

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

**BUSINESS REPORT
FOR THE 13TH FISCAL TERM
(From April 1, 2022 to March 31, 2023)**



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/>

Table of Contents

Business Report	2
Consolidated Financial Statements	36
Non-consolidated Financial Statements	39
Audit Reports	41

ENEOS Holdings, Inc.
Securities Code: 5020

Business Report

The 13th Fiscal Term (From April 1, 2022 to March 31, 2023)

1 Matters Concerning Present Condition of the Corporate Group

(1) Business Progress and Results

A. Circumstances Surrounding the ENEOS Group

The world economy in this fiscal year showed some weakness in its recovery due to global monetary tightening, rising prices, and other factors, although the impact of COVID-19 eased.

Changes in Dubai Crude Oil Price



The price of Dubai crude oil rose temporarily due to a sense of supply shortage caused by the ban on import of Russian crude oil introduced by the European Union and other factors. However, it turned downward due to global monetary tightening, etc.

Changes in LME (London Metal Exchange) Copper Price



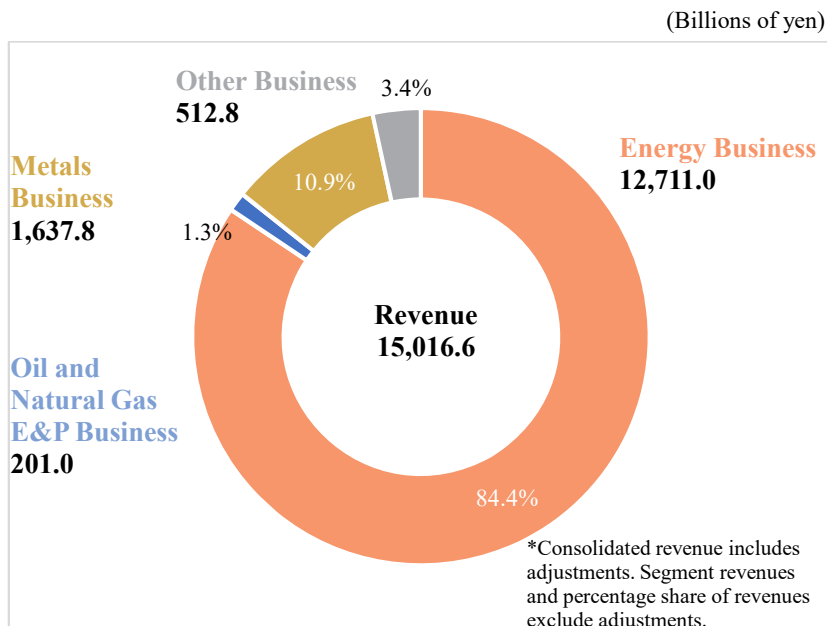
The LME copper price declined sharply due to rising US interest rates, then rebounded due to easing of inflation pressure and expectations of a relaxation of China's zero-COVID policy; however the topside was tempered by deep concerns about future economic trends.

B. Outline of the Consolidated Results of This Fiscal Year

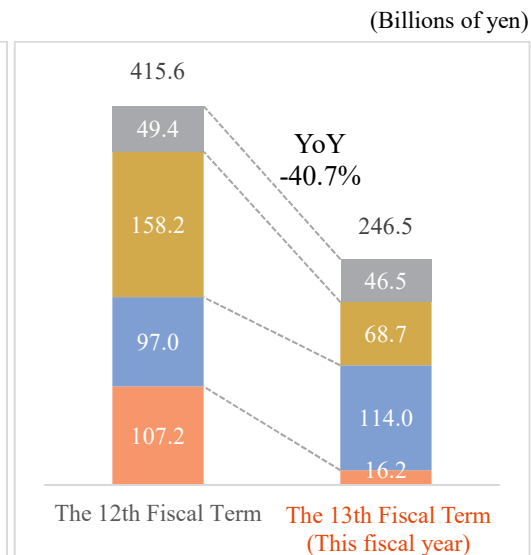
Click here to see the financial results materials:
<https://www.hd.eneos.co.jp/ir/library/statement/>

In this business environment, as a result of the implementation of various measures based on the Second Medium-Term Management Plan, operating profit excluding inventory valuation for this fiscal year decreased 40.7% from the previous year to 246.5 billion yen, mainly due to a decrease in profit in the Energy Business and the Metals Business.

Percentage share of revenue*



Operating profit excluding inventory valuation*



* Consolidated operating profit includes adjustments. Segment operating profit excludes adjustments.

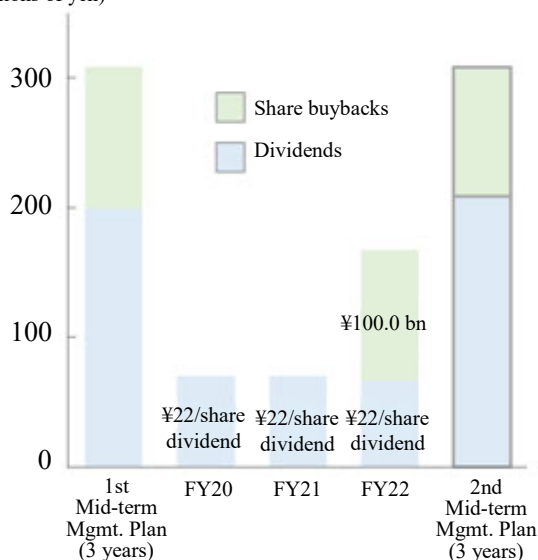
Maintaining a healthy financial foundation and appropriate distribution of cash flows

	Target	Actual Result		Assessment
Operating profit (cumulative amount in FY2020 – FY2022)	970.0 billion yen	877.6 billion yen	×	<p>Although soaring resource prices and the yen's depreciation offset the impact of lower sales volume, mainly due to the effect of COVID-19, the Company failed to achieve its goal due to oil refinery failures and other issues.</p> <ul style="list-style-type: none"> Resource price hikes, impact of the yen's depreciation, etc. +650.0 billion yen Decrease in volume mainly due to COVID-19 impact -390.0 billion yen Impact of oil refinery failures -140.0 billion yen Electricity price soaring, petrochemical slump -210.0 billion yen
Free CF (cumulative amount in FY2020 – FY2022)	150.0 billion yen	-231.7 billion yen	×	<p>Failed to achieve the target due mainly to a rise in resource prices, the weak yen, and temporary tax payments (¥560.0bn)</p> <p>→CF improved through additional asset sales and selective capital expenditure</p>
Net D/E ratio (End of FY2022)	0.8 times or lower	0.76 times	○	<p>Capital increase greater than planned due to gain from impact of inventory valuation effects</p> <p>Meanwhile, this was almost on target due to the significant impact of the increase in interest-bearing debt resulting from the increase in operating funds</p> <p>Note: After adjustment for hybrid bonds</p>
ROE (FY2022)	10% or more	5% (FY2022)	×	Failed to achieve the target (Achieved for 3-year average including inventory valuation effects (10%))

Total Return

Three-year cumulative total through dividends and share buybacks
More than 50% of profit for the year excluding inventory valuation

(Billions of yen)



Strengthening the competitiveness of the core businesses / Development and reinforcement of the growth businesses / Enhancing the management base

		Strengthening the competitiveness of base businesses	Develop & strengthen growth businesses	Enhancing the management base
Main Achievements	Energy	<ul style="list-style-type: none"> ➤ Reconstruction of production system (Osaka / Chita / Chiba / Negishi / Wakayama) ➤ Start of business process re-engineering (BPR) 	<ul style="list-style-type: none"> ➤ Acquisition of growth businesses (elastomers / renewable energy) ➤ Implementation of verification of hydrogen supply chain 	<p>E</p> <ul style="list-style-type: none"> • Update carbon neutral plan to the global standard • Strengthening of disclosure in line with TCFD recommendations • Conducted a global standard risk assessment for water and biodiversity <p>S</p> <ul style="list-style-type: none"> • Maintained stable supply system during COVID-19 • Introduce international human rights compliance system including supply chain <p>G</p>
	Oil & Natural Gas E&P	<ul style="list-style-type: none"> ➤ Extension of interest in Tangguh LNG Project 	<ul style="list-style-type: none"> ➤ Sale of the U.K. business, withdrawal from Myanmar business ➤ Acquisition of Japan Drilling Co., Ltd. 	
	Metals	<ul style="list-style-type: none"> ➤ Partial sale of interest in Caserones, sale of LS Nikko shares ➤ Reorganization of copper smelting business operations ➤ Expansion of recycled materials processing capacity 	<ul style="list-style-type: none"> ➤ Enhancement of production capacity of semiconductor materials and ICT materials ➤ Promotion of commercialization of crystalline materials and LIB recycling 	
Issues	Energy	<ul style="list-style-type: none"> ➤ Lower capacity utilization due to oil refinery failures ➤ Building cost structure according to reduced demand ➤ Deterioration of profits in Petrochemicals and Electric Power businesses 	<ul style="list-style-type: none"> ➤ Promotion of measures for green chemicals* ➤ Creation of business models for new businesses * Petrochemical products made from bio materials and recycled materials 	<ul style="list-style-type: none"> • Speed up decision-making in business execution • Separation of Chairman of the Board and execution of businesses • Taking NIPPO private • Reduction of cross-shareholdings • Improvement of fairness and objectivity of executive selection process • Introduction of a disciplinary system for executives (Introduction of clawback and malus clause)
	Oil & Natural Gas E&P	<ul style="list-style-type: none"> ➤ Delay of commencement of production by Tangguh LNG Train 3 Project 	<ul style="list-style-type: none"> ➤ Continuation of business of U.S. CO2-EOR Project (Interruption of business due to trouble on the power generation side (=CO2 emission source)) 	
	Metals	<ul style="list-style-type: none"> ➤ Failure of Caserones production volume to reach the target due to COVID-19 and strike 	<ul style="list-style-type: none"> ➤ Completion of capacity expansion work for semiconductor / ICT materials 	

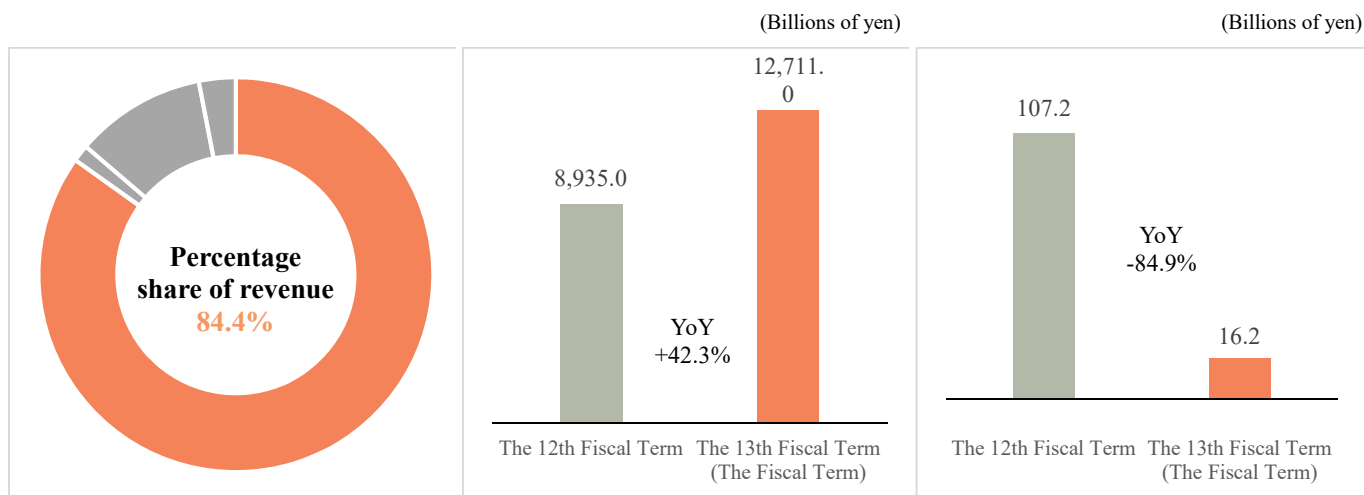
C. Progress and Results of Each Business

Energy Business

Percentage share of revenue

Revenue

Operating profit excluding inventory valuation



●Details of Major Business Activities

ENEOS Corporation is engaged in a wide range of businesses, including the sale 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 16.2 billion yen, down 84.9% from the previous fiscal year, mainly due to a profit decrease in petroleum products and others mainly caused by the reversal of the positive time lag of the previous fiscal year, as well as deterioration in petrochemical products due to sluggish market conditions and electric power due to impairment losses.

TOPICS

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

About Renewable Energy Business

As for the renewable energy business, the Company aims to leap forward to become a leading company in Japan. This fiscal year, the Company continued to focus on developing and acquiring new power sources in Japan and overseas. Specifically, the Company promoted the assembly work of wind turbines for a floating offshore wind farm off the coast of Goto City, Nagasaki, Japan. At the same time, it launched the operation of the Banshu Mega Solar Power Plant in Akou, Hyogo, Japan (power generation capacity: approx. 77 MW) and Cutlass Solar in Texas, U.S. (power generation capacity: approx. 140 MW).

In addition, the Company transferred part of its business to Japan Renewable Energy Corporation to consolidate the Group's management resources related to its renewable energy business and build an efficient development and operation system.



Cutlass Solar (U.S.)

Reinforcing the Service Station (SS) Network

The Company developed various services to improve customers' convenience and satisfaction in order to make its service station (SS) network, which is the largest in Japan, have an even more robust business foundation. Specifically, in addition to the development of the ENEOS SS app, a new tool that allows customers to make payments using QR codes, use coupons, and check their fueling history, the Company has launched a multi-point service that allows customers to use T-Point, Rakuten Point, and d Point.

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

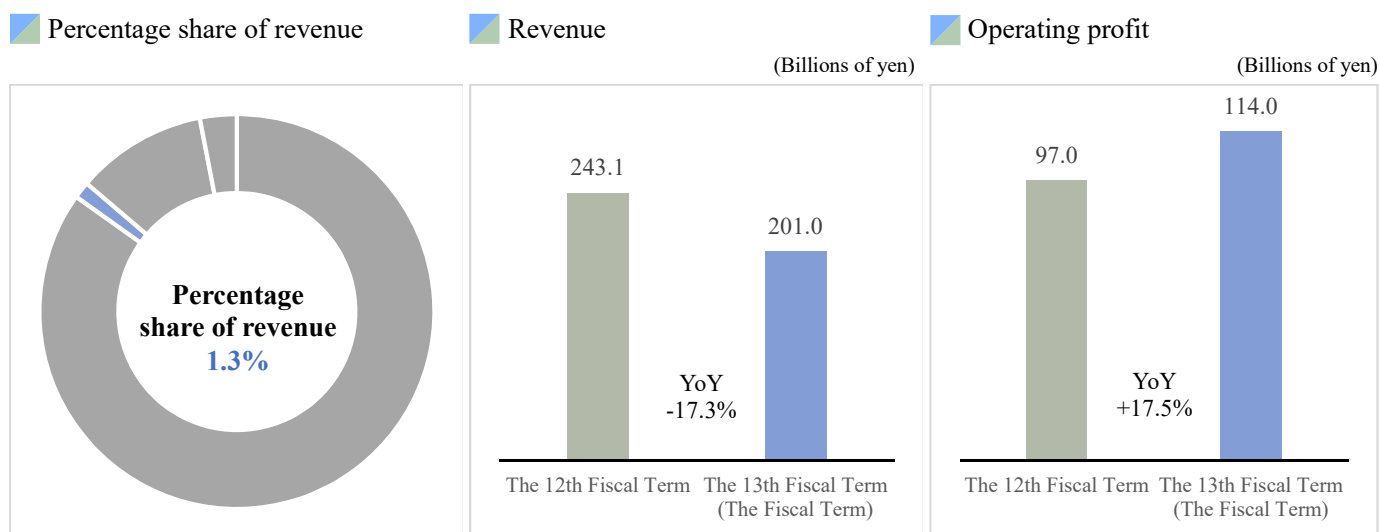
Deployment of EV Charging Services

In anticipation of the spread of electric vehicles (EVs), the Company took over the rights to operate approximately 6,100 regular chargers as part of the "charging network expansion" collaboration with NEC Corporation. In addition, to expand the route charging network, the Company has newly launched an "ENEOS Charge Plus" EV charging service.



"ENEOS Charge Plus"
Quick charger

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 114.0 billion yen, up 17.5% year on year. This was achieved due to the effects of higher resource prices and a weaker yen offsetting the missing profit caused by the sale of the UK business.

TOPICS

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

Shift to Environmentally Friendly Business Portfolio

Aiming to maximize the value of existing businesses, the Company maintained stable oil and natural gas production and continued to review its business portfolio through selection and concentration (of resources). Following the sale of the Canadian oil sands and the UK businesses in previous fiscal years, the Company extended the production-sharing contract for the Tangguh LNG project in Indonesia for 20 years in this fiscal year. This aims to increase its holdings of natural gas assets, which have a relatively low environmental impact. In addition, the Company agreed in principle to purchase additional LNG interests in Papua New Guinea.



Facilities of the PNG LNG Project
(Papua New Guinea)

Promotion of the CCS/CCUS Business and Strengthening of the Value Chain

As part of the Company's efforts to realize a decarbonized and recyclable society and achieve its carbon neutrality plan, the Company promoted environmentally friendly businesses, centering on CCS/CCUS businesses, in Japan and overseas.

Specifically, to further expand the knowledge of CCS/CCUS technology, the Company additionally acquired 50% of the equity of Petra Nova Parish Holdings, which promotes the CCUS business in the U.S. Accordingly, the Company made it the Company's consolidated subsidiary. In addition, the Company, together with JGC HOLDINGS CORPORATION, exchanged a Memorandum of Understanding with PETRONAS, a Malaysian state-owned energy company, regarding joint studies for CCS implementation in Malaysia. The Company also exchanged a Memorandum of Understanding with 8 Rivers Capital of the U.S. regarding joint business development on the U.S. Gulf Coast.

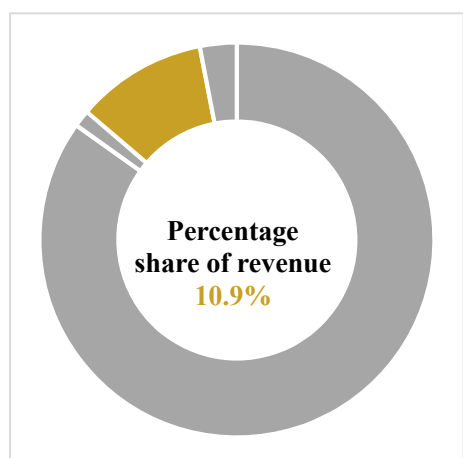
Moreover, to commercialize CCS in Japan, the Company established West Japan Carbon dioxide Storage Survey Co., Ltd. as a joint venture with Electric Power Development Co., Ltd. and ENEOS Corporation. Furthermore, in April 2023, it further strengthened the CCS/CCUS value chain by acquiring all shares of Japan Drilling Co., Ltd.



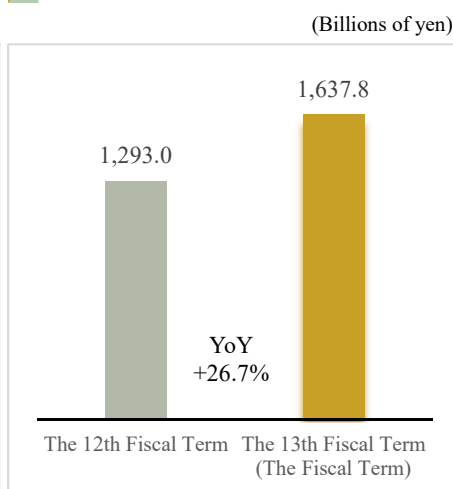
Semi-submersible rig of Japan Drilling Co., Ltd.

Metals Business

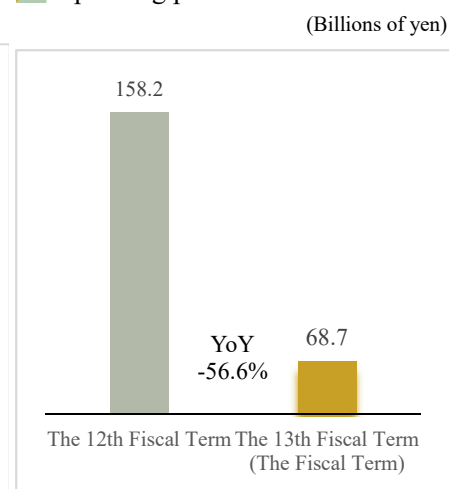
Percentage share of revenue



Revenue



Operating profit



●Details of Major Business Activities

JX Nippon Mining & Metals Corporation develops and manufactures advanced materials, mainly semiconductor materials and information and telecommunications materials, as well as resource development, metal smelting and recycling to supply the raw materials needed for these materials, developed 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 decreased 56.6% from the previous fiscal year to 68.7 billion yen, mainly due to declining copper prices and valuation losses associated with the decision to sell a portion of the interest in Caserones, despite an increase due to the impact of the weaker yen.

Construction Start of New Factory in Hitachinaka

In the Metals Business, the Company is working on constructing new factories and enhancing facility capacity at multiple locations in Ibaraki Prefecture and in North America to meet the need for a stable supply of advanced materials that are indispensable for the rapidly progressing digitalization of society.

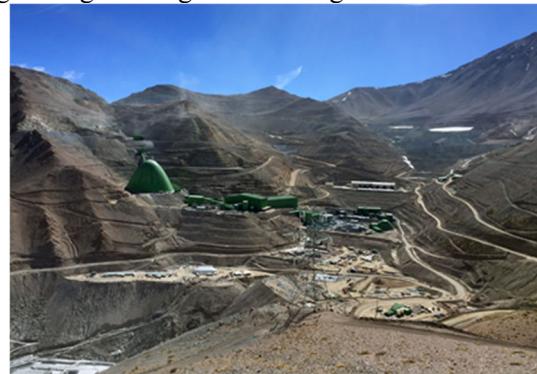
This fiscal year, the Company started land development work to construct a new factory on a large land block of approx. 240,000 m² acquired in Hitachinaka City, Ibaraki, Japan, in January 2023. The new plant will serve as a core base for the manufacture and development of advanced materials, including top share products such as semiconductor sputtering targets, compressed copper foil, and high-performance copper alloy strips.



Illustration of New Factory in Hitachinaka (Hitachinaka City, Ibaraki, Japan)

Stock Transfer of the Caserones Copper Mine Operating Company

JX Nippon Mining & Metals has decided to transfer 51% of its shares in SCM Minera Lumina Copper Chile, which operates the Caserones Copper Mine in Chile, to Canada's Lundin Mining Corporation. The acquisition of a partner with high mining operational capabilities will not only improve the productivity and cost competitiveness of said mine, but also enable long-term operations such as the extension of the mine's life through integrated development with Lundin Group's exploration projects in the vicinity. Through this measure, the Company will further concentrate management resources on focus areas centered on the advanced materials business, while curbing volatility in the mineral resources business and strengthening the long-term earnings base.



Caserones Copper Mine (Chile)

Highlight of Initiatives in This Fiscal Year>

● ENEOS HD, ENEOS ● JX Nippon Oil & Gas Exploration ● JX Nippon Mining & Metals

April 2022	<ul style="list-style-type: none"> ● Started elastomers business at ENEOS Materials Corporation ● Started a joint feasibility study with TotalEnergies in France for commercialization of sustainable aviation fuel (SAF)
May 2022	<ul style="list-style-type: none"> ● Newly formulated the ENEOS Carbon neutrality plan ● Decided to issue Japan's first transition-linked bonds ● Decided to sell the copper smelting business (LS Nikko Copper Inc.) in South Korea
June 2022	<ul style="list-style-type: none"> ● Started operation of electric vehicle charging service business taken over from NEC Corporation ● Formed a joint study to evaluate development of clean hydrogen supply chain (SC) between UAE and Japan ● Participated in the consortium for the development of recycling technology for lithium-ion batteries for vehicles, "HVBatCycle," in Germany ● Started collaborative study on plant maintenance and inspection business utilizing robotics with iXs Co., Ltd.
July 2022	<ul style="list-style-type: none"> ● Decided to invest in NanoWired GmbH in Germany for development of nanowire growth technology and manufacturing equipment
August 2022	<ul style="list-style-type: none"> ● Acquired all the shares of eCycle Solutions Inc., a Canadian e-waste (discarded household appliances and electronic devices) collection and processing company ● Decided to build a next-generation energy supply platform at location of former Shimizu refinery
September 2022	<ul style="list-style-type: none"> ● Made Petra Nova Parish Holdings LLC, in the U.S., a consolidated subsidiary through the acquisition of its equity interest
October 2022	<ul style="list-style-type: none"> ● Exchanged a Memorandum of Understanding with PETRONAS in Malaysia and JGC HOLDINGS CORPORATION on Joint Collaboration Study, which aims to develop the CCS project in Malaysia ● Started offshore wind turbine assembly off the coast of Goto City, Nagasaki to realize a floating offshore wind power generator ● Large-scale green hydrogen supply chain (SC) development research in Hokkaido / Hydrogen utilization research at Haneda Airport and surrounding area selected as projects commissioned by NEDO ● Research on BECCS-integrated demonstration model for CO₂-negative hydrogen production from domestic biomass selected as project commissioned by NEDO <ul style="list-style-type: none"> · Technology for capture and storage of CO₂ emitted when using biomass energy
November 2022	<ul style="list-style-type: none"> ● Started EV route charging service, "ENEOS Charge Plus" ● Decided to start a feasibility study on SAF production at the Wakayama Refinery
December 2022	<ul style="list-style-type: none"> ● Decided to acquire the shares of TATSUTA Electric Wire and Cable Co., Ltd. through a tender offer to generate further synergies in the field of the advanced materials business ● Decided to participate in tantalum raw materials production business at Mibra Mine in Brazil to ensure the stable procurement of raw materials for the production of advanced materials
January 2023	<ul style="list-style-type: none"> ● Decided to launch a joint venture with Mitsubishi Corp. for optimizing delivery operations by leveraging service stations ● Started business operation of Bansyu Mega-Solar power plant (generating capacity: about 77 MW) ● Started business operation of the Cutlass Mega-Solar power plant in Texas (generating capacity: about 140 MW) ● Decided to launch a joint venture with J-POWER for research in domestic CCS business ● Started operation of "Direct MCH ®" demonstration plant in Australia
February 2023	<ul style="list-style-type: none"> ● Decided to raise funds through green loan
March 2023	<ul style="list-style-type: none"> ● Started the introduction of pipe inspection data acquisition technology using automatic navigation drones at the Kawasaki Refinery ● Decided location for liquefied hydrogen SC commercialization demonstration in Green Innovation Funding Program ● Decided to acquire shares of Japan Drilling Co., Ltd. ● Exchanged a Memorandum of Understanding on joint study with AMPOL Australia Petroleum on biofuel production in Australia ● Decided on transfer of some shares in SCM Minera Lumina Copper Chile, operator of Caserones Copper Mine in Chile ● Decided to strengthen production capacity of sputtering targets for semiconductors at bases in Taiwan

(FY2022 news releases from each company)

- ENEOSHD: <https://www.hd.eneos.co.jp/newsrelease/>
- ENEOS: <https://www.eneos.co.jp/newsrelease/>
- JX Nippon Oil & Gas Exploration: <https://www.nex.jx-group.co.jp/newsrelease/>
- JX Nippon Mining & Metals: <https://www.jx-nmm.com/newsrelease/>

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 a sustainable society targeted by SDGs (Sustainable Development Goals) and create its 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.” The Board of Directors monitors and supervises 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, 2023)

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



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

THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

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/>



The details of the “Carbon Neutrality Basic Plan,” which was announced in May 2023, are also available on the Company’s website. The overview of this basic plan is stated on the next page.

URL

https://www.hd.eneos.co.jp/newsrelease/upload_pdf/20230511_01_01_0906370.pdf



[Carbon Neutrality Basic Plan]

In May 2023, the Company newly formulated the Carbon Neutrality Basic 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.”

Specifically, the Company will improve manufacturing/business efficiency and fuel conversion, and work on anthropogenic CO₂ fixation for CCS, etc., forest absorption, and other activities for achieving carbon neutrality in our own CO₂ emissions by fiscal 2040. In addition, the Company will steadily promote energy transition by supplying CO₂-free hydrogen, biofuels, synthetic fuels, etc., matching the pace of the government and other companies, with the aim of realizing a carbon neutral society by fiscal 2050, and in order to promote circular economy in the materials and services fields, formulate specific initiative targets for each of these fields as a roadmap.

1. ENEOS Group Initiatives toward Achieving Carbon Neutrality

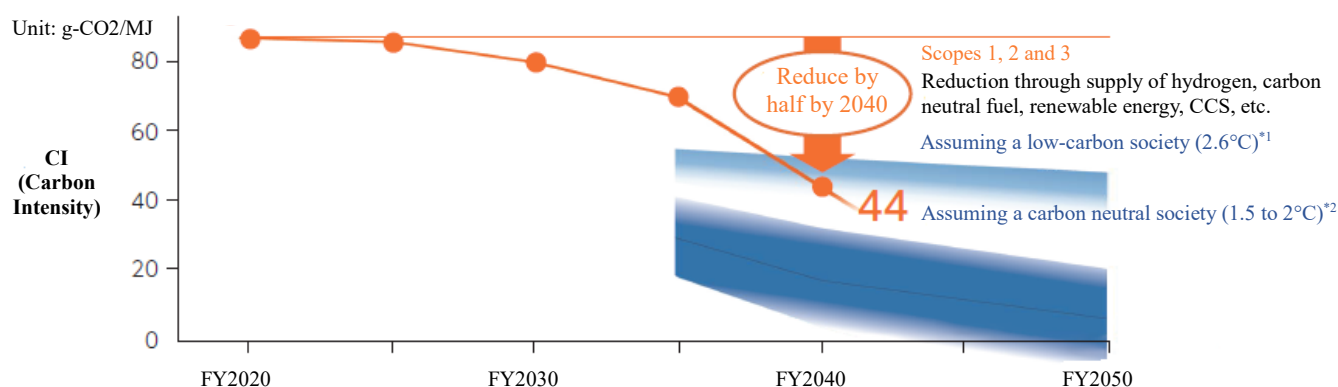
			FY2025	FY2030	FY2040
Greenhouse gas emission targets (Scope 1+2)		Figures in parentheses are relative to the base year*1	31 or less (-14%)	19 or less (-46%)	± 0 (-100%)
Unit: million tons/year		Methane emissions*2 (oil E&P sector)	350 tons (80%)	Less than 300 tons	
		Assumed emissions based on fuel and other demand	31.5	23	19
Countermeasures	Reduction of the Company's GHG emissions	Energy conservation, fuel switching, etc.	(0.5)	(1)	(3)
	Anthropogenic (man-made) fixation of CO ₂	CCS (CO ₂ capture and storage), etc.	-	(3)	(11)
	Increase in natural absorption of CO ₂	Forest absorption, etc.	(0.5) (creation)	(2) (creation)	(5)

*Scope 1 : Direct greenhouse gas emissions by the business itself (fuel combustion, industrial processes)
 *Scope 2 : Indirect emissions from the use of electricity, heat, and steam supplied by other companies
 *Scope 3 : Indirect emissions in the supply chain of the business other than those in Scope 1 and 2

*1 Base year: FY2013
 *2 Methane emissions (base year: FY2021): 1,600 tons

2. Initiatives for contributing to the realization of a carbon neutral society

CI targets for the energy supplied by the ENEOS Group



CI (Carbon Intensity)
 An indicator of the CO₂ emissions (g) (Scopes 1, 2, and 3) per unit of energy supplied (MJ).
 Does not include materials (chemicals, lubricants, asphalt, etc.).

*1 Company assumption based on the IEA STEPS scenario
 *2 Company assumption based on the IEA APS and NZE scenarios, etc.

(2) Matters the Company Should Address

ENEOS Group Long-Term Vision

The current business environment has changed since the Second Medium-Term Management Plan was formulated, including fluctuations in energy security, the formation of a social consensus toward carbon neutrality, and further progress in digital transformation. Although there is no major change in direction, the speed of change is accelerating, and there is a strong need to take on the challenge of energy transitions to realize a decarbonized and recycling-oriented society. Based on the recognition of these issues, the ENEOS Group has set forth the following “ENEOS Group Long-Term Vision” (Long-Term Vision).

ENEOS Group Long-Term Vision

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

Looking at the future business environment, scientific verification and international trends indicate that society is certain to move toward carbon neutrality, while the leading role of carbon neutral energy and the timing of necessary technological breakthroughs remain uncertain, and even under these circumstances, a smooth transition to a carbon neutral society while meeting S+3E* is necessary. In this context, the Group wants to be a main player in leading Japan’s energy transition and supplying 20% of primary energy in Japan (the largest share in SAF, hydrogen, and synthetic fuels) even in a carbon neutral society.

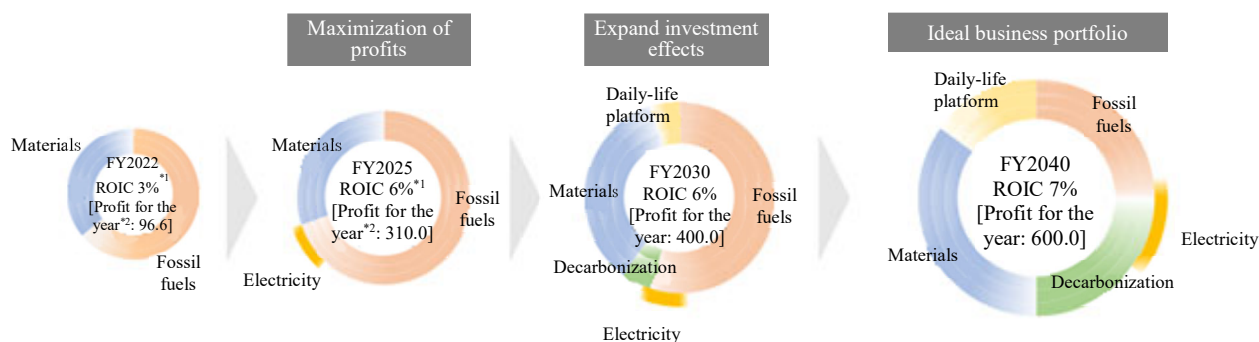
* Safety, Energy security, Economic efficiency, and Environment.

The Group has various strengths in next-generation energy, which will be the mainstay of a carbon-neutral society, and it has been steadily laying the groundwork during the period of the Second Medium-Term Management Plan. In addition to product groups and advanced recycling technologies that will be the core materials of the digital society, we also possess infrastructure and business networks that support the advancement of the sharing economy. In other words, it can be said that the Group has high resilience to deal with various scenarios, as well as significant earnings potential (growth opportunities) from 2030 onwards.

Toward FY2040, the Group will continue to evolve its energy transition, shifting its fossil fuels-centric portfolio into the decarbonization area. ROIC/scale of profits by business area is as follows.

ROIC / Scale of Profits by Business Area

(Billions of yen)



Ratio of overseas business: 50%
(ENEOS only: 20%)

50%
(20%)

45%
(20%)

45%
(25%)

- Fossil fuels: petroleum refining & marketing, chemicals, lubricants, electricity, gas exploration and production (E&P)
- Materials: functional materials, metals (JX Nippon Mining & Metals wholly-owned subsidiary basis)
- Decarbonization: renewable energy, biofuels, SAF, hydrogen, synthetic fuels, CCS
- Daily-life platform: EV charging, mobility

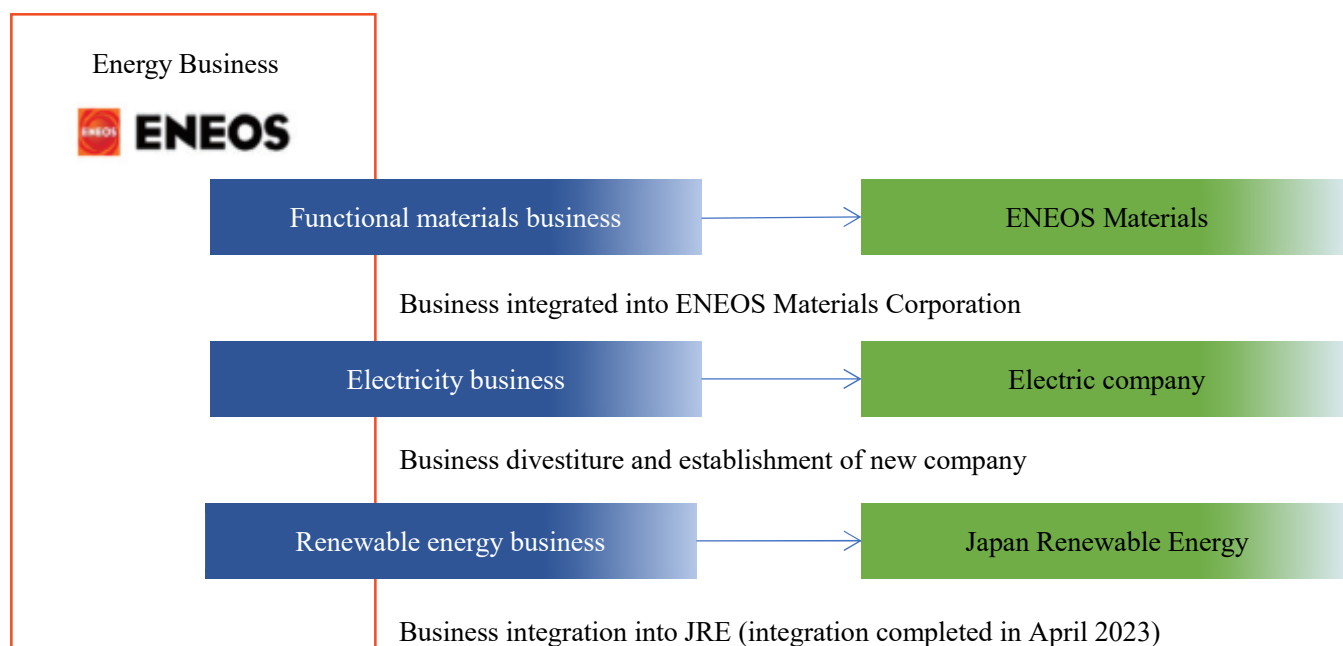
The Third Medium-Term Management Plan

Based on our Long-Term Vision and recognition of the future business environment, the Group has formulated its Third Medium-Term Management Plan.

In this context, first, in order to enhance competitiveness in each industry and realize autonomous management based on the characteristics of each business, functional materials business, electricity business and renewable energy business will be spun off from ENEOS Corporation (scheduled for April 2024), and preparations will begin for listing JX Nippon Mining & Metals Corporation.

Spin-off of the functional materials business, electricity business, and renewable energy business

As an operating company that plays a part in the ENEOS Group, the Company will visualize results, increase competitiveness in each industry, and shift to autonomous management that pursues growth strategies and capital efficiency.



Become subsidiaries of HD in April 2024

Preparation for JX Nippon Mining & Metals' listing

Preparations begin for the listing of JX Nippon Mining & Metals to further enhance the enterprise value of ENEOS Holdings and its wholly-owned subsidiary, JX Nippon Mining & Metals. The Company aims to transition to an equity method affiliate in the future to establish an independent management structure.

ENEOS Holdings

- Emphasizing to the stock market appropriately regarding JX Nippon Mining & Metals' high growth potential in the advanced materials industry
- Execute strategic investments and shareholder returns necessary for business portfolio transformation with agility and certainty

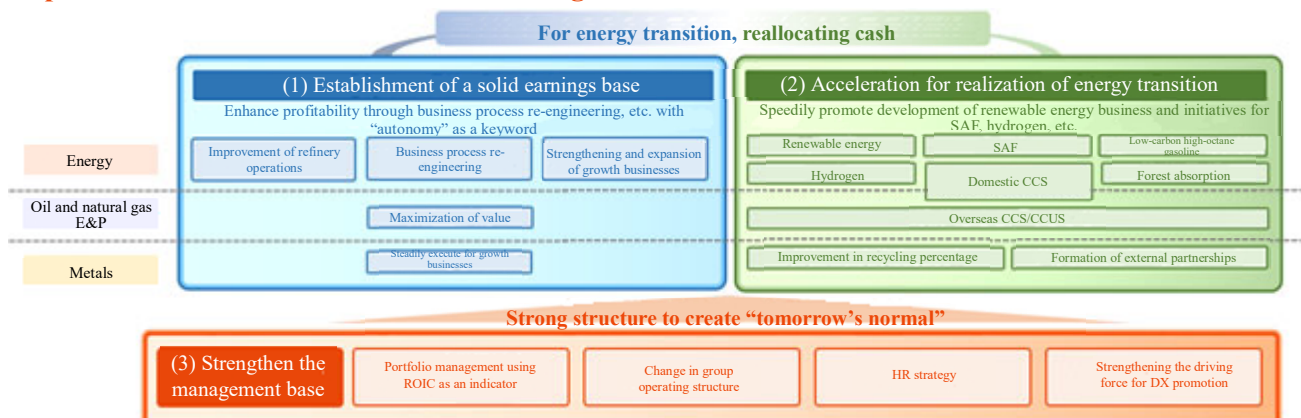
JX Nippon Mining & Metals

- Establish a management structure that enables rapid decision-making in accordance with business characteristics
- Achieve optimal capital structure and implement various strategies in the fields where the Company is highly competitive, such as semiconductor materials and telecommunication materials

Aiming to sustainably increase the value of both companies

In addition, the key to the success or failure of the energy transition is thorough preparation and development during the periods of the Third and Fourth Medium-Term Management Plans, which will establish and expand our strategic advantage. Under the Third Medium-Term Management Plan, we will implement various measures based on the following basic policies.

Basic policies of the Third Medium-Term Management Plan



Financial Targets and Non-financial Targets

Financial and non-financial targets for the period of the Third Medium-Term Management Plan are as follows.

ROIC	7% or higher in FY2025 (Excluding incubation businesses ¹)
ROE²	At least 10% in FY2025
Profit for the year²	(cumulative amount from FY2023 to FY2025) 700.0 billion yen (FY2023: 180.0 billion yen) (FY2024: 210.0 billion yen) (FY2025: 310.0 billion yen)
Free CF [After completing repayment of lease liabilities]	(cumulative amount from FY2023 to FY2025) 500.0 billion yen
Net D/E ratio [Including hybrid bonds on a total asset basis]	0.8 times or lower is the standard

1) Projects that are not suitable for evaluation as a business, such as those in the demonstration phase at this time (hydrogen, synthetic fuels, etc.)

2) Profit/loss attributable to owners of parent excluding inventory valuation

Preconditions	FY2023	FY2024	FY2025
Exchange rate (yen/\$)	130	130	130
Dubai (\$/B)	80	80	80
Copper price (cent/lb)	360	360	360
LNG (JKM) \$/MMBTU	20	20	20

■ Strengthening governance

- Balancing speedy, autonomous management and monitoring
 - Structure change toward autonomous management in accordance with business characteristics
 - Maintenance of investment discipline emphasizes cash flow
 - Portfolio management using ROIC as an indicator to achieve a capital-efficient portfolio
- Improvement of corporate governance transparency
 - Further expansion of information provision to Outside Directors
(human resources due diligence, strengthening communication between Outside Directors and management personnel, etc.)
 - Create opportunities for dialogue between investors and Outside Directors

■ Reduction in emissions of greenhouse gases

- See “Carbon Neutrality Basic Plan”

■ Human resource strategies that support the realization of management strategies

Set quantitative targets according to the characteristics of each operating company

(target setting at ENEOS)

Ratio of females in management positions	At least 100 people
Number of experienced employees appointed to management positions	At least 80 people
Ratio of males taking childcare leave	At least 90%
Advanced digital HR	At least 20%
Total number of users of online learning support system ³	At least 1,500 people

3) ENEOS Learning Platform

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 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.

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

Going forward, the Group will strive to enhance shareholder returns by swiftly and steadily implementing various measures in line with the Third Medium-Term Management Plan. At the same time, the Company will take on the challenge of achieving both a “stable supply of energy and materials” and “realization of a carbon neutral society.” By doing so, the Company intends to maximize its enterprise value.

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 issued a total of 100 billion yen and Japan's first "Transition Link Bonds" (bonds that set targets in line with a long-term strategy to achieve a decarbonized society and whose terms vary depending on the status of achievement) to raise funds needed for carbon neutral initiatives. In addition, we raised 60 billion yen through "Green Loans" to refinance the solar power generation business and biomass power generation business of Group company Japan Renewable Energy Corporation.

In addition, the U.S. subsidiary of JX Nippon Mining & Metals Corporation raised US\$57 million through 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	2,362	Refinery and plant facility work; service station construction and reconstruction work
Oil and Natural Gas E&P Business	286	Oil and gas field exploration and development
Metals Business	808	Copper mines, offices, smelters & refineries, and plant facility construction work
Other Business	114	Renewal of manufacturing facility of asphalt mixture plant
Total	3,570	—
(Adjustments)	(2)	—
Consolidated Total	3,568	—

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

- Acquisition of equity interest in Petra Nova Parish Holdings

In order to further expand knowledge on CCS/CCUS, in September 2022, JX Nippon Oil & Gas Exploration Corporation acquired an additional 50% stake in Petra Nova Parish Holdings, which owns the Petra Nova CCUS business, through a US subsidiary. Combined with the existing equity interest, Petra Nova Parish Holdings became a consolidated subsidiary of the Company.

- Sale of shares of LS-Nikko Copper Inc.

As part of strengthening the competitiveness of the base business, including the copper smelting business, and reviewing the asset portfolio, JX Nippon Mining & Metals Corporation, in September 2022, sold all of LS-Nikko Copper's shares (49.9%) held by the company's subsidiary to LS Corporation.

(6) Financial Position and Operating Results

Category	Consolidated Fiscal Year	FY2019 (10th Fiscal Term)	FY2020 (11th Fiscal Term)	FY2021 (12th Fiscal Term)	FY2022 This fiscal year (13th)
Net sales	(100 million yen)	100,118	76,580	109,218	150,166
Operating profit	(100 million yen)	(1,131)	2,542	7,859	2,813
Profit attributable to owners of parent	(100 million yen)	(1,879)	1,140	5,371	1,438
Basic profit per share		(57.86) yen	35.48 yen	167.27 yen	46.57 yen
Total assets	(100 million yen)	80,113	80,588	96,482	99,545
Total equity	(100 million yen)	27,079	27,526	32,341	32,876

(7) Material Subsidiaries

The Company had 592 subsidiaries and 168 affiliates accounted for using the equity method as of March 31, 2023. 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	<ul style="list-style-type: none"> ◦ Manufacturing and marketing 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	<ul style="list-style-type: none"> ◦ Exploring, developing, and producing oil and natural gas
Metals Business	JX Nippon Mining & Metals Corporation	750	100	<ul style="list-style-type: none"> ◦ Exploring and developing non-ferrous metal resources (e.g., copper and gold) ◦ Smelting, refining and marketing non-ferrous metal products (e.g., copper, gold, silver and rare metals) ◦ Manufacturing and marketing electro-deposited copper foils and treated rolled copper foils ◦ Manufacturing and marketing thin-film materials (e.g., sputtering targets, surface treatment agents and compound semiconductor materials) ◦ Manufacturing and marketing precision-rolled products and precision-fabricated products ◦ Recycling of non-ferrous metal materials and treatment of industrial waste
	Toho Titanium Co., Ltd.	120	50.4 [50.4]	<ul style="list-style-type: none"> ◦ Manufacturing, processing and marketing titanium metals

Other Business	NIPPO CORPORATION	153	50.1 [50.1]	<ul style="list-style-type: none"> ◦ Civil engineering work, including roadwork and pavement construction ◦ Construction work
----------------	-------------------	-----	----------------	---

- (Notes)
1. Ratios of voting rights shown in parenthesis are those for indirect holding and are included in the total.
 2. The status of specified wholly owned subsidiaries as of March 31, 2023 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: 1,397,931 million yen
 - Amount of total assets of the Company: 4,657,652 million yen

(8) Main Business Offices and Plants (as of March 31, 2023)



The Company

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

• Energy Business

ENEOS Corporation

Head Office	1-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
Laboratory	Central Technical Research Laboratory (Kanagawa)
Refineries	10 refineries including Mizushima (Okayama) and Kawasaki (Kanagawa)
Branch Offices	12 branch offices including Tokyo (Tokyo) and Osaka Daiichi (Osaka)
Overseas Operating Sites	China, Singapore, U.S., 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 closed its Kanto Branch Office 3 and Osaka Branch Office 2 as of March 31, 2023, and changed the name of its Osaka Branch Office 1 to Kansai Branch Office on April 1, 2023.

■ **Metals Business**

JX Nippon Mining & Metals Corporation

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

Toho Titanium Co., Ltd.

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

● **Other Business**

NIPPO CORPORATION

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

* Main offices and plants of the Group are described.

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

(9) Employees (as of March 31, 2023)

Business Segment and Category	Number of Employees	
The Company	873	[4]
Energy Business	25,001	[12,320]
Oil and Natural Gas E&P Business	710	[2]
Metals Business	10,431	[184]
Other Business	7,602	[498]
Total	44,617	[13,008]

- (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, 2023)

Lender	Balance of Loans Payable (100 million yen)
Mizuho Bank, Ltd.	4,406
Sumitomo Mitsui Banking Corporation	3,499
MUFG Bank, Ltd.	3,247
Japan Organization for Metals and Energy Security	2,051
The Norinchukin Bank	866

2 Matters Concerning Shares (as of March 31, 2023)

- 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: 646,155 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)	554,510	18.32
Custody Bank of Japan, Ltd. (Trust Account)	205,481	6.79
STATE STREET BANK WEST CLIENT – TREATY 505234	68,346	2.25
Kochi Shinkin Bank	44,320	1.46
STATE STREET BANK AND TRUST COMPANY 505103	38,734	1.28
JP MORGAN CHASE BANK 385781	33,792	1.11
ENEOS Group Employee Shareholding Association	28,996	0.95
SSBTC CLIENT OMNIBUS ACCOUNT	28,266	0.93
JPMorgan Securities Japan Co., Ltd.	27,245	0.90
STATE STREET BANK AND TRUST COMPANY 505225	25,585	0.84

(Note) Shareholding ratio is calculated excluding treasury shares (7,317,803 shares) from the total number of issued shares. Shares related to share-based remuneration (6,651,042 shares), which were purchased through a trust established by the Company, are not included in the treasury shares.

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

Category	Number of shares (shares)	Number of eligible persons (persons)
Directors (including directors who have resigned)	245,195	9

(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 May 13, 2022, the Company acquired 197,432,000 shares of treasury shares between May 16, 2022 and November 16, 2022. Based on the resolution of the Board of Directors held on February 10, 2023, all of the said shares were canceled on February 14, 2023.

3 Matters Concerning the Company's Executives

(1) Names, etc. of Directors (as of March 31, 2023)

Name	Position	Responsibilities	Important concurrent office
Ota Katsuyuki	Director, Chairman of the Board		
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, Internal Audit Dept., Internal Control Dept., Corporate Planning Dept., Carbon Neutral Strategy Dept., Controller Dept., Finance Dept., Investor Relations Dept., Human Resources Dept., Public Relations Dept., General Administration Dept., Legal & Corporate Affairs Dept.) Responsible for Secretariat	Representative Director and Executive Vice President of ENEOS Corporation Assistant to President (Responsible for Secretariat, Internal Audit Dept., Internal Control Dept., Corporate Planning Dept., Carbon Neutral Strategy Dept., Controller Dept., Finance Dept., Investor Relations Dept., Human Resources Dept., Public Relations Dept., General Administration Dept., Legal & Corporate Affairs Dept., Business Process Reengineering Dept., Overseas Business Planning Dept.) Responsible for Secretariat
Miyata Tomohide	Representative Director, Executive Vice President	Assistant to President	Representative Director and Executive Vice President of ENEOS Corporation Assistant to President (Responsible for Refining and Manufacturing Dept., Mechanical Engineering Dept., Engineering & Capital Planning Dept., Hydrogen Business Dept., Hydrogen Business Technology Dept., Fuel Cell Customer Support Office, Lubricants Company, Central Technical Research Laboratory, Refineries and Plants) Responsible for Hydrogen Business Dept., Hydrogen Engineering Dept.,
Shiina Hideki	Director, Executive Vice President, CDO	Assistant to President (Responsible for IT Planning & Development Dept., Crisis Management Dept., Procurement Dept., Safety,	Director and Executive Vice President and CDO of ENEOS Corporation Assistant to President (IT Planning & Development Dept., Crisis Management Dept., Procurement Dept., Safety, Health & Environment Dept., Quality Assurance Dept., Emerging Business Development Dept., Supply Planning & Optimization Dept., Product Supply & Trading Dept., Crude Trading & Shipping Dept., Distribution & Logistics Dept., Basic Chemicals Planning Dept., Basic Chemicals Sales Dept.

Name	Position	Responsibilities	Important concurrent office
		Health & Environment Dept., Quality Assurance Dept. and Emerging Business Development Dept.) Responsible for IT Planning & Development Dept. and Emerging Business Development Dept.	and High Performance Materials Company) Responsible for IT Planning & Development Dept. and Emerging Business Development Dept.
Inoue Keitaro	Director, Executive Vice President	Assistant to President	Director and Executive Vice President of ENEOS Corporation Assistant to President (Marketing & Sales Planning Dept., Retail Support Dept., Nationwide Sales Dept., Industry Energy Sales Dept., Business Design & Development Dept., EV Business Development Dept., Resources & Power Company and Branch Offices) Responsible for EV Business Development Dept.
Nakahara Toshiya	Director (Part-time)		Representative Director, Chief Executive Officer and President of JX Nippon Oil & Gas Exploration Corporation Responsible for Internal Audit Dept. and Digital Transformation Dept.
Murayama Seiichi	Director (Part-time)		President & Representative Director and Chief Executive Officer of JX Nippon Mining & Metals
Ota Hiroko	Outside Director		President, National Graduate Institute for Policy Studies Outside Director, Japan Exchange Group, Inc.
Kudo Yasumi	Outside Director		Senior Advisor of Nippon Yusen Kabushiki Kaisha
Tomita Tetsuro	Outside Director		Chairman and Director of East Japan Railway Company
Ouchi Yoshiaki	Director Full-Time Audit and Supervisory Committee Member		Corporate Auditor of ENEOS Corporation (full-time)
Nishimura Shingo	Director Full-Time Audit and Supervisory Committee Member		Corporate Auditor of ENEOS Corporation (full-time)

Name	Position	Responsibilities	Important concurrent office
Nishioka Seiichiro <div style="background-color: #90EE90; padding: 2px;">Outside</div> <div style="background-color: #FFD700; padding: 2px;">Independent</div>	Outside Director Audit and Supervisory Committee Member		Attorney-at-law, Of Counsel at Asahi Law Offices
Mitsuya Yuko <div style="background-color: #90EE90; padding: 2px;">Outside</div> <div style="background-color: #FFD700; padding: 2px;">Independent</div>	Outside Director Audit and Supervisory Committee Member		Vice President of Japanese Olympic Committee President of Japan Basketball Association Outside Director of the Fukui Bank, Ltd. Outside Director of DENSO Corporation
Oka Toshiko <div style="background-color: #90EE90; padding: 2px;">Outside</div> <div style="background-color: #FFD700; padding: 2px;">Independent</div>	Outside Director Audit and Supervisory Committee Member		Professor at 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.

- (Notes)
- Mr. Saitou Takeshi, Director, assumed office as Vice-President of Petroleum Association of Japan on September 29, 2022.
 - Ms. Ota Hiroko, Outside Director, assumed office as President, National Graduate Institute for Policy Studies on September 1, 2022.
 - Ms. Ota Hiroko, Outside Director, assumed office as Outside Director of Japan Exchange Group, Inc. on June 16, 2022.
 - Ms. Ota Hiroko, Outside Director, had been appointed as the outside director of Panasonic Holdings Corporation, but resigned on June 23, 2022.
 - Mr. Ouchi Yoshiaki and Mr. Nishimura Shingo 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. Ouchi Yoshiaki, Director, who is a full-time Audit and Supervisory Committee member, has experience working in the finance division of the Company and has considerable knowledge and insights regarding finance and accounting.
 - Ms. Oka Toshiko, Outside Director, who is an Audit and Supervisory Committee member, has worked as a consultant specializing in finance, accounting, and M&A areas over many years, and thus has considerable knowledge and insights regarding finance and accounting.
 - No special interest required to be stated exists between any of the entities where Outside Directors hold important concurrence office and the Company.
 - Ms. Ota Hiroko, Mr. Kudo Yasumi, Mr. Tomita Tetsuro, Mr. Nishioka Seiichiro, Ms. Mitsuya Yuko, and Ms. Oka Toshiko, all Outside Directors, meet the “Standards for Consideration of Independence of Independent Directors” of the Company which are set out on page 34 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.
 - Mr. Sugimori Tsutomu had been serving as a Vice Chairman of KEIDANREN (Japan Business Federation), and he resigned as of June 1, 2022.
 - Mr. Sugimori Tsutomu has resigned as Representative Director and Director who is not an Audit and Supervisory Committee Member on August 12, 2022. At the time of Mr. Sugimori’s resignation, his position, responsibilities, and important concurrent positions are as follows.

Name	Position	Responsibilities	Important concurrent office
Sugimori Tsutomu	Representative Director, Chairman of the Board, Group CEO		Representative Director of ENEOS Corporation President of Petroleum Association of Japan

- Effective October 8, 2022, Mr. Ota Katsuyuki has assumed the office of Chairman of the Board, and Mr. Yatabe Yasushi and Mr. Miyata Tomohide have each become Representative Director and Executive Vice President.
- As of April 1, 2023, Mr. Yatabe Yasushi, Mr. Miyata Tomohide, Mr. Shiina Hideki, Mr. Inoue Keitaro, Mr. Nakahara Toshiya and Mr. Murayama Seiichi have changed some of their responsibilities or important concurrent positions. For their responsibilities and important concurrent positions from April 1, 2023, please refer to the “Brief biographical outlines, and position and assignment at the Company” and “Important concurrent office” of each person listed in the notice of convocation (pages 8 to 22).

(2) Matters Concerning Directors and Officers Liability Insurance Agreement

(i) Scope of the insured persons

Directors and corporate auditors of the Company and 45 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 2022)

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)	626 (51)	16 (4)	468 (51)	16 (4)	101 (-)	7 (-)	58 (-)	7 (-)
Directors who are Audit and Supervisory Committee members (of whom, Outside Directors)	116 (48)	5 (3)	116 (48)	5 (3)	- (-)	- (-)	- (-)	- (-)
Total (of whom, Outside Directors)	742 (99)	21 (7)	584 (99)	21 (7)	101 (-)	7 (-)	58 (-)	7 (-)

- (Notes)
1. The information in the table includes the amount of remunerations for four Directors who were not Audit and Supervisory Committee members (including one Outside Director who was not an Audit and Supervisory Committee member) who retired upon the conclusion of the 12th Ordinary General Meeting of Shareholders held on June 28, 2022 and one Director who was not an Audit and Supervisory Committee member and who retired on August 12, 2022.
 2. The information in the table includes the amount of bonuses for FY2022 that is expected to be paid after the 13th Ordinary General Meeting of Shareholders.
 3. The Company had requested the refund of the monthly remuneration paid for July and August 2022 (total of 12 million yen) to the director who is not an Audit and Supervisory Committee member and who resigned on August 12, 2022, and have received a full refund from the said director who is not an Audit and Supervisory Committee member. The amount of monthly remuneration that was returned is included in the above table.
 4. Regarding the remuneration, etc. of the director who was not an Audit and Supervisory Committee member and who resigned on August 12, 2022, the Board of Directors decided to confiscate the bonuses for FY2022 (equivalent to 12 million yen) and share-based remuneration for FY2020 to FY2022 (equivalent to 36 million yen). Of these, bonuses and share-based remuneration for FY2022 are not included in the table above, but share-based remuneration for FY2020 and FY2021 (53 million yen) is included in the disclosure of previous fiscal years.
 5. Bonuses and share-based remuneration are applicable to performance-linked remunerations. Also, share-based remuneration is applicable to non-monetary remunerations.
 6. 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.
 7. The Board of Directors deemed that the individual remunerations in FY2022 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, <ul style="list-style-type: none"> 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)	<ol style="list-style-type: none"> Remuneration consists of the monthly remuneration, bonus, and share-based remuneration. 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. Bonuses are linked to the performance within a fiscal year, and paid after the given fiscal year. 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. 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.

- (Notes)
- 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.
 - From April 1, 2023 onwards, the remuneration will be based on the provisions of the “Executive Disposition Procedural Rules” stipulated by the Company and the “Executive Appointment Contract” concluded between the Company and the officer, and the Company can request a refund, or confiscate, or both. However, as a general rule, the maximum amount is set at four fiscal years worth of remuneration, etc.
 - Based on the resolutions of the Board of Directors’ meetings, the Company entrusted Mr. Ota Katsuyuki, Director and Chairman of the Board, and Mr. Saitou Takeshi, Representative Director, President with the task of deciding specific matters concerning

remunerations in line with the above policy until March 31, 2023 and Mr. Saitou Takeshi, Representative Director, President with the same task from April 1, 2023 because the Company believed that remunerations 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 50% of the total for monthly remunerations, about 30% of the total for bonuses, and around 20% of the total for share-based remunerations when the performance targets are achieved.

◦ Matters Concerning Bonuses

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

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

The FY2022 performance target after the bonus calculation process was set based on projections of the FY2022 results (disclosed in May 2022), and the resulting percentage of target achieved was 61%. The results of each performance indicator to calculate the percentage of target achieved are as follows:

Performance indicators	Weight	Results in FY2022
Profit attributable to owners of parent	25%	143,800 million yen
Consolidated operating profit after adjustment	25%	331,300 million yen
Operating profit of the Energy Business	25%	51,000 million yen
Operating profit of the Energy Business after adjustment	25%	7,600 million yen

(Note) "Consolidated operating profit after adjustment" and "operating profit after adjustment" are calculated by adding or subtracting temporary gain/loss, such as gain/loss on sale of fixed assets and shares and loss by disasters, to or from operating profit excluding inventory valuation, which represents the profit made by the main 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, in principle, shall receive 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 by performance indicators is set based on the Second Medium-Term Management Plan and the Second Medium-Term Environmental Management Plan. The performance-linked coefficient based on the achievement rate was 68%. The results of each performance indicator to calculate the percentage of target achieved are as follows:

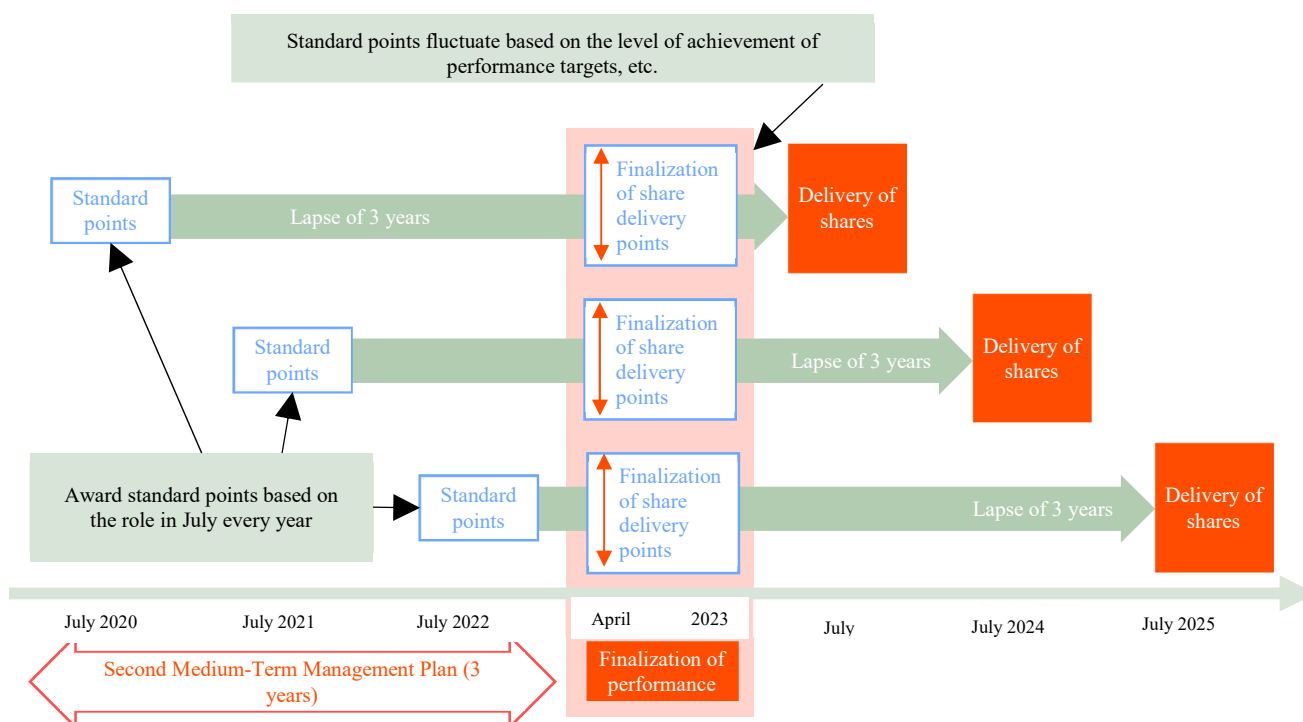
Performance indicators	Weight	Results
Operating profit excluding inventory valuation	20%	877,600 million yen (consolidated)
		205,800 million yen (Energy Business)
Free cash flow	20%	(231,700) million yen (consolidated)
		(636,400) million yen (Energy Business)
Net D/E ratio	20%	0.76 times
ROE	20%	5%

Performance indicators	Weight	Results
Total return ratio	10%	66%
Reduction of CO ₂ emissions	10%	4.30 million tons (consolidated) 3.99 million tons (Energy Business)

- (Notes)
1. Operating profit excluding inventory valuation, free cash flow, and reduction of CO₂ emissions reflect the consolidated results and the results of the Energy Business, given a weight of 50% each.
 2. The percentages achieved for operating profit excluding inventory valuation, free cash flow, and total return ratio are calculated using the accumulated results from FY2020 to FY2022.
 3. The percentages achieved for net D/E ratio and ROE are calculated using the results of FY2022.
 4. The percentage achieved for reduction of CO₂ emissions is calculated using the results of FY2022 (compared with FY2009).
 5. The amount of stock compensation for FY2020 and FY2021 was based on the assumption that the performance-linked coefficient was 100% as per the prior fiscal year disclosures. With the confirmation of the achievement rate of performance targets etc., the amount will decrease by approximately 32%.

Reference

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



(5) Matters Concerning Outside Directors and Audit and Supervisory Committee 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	Ota Hiroko	14/14 (100%)		7/7 (100%)	6/6 (100%)
	Kudo Yasumi	13/14 (92.9%)		6/7 (85.7%)	6/6 (100%)
	Tomita Tetsuro	10/11 (90.9%)		5/5 (100%)	5/5 (100%)
Outside Director Audit and Supervisory Committee Member	Nishioka Seiichiro	14/14 (100%)	15/15 (100%)		
	Mitsuya Yuko	14/14 (100%)	15/15 (100%)		
	Oka Toshiko	13/14 (92.9%)	14/15 (93.3%)		

◦ 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 expert knowledge and a wealth of experience in human resource development and training, economics, and finance, at the Board of Directors meetings, remarks were made on matters such as reviewing the process of appointing directors and formulating the third medium-term management plan. In addition, at the Nomination Advisory Committee and the Remuneration Advisory Committee, statements were made on matters such as the non-payment of remuneration for directors (and other officers), and leadership as the chairman of both committees was exhibited in managing proceedings.

Based on a high level of knowledge, extensive experience, and a solid track record in international business and the management of a listed company representing Japan, at the Board of Directors meetings, remarks were made regarding the importance of a stable supply of resources under the increasingly tense international situation, the status and future prospects of efforts to improve the profitability of each business, etc., and regarding the role of Representative Director and Group CEO at the Nomination Advisory Committee and the Compensation Advisory Committee.

Based on a 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, the importance of formulating strategies with focus on the entire Japanese energy industry and matters regarding investment and shareholder returns were discussed at the Board of Directors meetings. In addition, at the Nomination Advisory Committee and Compensation Advisory Committee, observations on matters such as the importance of early consideration of the management structure in the event of an emergency and the appropriateness of succession planning were made.

Based on a wealth of specialized knowledge and experience in judicial affairs, at the Board of Directors' meeting, observations were made about the response to the occurrence of a scandal and the status of legal development related to new businesses, etc. In addition, in the Audit and Supervisory Committee meeting, matters such as importance of cooperation between Audit and Supervisory Committee members and the internal audit department and the development and operation of an effective internal control system were discussed.

Based on the vast knowledge and extensive experience in corporate management, organizational reform and human resource development, at the board of directors meeting, observations regarding disciplinary action of officers in the event of a scandal and its procedures, securing human resources and maintaining motivation in the acquired company, etc. were made. In addition, at the Audit and Supervisory Committee meetings, the correlation between improving trust among employees and between the company and employees and strengthening internal control and compliance, and fostering an open corporate culture through bold personnel changes was emphasized

Based on excellent discernment and a wealth of experience as an enterprise manager and an expert in the finance, accounting, and M&A fields, at the Board of Directors meetings, the importance of formulating strategies and reviewing the business portfolio with an awareness of the reactions of shareholders and investors, and the status of responses to key ESG issues, etc. were stated. In addition, at the Audit and Supervisory Committee meetings, matters such as the process of selecting an accounting auditor and the management of group companies were discussed.

- Outside Directors' Meetings

Outside Directors' meetings consisting of all the Outside Directors were held five 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, 2023)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	4,887,708	Current liabilities	3,467,721
Cash and cash equivalents	311,517	Trade and other payables	1,852,664
Trade and other receivables	1,609,526	Bonds and borrowings	1,060,002
Inventories	2,153,569	Income taxes payable	43,514
Other financial assets	102,524	Other financial liabilities	28,592
Other current assets	444,056	Lease liabilities	67,923
Sub total	4,621,192	Provisions	16,159
Assets held for sale	266,516	Other current liabilities	311,277
		Sub total	3,380,131
Non-current assets	5,066,809	Liabilities directly associated with assets held for sale	87,590
Property, plant and equipment	3,431,358		
Goodwill	256,457	Non-current liabilities	3,199,218
Intangible assets	516,944	Bonds and borrowings	2,049,399
Investments accounted for using the equity method	431,948	Liabilities for retirement benefits	209,405
Other financial assets	332,437	Other financial liabilities	37,750
Other non-current assets	30,367	Lease liabilities	383,210
Deferred tax assets	67,298	Provisions	114,239
		Other non-current liabilities	47,095
		Deferred tax liabilities	358,120
		Total liabilities	6,666,939
		(Equity)	
		Common stock	100,000
		Capital surplus	932,432
		Retained earnings	1,635,585
		Treasury stock	(8,311)
		Other components of equity	200,126
		Total equity attributable to owners of the parent	2,859,832
		Non-controlling interests	427,746
		Total equity	3,287,578
Total assets	9,954,517	Total liabilities and Equity	9,954,517

Consolidated Statements of Profit or Loss (From April 1, 2022 to March 31, 2023)

(Millions of yen)

Account	Amount
Revenue	15,016,554
Cost of sales	13,802,729
Gross profit	1,213,825
Selling, general and administrative expenses	956,534
Share of profit of investments accounted for using the equity method	74,842
Other operating income	156,251
Other operating expenses	207,099
Operating profit	281,285
Finance income	18,982
Finance costs	42,832
Profit before tax	257,435
Income tax expense	54,462
Profit for the year	202,973
Profit for the year attributable to:	
Owners of the parent	143,766
Non-controlling interests	59,207
Profit for the year	202,973

[Reference]

[Summary of Consolidated Statements of Cash Flows (from April 1, 2022 to March 31, 2023)]

(Millions of yen)

Cash flows from operating activities	(110,246)
Cash flows from investing activities	(115,928)
Cash flows from financing activities:	(13,316)
Net increase (decrease) in cash and cash equivalents	(239,490)
Cash and cash equivalents at beginning of the year	523,988
Net foreign exchange differences of cash and cash equivalents	30,268
Cash and cash equivalents included in assets held for sale	(3,249)
Cash and cash equivalents at end of the year	311,517

Non-Consolidated Financial Statements

Non-consolidated Balance Sheet (as of March 31, 2023)

(Millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	781,688	Current liabilities	652,012
Cash and deposits	458	Short-term borrowings	186,412
Operating accounts receivable	59	Commercial papers	394,000
Short-term loans receivable from subsidiaries and affiliates	674,939	Current portion of bonds	30,000
Accounts receivable-other	31,409	Accounts payable	38,333
Income taxes refund receivable	74,253	Accrued expenses	2,550
Other	571	Provision for employees' bonuses	27
		Other	689
Non-current assets	3,875,964	Non-current liabilities	1,965,421
Property, plant and equipment	62,968	Bonds payable	490,073
Buildings and structures	13,986	Long-term loans payable	927,050
Land	47,580	Long-term loans payable to subsidiaries and affiliates	530,000
Other	1,401	Deferred tax liabilities	13,661
		Provision for share remuneration	101
Intangible assets	1,956	Other	4,537
		Total liabilities	2,617,433
Investments and other assets	3,811,040	(Net assets)	
Investments in securities	57,007	Shareholders' equity	2,022,016
Stocks of subsidiaries and affiliates	2,320,387	Common stock	100,000
Long-term loans receivable from subsidiaries and affiliates	1,417,050	Capital surplus	1,363,997
Guarantee deposits	3,610	Legal capital reserve	526,389
Other	12,986	Other capital surplus	837,608
		Retained earnings	564,579
		Other retained earnings	564,579
		Reserve for advanced depreciation of non-current assets	1,655
		Retained earnings brought forward	562,924
		Treasury stock	(6,561)
		Valuation and translation adjustments	18,204
		Unrealized gain on securities	18,208
		Deferred hedge gains and losses	(4)
		Total net assets	2,040,220
Total assets	4,657,652	Total liabilities and net assets	4,657,652

Non-consolidated Statements of Income (from April 1, 2022 to March 31, 2023)

(Millions of yen)

Account title	Amount	
Operating revenue		
Dividends income	210,777	
Management fee income	13,507	224,284
Selling, general and administrative expenses		12,880
Operating income		211,404
Non-operating income		
Interest income	10,311	
Dividends income	4,178	
Rent income	2,331	
Other	1,153	17,974
Non-operating expenses		
Interest expenses	10,911	
Interest on bonds	4,626	
Rent expenses	1,048	
Other	494	17,079
Ordinary income		212,299
Special gain		
Gain on sale of property, plant and equipment	3,568	
Gain on sales of investments in securities	43,615	
Gain on sales of shares of subsidiaries and affiliates	189,662	236,845
Special loss		
Loss on disposal of non-current assets	18	
Impairment loss	528	545
Income before income taxes		448,599
Income taxes-current	12,448	
Income taxes-deferred	7,922	20,370
Net income		428,229

Audit Reports

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

Independent Auditor's Report

May 17, 2023

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, 2022 through March 31, 2023.

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 13th fiscal year ended March 31, 2023.

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 designated international accounting standards, as well as evaluate 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, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

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

End

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

Independent Auditor's Report

May 17, 2023

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 13th fiscal year from April 1, 2022 through March 31, 2023.

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 13th fiscal year ended March 31, 2023 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 non-consolidated financial statements does not cover other statements and we do not express any opinion on them.

Our responsibilities in auditing the non-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 non-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 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, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

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

End

Copy of Audit and Supervisory Committee's Report

Audit and Supervisory Committee's Report

The Audit and Supervisory Committee has audited Directors' execution of duties for the 13th fiscal term from April 1, 2022 to March 31, 2023. 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, October 28, 2005) and other relevant regulations and asked for explanations as necessary.

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

2. Results of the audit

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

It is our opinion that:

- A. The business report and the supplementary schedules present fairly the status of the Company's business conditions in conformity with the applicable laws and regulations and the Articles of Incorporation;
- B. There is no indication of significant wrongdoing or violation of laws and regulations and the Articles of Incorporation in the Directors' execution of duties; and
- C. The contents of the resolution by the Board of Directors regarding the internal control systems were appropriate. Also, there is no item to be noted on description in the business report and the Directors' execution of duties regarding the internal control systems, including internal controls relating to financial reports.
Regarding the case where the former chairman resigned due to inappropriate conduct, the Audit and Supervisory Committee has confirmed the execution of subsequent requests for refunds and confiscation of remuneration, etc., and the efforts regarding respect for human rights and compliance. We will continue to closely monitor the steady implementation of these initiatives.

- (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 17, 2023

ENEOS Holdings, Inc., Audit and Supervisory Committee

Full-Time Audit and Supervisory Committee Member

Ouchi Yoshiaki [Seal]

Full-Time Audit and Supervisory Committee Member

Nishimura Shingo [Seal]

Audit and Supervisory Committee Member

Nishioka Seiichiro [Seal]

Audit and Supervisory Committee Member

Mitsuya Yuko [Seal]

Audit and Supervisory Committee Member

Oka Toshiko [Seal]

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