company was selected as the business operator for an offshore wind power generation project off the coast of Happon Town and Noshiro City in Akita Prefecture.

In the sustainable aviation fuel (SAF) field, we aim to establish a mass production system with an annual production of 400,000 kl by fiscal 2026, and started collaborating with partners in Japan and overseas for procuring waste cooking oil that is used as a raw material and developing other supply chains.



Nakakyushu Onitayama 2 Wind Farm

Oil and Natural Gas E&P Business



●Details of Major Business Activities

JX Nippon Oil & Gas Exploration Corporation develops “dual-axis management.” This is a management approach that positions the Oil and Natural Gas Exploration and Production (E&P) Business, its core business, as the axis, and places environmentally friendly businesses, centering on CCS*/CCUS*, as growth businesses and recognizes them as the other axis.

* CCS (Carbon dioxide Capture and Storage) * CCUS (Carbon dioxide Capture, Utilization and Storage)

●Business Summary

Operating profit for the Oil and Natural Gas Exploration and Production (E&P) Business for the year amounted to 91.5 billion yen, down 19.7% year on year. Despite the increase in volume due to the start of shipments from the expansion project for an existing gas field and the improvement from making Japan Drilling Co., Ltd. a consolidated subsidiary and including the profits, this was due the impact of falling resource prices exceeding the positive effects of those factors.

TOPICS

Click here to see details of JX Nippon Oil & Gas Exploration Corporation’s business:
<https://www.nex.jx-group.co.jp/>

Environmentally conscious and stable supply of energy

In the Oil and Natural Gas E&P Business, the Group has been working to achieve both stable supply and lower environmental load, and promoted its efforts steadily during this fiscal year.

In Indonesia, the expansion of liquefaction facilities of Tangguh LNG Project was completed, resulting in a significant increase in production capacity. In Malaysia, the Group signed a new production sharing contract for the “BIGST Project” that combines the development of high CO₂ gas fields with CCS business with Petroliaam Nasional Berhad (“PETRONAS”), a government-owned energy company. In the U.S., we restarted operations of the CO₂ capture facility which separates and captures CO₂ from the combustion exhaust gas of a thermal power plant and injects the captured CO₂ into an oil field to increase the crude oil production in September 2023, and the facility has been operating smoothly.

Promotion of environmentally friendly businesses

The Group has been promoting mainly CCS/CCUS in Japan and overseas as environmentally friendly businesses. During this fiscal year we signed a consignment contract with Japan Organization for Metals and Energy Security for a “Study on the Implementation of Japan’s Advanced CCS Project” for fiscal 2023, and exchanged a Memorandum of Understanding, etc. with Santos Limited, a major producer of oil and gas in Australia, to collaborate on the development of a CCS value chain between Japan and Australia.

Moreover, we established the e-Technology Innovation Center that consolidates cutting-edge technologies and knowledge which will be necessary in the future and engages in efficient research and development in April 2024. Further, we are also working to construct a new office of Nakajo Open-innovation Lab that promotes various demonstrations toward a decarbonized society and collaboration with other companies, universities, and so on. The new office is scheduled to be completed in June 2024.

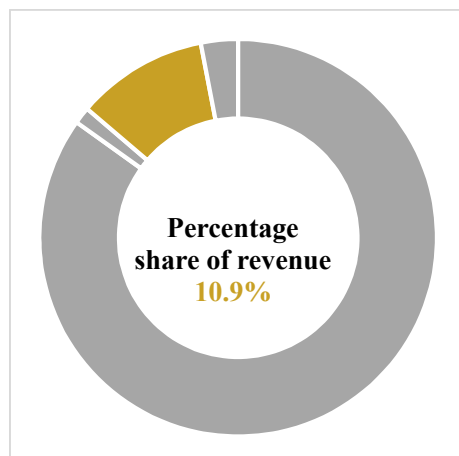


CO₂ capture facility in the U.S.

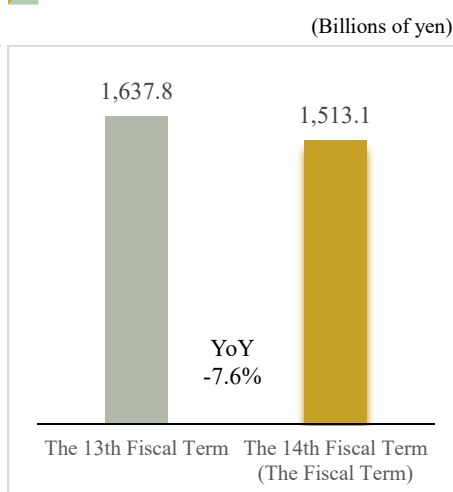


New office of Nakajo Open-innovation Lab (Conceptual image)

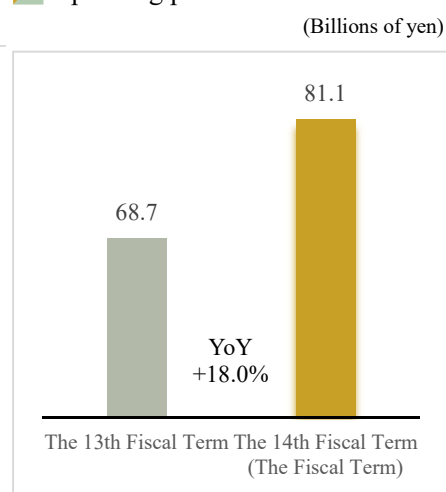
Percentage share of revenue



Revenue



Operating profit



●Details of Major Business Activities

JX Advanced Metals Corporation develops and manufactures advanced materials, mainly semiconductor materials and information and telecommunications materials, while also engaging in resource development, metal smelting and recycling to supply the raw materials needed for these materials, to develop as an integrated business. The Company is working on various measures to transform itself into a technology-driven company as a global leader in semiconductor materials and information and telecommunication materials.

●Business Summary

Operating profit of the Metals Business for the fiscal year increased 18.0% from the previous fiscal year to 81.1 billion yen, mainly due to the absence of valuation losses recognized in the previous fiscal year for the Caserones Copper Mine, despite the decrease in sales of semiconductor materials and information and telecommunications materials, the valuation losses associated with the transfer of part of the shares of Pan Pacific Copper Co., Ltd., and other factors.

TOPICS

Click here to see details of JX Advanced Metals Corporation's business:
<https://www.jx-nmm.com/company/glance/>

Construction of new factory for semiconductor sputtering targets

In anticipation of an expansion in medium- to long-term demand for semiconductors, the Group pushed forward with the construction of new factories in Japan and overseas and worked to enhance production capacity, in order to develop a flexible supply system for semiconductor sputtering targets.

In Hitachi City, Ibaraki, Japan, the construction of Hitachi North Factory was completed in October 2023. Also, in Arizona in the United States, a large portion of the new factory building has been constructed. Production facilities for semiconductor sputtering targets are being brought in at both factories, and they are planning to start operations in fiscal 2024.



New factory under construction in Arizona in the United States



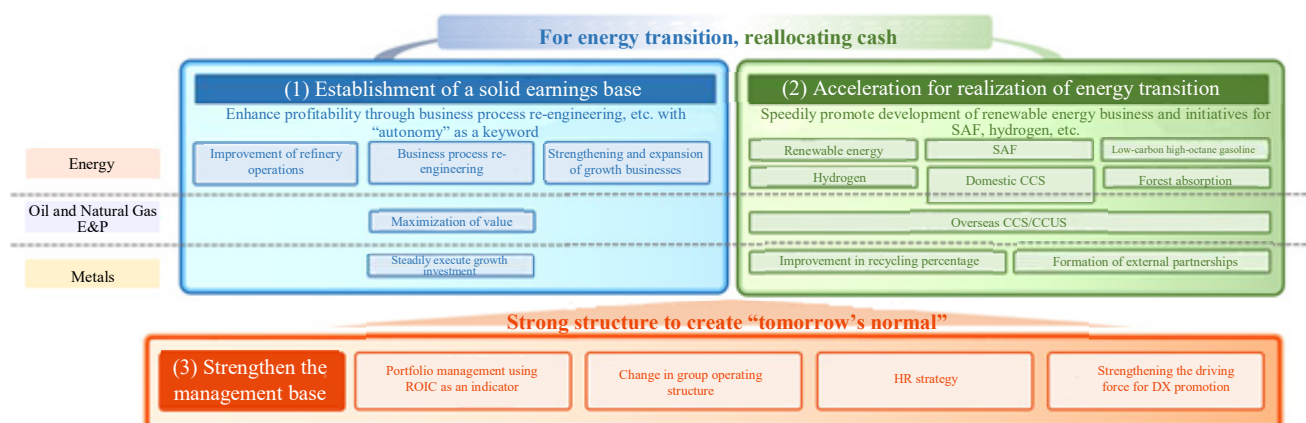
Sputtering targets

Structural reform of the smelting and refining business

As part of the structural reform, the Group transferred 20% of the shares of Pan Pacific Copper Co., Ltd. (PPC), which is in charge of raw material procurement and marketing in the copper smelting and refining business, to Marubeni Corporation (Marubeni). As a result, PPC ceased to be a consolidated subsidiary and became an equity method affiliate, which greatly improved the profitability and capital efficiency of the Metals Business. Under the new framework with participation by Marubeni, the Group will strive to make the smelting and refining business even more competitive such as by expanding clientele and enhancing resilience in raw material procurement.

[Reference] Key Points of the Third Medium-Term Management Plan

Basic policy



Results and projections for financial targets

	FY2022 Actual Result	FY2023 Actual Result	FY2024 Projections	Third Medium-Term Management Plan Targets
ROIC ^{*1, 2}	3%	5%	5%	(FY2025) 7% or more
		(Group total WACC: 4%)		
Profit for the year (Excluding inventory valuation)	96.6 billion yen	237.9 billion yen	210.0 billion yen	(Three-year total) 700.0 billion yen
ROE (Excluding inventory valuation)	3%	8%	7%	(FY2025) 10% or more
		(Cost of shareholders' equity: 8%)		
Net D/E ratio (Including hybrid bonds on a total asset basis)	0.76 times	0.46 times	0.5 times	0.8 times or lower
Free CF (After completing repayment of lease liabilities)	-306.6 billion yen	691.1 billion yen	150.0 billion yen	(Three-year total) 500.0 billion yen

*1: Excluding incubation projects

*2: The figures for FY2024 Projections are estimated values.

Highlights in the “Initiatives for the realization of an energy transition” during the fiscal year

	●Renewable energy ●Sustainable aviation fuel (SAF) ●Hydrogen ●Low-carbon high-octane gasoline ●CCS/CCUS ●Forest absorption
April 2023	● Completed the acquisition of shares of Japan Drilling Co., Ltd.
May 2023	● Started operation at Azuma Kogen Wind Farm in Fukushima Prefecture
June 2023	● Started operation at Wakayama Mega Solar Power Plant in Wakayama Prefecture
July 2023	● Invested in a large-scale forest management fund in the U.S., organized by a group company of Sumitomo Forestry Co., Ltd.
August 2023	● Exchanged a memorandum of understanding on collaboration in synthetic fuels with the Saudi Arabian Oil Company, Saudi Aramco, in Saudi Arabia and Idemitsu Kosan Co., Ltd. ● Started operation at Sanda Mega Solar Power Plant in Hyogo Prefecture ● Received a consignment contract for a “Study on the Implementation of Japan’s Advanced CCS Project” in fiscal 2023 from Japan Organization for Metals and Energy Security
September 2023	● Started operation at Nakakyushu Onitayama 2 Wind Farm in Miyazaki Prefecture ● Started operation at Edenvale Solar Park in Australia
October 2023	● Exchanged a memorandum of understanding on collaboration in synthetic fuels with HIF Global in the U.S. ● Terminated the petroleum refining function at the Wakayama refinery and launched an initiative for commercialization so that the site will be used as a SAF production base ● Exchanged a basic agreement on a feasibility study of a synthetic fuel production system integrating CO₂ electrolysis technology with Toshiba Energy Systems & Solutions Corporation ● Started a collaborative study on the large-scale utilization of CO₂-free hydrogen at the Mizushima Industrial Complex in Okayama Prefecture with JFE Steel Corporation
November 2023	● Exchanged a memorandum of understanding to accelerate the development of low-carbon hydrogen with Air Liquide in France ● Signed a partnership agreement for the realization of a decarbonized society through forest conservation with Mori Town, in Kayabe District, Hokkaido and Nippon Life Insurance Company
December 2023	● Exchanged a memorandum of understanding with Santos Limited in Australia for the development of a CCS value chain between Japan and Australia
January 2024	● Concluded a comprehensive partnership agreement for the realization of a circular economy in Wakayama Prefecture with Wakayama Prefecture, Kao Corporation, and Suntory Holdings Limited ● Made an equity investment in MVCE Gulf Coast, LLC of the U.S., which seeks to produce clean hydrogen in the Gulf of Mexico in the U.S.
February 2024	● Exchanged a letter of intent with Tokyu Land Corporation regarding the utilization of used cooking oil as SAF feedstock in commercial and resort facilities ● Exchanged a memorandum of understanding for the study on the establishment of Japan’s largest green hydrogen supply chain in Hokkaido with Idemitsu Kosan Co., Ltd. and Hokkaido Electric Power Co., Inc.
March 2024	● Concluded a joint development agreement for the domestically produced bioethanol business using used paper as a raw material with TOPPAN Holdings Inc. ● Exchanged a memorandum of understanding with Mitsubishi Corporation and PETRONAS in Malaysia for study on the establishment of CCS value chains related to CO₂ emissions from Tokyo Bay (Keihin and Keiyo areas) ● Exchanged a memorandum of understanding with Chevron Corporation in the U.S. for the development of a CCS value chain ● Exchanged a memorandum of understanding to jointly study the optimization of CO₂ liquefaction and storage processes with Nippon Yusen Kabushiki Kaisha and its affiliate Knutsen NYK Carbon Carriers AS (KNCC) in Norway ● Selected as the business operator for an offshore wind power generation project off the coast of Happon Town and Noshiro City in Akita Prefecture ● Exchanged a memorandum of understanding to consider collaboration regarding the supply of biofuels and its feedstock between Japan and South Korea with DS Dansuk Co., Ltd. in South Korea and others ● Concluded a production sharing contract and an agreement to jointly operate a new development project (BIGST Project) for gas fields in Malaysia utilizing CCS technology with PETRONAS in Malaysia

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 the formation of the sustainable society targeted by SDGs (Sustainable Development Goals) and create social value as well as economic value through realizing “ENEOS Group Long-Term Vision.” 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,” and confirms the status of responses to identified risks and priority issues. The Board of Directors monitors and supervises matters by receiving reports on the situation.

Contribution through our business activities (five key items)



Contribution through corporate activities (five key items)



Assessment by a third party (as of March 31, 2024)

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



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ESG briefing

The Company held an ESG briefing for analysts and institutional investors to provide information on its ESG management in March 2024. The briefing was attended by Outside Directors to provide an opportunity for more persuasive dialogue and to answer questions made based on their individual insights and experiences, and also based on discussions at Board of Directors meetings. Materials for the ESG briefing are available on the Company's website as below.

URL

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



Question and answer session of the ESG briefing

[Carbon Neutrality Plan]

In May 2023, the Company formulated the Carbon Neutrality Plan. The objective is to promote the reduction of its own greenhouse gas (GHG) emissions and to contribute to the reduction of society's GHG emissions for achieving both a "stable supply of energy and materials" and "realization of a carbon neutral society." An overview of this basic plan is stated on the next page.

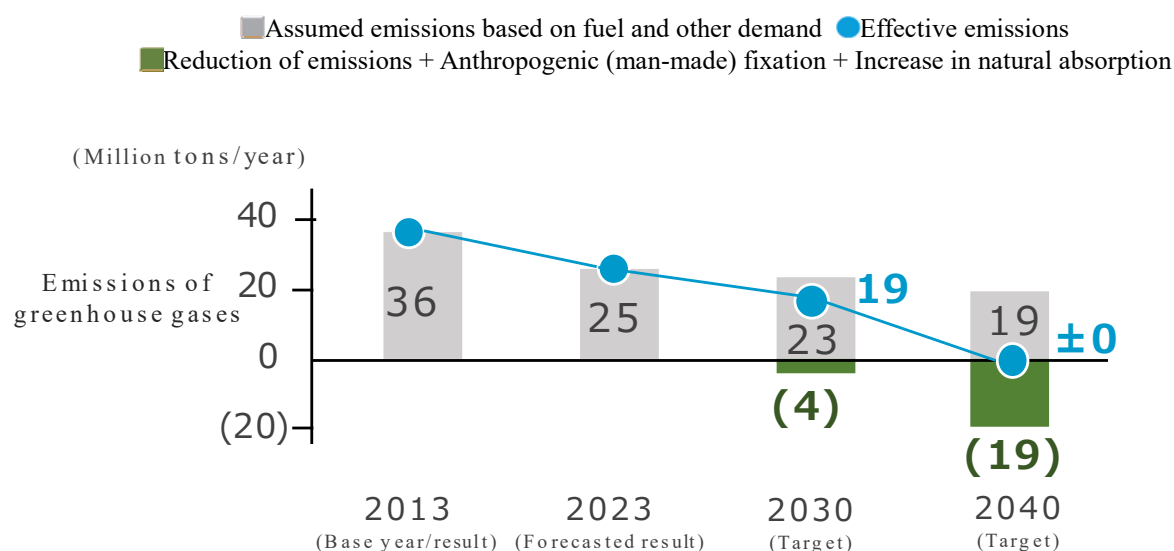
URL

https://www.hd.eneos.co.jp/company/system/pdf/e_hd_jp_ot_fy2023_01.pdf



The Company is working to realize carbon neutrality in its CO₂ emissions (Scope 1+2) by fiscal 2040 in accordance with this basic plan. The GHG reduction due to improving the efficiency of refineries during this fiscal year was approx. 2 million tons compared with fiscal 2013. Meanwhile, the Company steadily promoted initiatives for anthropogenic GHG fixation and increased natural absorption, such as by participating in projects in Japan and overseas to create and utilize forest-derived carbon credits upon having received a consignment contract from Japan Organization for Metals and Energy Security for a "Study on the Implementation of Japan's Advanced CCS Project" in fiscal 2023, conducted jointly with Electric Power Development Co., Ltd.

Reduction of the Company's GHG emissions (Scope 1+2)



Information on ESG

The ESG Data Book on the Company's website contains comprehensive and detailed information on the Group's ESG issues.

URL

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



(2) Matters the Company Should Address

Looking at the future business environment, move toward carbon neutrality is expected to progress steadily both globally and in Japan, as seen from the agreement made at COP28, the enactment of the GX promotion act in Japan, and others. On the other hand, the leading role of next-generation energy and the timing of necessary technological breakthroughs for the manufacturing of such energy remain uncertain, and a smooth transition to a carbon neutral society while meeting S+3E* is necessary.

Based on the recognition of these issues, the ENEOS Group set forth the following new “ENEOS Group Long-Term Vision” (Long-Term Vision) in May 2023. At the Group, we consider the period of the Third Medium-Term Management Plan (from fiscal 2023 to fiscal 2025) as a period to focus on “thorough preparation and development” toward the realization of our Long-Term Vision, and we are steadily implementing various measures based on basic policies of “Establishment of a solid earnings base,” “Acceleration to realize an energy transition,” and “Strengthening of the management base.”

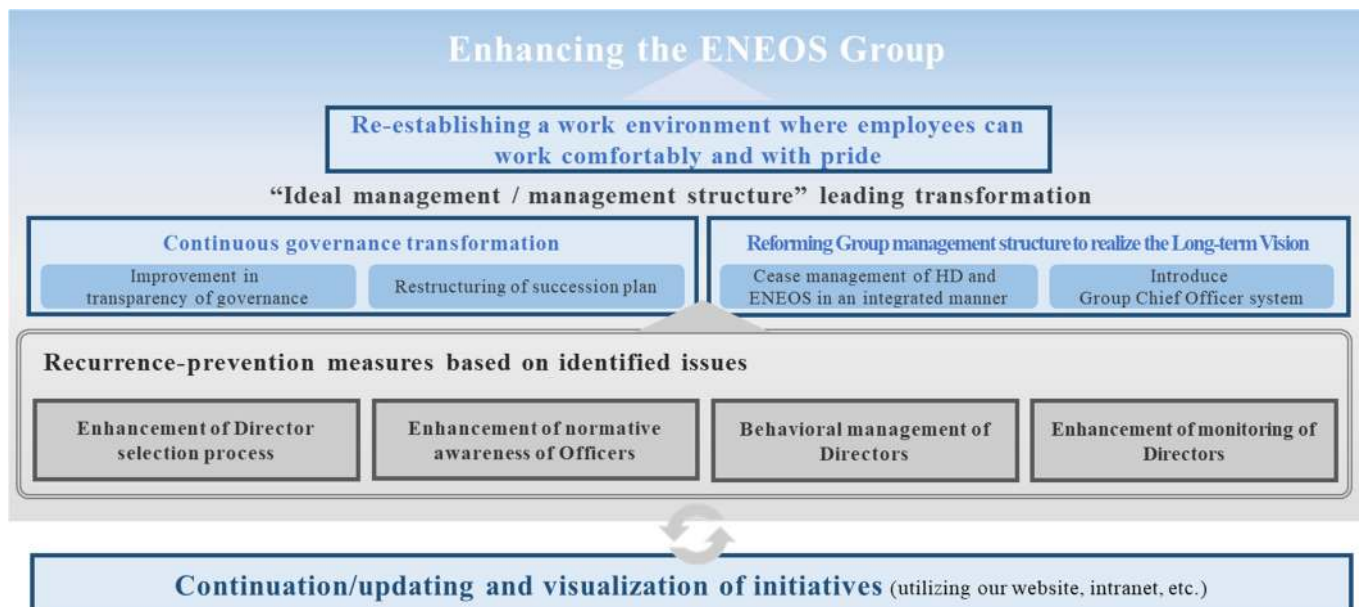
*Safety, Energy Security, Economic Efficiency, Environment

ENEOS Group Long-Term Vision

**The ENEOS group is taking on the challenge of achieving both
a stable supply of energy and materials and realizing a carbon-neutral society.**

Initiatives for Becoming an Enhanced ENEOS Group

It is very regrettable that inappropriate behavior that is contrary to the “ENEOS Group Philosophy” by the Company’s top management occurred two years in a row at such an important juncture. Taking this fact seriously, the Company decided to take the following initiatives with the utmost effort toward becoming an enhanced ENEOS Group that is able to drive an energy transition, while working thoroughly on even more enhanced recurrence-prevention measures.



- **Re-establishing a work environment where employees can work comfortably and with pride**

The Company believes that it is extremely important to secure and develop talented personnel who will drive forward our Long-Term Vision and achieve it, and has been working to strengthen human capital and enhance talent management, such as with skill development and re-skilling of its employees, while striving to improve engagement. However, the Company caused great disappointment to employees, who are important stakeholders. Recognizing this, we will work thoroughly to “re-establish a work environment where employees can work comfortably and with pride.”

Specifically, we will scrutinize what needs to be kept, what needs to be changed, etc., and review and execute measures for them. In addition, we will conduct periodic engagement surveys, etc. and make the results and our responses visualized in order to maintain and improve a trusted relationship with our employees.

- **Continuous governance transformation**

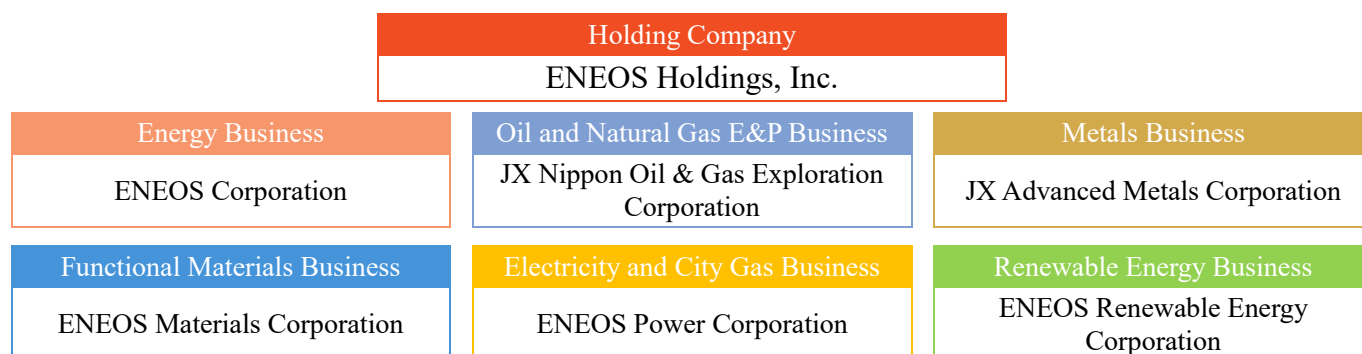
Whereas the Company enlists a structure by which its management is supervised and guided by Outside Directors who are equipped with skills necessary for achieving objectives of its Long-Term Vision, it is also working toward “continuous governance transformation” in seeking to further heighten transparency and objectivity.

Specifically, the Company has opted to appoint an Outside Director to chair the Board of Directors while also maintaining a ratio of Outside Directors exceeding 50% with the aims of thoroughly eliminating internal bias in the proceedings of the Board of Directors and incorporating outside perspectives also with respect to selection of meeting agendas.

The Company will also restructure its succession plan upon having reestablished the definition of ideal personnel who will lead the next generation of the ENEOS Group in seeking to select and develop the Company’s top management, leaders who will spearhead initiatives for becoming an enhanced ENEOS Group. Moreover, the Board of Directors will continuously refine and monitor the succession plan in seeking to ensure that we uphold our position as an essential and trusted enterprise in society in the midst of changing times.

- **Promoting portfolio management to realize the Long-term Vision**

In order for the ENEOS Group with a wide range of business domains to respond to a rapidly changing business environment, it is necessary to pursue capital efficiency by making results more visible in each business while executing growth strategies that are in line with the respective business characteristics with a certain sense of urgency. Therefore, we repositioned the High Performance Materials business, the Electricity and City Gas business and the Renewable Energy business which had been under ENEOS Corporation directly under the Company, thereby transitioning to a group operating structure with six Principal Operating Companies in April 2024.



At the same, in order to make the responsibility for operation/profitability and management of each business clearer at ENEOS Corporation as well, we ceased to manage ENEOS Corporation ourselves in an integrated manner, and installed the Chief Officer system to enhance Group governance across our Principal Operating Companies by strengthening collaboration among companies and optimizing resource allocation, etc.

Through these efforts, we will strongly advance our portfolio management further.

Speedy and Steady Implementation of the Third Medium-Term Management Plan

As stated above, at the Company we will strive to realize our Long-Term Vision while establishing an enhanced ENEOS Group. Specific matters that we will work on toward the “Establishment of a solid earnings base” during the period of the Third Medium-Term Management Plan where we focus on “thorough preparation and development” are as follows.

Principal Operating Companies	Matters to work on to “Establishment of a solid earnings base”
ENEOS Corporation	Improving capacity utilization of refineries and business process re-engineering
JX Nippon Oil & Gas Exploration Corporation	Maximizing interest in existing oil and gas fields
JX Advanced Metals Corporation	Enhancing production capacity of semiconductor materials and strengthening the system for stable supply
ENEOS Materials Corporation	Expanding and maximizing profits of the high-performance materials business with elastomers at the core
ENEOS Power Corporation	Stabilizing and maximizing earnings of power generation and retail sales businesses
ENEOS Renewable Energy Corporation	Developing new renewable energy power sources, and building a high-profit business model

We will also focus on the development of intangible assets that are not recognized on the balance sheet, such as developing technologies in the respective businesses, coordinating with leading partners, and using the government’s support systems, to maximize profits through all of these measures.

In addition to this, details of the Third Medium-Term Management Plan are available on the Company’s website.

URL

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



Shareholder return

The Company continuously considers returning its profits to shareholders as a significant management task, and therefore the Company aims to make efforts to continue with stable distribution of dividends based on profit returns that reflect results and projections for consolidated results over the medium term. During the Third Medium-Term Management Plan period, the Company intends to return at least 50% of profit for the year attributable to owners of the parent, excluding inventory valuation, to shareholders through “dividends and share buybacks” on average over the three-year period, with a minimum dividend of 22 yen/share, taking into consideration the need to maintain stable dividends.

We would greatly appreciate your continued support as a shareholder.

(3) Financing

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

In the fiscal year under review, the Company procured 100.0 billion yen through the issuance of hybrid bonds (subordinated bonds) to execute growth investments in preparation for realizing the energy transition while at the same time maintaining financial soundness. In addition, in order to move forward with initiatives aimed at achieving carbon neutrality, the Company and ENEOS Corporation issued 10.0 billion yen and 50.0 billion yen respectively in transition-linked loans, which are loans for which targets are set in accordance with the long-term strategy for achieving a decarbonized society, and for which the interest rate conditions vary in accordance with progress made towards those targets. The Company also raised 37.0 billion yen through long-term borrowings from financial institutions.

In addition, the U.S. subsidiary of JX Metals Corporation (currently JX Advanced Metals Corporation) raised US\$63 million through long-term borrowings from financial institutions, to finance the construction of a new plant in the United States.

(4) Capital Investment

Business Segment and Category	Capital Investment Amount (100 million yen)	Main description
Energy Business	2,289	Refinery and plant facility work; service station construction and reconstruction work
Oil and Natural Gas E&P Business	480	Oil and gas field development and acquisition of interest
Metals Business	843	Facility work related to semiconductor materials and information and telecommunications materials
Other Business	115	Renewal of manufacturing facility of asphalt mixture plant
Total	3,727	—
(Adjustments)	(16)	—
Consolidated Total	3,711	—

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

- Acquisition of shares of Japan Drilling Co., Ltd.

With the objective of strengthening the CCS/CCUS value chain, in April 2023 JX Nippon Oil & Gas Exploration Corporation acquired all the shares of offshore drilling operator Japan Drilling Co., Ltd. from a fund associated with the Aspirant Group Inc., making Japan Drilling Co., Ltd. a consolidated subsidiary of the Company.

- Sale of shares of SCM Minera Lumina Copper Chile

As part of revisions to its asset portfolio, in July 2023 JX Metals Corporation (currently JX Advanced Metals Corporation) sold 51% of its shares in wholly owned subsidiary SCM Minera Lumina Copper Chile, the operator of the Caserones Copper Mine, to Canada-based Lundin Mining Corporation.

- Sale of shares of Pan Pacific Copper Co., Ltd., and sale of interest in the Los Pelambres Copper Mine

In order to improve the capital efficiency of the Metals Business as a whole, and to further enhance the robustness of the mineral resources/smelting and refining businesses, in March 2024 JX Metals Corporation (currently JX Advanced Metals Corporation) sold 20% of its shareholding in Pan Pacific Copper Co., Ltd., and 3.27% of its interest in the Los Pelambres Copper Mine to Marubeni Corporation.

(6) Financial Position and Operating Results

Category	Consolidated Fiscal Year	FY2020 (11th Fiscal Term)	FY2021 (12th Fiscal Term)	FY2022 (13th Fiscal Term)	FY2023 This fiscal year (14th)
Revenue	(100 million yen)	76,580	109,218	150,166	138,567
Operating profit	(100 million yen)	2,542	7,859	2,813	4,649
Profit attributable to owners of parent	(100 million yen)	1,140	5,371	1,438	2,881
Basic profit per share		35.48 yen	167.27 yen	46.57 yen	95.64 yen
Total assets	(100 million yen)	80,588	96,482	99,545	101,365
Total equity	(100 million yen)	27,526	32,341	32,876	37,038

(7) Material Subsidiaries

The Company had 581 subsidiaries and 166 equity method affiliates as of March 31, 2024. Of them, the important 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	- Manufacturing and marketing of petroleum products (e.g., gasoline, kerosene and lubricants) - Manufacturing and marketing of petrochemical products and high-performance materials - Supply of electricity, gas and hydrogen - Development and operation of renewable energy power sources
Oil and Natural Gas E&P Business	JX Nippon Oil & Gas Exploration Corporation	376	100	Exploration, development and production of oil and natural gas
Metals Business	JX Metals Corporation (currently JX Advanced Metals Corporation)	750	100	- Manufacturing and marketing of semiconductor materials (e.g., sputtering targets and crystalline materials) - Manufacturing and marketing of information and telecommunications materials (e.g., compressed copper foil, high-performance copper alloy strips, communication lines and functional films) - Exploration, development, manufacturing and marketing of base materials (e.g., copper, precious metals and rare metals)
	Toho Titanium Co., Ltd.	120	50.4 [50.4]	Manufacturing and marketing of information and telecommunications materials (e.g., titanium metals and ultra-fine nickel powder for multilayer ceramic capacitors)
Other Business	NIPPO CORPORATION	153	100 [100]	- Civil engineering work, including roadwork and pavement construction - Construction work

- (Notes)
- Ratios of voting rights shown in parenthesis are those for indirect holding and are included in the total.
 - The status of specified wholly owned subsidiaries as of March 31, 2024 was 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: 1,367,079 million yen
Amount of total assets of the Company: 4,156,537 million yen
 - As of April 1, 2024, the High Performance Materials business, the Electricity and City Gas business and the Renewable Energy business, which had been under ENEOS Corporation, are positioned directly under the Company. Also as of April 1, 2024, the Company has designated companies that operate those businesses as material subsidiaries, namely ENEOS Materials Corporation, ENEOS Power Corporation and ENEOS Renewable Energy Corporation.

(8) Main Business Offices and Plants (as of March 31, 2024)



The Company

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
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• Energy Business

ENEOS Corporation

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
Laboratory	Central Technical Research Laboratory (Kanagawa)
Refineries	9 refineries including Mizushima (Okayama) and Kawasaki (Kanagawa)
Branch Offices	10 branch offices including Tokyo (Tokyo) and Kansai (Osaka)
Overseas Operating Sites	China, Singapore, U.S., UK, etc.

◆ Oil and Natural Gas 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., Indonesia, etc.

Note: ENEOS Corporation newly established its Nationwide Branch Office as of April 1, 2024.

■ Metals Business

JX Metals Corporation (currently JX Advanced Metals Corporation)

Head Office	10-4, Toranomom 2-chome, Minato-ku, Tokyo
Laboratory	Technology Development Center (Ibaraki)
Plants	5 plants including Isohara (Ibaraki) and Kurami (Kanagawa)
Offices	Hitachi (Ibaraki)
Smelters and Refineries	Saganoseki (Oita)
Overseas Operating Sites	U.S., Germany, China, Chile, 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, 2024)

Business Segment and Category	Number of Employees	
The Company	888	[6]
Energy Business	24,925	[12,593]
Oil and Natural Gas E&P Business	1,057	[2]
Metals Business	9,282	[114]
Other Business	7,531	[457]
Total	43,683	[13,172]

- (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, 2024)

Lender	Balance of Loans Payable (100 million yen)
Mizuho Bank, Ltd.	4,122
Japan Organization for Metals and Energy Security	3,430
MUFG Bank, Ltd.	3,024
Sumitomo Mitsui Banking Corporation	2,743
The Norinchukin Bank	930

2 Matters Concerning Shares (as of March 31, 2024)

- Total number of authorized shares issuable by the Company: 8,000,000,000
- Total number of issued shares: 3,032,850,649
- Number of shareholders 647,212 Persons
- Large shareholders (top ten (10))

Shareholders' Names	Number of Shares Held (thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	484,767	16.16
Custody Bank of Japan, Ltd. (Trust Account)	160,352	5.34
STATE STREET BANK WEST CLIENT – TREATY 505234	68,924	2.29
JPMorgan Securities Japan Co., Ltd.	65,285	2.17
Kochi Shinkin Bank	44,320	1.47
JP MORGAN CHASE BANK 385781	38,485	1.28
STATE STREET BANK AND TRUST COMPANY 505103	37,497	1.25
SSBTC CLIENT OMNIBUS ACCOUNT	33,699	1.12
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	29,449	0.98
SMBC Nikko Securities Inc.	28,020	0.93

- (Notes) 1. The Company owns 34,125,711 shares of treasury stock, but this is excluded from the large shareholders above. Shares related to share-based remuneration (5,707,116 shares), which were purchased through a trust established by the Company, are not included in the treasury shares.
2. Shareholding ratio is calculated excluding treasury shares (34,125,711 shares) from the total number of issued shares.
- The Company's shares granted to the Company's executives as consideration for execution of duties (common shares)

Category	Number of shares (shares)	Number of eligible persons (persons)
Directors (including directors who have resigned)	149,016	6

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

- Other important matters concerning shares

Pursuant to a resolution of the Board of Directors held on February 9, 2024, the Company purchased 26,790,100 shares of treasury shares during this fiscal year. For the status of treasury stock purchases in FY2024, please refer to the Company's news releases.

3 Matters Concerning the Company's Executives

(1) Names, etc. of Directors (as of March 31, 2024)

Name	Position	Responsibilities	Important concurrent office
Ota Katsuyuki	Director, Chairman of the Board		
Miyata Tomohide	Representative Director, Executive Vice President	Assistant to President (Responsible for Corporate Planning Dept., Corporate Strategic Investment Dept., Controlling Dept., Finance Dept., Investor Relations Dept., Public Relations Dept., and Legal & Corporate Affairs Dept.)	Representative Director and Executive Vice President of ENEOS Corporation Assistant to President (Responsible for Corporate Planning Dept., Corporate Strategic Investment Dept., Controlling Dept., Finance Dept., Investor Relations Dept., Public Relations Dept., Legal & Corporate Affairs Dept., Refining & Manufacturing Dept., Mechanical Engineering Dept., Engineering & Capital Planning Dept., Hydrogen Business Dept., Project Services Dept., Central Technical Research Laboratory, Refineries & Plants, and Special Projects) Vice-President of Petroleum Association of Japan
Shiina Hideki	Director, Executive Vice President, CDO	Assistant to President (Responsible for Carbon Neutral Strategy Dept., IT Planning & Development Dept., Crisis Management Dept., Procurement Dept., Safety, Health & Environment Dept., Quality Assurance Dept., and Emerging Business Development Dept.) Responsible for Carbon Neutral Strategy Dept. and IT Planning & Development Dept.	Director and Executive Vice President and CDO of ENEOS Corporation Assistant to President (Responsible for Carbon Neutral Strategy Dept., IT Planning & Development Dept., Crisis Management Dept., Procurement Dept., Safety, Health & Environment Dept., Quality Assurance Dept., Emerging Business Development Dept., Business Process Re-engineering Dept., Overseas Business Development Dept., Biofuel Business Dept., Supply Planning & Optimization Dept., Crude Oil & Products Trading Dept., Distribution & Logistics Dept., Basic Chemicals Planning Dept., Basic Chemicals Sales Dept., VPP Business Dept., High Performance Materials Company, and Executive Regional Officer) Responsible for Carbon Neutral Strategy Dept., IT Planning & Development Dept., Business Process Re-engineering Dept., Overseas Business Development Dept., Biofuel Business Dept., VPP Business Dept., and Executive Regional Officer

Name	Position	Responsibilities	Important concurrent office
Inoue Keitaro	Director, Executive Vice President	Assistant to President (Responsible for Secretariat, Internal Audit Dept., Internal Control Dept., Human Resources Dept., and General Administration Dept.) Responsible for Secretariat and Internal Audit Dept.	Director and Executive Vice President of ENEOS Corporation Assistant to President (Responsible for Secretariat, Internal Audit Dept., Internal Control Dept., Human Resources Dept., General Administration Dept., Marketing & Sales Planning Dept., Retail Support Dept., Nationwide Sales Dept., Industrial Energy Sales Dept., Platform Business Dept., EV Business Development Dept., Resources & Power Company, Lubricants Company, and Branch Offices) Responsible for Secretariat, Internal Audit Dept., Platform Business Dept., and EV Business Development Dept.
Nakahara Toshiya	Director (Part-time)		Representative Director, Chief Executive Officer and President, CEO, CDO of JX Nippon Oil & Gas Exploration Corporation Responsible for Internal Audit Dept. and Digital Transformation Dept.
Murayama Seiichi	Director (Part-time)		Representative Director and Chairman of JX Metals Corporation (currently JX Advanced Metals Corporation)
Kudo Yasumi Outside Independent	Outside Director		Senior Advisor of Nippon Yusen Kabushiki Kaisha
Tomita Tetsuro Outside Independent	Outside Director		Chairman and Director of East Japan Railway Company Outside Director of Nippon Steel Corporation Outside Director of Nippon Life Insurance Company
Oka Toshiko Outside Independent	Outside Director		Professor at Professional Graduate School of Global Business, Meiji University Outside Director of Sony Group Corporation Outside Director of HAPPINET CORPORATION Outside Director of Hitachi Construction Machinery Co., Ltd. Outside Director of Earth Corporation
Nishimura Shingo	Director Full-Time Audit and Supervisory Committee Member		Corporate Auditor of ENEOS Corporation (full-time)
Shiota Tomoo	Director Full-Time Audit and Supervisory Committee Member		Corporate Auditor of ENEOS Corporation (full-time)
Nishioka Seiichiro Outside Independent	Outside Director Audit and Supervisory Committee Member		Attorney-at-law, Of Counsel at Asahi Law Offices

Name	Position	Responsibilities	Important concurrent office
Mitsuya Yuko Outside Independent	Outside Director Audit and Supervisory Committee Member		Vice President of Japanese Olympic Committee President of Japan Basketball Association Outside Director of DENSO Corporation Outside Director of Japan Airlines Co., Ltd.
Kawasaki Hiroko Outside Independent	Outside Director Audit and Supervisory Committee Member		

- (Notes)
- Mr. Miyata Tomohide, Director, assumed office as Vice-President of Petroleum Association of Japan on December 27, 2023.
 - Mr. Nakahara Toshiya, Director, assumed office as Chairman of Japan Energy Resources Development Association on April 1, 2024.
 - Mr. Tomita Tetsuro, Outside Director, had been serving as Chairman and Director of East Japan Railway Company, but retired on March 31, 2024 due to resignation, and became Advisor to the said company on April 1, 2024.
 - Ms. Oka Toshiko, Outside Director, retired as Director who is an Audit and Supervisory Committee member due to resignation, and assumed office as Outside Director who is not an Audit and Supervisory Committee member at the conclusion of the 13th Ordinary General Meeting of Shareholders held on June 28, 2023.
 - Ms. Oka Toshiko, Outside Director, was appointed as Outside Director of Earth Corporation on March 22, 2024.
 - Mr. Ouchi Yoshiaki retired as Director who is an Audit and Supervisory Committee member at the conclusion of the 13th Ordinary General Meeting of Shareholders held on June 28, 2023 due to resignation.
 - Mr. Nishimura Shingo and Mr. Shiota Tomoo were appointed as full-time Audit and Supervisory Committee members in order to sufficiently exhibit the audit and supervisory functions of the Audit and Supervisory Committee by gathering information on a daily basis and collaborating with the internal audit and other divisions.
 - Mr. Shiota Tomoo, Director, who is a full-time Audit and Supervisory Committee member, has experience working in the corporate planning division and the controller division of the Company and has considerable knowledge and insights regarding finance and accounting.
 - Ms. Mitsuya Yuko, Outside Director, who is an Audit and Supervisory Committee member, was appointed as Outside Director of Japan Airlines Co., Ltd. on June 23, 2023.
 - Ms. Mitsuya Yuko, Outside Director, who is an Audit and Supervisory Committee member, resigned as Outside Director of the Fukui Bank, Ltd. on June 24, 2023.
 - Ms. Kawasaki Hiroko, Outside Director, who is an Audit and Supervisory Committee member, resigned as Member of the Board of Directors (Full-time Audit and Supervisory Committee Member) of NTT DOCOMO, INC. on June 19, 2023.
 - No special interest required to be stated exists between any of the entities where Outside Directors hold important concurrence office and the Company.
 - Mr. Kudo Yasumi, Mr. Tomita Tetsuro, Ms. Oka Toshiko, Mr. Nishioka Seiichiro, Ms. Mitsuya Yuko, and Ms. Kawasaki Hiroko, all Outside Directors, meet the “Standards for Consideration of Independence of Independent Directors” of the Company which are set out on page 27 of the convocation notice, and are all independent Directors in accordance with the rules of each stock exchange in Tokyo and Nagoya on which the Company is listed.
 - On December 19, 2023, Mr. Saitou Takeshi retired as Representative Director, President due to dismissal, and Mr. Saitou Takeshi and Mr. Yatabe Yasushi retired as Directors who are not Audit and Supervisory Committee members due to resignation. At the time of Mr. Saitou Takeshi and Mr. Yatabe Yasushi’s retirement, their positions, responsibilities, and important concurrent positions were as follows.

Name	Position	Responsibilities	Important concurrent office
Saitou Takeshi	Representative Director, President		Representative Director and President of ENEOS Corporation Vice-President of Petroleum Association of Japan
Yatabe Yasushi	Representative Director, Executive Vice President	Assistant to President Responsible for Secretariat and Internal Audit Dept.	Representative Director and Executive Vice President of ENEOS Corporation Assistant to President Responsible for Secretariat and Internal Audit Dept.

- As of December 19, 2023, Mr. Miyata Tomohide, Mr. Shiina Hideki and Mr. Inoue Keitaro have changed some of their responsibilities and important concurrent positions as described on pages 20 to 21 of this Business Report for the 14th Fiscal Term. On the same day, a resolution was passed by the Board of Directors to the effect that Mr. Miyata Tomohide would become President of the Company. Meanwhile, the Company’s Board of Directors resolved to have Mr. Miyata Tomohide act on behalf of President as of December 19, 2023.
- Some of positions and responsibilities or important concurrent positions of the following directors changed as of April 1, 2024.

Name	Position	Responsibilities	Important concurrent office
Miyata Tomohide	Representative Director, President		Vice-President of Petroleum Association of Japan
Shiina Hideki	Director (Part-time)		Director and Executive Vice President of ENEOS Corporation
Inoue Keitaro	Director (Part-time)		Representative Director and Executive Vice President of ENEOS Corporation
Nakahara Toshiya	Director (Part-time)		Representative Director, Chief Executive Officer and President, CEO, CDO of JX Nippon Oil & Gas Exploration Corporation Responsible for Internal Audit & Control Dept. and Digital Transformation Dept.

(2) Matters Concerning Directors and Officers Liability Insurance Agreement

(i) Scope of the insured persons

Directors and corporate auditors of the Company and 51 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 2023)

Category	Total amount (Millions of yen)	Number of Receivers (persons)	Details of Remuneration					
			Monthly remuneration (Millions of yen)	Number of Receivers (persons)	Bonuses (Millions of yen)	Number of Receivers (persons)	Share-based remuneration (Millions of yen)	Number of Receivers (persons)
Directors who are not Audit and Supervisory Committee members (of whom, Outside Directors)	688 (54)	12 (4)	396 (54)	12 (4)	187 (-)	4 (-)	106 (-)	4 (-)
Directors who are Audit and Supervisory Committee members (of whom, Outside Directors)	119 (50)	7 (4)	119 (50)	7 (4)	- (-)	- (-)	- (-)	- (-)
Total (of whom, Outside Directors)	807 (104)	19 (8)	515 (104)	19 (8)	187 (-)	4 (-)	106 (-)	4 (-)

- (Notes)
- The information in the table includes the remuneration, etc. amounts for one Outside Director who was not an Audit and Supervisory Committee member, and two Directors who were Audit and Supervisory Committee members (including one Outside Director who was an Audit and Supervisory Committee member) who retired at the conclusion of the 13th Ordinary General Meeting of Shareholders held on June 28, 2023, and two Directors who were not Audit and Supervisory Committee members and who retired on December 19, 2023.
 - The information in the table includes the amount of bonuses for FY2023 that is expected to be paid after the 14th Ordinary General Meeting of Shareholders.
 - Monthly remuneration, bonus, and share-based remuneration subject to confiscations, reductions, or voluntary returns, announced on June 9, 2023, and December 19, 2023, are not included in the above table. However, because monthly remuneration had already been paid for October through December 2023 (total of 18 million yen) to one Director who was not an Audit and Supervisory Committee member and who retired on December 19, 2023, the amount is included in the above table, but the Company has received a full refund of the amount.
 - Bonuses and share-based remuneration are applicable to performance-linked remunerations. Also, share-based remuneration is applicable to non-monetary remunerations.
 - 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. Whereas the performance-linked coefficient used to calculate share-based remuneration for April

2023 to June 2023 is 68%, the performance-linked coefficient used to calculate share-based remuneration for July 2023 to March 2024 is temporarily assumed to be 100% because it will be determined after the end of FY2025.

6. The Board of Directors deemed that the individual remunerations in FY2023 for 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 (persons)
Directors who are not Audit and Supervisory Committee members	Monthly remuneration and bonuses	Not more than 1,100 million yen per fiscal year (of which, not more than 200 million yen is allocated to Outside Directors who are not Audit and Supervisory Committee members)	The 8th Ordinary General Meeting of Shareholders (GMS) (June 27, 2018)	13
	Share-based remuneration	In every three fiscal years, - the upper limit the Company put in on reserve for trust: 1,500 million yen - Upper limit on the number of shares to be given to eligible persons: 6 million shares (6 million points) * (Including those to be awarded to executive officers who are not Directors)	The 10th Ordinary General Meeting of Shareholders (GMS) (June 25, 2020)	6
Directors who are Audit and Supervisory Committee members	Monthly remuneration	Not more than 200 million yen per fiscal year	The 8th Ordinary General Meeting of Shareholders (GMS) (June 27, 2018)	5

(Note) Those eligible for share remuneration include executive officers but do not include Outside Directors and overseas residents.

◦ Policy on Remunerations of Individual Directors

Individual remunerations for Directors who are not Audit and Supervisory Committee members of the Company are determined by the resolution of the Board of Directors after deliberation with and recommendation by the Compensation Advisory Committee, majority of which is composed by Outside Directors and is chaired by an Outside Director.

The following summarizes the outline.

Category	Outline of the policy on remunerations for individual Directors
Directors who are not Audit and Supervisory Committee members (excluding Outside Directors)	1. Remuneration consists of the monthly remuneration, bonus, and share-based remuneration. 2. 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. 3. Bonuses are linked to the performance within a fiscal year, and paid after the given fiscal year. 4. 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. 5. 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.
Outside Directors who are not Audit and Supervisory Committee members	Remuneration consists solely of monthly remuneration.
Directors who are not Audit and Supervisory Committee members	The remuneration shall be based on the provisions of the Executive Appointment Contract and the Executive Disposition Procedural Rules, and the Company can request a refund, or confiscate, or both.

- (Notes) 1. Remunerations for Directors who are Audit and Supervisory Committee members consist of a monthly remuneration only in consideration of independence of their roles, and paid within the limit described on the previous page, based on the discussion between Directors who are Audit and Supervisory Committee members.
2. Based on the provisions of the Executive Appointment Contract concluded between the Company and the officer and the Executive Disposition Procedural Rules of the Company, the upper limit amount of remuneration that can be subject to a request for a refund, or confiscation, or both, by the Company is set to the equivalent of four fiscal years' worth as a general rule.
3. Based on resolutions of the Board of Directors, the Company entrusted Mr. Saitou Takeshi, Representative Director, President with the task of deciding specific matters concerning remuneration in line with the above policy until December 19, 2023, and Mr. Miyata Tomohide, Representative Director, Executive Vice President (Assistant to President) (currently Representative Director, President) with the same task from December 19, 2023 onward, because the Company believes that remuneration should be decided responsibly by the persons having greatest familiarity with the status of management, etc. in the Group. However, in order to ensure transparency in the process of determining remunerations, the appropriateness of the level of remuneration, composition ratio, performance indicators, etc. are deliberated in the Compensation Advisory Committee.
4. Remunerations to Directors who are not Audit and Supervisory Committee members (excluding Outside Directors) are designed to be approximately 40% of the total for monthly remunerations, about 30% of the total for bonuses, and around 30% 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 "profit attributable to owners of parent after adjustment," as well as "operating profit" and "operating profit after adjustment" of the Energy Business are used as performance indicators with the weight of 25% each.

The FY2023 performance target after the bonus calculation process was set based on projections of the FY2023 results (disclosed in May 2023), and the resulting percentage of target achieved was 152%. The results of each performance indicator to calculate the percentage of target achieved are as follows:

Performance indicators	Weight	Results in FY2023
Profit attributable to owners of parent	25%	288,100 million yen
Profit attributable to owners of parent after adjustment	25%	279,300 million yen
Operating profit of the Energy Business	25%	253,000 million yen
Operating profit of the Energy Business after adjustment	25%	215,600 million yen

- (Note) "Profit attributable to owners of parent after adjustment" and "operating profit of the Energy Business after adjustment" are calculated by adding or subtracting temporary gain/loss, such as gain/loss on valuation of inventory, gain/loss on sale of fixed assets and shares, and loss by disasters, to or from profit attributable to owners of parent and operating profit of the Energy Business.

◦ Matters Concerning Share-based Remuneration

Share-based remuneration is linked to the performance over three successive 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 shall receive payment of money and the Company's shares through the trust set by the Company, according to the share delivery points, after the lapse of three years from the award of standard points of each year.

When calculating the performance-linked coefficient, the Company 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."

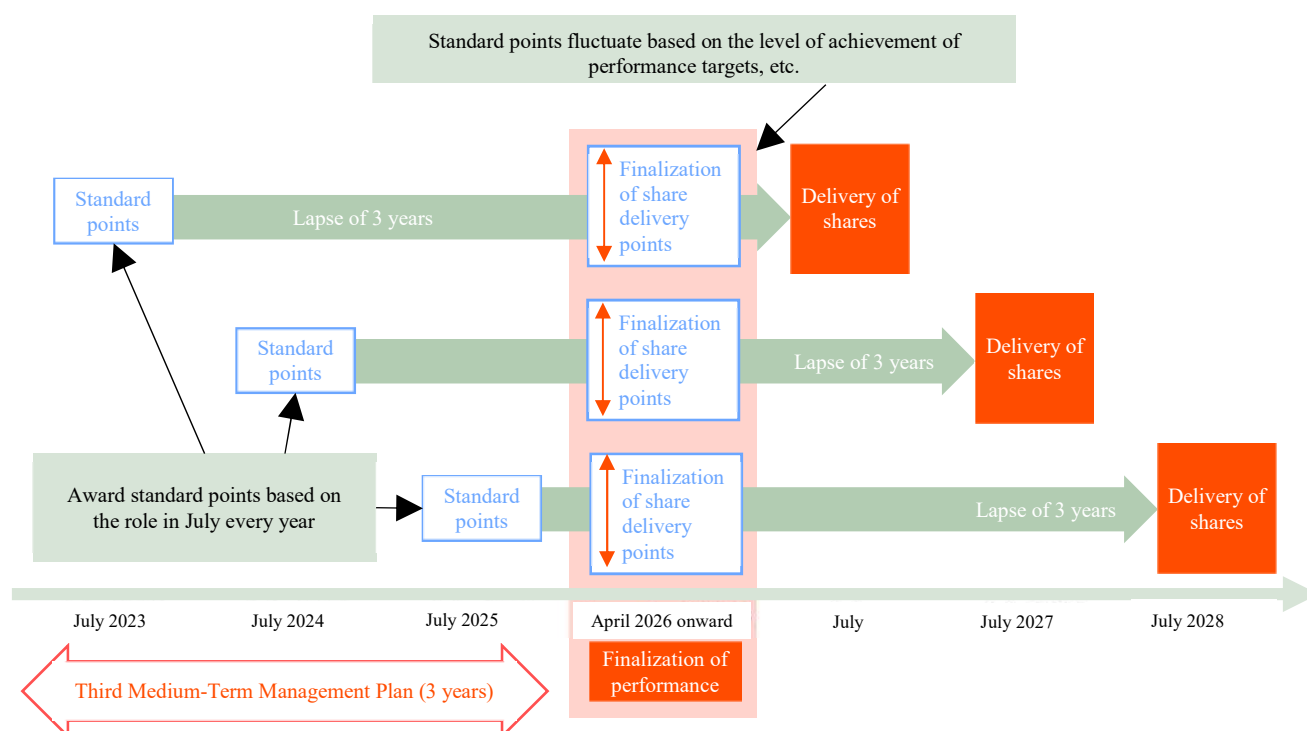
Each of the performance targets is set based on the Third Medium-Term Management Plan. The results and the percentage of target achieved will be determined at the end of FY2025.

Profit for the year excluding inventory valuation	Free cash flow	Reduction of GHG emissions	Net D/E ratio	ROE	ROIC
20%	20%	10%	10%	20%	20%

- (Notes)
1. Profit for the year excluding inventory valuation, free cash flow, and reduction of GHG emissions reflect the consolidated results and the results of the Energy Business, given a weight of 50% each.
 2. Of the amount of profit for the year excluding inventory valuation, the percentage achieved for results of the Energy Business is calculated after excluding incubation projects (projects that are not suitable for evaluation as a business, such as those currently in the demonstration phase) and finance income/expense, etc.
 3. The percentages achieved for profit for the year excluding inventory valuation, and free cash flow are calculated using the accumulated results from FY2023 to FY2025.
 4. The percentage achieved for reduction of GHG emissions is calculated using the results of FY2025 (compared with FY2013).
 5. The percentage achieved for net D/E ratio is calculated using the results as of March 31, 2026.
 6. The percentages achieved for ROE and ROIC are calculated using the results of FY2025.
 7. The percentage achieved for ROIC is calculated after excluding incubation projects.

Reference

Flowchart of Share Remuneration with Regard to the Period of Third Medium-Term Management Plan



(5) Matters Concerning Outside Directors and Audit and Supervisory Committee Members

◦ Main Activities in This Fiscal Year

Position	Name	Attendance of the Meetings (number of times attended/number held)			
		Board of Directors	Audit and Supervisory Committee	Nomination Advisory Committee	Compensation Advisory Committee
Outside Director	Kudo Yasumi	14/14 (100%)		7/7 (100%)	6/6 (100%)
	Tomita Tetsuro	14/14 (100%)		7/7 (100%)	6/6 (100%)
	Oka Toshiko	14/14 (100%)	4/4 (100%)	5/5 (100%)	5/5 (100%)
Outside Director Audit and Supervisory Committee Member	Nishioka Seiichiro	14/14 (100%)	17/17 (100%)		
	Mitsuya Yuko	14/14 (100%)	16/17 (94.1%)		
	Kawasaki Hiroko	11/11 (100%)	13/13 (100%)		

◦ Outline of the Contents of the Liability Limitation Agreement

The Company has, pursuant to Article 427, Paragraph 1 of the 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, Paragraph 1 of the Companies Act, to the amount set forth in Article 425, Paragraph 1 of the Companies Act (the amount equal to the Outside Director's remunerations for two (2) years) if each Outside Director acts in good faith and is not grossly negligent in conducting each duty.

Furthermore, in accordance with the provisions of Article 1 of the supplementary provisions of the Articles of Incorporation of the Company, the Company has agreed with Mr. Nishioka Seiichiro, who was an outside 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, Paragraph 1 of the Companies Act, which has been previously entered into, shall remain applicable.

Remarks made in BOD meetings, etc. and outline of execution of expected roles

Based on his high level of knowledge, extensive experience, and solid track record in international business and the management of a listed company representing Japan, at the Board of Directors meetings, Mr. Kudo Yasumi made comments regarding the approach to group governance, and risk management, etc. for overseas investments. He also made remarks at meetings of the Nomination Advisory Committee and the Compensation Advisory Committee relating to the process for selecting directors and officer remuneration plans after the changes to the Group management structure, and demonstrated leadership with regard to management of proceedings as chairperson of both committees. He also took the platform at ESG briefings, and shared information about the ENEOS Group's ESG management.

Based on his high level of knowledge, extensive experience, and solid track record in business such as transportation and living, and management of a listed company that represents Japan, at the Board of Directors meetings, Mr. Tomita Tetsuro discussed such issues as the importance of the medium- to long-term growth strategy, and resource allocation to ensure the safe and stable operation of the petroleum refining and marketing business. In addition, he made observations at meetings of the Nomination Advisory Committee and Compensation Advisory Committee on matters such as the ideal Representative Director in the event of an emergency, key aspects of succession planning, and how to approach performance-linked remuneration for officers.

Based on her high level of knowledge and extensive experience as an expert in the finance, accounting, and M&A fields, at the Board of Directors meetings, Ms. Oka Toshiko discussed measures to raise the PBR, the role the Company should play as a pure holding company, and other issues. Meanwhile, at meetings of the Audit and Supervisory Committee, Nomination Advisory Committee and Compensation Advisory Committee she commented on such matters as management structure following changes to the Group management structure, and approaches to the terms served by Directors. Furthermore, she supervised initiatives to establish workplace environments in which employees can work with peace of mind and pride, while promoting them as a member of the project.

Based on his wealth of specialized knowledge and experience in judicial affairs, at the Board of Directors meetings, Mr. Nishioka Seiichiro commented on points to keep in mind in relation to principles for management decisions related to the investment process, and matters that should be considered by JX Metals Corporation (currently JX Advanced Metals Corporation) as it prepares for listing on the stock market. At the Audit and Supervisory Committee meetings, he stated his views on matters such as the importance of building an internal control system that will not allow wrongdoing or scandals to occur, and how to approach an internal reporting system for dealing with issues related to top management. He also took the platform at ESG briefings, and shared information about the ENEOS Group's ESG management.

Based on her high level of knowledge and extensive experience in corporate management, organizational reforms, and human resources development, at the Board of Directors meetings, Ms. Mitsuya Yuko spoke about the role of Outside Directors, the scope, etc. of those subject to human resources due diligence, and other matters. At the Audit and Supervisory Committee meetings, she made comments on matters such as how to delegate and monitor authority, and the impact of declining employee engagement due to scandals involving top management.

Based on her high level of knowledge and extensive experience in human resources development, digital technology, and ESG, at the Board of Directors meetings, Ms. Kawasaki Hiroko commented on the importance of analyzing troubles at refineries from the perspective of human capital, the use of data to ensure profits, and other issues. At the Audit and Supervisory Committee meetings, she made observations about supporting the new Principal Operating Companies, and approaches to auditing Group companies, etc. Furthermore, she supervised initiatives to establish workplace environments in which employees can work with peace of mind and pride, while promoting them as a member of the project. She also took the platform at ESG briefings, and shared information about the ENEOS Group's ESG management.

◦ Outside Directors' Meetings

Outside Directors' meetings consisting of all the Outside Directors were held ten times 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 fractions less than the unit indicated for each, and the ratios have been obtained by rounding off fractions less than the digit indicated for each. However, the numbers of shares have been obtained by omitting fractions less than the unit indicated for each, and the ratios regarding shares have been obtained by omitting fractions less than the digit indicated for each.

Consolidated Financial Statements

Consolidated Statements of Financial Position (As of March 31, 2024)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	4,666,495	Current liabilities	3,114,936
Cash and cash equivalents	775,906	Trade and other payables	1,962,820
Trade and other receivables	1,706,521	Bonds and borrowings	703,518
Inventories	1,832,855	Income taxes payable	38,877
Other financial assets	128,278	Other financial liabilities	20,018
Other current assets	222,935	Lease liabilities	74,877
		Provisions	8,038
		Other current liabilities	306,788
Non-current assets	5,470,050		
Property, plant and equipment	3,544,720	Non-current liabilities	3,317,791
Goodwill	256,685	Bonds and borrowings	2,116,524
Intangible assets	491,326	Liabilities for retirement benefits	161,648
Investments accounted for using the equity method	647,073	Other financial liabilities	54,955
Other financial assets	415,164	Lease liabilities	373,315
Other non-current assets	37,274	Provisions	149,615
Deferred tax assets	77,808	Other non-current liabilities	54,042
		Deferred tax liabilities	407,692
		Total liabilities	6,432,727
		(Equity)	
		Common stock	100,000
		Capital surplus	942,308
		Retained earnings	1,891,573
		Treasury stock	(25,652)
		Other components of equity	318,984
		Total equity attributable to owners of the parent	3,227,213
		Non-controlling interests	476,605
		Total equity	3,703,818
Total assets	10,136,545	Total liabilities and Equity	10,136,545

Consolidated Statements of Profit or Loss (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account	Amount
Revenue	13,856,662
Cost of sales	12,515,331
Gross profit	1,341,331
Selling, general and administrative expenses	952,383
Share of profit of investments accounted for using the equity method	81,325
Other operating income	133,610
Other operating expenses	138,937
Operating profit	464,946
Finance income	30,623
Finance costs	47,494
Profit before tax	448,075
Income tax expense	102,593
Profit for the year	345,482
Profit for the year attributable to:	
Owners of the parent	288,121
Non-controlling interests	57,361
Profit for the year	345,482

[Reference]

[Summary of Consolidated Statements of Cash Flows (from April 1, 2023 to March 31, 2024)]

(Millions of yen)

Account	Amount
Cash flows from operating activities	1,010,283
Cash flows from investing activities	(240,983)
Cash flows from financing activities	(331,031)
Net increase (decrease) in cash and cash equivalents	438,269
Cash and cash equivalents at beginning of the year	311,517
Net foreign exchange differences of cash and cash equivalents	22,871
Net increase (decrease) in cash and cash equivalents included in assets held for sale	3,249
Cash and cash equivalents at end of the year	775,906

Non-Consolidated Financial Statements

Non-consolidated Balance Sheet (as of March 31, 2024)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	264,820	Current liabilities	522,926
Cash and deposits	564	Short-term borrowings	92,400
Operating accounts receivable	215	Short-term loans payable to subsidiaries and affiliates	320,000
Short-term loans receivable from subsidiaries and affiliates	183,505	Current portion of bonds	40,000
Accounts receivable-other	65,250	Accounts payable	67,106
Income taxes refund receivable	1,144	Accrued expenses	2,577
Other	14,141	Provision for employees' bonuses	26
		Other	818
Non-current assets	3,882,392	Non-current liabilities	1,659,389
Property, plant and equipment	61,832	Bonds payable	550,026
Buildings and structures	13,202	Long-term loans payable	881,650
Land	47,580	Long-term loans payable to subsidiaries and affiliates	209,877
Other	1,049	Deferred tax liabilities	13,882
		Provision for share remuneration	124
Intangible assets	1,458	Other	3,830
		Total liabilities	2,182,315
Investments and other assets	3,819,102	(Net assets)	
Investments in securities	46,751	Shareholders' equity	1,946,208
Stocks of subsidiaries and affiliates	2,320,397	Common stock	100,000
Long-term loans receivable from subsidiaries and affiliates	1,431,650	Capital surplus	1,363,997
Guarantee deposits	3,609	Legal capital reserve	526,389
Other	16,694	Other capital surplus	837,608
		Retained earnings	506,082
		Other retained earnings	506,082
		Reserve for advanced depreciation of non-current assets	1,553
		Retained earnings brought forward	504,529
		Treasury stock	(23,872)
		Valuation and translation adjustments	18,689
		Unrealized gain on securities	18,689
		Total net assets	1,964,897
Total assets	4,147,212	Total liabilities and net assets	4,147,212

Non-consolidated Statements of Income (from April 1, 2023 to March 31, 2024)

(Millions of yen)

Account	Amount	
Operating revenue		
Dividends income	2,022	
Management fee income	11,418	13,440
Selling, general and administrative expenses		13,252
Operating income		188
Non-operating income		
Interest income	10,025	
Dividends income	2,664	
Rent income	2,361	
Other	1,256	16,306
Non-operating expenses		
Interest expenses	9,408	
Interest on bonds	5,457	
Rent expenses	1,067	
Other	898	16,831
Ordinary loss		336
Special gain		
Gain on sales of investments in securities		9,631
Special loss		
Loss on retirement of non-current assets		8
Income before income taxes		9,287
Income taxes-current	1,088	
Income taxes-deferred	135	1,223
Net income		8,065

Audit Reports

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

Independent Auditor's Report

May 15, 2024

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

Ernst & Young ShinNihon LLC
Tokyo office
Yukawa Yoshio
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Yamagishi Satoshi
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Kimura Toru
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner
Hara Kan
Certified Public Accountant,
Designated Limited Liability Partner, and Engagement Partner

Audit Opinion

Pursuant to Article 444.4 of Companies Act, we have audited the accompanying consolidated financial statements, which are comprised of 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, 2023 through March 31, 2024.

In our opinion, the consolidated financial statements referred to above, which were prepared in conformity with accounting principles that omit some disclosure items 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 14th fiscal year ended March 31, 2024.

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.

Other statements

Other statements consist of a business report and its supplementary schedule. Management is responsible for preparing and presenting other statements. The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for other information stated.

Our audit opinion on the consolidated financial statements does not cover other statements and we do not express any opinion on them.

Our responsibilities in auditing the consolidated financial statements are to read other statements totally and verify in the reading process whether there is any material discrepancy between the other statements and the consolidated financial statements or knowledge we obtain through the audit process and to pay attention to see whether other statements contain any sign of error.

If judging other statements contain a material error through the procedure done, we are required to report that fact.

There is no matter required to be reported by us with regard to other statements.

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 in accordance with accounting principles that omit some disclosure items 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 based on accounting principles that omit some

disclosure items 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, 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 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 Company to cease to continue as a going concern.
- We evaluate whether the presentation of the consolidated financial statements, etc. and notes to the consolidated financial statements, etc. are in accordance with accounting principles that omit some disclosure items 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, as well as evaluating the presentation, structure, and content of the consolidated financial statements, etc., including the related notes thereto, and whether the consolidated financial statements, etc. 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, convey details of measures taken in order to eliminate obstruction factors or safeguards applied in order to reduce obstruction factors to acceptable levels.

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 15, 2024

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

Ernst & Young ShinNihon LLC

Tokyo office

Yukawa Yoshio

Certified Public Accountant,

Designated Limited Liability Partner, and Engagement Partner

Yamagishi Satoshi

Certified Public Accountant,

Designated Limited Liability Partner, and Engagement Partner

Kimura Toru

Certified Public Accountant,

Designated Limited Liability Partner, and Engagement Partner

Hara Kan

Certified Public Accountant,

Designated Limited Liability Partner, and Engagement Partner

Audit Opinion

Pursuant to Article 436.2.1 of the Companies Act, we have audited the accompanying financial statements, which are comprised of 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 14th fiscal year from April 1, 2023 through March 31, 2024.

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 the Company applicable to the 14th fiscal year ended March 31, 2024 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.

Other statements

Other statements consist of a business report and its supplementary schedule. Management is responsible for preparing and presenting other statements. The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for other information stated.

Our audit opinion on the financial statements, etc. does not cover other statements and we do not express any opinion on them.

Our responsibilities in auditing the financial statements, etc. are to read other statements totally and verify in the reading process whether there is any material discrepancy between the other statements and the financial statements, etc. or knowledge we obtain through the audit process and to pay attention to see whether other statements contain any sign of error.

If judging other statements contain a material error through the procedure done, we are required to report that fact.

There is no matter required to be reported by us with regard to other statements.

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 a 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 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 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 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, convey details of measures taken in order to eliminate obstruction factors or safeguards applied in order to reduce obstruction factors to acceptable levels.

Conflicts of Interest

We or engagement partners 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 14th fiscal term from April 1, 2023 to March 31, 2024. The following 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 399-13.1.1 (b) and (c) of the Companies 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, 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 was 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) 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.
- With regard to the incident that resulted in the disposition and dismissal of the former President and other officers for inappropriate conduct, the Audit and Supervisory Committee led the investigation and fact-finding efforts, and reported its findings to the Board of Directors. In addition to confiscating/requesting the return of remuneration, etc., after the incident, the Audit and Supervisory Committee has also checked measures to prevent a recurrence, primarily through the strengthening of the process for selecting Directors, ongoing reforms of governance, and other initiatives, and will focus on ensuring that these continue to be executed without fail.

- (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 15, 2024

ENEOS Holdings, Inc., Audit and Supervisory Committee

Full-Time Audit and Supervisory Committee Member

Nishimura Shingo [Seal]

Full-Time Audit and Supervisory Committee Member

Shiota Tomoo [Seal]

Audit and Supervisory Committee Member

Nishioka Seiichiro [Seal]

Audit and Supervisory Committee Member

Mitsuya Yuko [Seal]

Audit and Supervisory Committee Member

Kawasaki Hiroko [Seal]

(Note) Audit and Supervisory Committee Members Mr. Nishioka Seiichiro, Ms. Mitsuya Yuko and Ms. Kawasaki Hiroko are Outside Directors as stipulated in Article 2.15 and Article 331.6 of the Companies Act.