

THE FOLLOWING IS AN ENGLISH TRANSLATION PREPARED FOR THE CONVENIENCE OF THE SHAREHOLDERS AND INVESTORS. THE OFFICIAL TEXT IN JAPANESE OF THE MATTERS SUBJECT TO MEASURES FOR ELECTRONIC PROVISION RELATING TO THE CONVOCAION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS HAS BEEN PREPARED IN ACCORDANCE WITH STATUTORY PROVISIONS. 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.

June 4, 2025

Dear Our Shareholders,

**Matters Subject to Measures for Electronic Provision That Are Not Provided in the Documents Delivered to Shareholders (Matters Omitted from the Delivery Document) Relating to the Convocation Notice of the 15th Ordinary General Meeting of Shareholders**

**The 15th Fiscal Term**

(from April 1, 2024 to March 31, 2025)

**Business Report**

- |  |   |
|--|---|
| 1. Matters Concerning Present Condition of the Corporate Group (Major Business Activities) | 2 |
| 2. Matters Concerning the Financial Auditor  | 4 |
| 3. System to Ensure Proper Operations and the Operating Effectiveness of Such System       | 5 |

**Consolidated Financial Statements**

- |  |    |
|--|----|
| Consolidated Statements of Changes in Equity | 15 |
| Notes to Consolidated Financial Statements   | 16 |

**Non-consolidated Financial Statements**

- |  |    |
|--|----|
| Non-consolidated Statements of Changes in Net Assets | 44 |
| Notes to Non-consolidated Financial Statements       | 45 |

**ENEOS Holdings, Inc.**

In accordance with the provisions of laws and regulations, and Article 15, paragraph 2 of the Articles of Incorporation of the Company, matters omitted from the delivery document are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of such documents.

## Business Report The 15th Fiscal Term (from April 1, 2024 to March 31, 2025)

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

#### Major Business Activities (as of March 31, 2025)

Business Segment	Details of Major Business Activities	Details of Principal Operating Companies
Petroleum Products	<ul style="list-style-type: none"> <li>• Refining and marketing business of petroleum products (e.g., gasoline, kerosene and lubricants)</li> <li>• Import and marketing business of gas</li> <li>• Manufacturing and marketing business of petrochemical products, etc.</li> <li>• Supply business of hydrogen</li> </ul>	ENEOS Corporation
Oil and Natural Gas E&P	<ul style="list-style-type: none"> <li>• Exploration and development business of oil, natural gas, or other mineral and energy resources</li> <li>• Recovery, processing, storage, purchase, sale and transport business of oil, natural gas, and other mineral and energy resources and their by-products</li> <li>• Capture, transport, storage and utilization business of carbon dioxide</li> </ul>	ENEOS Xplora Inc.
High Performance Materials	<ul style="list-style-type: none"> <li>• Manufacturing and marketing business of synthetic rubber and other chemical industry products and raw materials</li> </ul>	ENEOS Materials Corporation
Electricity	<ul style="list-style-type: none"> <li>• Power generation business (including overseas)</li> <li>• Power procurement and power marketing business (including renewable energy)</li> <li>• City gas business</li> <li>• Overseas renewable energy business</li> <li>• VPP business</li> </ul>	ENEOS Power Corporation
Renewable Energy	<ul style="list-style-type: none"> <li>• Development, construction, operation, maintenance and inspection work business, and electric power sales business</li> </ul>	ENEOS Renewable Energy Corporation

	pertaining to power generation plants (wind, solar, biomass, and other natural energy-based power generation)	
Other	<ul style="list-style-type: none"> <li>• Civil engineering work business, including roadwork and pavement construction</li> <li>• Construction work business</li> </ul>	

(Note) On March 19, 2025, the Company's former consolidated subsidiary JX Advanced Metals Corporation was newly listed on the Tokyo Stock Exchange Prime Market. In connection with the listing of shares, the Metals Business (the Metals segment), with respect to which JX Advanced Metals Corporation had been one of the Principal Operating Companies, has been classified as a discontinued operation upon a partial secondary offering having been carried out in regard to the shares of JX Advanced Metals Corporation owned by the Company.

## 2. Matters Concerning the Financial Auditor

### (1) Name

Ernst & Young ShinNihon LLC

### (2) Amount of the Remunerations (for the fiscal year 2024)

(Millions of yen)

(i) Amount of the Remuneration as the Financial Auditor of the Company	174
(ii) Total amount of monies and other property benefits to be paid by the Company and its subsidiaries	1,221

(Notes)

1. The Audit and Supervisory Committee examined the audit items, audit time, deployment plans, etc. in the audit plan drafted by the financial auditor, and the calculation basis of the remuneration estimates explained by the related sections in the Company, also in consideration of the performance of past fiscal years, the level of remuneration in other companies, and other factors. As a result, the Audit and Supervisory Committee came to determine that the amount of remuneration of the financial auditor was appropriate, and consented to it based on Articles 399.1 and 399.3 of the Japanese Companies Act.
2. The amount set forth in (i) above includes the amount of audit remuneration for the audit based on the Japanese Financial Instruments and Exchange Act because the amount of audit remuneration for the audit based on the Japanese Companies Act and the amount of audit remuneration for the audit based on the Japanese Financial Instruments and Exchange Act are not distinguished in the audit agreement between the Company and the financial auditor, and are not practically distinguishable.
3. The Company has not requested non-auditing services of Ernst & Young ShinNihon LLC.

### (3) Policies on Determining Dismissal or Refusal of Reappointment of the Financial Auditor

- a. If the Audit and Supervisory Committee deems that a financial auditor falls under any of the categories set forth in items of Article 340.1 of the Japanese Companies Act, and if it determines it necessary to immediately dismiss the financial auditor without obtaining a resolution of a general meeting of shareholders, the financial auditor shall be dismissed by the consent of all Audit and Supervisory Committee Members.
- b. If the Audit and Supervisory Committee deems that a financial auditor falls under any of the following items, and if it determines that it is necessary to dismiss or refuse to reappoint the financial auditor, it shall decide the details of the proposal to be submitted to a general meeting of shareholders regarding the dismissal or non-reappointment of the financial auditor.
  - (i) the financial auditor falls under any of the categories set forth in items of Article 340.1 of the Japanese Companies Act;
  - (ii) the financial auditor is subject to an administrative punishment for a breach of laws and regulations, or is subject to a punishment pursuant to the rules established by The Japanese Institute of Certified Public Accountants; or
  - (iii) the Audit and Supervisory Committee determines it reasonable to make the accounting audit proper and efficient.

### 3. System to Ensure Proper Operations and the Operating Effectiveness of Such System

#### (1) The Contents of the Resolution on Development of System to Ensure the Properness of Operations

The contents of the resolution on the Company's development of the system (the internal control system) set forth in Article 399-13.1.1 (b) and (c) of the Japanese Companies Act are as follows:

Under the "ENEOS Group Philosophy" and the "ENEOS Group Code of Conduct," with recognition of the importance of ESG (Environment, Social and Governance) management, the Company shall develop, based on the following basic policies, a system aimed at ensuring the properness of operations (the internal control system), and operate the system.

The Company shall operate the internal control system in a manner that is cross-functional and effective across the entire ENEOS Group. Additionally, the Company shall conduct regular monitoring of its operation status at the Executive Council and strive for continuous improvement.

#### 1. System to Ensure That the Execution of Duties by Directors and Employees Complies with Laws and Regulations, and the Articles of Incorporation

- (1) The Company shall comply with laws and regulations, its articles of incorporation, and its rules, etc., in its entire operational spectrum by developing and enforcing rules aimed at fully ensuring compliance, so that the Company may carry out its corporate activities fairly and improve society's trust in the ENEOS Group, whether in or outside of Japan.
- (2) The Company shall establish a Chief Compliance Officer (CCO) to manage group-wide risks from a legal perspective and oversee legal support for significant matters, in addition to formulating and disseminating the ENEOS Group Compliance Policy. The Company shall also develop and operate organizational systems, such as committees, aimed at fully ensuring compliance, as well as regularly conduct inspection activities regarding the ENEOS Group's status of compliance with laws and regulations, etc. (laws, articles of incorporation, contracts, rules, etc.) and shall take appropriate measures that correspond to the inspection results.
- (3) The Company shall pursue early detection and early correction of the breaching of laws and regulations, etc., as well as develop and operate a whistleblowing system in order to appropriately protect the whistleblower reporting a breach of laws and regulations, etc. Also, the Company shall develop and operate systems required to ensure that any person who reports any incident to the Company by using a whistleblowing system, or by any other appropriate method, is not treated unfavorably on the grounds of making such a report (including by expressly prohibiting such treatment in the relevant rules, among others).
- (4) In order to achieve appropriate operation of the Board of Directors' meetings, the Company shall establish "Rules for the Board of Directors." Based on these rules, it shall hold Board of Directors' meetings once every month in principle, and decide on the execution of important business activities after thorough deliberations, as well as receive reports from directors in an appropriate manner on the status of execution of their duties.
- (5) By having outside directors attend the Board of Directors' meetings and participate in deliberations thereof, the Company shall aim to ensure objectivity and further improve the adequacy of decisions on the execution of business activities.

- (6) The Company shall establish the Internal Audit Department, which will be in charge of internal auditing and which will implement audits independently from other divisions.
- (7) The Company shall develop and operate an internal control system aimed at ensuring trust in its financial reporting, as well as evaluate the effectiveness of the reporting every year, and make any necessary corrections.
- (8) To break off any relationship between the Company and anti-social forces, the Company shall set the basic policy for the entire ENEOS Group, and each company under the ENEOS Group shall develop and enforce the rules, etc., that correspond to each of their actual business activities, and fully ensure that the rules, etc., are complied with.

## 2. System for the Storage and Management of Information Related to the Execution of Duties by Directors and Employees

- (1) The execution of duties by directors and employees shall in principle be conducted in writing, and the rules, etc., on document preparation, management, or the like, shall be established and enforced.
- (2) The Company shall properly prepare minutes of the Board of Directors' meetings based on laws and regulations, and shall develop and enforce rules, etc. on the preparation, approval process, storage, or the like, of approval documents for each management position.
- (3) The Company shall develop and enforce rules, etc., aimed at preventing wrongful use, disclosure, and divulgence of company information, and at appropriately handling confidential information and personal information, as well as at protecting its IT system from outside threats. In addition, the Company shall, by providing opportunities such as internal training, ensure that employees fully comply with the rules, etc.
- (4) Based on the Japanese Companies Act, the Japanese Financial Instruments and Exchange Act and the Timely Disclosure Rules of the stock exchange, the Company shall appropriately prepare business reports, financial statements and annual securities reports etc., and shall disclose the company information appropriately and in a timely manner.

## 3. Rules and Other Systems for the Management of Risk of Loss

- (1) In submitting an important matter, such as regarding a substantial amount of investment, to the Board of Directors' meeting or the Executive Council's meeting, policies on treatment of risks pertaining to the matter shall be defined after sorting out the anticipated risk. In addition, the Company shall, as necessary, appoint outside legal, accounting, tax and other advisors, and seek their opinions.
- (2) The Company shall appropriately identify and analyze various risks that may affect the ENEOS Group's business activities, such as radical changes in the economy and financial conditions; drastic fluctuation in crude oil, copper metal, or other resource prices, or in currency exchange rates; the occurrence of a large earthquake; and climate change, etc., and shall develop and enforce the risk management systems and rules, etc., aimed at dealing with these risks.
- (3) The Company shall promote internal control systems in order to manage the risks for the achievement of organizational goals in each department and shall develop and operate necessary systems and rules in order to achieve this.
- (4) The Company shall achieve safety, preserve the environment and secure health, and shall carry out the measures for respecting human rights and for human resource development, and shall develop and operate necessary systems and rules for these purposes.

- (5) To prepare for an event where a crisis or emergency significantly affects the ENEOS Group's management, the Company shall appropriately transmit and manage information regarding the crisis or the emergency, and shall develop and enforce systems and rules, etc., aimed at preventing the occurrence and expansion of damage.

#### 4. System to Ensure Efficient Execution of Duties by Directors and Employees

- (1) The Company shall set forth, in its rules on organization and authority, the organizational structure, management positions and business activity allocations in the Company, as well as matters for approval and the approval authority that correspond to each skill and management position, and have the duties executed in an efficient manner.
- (2) In order to improve the agility of business execution, the Board of Directors shall delegate a part of its important decision-making on business execution to the President, and shall focus on the deliberations and determinations of the basic policies on management and basic policies for the development of internal control systems, as well as on the oversight of the execution of duties by directors and executive officers.
- (3) The matters to be resolved by the Board of Directors shall in principle be approved by the President in advance. In addition, on the granting of the President's approval, the Executive Council shall be established as a body that discusses the President's approval of the matter, and appropriate and efficient decision-making shall be conducted after the management of the Company have conducted collective examination and deliberation.
- (4) As well as formulating a long-term business plan for ENEOS Group, the Company shall develop a management plan for the next three (3) years in the Medium-Term Management Plan. In addition, the Company shall develop and operate management control systems such as the budget system and the objectives management system.
- (5) The Company shall establish and operate an optimal IT system from the perspective of proper information management, standardization and optimization of business and strengthening of the internal control system.

#### 5. System to Ensure Appropriate Business Operations within the Corporate Group

- (1) Regarding the "ENEOS Group Philosophy" and the "ENEOS Group Code of Conduct," the Company shall define them as the philosophies and standards of conduct common to each company under the ENEOS Group, and shall work to disseminate them among and have them fully understood by each company.
- (2) Under the basic management policies established by the Company and the supervision of the entire ENEOS Group by the Board of Directors, the Principal Operating Companies ENEOS Corporation, ENEOS Xplora Inc., JX Advanced Metals Corporation, ENEOS Materials Corporation, ENEOS Power Corporation and ENEOS Renewable Energy Corporation shall create, according to their business characteristics, highly self-directed, flexible and independent business execution systems.
- (3) The Company shall establish a Group CxO position to strengthen cooperation among the Principal Operating Companies and optimize the allocation of management resources in order to improve Group governance.
- (4) The Company shall set forth, in its "Rules for the Board of Directors" and the rules on organization and authority, the matters to be resolved at, approved by, or reported to the Company's Board of Directors' meetings and the Executive Council's meetings from among the matters regarding execution of the business activities of the group companies, and shall enforce those rules in an appropriate manner.

- (5) The Company shall set forth, in its rules, etc., the basic matters regarding the operation of the ENEOS Group, such as the mission, purposes, basic role, structure of authority for decision-making in the Company and ENEOS Group companies, as well as develop and enforce the rules, etc., that should be applied to the entire ENEOS Group, and shall work to have each company under the group share and comply with the rules, etc.
- (6) Regarding the systems related to internal control systems of the ENEOS Group (including systems related to compliance and systems related to internal controls through IT), the Company shall develop and operate them as systems that include the group companies, considering the business characteristics of the group companies.
- (7) The Company shall appropriately develop and operate a compliance system, risk management system, system to execute business efficiently, and other internal control systems of the ENEOS Group by monitoring the development and operation of the internal control system at the Executive Council's meeting.

#### 6. System to Ensure Effective Auditing by the Audit and Supervisory Committee

- (1) The Company shall respect the audit standards and the audit plans set forth by the Audit and Supervisory Committee, and shall cooperate in the smooth performance of audits and the development of audit environment.
- (2) The Company shall take necessary measures so that the Audit and Supervisory Committee members are able to attend important meetings, such as the Executive Council's meetings, and to understand the process of making important decisions and the status of execution of business activities. In addition, the Company shall develop and operate systems for the Company and group companies to appropriately report on the matters which the Audit and Supervisory Committee members request.
- (3) The Company shall develop and operate systems for the Audit and Supervisory Committee to receive reports on any fact that may be identified concerning the Company or group companies, such as material breaches of laws and regulations or the articles of incorporation, fraudulent acts, or facts that could cause considerable damage to the Company, immediately when such a fact is identified. In addition, the Company shall develop and operate systems for the auditor of the group companies to report on the matters, such as audit results, which the Audit and Supervisory Committee members request.
- (4) The Company shall develop and operate systems required to ensure that any person who reports any incident to the Company by reporting to the Audit and Supervisory Committee is not treated unfavorably on the grounds of making such a report (including by expressly prohibiting such treatment in the relevant rules, among others).
- (5) The Representative Director and other management shall hold meetings with the Audit and Supervisory Committee members regularly, and exchange opinions on matters such as the ENEOS Group's management issues.
- (6) The Internal Audit Department, which is in charge of internal audits, shall make efforts to maintain close cooperation with the Audit and Supervisory Committee, such as exchanging views about audit plans and audit results.



- (7) The Company shall establish the Office of Audit and Supervisory Committee as an organization independent from the business execution department, and the employees appointed exclusively to the office shall assist in the Audit and Supervisory Committee's duties. Treatment of personnel, such as evaluation and transfer of such employees, shall be determined after prior discussions with the full-time Audit and Supervisory Committee members, in order to ensure the effectiveness of instructions that the Audit and Supervisory Committee gives to such employees.
- (8) The Company shall, upon an Audit and Supervisory Committee member's request, appropriately bear any expenses or debt associated with the execution of duties of the Audit and Supervisory Committee member pursuant to Article 399-2, paragraph 4 of the Japanese Companies Act.

(Note) The Company resolved the revisions of contents of the above resolution at the Board of Directors' meeting held on March 26, 2025, and the revisions went into effect as of April 1, 2025. Details of the revisions are as follows:

Details of revisions (underlined portions)
<p>Under the “ENEOS Group Philosophy” and the “ENEOS Group Code of Conduct,” with recognition of the importance of ESG (Environment, Social and Governance) management, the Company shall develop, based on the following basic policies, a system aimed at ensuring the properness of operations (the internal control system), and operate the system.</p> <p>The Company shall operate the internal control system in a manner that is cross-functional and effective across the entire ENEOS Group. Additionally, the Company shall conduct regular monitoring of its operation status at the <u>Risk Management Council (Executive Council)</u> and strive for continuous improvement.</p>
<p>3. Rules and Other Systems for the Management of Risk of Loss</p> <p>(1) In submitting an important matter, such as regarding a substantial amount of investment, to the Board of Directors' meeting or the Executive Council's meeting, policies on treatment of risks pertaining to the matter shall be defined after sorting out the anticipated risk. In addition, the Company <u>shall develop and operate an ENEOS Group-wide investment screening system and</u> shall, as necessary, appoint outside legal, accounting, tax and other advisors, and seek their opinions.</p> <p>(2) <u>The Company shall establish a Chief Risk Officer (CRO) to oversee the entire ENEOS Group's basic policy and system for risk management, taking into account the increasing diversity of risks surrounding the ENEOS Group. In addition, the Company shall make efforts to monitor and improve the entire ENEOS Group's risk management, including enterprise risk management (ERM), internal controls, and crisis management, through the Risk Management Council (Executive Council).</u></p> <p>(3) <u>The Company shall regularly identify and analyze risks that may significantly affect management using ERM laterally across the ENEOS Group, and shall control such risks to ensure that their impact remains within a tolerable range.</u></p> <p>(4) (Same as (3) before revision)</p> <p>(5) (Same as (4) before revision)</p> <p>(6) (Same as (5) before revision)</p>
<p>5. System to Ensure Appropriate Business Operations within the Corporate Group</p> <p>(2) Under the basic management policies established by the Company and the supervision of the entire ENEOS Group by the Board of Directors, the Principal Operating Companies ENEOS Corporation, ENEOS Xplora Inc., ENEOS Materials Corporation, ENEOS Power Corporation and ENEOS Renewable Energy Corporation shall create, according to their business characteristics, highly self-directed, flexible and independent business execution systems.</p> <p>(7) The Company shall appropriately develop and operate a compliance system, risk management system, system to execute business efficiently, and other internal control systems of the ENEOS Group by monitoring the development and operation of the internal control system at the <u>Risk Management Council (Executive Council)</u>.</p>

## **(2) The Overview of the Operating Effectiveness of the System to Ensure Proper Operations**

The following is an overview of the operating effectiveness of the internal control system of the Company. The Company monitored the operating effectiveness of the internal control system of the ENEOS Group in the Executive Council, and reported the results to the Board of Directors held on April 18, 2025.

### **1. System to Ensure That the Execution of Duties by Directors and Employees Complies with Laws and Regulations, and the Articles of Incorporation**

- (1) The Company has conducted a compliance status check based on the “ENEOS Group Compliance Activity Basic Policies” which defines compliance activities that should be carried out by ENEOS Group companies. The situation and the result of those activities have been monitored by the ENEOS Group Compliance Committee.
- (2) Based on “the ENEOS Group Internal Reporting System Basic Policies,” the Company has developed and operated a whistleblowing system. The Company has developed and operated systems prohibiting unfavorable treatment, explicitly providing in the Policies, for example, that no whistleblower may be treated unfavorably on the grounds of whistleblowing.
- (3) Based on the “Rules for the Board of Directors,” the Company held Board of Directors’ meetings 16 times this fiscal year with the attendance of the outside directors, thereby deciding on the execution of important business activities and receiving reports on the status of the execution of directors’ duties. Effectiveness of discussions in the Board of Directors’ meetings has been improved by enhancing the deliberation of the basic policies on management and monitoring of operating companies. This fiscal year, the Company sought to further improve the transparency of governance by increasing the proportion of outside directors to over 50% and by selecting a Chairperson of the Board of Directors from among the outside directors.
- (4) The Internal Audit Department formulates an audit plan and sequentially conducts audits based on the plan. It also conducts internal audit flexibly based on specific topics, as required in accordance with the instructions of management.
- (5) The Company conducts assessments of effectiveness concerning internal control over financial reporting pursuant to the Japanese Financial Instruments and Exchange Act.
- (6) Based on the “ENEOS Group Basic Regulations on Anti-Social Forces,” the Company investigates its business partners and takes contractual and other necessary measures to break off any relationship between the Company and anti-social forces.

### **2. System for the Storage and Management of Information Related to the Execution of Duties by Directors and Employees**

- (1) The Company executes the duties in principle in writing based on “Rules for Handling Documents,” which sets out how documents are to be prepared and managed.
- (2) The Company prepares minutes of the Board of Directors’ meetings based on laws and regulations, and prepares documents for approval by each managerial position based on the “Rules for Handling Documents,” and appropriately stores and manages them.

- (3) Based on rules such as the “ENEOS Group Basic Rules for Information Security” and “Regulation for Protection of Personal Information,” the Company appropriately manages the company information including confidential information and personal information. This fiscal year, in response to changes in the group management structure and heightened security risks, the Company revised its rules on IT security, which it implemented on April 1, 2025.
- (4) Based on the related laws and regulations and the stock exchanges’ Timely Disclosure Rules, the Company appropriately prepares such documents as its business reports, financial statements, the securities report, and discloses them. This fiscal year, the Company held IR and financial affairs coordination meetings laterally across the ENEOS Group for the sake of explaining disclosure rules of the stock exchange, requesting preliminary information disclosure, and verifying the status of its information-gathering framework.

### 3. Rules and Other Systems for the Management of Risk of Loss

- (1) In submitting important matters to the Board of Directors’ meeting, the Company seeks opinions from outside advisors as necessary, identifies the anticipated risks pertaining to the matter, and defines the policy on how such risks are to be treated. This fiscal year, the Company restructured the stage-gate system by imposing greater stringency on the investment screening process in order to make progress on developing systems for preemptive loss prevention.
- (2) The Company develops and operates systems to handle each type of risk by responding appropriately to risks related to group management based on the “ENEOS Group Risk Management Basic Policies,” as well as by establishing and following rules concerning the derivative transactions, setting forth a business continuity plan in the event of a major earthquake, analyzing the effect of climate change on business and implementing measures therefor, and taking other measures. This fiscal year, the Company fundamentally reviewed its risk management systems laterally across the ENEOS Group with the aims of preventing wrongdoing and scandals as well as heightening trust among its stakeholders.
- (3) The Company has developed the “ENEOS Group Risk Management Basic Policies” and the “ENEOS Group Internal Control Regulations” to set forth fundamental matters concerning the ENEOS Group internal control system, and each department promotes internal control pursuant to the provisions of such policies and regulations in order to mitigate the risks that hinder the organization from achieving its objectives.
- (4) The ENEOS Group has set the goal of achieving carbon neutrality regarding its own greenhouse gases by 2040. This fiscal year, the Company established the Carbon Neutrality Promotion Committee, which promoted the formulation of carbon neutrality strategy across the entire ENEOS Group. The Company has also systematically provided training programs to make Group’s employees fully aware of respect for human rights as well as taking measures for preventing occupational accidents and improving the health of the Group’s employees. In addition, the Company has provided various educational training to improve the skills of every single employee.
- (5) The Company has established the “ENEOS Group Accident and Trouble Reporting and Response Guidelines” to prepare for an event where a crisis or emergency such as a disaster or accident affects the Company and the ENEOS Group’s management, and conducts training assuming that such crisis or emergency will occur, and verifies the results of the training.

#### 4. System to Ensure Efficient Execution of Duties by Directors and Employees

- (1) The Company has established the “ENEOS Holdings Organization Rules” and “ENEOS Holdings Authority Rules.” Duties are executed pursuant to matters for approval and the approval authority as defined in these regulations.
- (2) In order to strengthen the management and monitoring functions and to improve the agility of the execution of business activities, the Board of Directors delegates a part of the decision-making on execution of important business activities to the President, and conducts an operation wherein the Board of Directors can focus on deliberating and deciding on basic policies on management, such as the corporate governance of the ENEOS Group and Medium-Term Management Plan.
- (3) The matters to be resolved by the Board of Directors are in principle approved by the President. In addition, to receive the President’s approval, Executive Council’s meetings are held as a body to discuss matters for the President’s approval.
- (4) The Company formulates a Medium-Term Management Plan over three years in addition to the long-term vision of the ENEOS Group. This fiscal year, the Company set the annual budgets and numerical targets for each company in the ENEOS Group based on the previously formulated Third Medium-Term Management Plan, checked the progress status thereof in the Executive Council’s meetings and Board of Directors’ meetings, and proceeded to formulate the Fourth Medium-Term Management Plan.
- (5) The Company continued efforts to utilize data for the purpose of proper information management, standardization and optimization of business and strengthening of the internal control system and endeavored to further utilize the ERP system, by expanding the scope of use of business improvement tools, among other measures.

#### 5. System to Ensure Appropriate Business Operations within the Corporate Group

- (1) To disseminate and strictly apply “ENEOS Group Philosophy” and “ENEOS Group Code of Conduct,” the Company continually holds internal seminars for each company in the ENEOS Group in addition to issuing the Integrated Report, etc.
- (2) The Principal Operating Companies create business execution systems according to their business characteristics under the supervision of the Company’s Board of Directors. In addition, the Company seeks to increase corporate value by strengthening cooperation among the Principal Operating Companies through its Group CxOs.
- (3) In addition to the “Rules on the Operation of ENEOS Group,” the Company has established rules, to be applied to each company in the ENEOS Group, and ensures each company comply with them.
- (4) The Company has established the “ENEOS Group Risk Management Basic Policies” and the “ENEOS Group Internal Control Regulations” as the policies and regulations for each company in ENEOS Group, and is promoting internal control in each company in the Group.
- (5) The Company conducts surveys on the development and operation of the internal control system of the ENEOS Group every year, reports the results at the Executive Council’s meetings, and makes improvements as necessary.

#### 6. System to Ensure Effective Auditing by the Audit and Supervisory Committee

- (1) The Company respects the audit standards and the audit plans set forth by the Audit and Supervisory Committee, and cooperates in the development of audit environment.
- (2) The Company takes necessary measures so that the Audit and Supervisory Committee Members are able to attend important meetings, such as the Executive Council's meetings, and to understand the process of making important decisions and the status of execution of business activities. The Company has also established the system to report required matters, periodically and as required, to the Audit and Supervisory Committee, such as the operation status of the whistleblowing system and status of incidents, accidents, and lawsuits, including those related to Group companies.
- (3) The Company develops an environment in which the Audit and Supervisory Committee can appropriately gather information related to the Company's management, by way of exchanges of opinions with the Representative Director and other management members, report on the audit plan and on how audits are being executed by the internal audit division and other ways.
- (4) In the Office of Audit and Supervisory Committee, employees appointed exclusively to assist in the Audit and Supervisory Committee's duties engage in their tasks under the direction of the Audit and Supervisory Committee Members. The treatment of personnel, such as the evaluation and transfer of such employees, is determined based on prior discussions with the full-time Audit and Supervisory Committee Members.
- (5) The Company, upon an Audit and Supervisory Committee Member's request, bears any expenses or debt associated with the execution of the duties of the Audit and Supervisory Committee Members.

End

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(Note)

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

# Consolidated Financial Statements

## |Consolidated Statements of Changes in Equity (from April 1, 2024 to March 31, 2025)|

(Millions of yen)

|                                                                        | Common stock | Capital surplus | Retained earnings | Treasury stock |
|------------------------------------------------------------------------|--------------|-----------------|-------------------|----------------|
| Balance as of April 1, 2024                                            | 100,000      | 942,308         | 1,891,573         | (25,652)       |
| Profit for the year                                                    |              |                 | 226,071           |                |
| Other comprehensive income                                             |              |                 |                   |                |
| Total comprehensive income for the year                                | –            | –               | 226,071           | –              |
| Purchase of treasury stock                                             |              |                 |                   | (232,379)      |
| Disposal of treasury stock                                             |              | (181)           |                   | 181            |
| Dividends of surplus                                                   |              |                 | (69,543)          |                |
| Share-based payment transactions                                       |              | 360             |                   |                |
| Equity transactions with non-controlling interests, etc.               |              | (784)           |                   |                |
| Change in scope of consolidation                                       |              |                 | 267               | 191            |
| Transfer from other components of equity to retained earnings          |              |                 | 23,660            |                |
| Transfer from other components of equity to non-financial assets, etc. |              |                 |                   |                |
| Changes due to business combination                                    |              |                 |                   |                |
| Other                                                                  |              | (6,275)         |                   |                |
| Total transactions with owners                                         | –            | (6,880)         | (45,616)          | (232,007)      |
| Balance as of March 31, 2025                                           | 100,000      | 935,428         | 2,072,028         | (257,659)      |

|                                                                        | Other components of equity                                                        |                                           |                                                           |                                                       |          | Total equity attributable to owners of the parent | Non-controlling interests | Total equity |
|------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|----------|---------------------------------------------------|---------------------------|--------------|
|                                                                        | Financial assets measured at fair value through other comprehensive income (loss) | Changes in fair value of cash flow hedges | Exchange differences on translation of foreign operations | Remeasurement (losses) gains on defined benefit plans | Total    |                                                   |                           |              |
| Balance as of April 1, 2024                                            | 81,537                                                                            | 687                                       | 236,760                                                   | –                                                     | 318,984  | 3,227,213                                         | 476,605                   | 3,703,818    |
| Profit for the year                                                    |                                                                                   |                                           |                                                           |                                                       |          | 226,071                                           | 60,850                    | 286,921      |
| Other comprehensive income (loss)                                      | (2,632)                                                                           | 7,364                                     | (65,564)                                                  | 12,644                                                | (48,188) | (48,188)                                          | (7,576)                   | (55,764)     |
| Total comprehensive income (loss) for the year                         | (2,632)                                                                           | 7,364                                     | (65,564)                                                  | 12,644                                                | (48,188) | 177,883                                           | 53,274                    | 231,157      |
| Purchase of treasury stock                                             |                                                                                   |                                           |                                                           |                                                       | –        | (232,379)                                         |                           | (232,379)    |
| Disposal of treasury stock                                             |                                                                                   |                                           |                                                           |                                                       | –        | 0                                                 |                           | 0            |
| Dividends of surplus                                                   |                                                                                   |                                           |                                                           |                                                       | –        | (69,543)                                          | (60,248)                  | (129,791)    |
| Share-based payment transactions                                       |                                                                                   |                                           |                                                           |                                                       | –        | 360                                               |                           | 360          |
| Equity transactions with non-controlling interests, etc.               | (11)                                                                              | 11                                        | 38                                                        |                                                       | 38       | (746)                                             | (7,833)                   | (8,579)      |
| Change in scope of consolidation                                       |                                                                                   |                                           |                                                           |                                                       | –        | 458                                               | (98,450)                  | (97,992)     |
| Transfer from other components of equity to retained earnings          | (11,016)                                                                          |                                           |                                                           | (12,644)                                              | (23,660) | –                                                 |                           | –            |
| Transfer from other components of equity to non-financial assets, etc. |                                                                                   | 3,689                                     |                                                           |                                                       | 3,689    | 3,689                                             | (655)                     | 3,034        |
| Changes due to business combination                                    |                                                                                   |                                           |                                                           |                                                       | –        | –                                                 | 6,839                     | 6,839        |
| Other                                                                  |                                                                                   |                                           |                                                           |                                                       | –        | (6,275)                                           | 371                       | (5,904)      |
| Total transactions with owners                                         | (11,027)                                                                          | 3,700                                     | 38                                                        | (12,644)                                              | (19,933) | (304,436)                                         | (159,976)                 | (464,412)    |
| Balance as of March 31, 2025                                           | 67,878                                                                            | 11,751                                    | 171,234                                                   | –                                                     | 250,863  | 3,100,660                                         | 369,903                   | 3,470,563    |

## Notes to Consolidated Financial Statements (from April 1, 2024 to March 31, 2025)

### 1. Notes to Important Matters Fundamental for Preparation of Consolidated Financial Statements

#### (1) Standards for Preparation of Consolidated Financial Statements

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) pursuant to the provisions of Article 120.1 of Rules of Corporate Accounting. Some of the items in the consolidated financial statements required to be disclosed by IFRS have been omitted in accordance with the provisions of the second sentence of Article 120.1 of Rules of Corporate Accounting.

#### (2) Matters relating to the Scope of Consolidation and Application of Equity-Method

The Company has 497 subsidiaries and 154 equity method affiliates accounted for using the equity-method (associates, joint operations and joint ventures).

##### Major subsidiaries

ENEOS Corporation, ENEOS Xplora Inc., ENEOS Materials Corporation, ENEOS Power Corporation, ENEOS Renewable Energy Corporation and NIPPO CORPORATION

##### Major equity method affiliates

Osaka International Refining Co., Ltd., Abu Dhabi Oil Co., Ltd., United Petroleum Development Co., Ltd. and JX Advanced Metals Corporation

On March 19, 2025, JX Advanced Metals Corporation (hereinafter, “JX Advanced Metals”) was listed on the Tokyo Stock Exchange Prime Market. As a result, a partial secondary offering was carried out in regard to a portion of the shares of JX Advanced Metals owned by the Company, and JX Advanced Metals has therefore been changed from a subsidiary to an equity-method affiliate in the current fiscal year.

#### (3) Matters relating to Accounting Policies

##### (i) Valuation standards and valuation method for assets

###### A. Valuation standards and valuation method for financial assets

###### Financial assets measured at amortized cost

Financial assets are categorized as financial assets measured at amortized cost if both of the following conditions are satisfied.

- Financial assets are held based on the business model whose purpose is to hold assets to recover contractual cash flows.
- A cash flow that only concerns the payment of the principal and interest accrued on the balance of the principal is accrued based on the contractual terms of the financial assets.



Subsequent to the initial recognition, the financial assets are measured at amortized cost using the effective interest method and undergo impairment loss evaluation.

#### Financial assets measured at fair value through other comprehensive income

Financial assets other than those measured at amortized cost are measured at fair value. Of such financial assets, each of the equity instruments other than those held for trading purposes is evaluated whether to be designated as a financial asset measured at fair value through other comprehensive income upon the initial recognition.

The financial assets designated as financial assets measured at fair value through other comprehensive income are measured at fair value subsequent to the initial recognition and all subsequent changes in such financial assets are recognized in other comprehensive income.

If any relevant financial asset is derecognized or its fair value has significantly declined, the amount recognized in other comprehensive income is transferred to retained earnings.

#### Financial assets measured at fair value through net profit or loss

Of financial assets other than the financial assets measured at amortized cost, those that are not designated as financial assets measured at fair value through other comprehensive income are categorized as financial assets measured at fair value through net profit or loss.

Subsequent to the initial recognition, all subsequent increases and decreases in such financial assets are recognized in net profit or loss.

### B. Valuation standards and valuation method for inventories

Inventories are recorded at the lower of the acquisition cost and net realizable value. Net realizable value is the expected sales price in the ordinary course of business less estimated cost and estimated selling expenses required to complete. The acquisition cost is calculated mainly using the gross average method.

### C. Valuation standards, valuation method and depreciation method for property, plant and equipment

For the measurement after recognition of property, plant and equipment, the cost model is adopted. The measurement value is indicated in the amount of acquisition cost less accumulated depreciation and accumulated impairment loss.

Expenditures relating to major maintenance and repair include the cost of replacing an asset or part of an asset, inspection costs and overhaul (detailed inspection) costs. Major inspection costs which qualify for recognition as property, plant and equipment are capitalized and depreciated over the period until the next inspection.

Depreciation of tangible fixed assets other than land is primarily calculated based on the straight-line method over the estimated useful lives of each component of property, plant

and equipment, with respect to the amortizable value after deducting the residual value from the acquisition cost.

Estimated useful lives of major property, plant and equipment are as follows.

|                                     |                     |
|-------------------------------------|---------------------|
| Buildings, structures and oil tanks | 2 years to 50 years |
| Machinery, equipment and vehicles   | 2 years to 30 years |

Expenditure recognized as assets in the exploration, evaluation and development of oil and natural gas is depreciated using the units-of-production method after production begins.

#### D. Valuation standards and valuation method for intangible assets and goodwill

For the measurement after recognition of intangible assets, the cost model is adopted, and the measurement value is indicated in the amount of the acquisition cost less accumulated amortization and accumulated impairment loss. In addition, goodwill is indicated in the amount of the acquisition cost less the accumulated impairment loss.

Intangible assets are amortized principally using the straight-line method over the estimated useful lives of the acquisition cost less residual value.

Estimated useful lives of major intangible assets are as follows.

|                         |                      |
|-------------------------|----------------------|
| Software                | 5 years              |
| Customer-related assets | 10 years to 25 years |
| Contract-related assets | 12 years to 20 years |

#### E. Valuation standards and valuation method for the right-of-use assets

Lease liabilities are initially recognized at the present value of the lease payments outstanding as of the commencement date of the lease by discounting them at the interest rate implicit in the lease. However, if the interest rate implicit in the lease is not practicably readily determinable at the time of recognition, the ENEOS Group uses its own incremental borrowing rates.

Right-of-use assets are recognized in the amount calculated by adjusting the measured amount of lease liabilities with initial direct costs, advance lease payments, etc. and adding any estimated costs incurred to fulfill restoration arising from the lease contract, and are depreciated systematically over the lease term. In addition, right-of-use assets are included in “property, plant, and equipment” in the consolidated statements of financial position.

#### F. Impairment of non-financial assets

The ENEOS Group assesses the impairment indicators for each asset for each reporting period, and estimates the recoverable amount of the asset if there are indications of impairment. If the recoverable value cannot be estimated for individual assets, the recoverable value is estimated for each cash generating unit to which the asset belongs.

If the carrying amount of the asset or cash generating unit exceeds the recoverable amount, the impairment loss is recognized for the asset and the value is written down to the recoverable amount.

With respect to goodwill, an impairment test is carried out every year or whenever there is an indication of impairment. Impairment losses on goodwill are recognized in net profit or loss and are not reversed.

Assets other than goodwill are examined as to whether there is an indication of possible reduction or extinction of impairment losses recognized in the past reporting periods. If such indication exists, the recoverable amount of the asset or cash-generating unit is estimated, and if the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, the impairment loss is reversed up to the amount not exceeding the carrying amount after deducting the necessary depreciation or amortization expenses from the carrying amount where impairment loss is not recognized.

(ii) Recording standards for provisions

Provisions are recognized where the Company has a current legal or constructive obligation as a result of a past event and it is highly likely that an outflow of resources with economic benefits will be required to settle the obligation and where the amount of such obligation can be reliably estimated.

Provisions are measured in present value by applying to expenditures expected to be required for settlement of the obligation, the pre-tax discount rate that reflects the current market valuation of the time value of money and the risks specific to the obligation. Increase in provision over time is recognized as interest expense.

(iii) Other important matters for preparation of the consolidated financial statements

A. Business combinations and goodwill

The ENEOS Group applies the acquisition method to account for business combinations. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as of the acquisition date. Acquisition-related costs are recognized as expenses as incurred. For each transaction, the Company determines whether to measure the non-controlling interest at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Goodwill is measured as the excess when the aggregate of the consideration transferred for the business combination, the amount of any non-controlling interest in the acquiree and the fair value of any equity interest in the acquiree previously held by the acquirer exceeds the net amount of identifiable assets and liabilities at the acquisition date.

When the aggregate amount falls below the net amount of identifiable assets and liabilities due to a bargain purchase, the difference is directly recognized as net profit or loss in the consolidated statements of profit or loss.

Goodwill is tested for impairment annually and whenever there is an indication of impairment. Goodwill is presented at acquisition cost less accumulated impairment losses.

Any impairment losses on goodwill are recognized as net profit or loss in the consolidated statements of profit or loss and are not reversed.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units, or CGUs, or groups of CGUs expected to benefit from synergies of the business combination.

#### B. Foreign currency translation

The Company's consolidated financial statements are indicated in Japanese yen, the functional currency of the Company.

Transactions denominated in foreign currencies are translated into functional currencies of each group company at the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currency at the end of the fiscal year are re-translated to functional currency at the exchange rate at the end of the fiscal year, and non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated into functional currency at the exchange rate at the date of calculation of the fair value. Foreign currency translation differences arising therefrom are in principle recognized in net profit or loss. Non-monetary assets and liabilities denominated in foreign currency that are measured at acquisition cost are translated at the exchange rate of the transaction date.

Assets and liabilities of foreign operations are translated into Japanese yen using exchange rates at the end of the fiscal year, and income and expenses are translated into Japanese yen using the average exchange rate in the reporting period unless there have been significant fluctuations in the exchange rate during the reporting period. Differences arising from foreign currency translation are recognized in other comprehensive income.

#### C. Non-current assets held for sale, disposal groups held for sale, and discontinued operations

A non-current asset or disposal group is classified as held for sale when: its carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use; management of the ENEOS Group is committed to sell the asset; the sale is highly probable, will occur within one year; and the asset is available for immediate sale.

A non-current asset or disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to disposal (FVLCD), and is not depreciated or amortized while classified as held for sale or included in a disposal group held for sale.

Non-current assets and disposal groups that have already been disposed of or that are classified as held for sale are classified as discontinued operations when they meet any of the following: - Separate major line of business or geographical area of operations - Part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations - Subsidiary acquired exclusively with a view to resale.

#### D. Retirement benefits

The ENEOS Group operates both defined benefit plans and defined contribution plans. The liability recognized in the consolidated statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined by reference to market yields at the end of the reporting period on high-quality corporate bonds that have terms to maturity approximating the terms of the related pension obligation.

For components of defined benefit costs, service costs and the net interest in the net defined benefit liability (asset) are recognized in profit or loss. Remeasurements, which include actuarial gains and losses arising from differences between estimates and actual experience, and changes in actuarial assumptions, are recognized in other comprehensive income in the period in which they arise. The ENEOS Group reclassifies such amounts recognized in other components of equity to retained earnings immediately as they are not permitted to be reclassified to profit or loss but may be reclassified within equity. Past-service costs are recognized in profit or loss.

Retirement benefit costs for defined contribution plans are recognized as expenses in the period in which the employees render the related services, and contributions payable are recognized as liabilities.

#### E. Revenue recognition

The ENEOS Group recognizes revenue based on the five-step approach in IFRS 15 “Revenue from Contracts with Customers,” excluding interest and dividend income or the like under IFRS 9 “Financial Instruments.”

Taxes, such as value-added taxes or gas oil delivery taxes, which are imposed at the point of sale and considered to have been collected as an agent on behalf of the governmental authority, are excluded from revenue and are presented on a net basis. Conversely, taxes, such as gasoline taxes, which are costs imposed during the process prior to sales and which are subsequently included in the sales price, are included in revenue.

Details of other accounting policies related to the recognition and measurement of revenue from the businesses of the ENEOS Group are as presented in “9. (1) Breakdown of revenue” in the notes to the consolidated financial statements.

#### F. Government grants

Government grants are recognized at fair value where there is reasonable assurance that the grant will be received and the attached conditions will be complied with.

When government grants are related to expense items, they are recognized as income on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized. With regard to grants relating to assets, the amount of the grants is deducted from the cost of the assets.

## G. Income tax expense

Income tax expense comprises current taxes and deferred taxes.

These are recognized in profit or loss, except for the taxes which arise from business combinations or are recognized either in other comprehensive income or directly in equity.

Current income taxes are calculated as expected taxes payables or receivables on the taxable income or tax losses, using the tax rates that have been enacted or substantially enacted by the end of the reporting period, adjusted by taxes payable or receivable in prior fiscal years.

Deferred tax assets and liabilities are measured based on temporary differences between the carrying amount of assets and liabilities for accounting purposes and their tax bases, and tax loss carryforward and tax credit carryforward at the end of the reporting period.

No deferred tax assets or liabilities are recognized in relation to the following temporary differences.

- Cases where taxable temporary differences arise as a result of the initial recognition of goodwill
- Cases involving the initial recognition of an asset or liability arising from a transaction that is not a business combination, has no impact on either accounting profit or taxable profit at the time of the transaction, and does not give rise to taxable temporary differences and deductible temporary differences of the same amount at the time of the transaction
- Cases involving a taxable temporary difference associated with an interest in a subsidiary, associate, or joint arrangement where the timing of the reversal of the temporary difference can be controlled and it is probable that difference will not be reversed in the foreseeable future, or involving a deductible temporary difference that is probable not reversed in the foreseeable future

Deferred tax assets and liabilities are measured using the tax rate enacted or effectively enacted up to the end of the reporting period, or the tax rate that is expected to apply at the time the related deferred tax assets are realized or the related deferred tax liabilities are settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available against which tax loss carryforward, tax credit carryforward and deductible temporary differences can be utilized. Deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

The Company and some of its subsidiaries in Japan apply group tax relief system.

## 2. Notes to Changes in the Presentation Method

Changes due to classifying the Metals Business as a discontinued operation

On March 19, 2025, the Company's subsidiary JX Advanced Metals was newly listed on the Tokyo Stock Exchange Prime Market. In connection with the listing of shares, a partial

secondary offering was carried out in regard to the shares of JX Advanced Metals owned by the Company, thereby reducing the Company's ownership to 42.4% after the secondary offering. Given this loss of control, JX Advanced Metals was reclassified from a subsidiary to an equity method affiliate. As a result, the Metals Business composed of JX Advanced Metals and its subsidiaries was recategorized into discontinued operations in the current fiscal year.

The profit or loss associated with the Metals Business that was recategorized into discontinued operations is indicated separately after the deduction of income tax expense following profit from continuing operations in the consolidated statement of profit or loss. In "10. Disposal groups classified as held for sale and discontinued operations," additional details related to discontinued operations are indicated. Unless otherwise stated, all other notes to the consolidated financial statements present amounts related to continuing operations.

### **3. Notes to Significant Accounting Estimates**

The Company's consolidated financial statements include management's estimates. Although these estimates are based on the best estimates by management in light of historical experience and various factors, etc. deemed to be reasonable at the end of the reporting period, actual results may differ from those estimates.

Major estimates that may have significant impact on the Company's consolidated financial statements are as follows.

#### **(1) Impairment of non-financial assets**

The ENEOS Group tests property, plant and equipment, goodwill, and intangible assets for impairment in accordance with "1. Notes to Important Matters Fundamental for Preparation of Consolidated Financial Statements (3) Matters relating to Accounting Policies" in Notes to Consolidated Financial Statements. In the calculation of recoverable amount in impairment test, estimated future cash flows, discount rate, etc. are determined.

In the calculation in each impairment test, estimated future cash flows are determined by management's best estimates and judgments based on a business plan approved by management. However, because estimated future cash flows are subject to effects of changes in uncertain factors such as sales volume, commodity price and foreign exchange rates included in the estimated future cash flows, consolidated financial statements could be affected significantly if these estimates and recoverable amount need to be reviewed.

Accordingly, of "other expenses," the amount recorded as impairment loss in this fiscal year was 197,806 million yen. In addition, the amount recorded as "property, plant and equipment," "goodwill," and "intangible assets" at the end of this fiscal year was 3,543,712 million yen.

The amounts recorded for the current fiscal year include an impairment loss of 164,475 million yen related to goodwill and associated non-current assets in the Petroleum Products segment. This loss resulted from impairment testing conducted at the end of the current fiscal year on the goodwill that arose from the business integration with TonenGeneral Sekiyu K.K. on April 1, 2017. The recoverable amount of 2,696,078 million yen fell below the carrying amount due to a rise in the discount rate resulting from increased interest rates. The cash-generating unit group to which the goodwill is allocated consists of businesses excluding new businesses, including ENEOS Corporation, which are expected to benefit from the synergies of the

business integration. The recoverable amount is based on value in use and is calculated using key assumptions such as domestic and overseas market conditions for petroleum products including chemical products, the medium- to long-term growth rate, and the discount rate for the period beyond the business plan. The pre-tax discount rate calculated based on the weighted average cost of capital is 6.2%. The portion of the impairment loss that exceeds the carrying amount of goodwill is allocated on a pro rata basis to the other assets in the cash-generating unit group based on their carrying amounts. The breakdown is as follows:

(Millions of yen)

|                               |         |
|-------------------------------|---------|
| Goodwill                      | 160,155 |
| Property, plant and equipment | 2,985   |
| Intangible assets             | 1,335   |
| Total                         | 164,475 |

In the Renewable Energy segment, an impairment loss of 11,181 million yen was recognized at the end of the current fiscal year on the goodwill that arose from the acquisition of Japan Renewable Energy Corporation (currently ENEOS Renewable Energy Corporation) on January 14, 2022. Due to a rise in the discount rate stemming from higher interest rates and surging material costs, the recoverable amount fell below the carrying amount. The impairment loss relates to the goodwill and related non-current assets allocated to the solar power and biomass cash-generating unit group. The recoverable amount is based on value in use, and an impairment loss of 3,678 million yen has been recognized for the goodwill allocated to solar power generation. Furthermore, an impairment loss of 7,503 million yen has been recognized for the goodwill allocated to biomass power generation and the related non-current assets. The portion of impairment losses that exceeds the carrying amount of goodwill is proportionally allocated based on that carrying amount to the other assets in the cash-generating unit group. The breakdown of the biomass impairment losses is as follows.

(Millions of yen)

|                               |       |
|-------------------------------|-------|
| Goodwill                      | 2,279 |
| Property, plant and equipment | 2,670 |
| Intangible assets             | 2,554 |
| Total                         | 7,503 |

## (2) Estimates of oil and natural gas reserves

Depreciation of assets related to oil and natural gas is calculated at a ratio of output during the reporting period to total of proved reserves and probable reserves by production unit using the units-of-production method. Estimates of these reserves include many uncertain assumptions such as commodity price, foreign exchange rates, production cost, and future capital expenditure. These assumptions are determined based on management's best estimates and judgments.

The estimates of these reserves are related to 404,426 million yen of exploration and development investment account, among "property, plant and equipment" recorded at the end of this fiscal year.



Because assumptions used to estimate reserves are subject to effects of future changes in uncertain economic conditions, consolidated financial statements could be affected significantly if these estimates need to be reviewed.

### (3) Income tax expense

The ENEOS Group is affected by income taxes in multiple tax jurisdictions, and significant judgments are required to determine the estimated amount of income taxes around the world.

In this fiscal year, the amount recorded as “income tax expense” was 30,867 million yen.

Depending on transactions and calculation method, the final tax amount often includes uncertainty. Liabilities are recognized for any possible problem in tax examination based on estimation of whether additional tax collection is required. If the final tax amount related to such problems differs from the initially recognized amount, consolidated financial statements could be affected significantly.

Moreover, the amount of deferred tax assets is calculated to the extent that it is probable that taxable profits will be available against which deductible temporary difference, unused tax credit carryforward and the loss carryforward can be utilized. The timing when taxable profits arise in the future and the amount of such profits are estimated based on the business plan approved by management including assumptions of sales volume, commodity price and foreign exchange rates.

Accordingly, the amount recorded as “deferred tax assets” at the end of this fiscal year was 45,991 million yen.

The timing when taxable profits arise in the future and the amount of such profits are subject to effects of future changes in uncertain economic conditions. Therefore, if the timing when taxable profits actually arise and the amount differ from the estimates, the amount of available deferred tax assets also changes accordingly, and consequently, consolidated financial statements could be affected significantly.

### (4) Evaluation of inventories

Inventories are recorded at the lower of the acquisition cost and net realizable value. If the net realizable value falls below the acquisition cost at the end of the reporting period, inventories are measured at the net realizable value and a difference from the acquisition cost (write-down) is recorded in cost of sales.

Accordingly, the amount recorded as “inventories” at the end of this fiscal year was 1,589,786 million yen.

If the market environment changes greatly in the future and the net realizable value declines dramatically, a large amount of difference (write-down) may arise in cost of sales, and consolidated financial statements could be affected significantly.

### (5) Retirement benefits

The ENEOS Group has retirement benefit plans including a defined benefit plan. The present value of the defined benefit obligation for each of these plans and related service cost, etc. are

calculated based on actuarial assumptions. Actuarial assumptions require estimates and judgments on diverse variables such as discount rate.

Accordingly, the amount recorded as “liabilities for retirement benefits” was 102,319 million yen at the end of this fiscal year.

Appropriateness of actuarial assumptions including diverse variables is determined by management’s best estimates and judgments based on advice from external pension actuaries. However, because these assumptions are subject to effects of future changes in uncertain economic conditions, if the assumptions need to be revised, consolidated financial statements could be affected significantly.

#### (6) Provisions and contingent liabilities

The ENEOS Group records various provisions, such as asset retirement obligation, in the consolidated statements of financial position. These provisions are calculated based on the best estimates of expenditure required for settlement of obligations, taking into account risk and uncertainty on changes of future payment amount and time of payment at the end of the reporting period.

Accordingly, the amount recorded as “provisions” was 142,029 million yen at the end of this fiscal year.

The amount of expenditure required for settlement of obligations is calculated, comprehensively taking into consideration future possible outcome, but may be affected by occurrence of any unforeseeable event and changes in the situation. If the actual payment amount or time of payment differs from the estimate, the amount to be recognized in consolidated financial statements in and after the following reporting period could be affected significantly.

In addition, as for contingent liabilities, items that may have significant impact on future businesses are disclosed in light of all evidence available at the end of the reporting period after taking into consideration probability of the occurrence and impact on the amount.

#### (7) Fair value measurement

The ENEOS Group measures financial assets (shares) measured at fair value through other comprehensive income for which there is no quoted price in an active market at fair value using appropriate valuation techniques.

Of “other financial assets” in non-current assets recorded at the end of this fiscal year, 104,293 million yen corresponds to these financial assets (shares).

In the measurement of fair value, assumptions based on the choice of valuation techniques, market conditions at the end of the reporting period, etc. are used. These assumptions in the fair value measurement are determined based on management’s best estimates and judgments. However, because the assumptions are subject to effects of future changes in uncertain economic conditions, if they need to be reviewed, consolidated financial statements could be affected significantly.

(8) Effect of the transition to a decarbonized society

In creating the consolidated financial statements, accounting estimates and judgments related to impairment of non-financial assets and other issues take into consideration climate change and the transition to a decarbonized society.

With the objective of leading Japan's energy transition and making a significant contribution to the formation of a decarbonized society, the Company announced the Carbon Neutrality Plan in May 2023. During its formulation, we referred to and considered the IEA World Energy Outlook 2022 (WEO)'s STEPS (Note 1), APS (Note 2), and NZE (Note 3), from which we have taken the interim scenario.

Furthermore, in May 2025, the Company released our "Carbon Neutrality Plan 2025 Edition" with the goal of leading the supply of energy and materials necessary for the transition to realize carbon neutrality in 2050. In formulating this plan, to respond flexibly to changes in the business environment related to decarbonization, referencing multiple scenarios including the IEA's World Energy Outlook 2024 (WEO 2024) and the Sixth Assessment Report of the United National Intergovernmental Panel on Climate Change (IPCC AR6), the Company has performed an analysis of future energy demand and our market environment and envisioned multiple societal scenarios. As part of this process, we revised our targets and strategies aimed at reducing CO<sub>2</sub> emissions and formulated a management strategy that is prepared for a wide range of uncertainties related to climate change.

On the other hand, while the above scenario depicted by the Company for a transition to a decarbonized society prepares for such medium- to long-term uncertainties as changing demand trends for fossil fuels including oil caused by the move to carbon neutrality and uncertainty in the decarbonization-related technological development, short-term business conditions will have a more noticeable effect when measuring assets and liabilities in the consolidated financial statements. For that reason, even supposing there were indications under the above scenario that the ENEOS Group's assets would be impaired and liabilities would increase, we do not believe that these would necessarily be reflected immediately in the consolidated financial statements.

A particularly important item from the perspective of the transition to a decarbonized society is the goodwill that arose from the business integration with TonenGeneral Sekiyu K.K. that took place on April 1, 2017. In the impairment testing performed in the current fiscal year, as the recoverable amount of the cash-generating unit group fell below the carrying amount of goodwill, an impairment loss was recognized. For details of impairment loss, please refer to "3. Notes to Significant Accounting Estimates (1) Impairment of non-financial assets."

For the assumptions used in accounting estimate, in addition to the decarbonization scenario, we comprehensively consider factors including national government policies, analysis results of external organizations, and the unique conditions surrounding individual businesses. Nevertheless, future changes in ENEOS Group policy, in global decarbonization trends, or in the policies, etc. of various countries regarding the transition to a decarbonized society could have a significant effect on the consolidated financial statements.

(Notes) 1. Stated Policies Scenario (scenario that reflects policies currently announced by various countries)

2. Announced Pledges Scenario (scenario that assumes that aspirational targets by various countries are achieved)
3. Net Zero Emissions by 2050 Scenario (scenario that assumes that net zero is achieved globally by 2050)

#### 4. Notes to Changes to Accounting Estimates

##### Change of useful lives

From the current fiscal year, the Company has changed the useful lives of certain assets in the Renewable Energy segment.

In the past, economic efficiency was primarily assessed based on Japan's Feed-in Tariff (FIT) scheme. However, in the current fiscal year, the Company has shifted to evaluating economic efficiency without relying on the FIT, as it has begun to accumulate a track record of entering into corporate Power Purchase Agreements (PPAs) involving a full-scale transition to the Feed-in Premium (FIP) scheme. Considering these actual conditions, the Company determined that the economic benefits of the relevant assets would be realized over a longer period than previously assumed and therefore changed their useful lives.

As a result of this change, operating profit and profit before tax for the current fiscal year each increased by 6,097 million yen.

#### 5. Notes to Consolidated Statements of Financial Position

##### (1) Assets offered as security, and obligations relating to security

###### (i) Assets offered as security

Property, plant, and equipment: .....946,231 million yen  
 Cash and cash equivalents: ..... 69,748 million yen  
 Other: ..... 30,865 million yen

In addition to the above, shares of subsidiaries (acquisition cost; 240,534 million yen as of March 31, 2025) and long-term loans (amortized cost; 77,318 million yen as of March 31, 2025), which are eliminated in the consolidated statements of financial position, are pledged as collateral.

In project finance agreements, all project-related contracts, including sales contracts involving feed-in tariffs (FIT) for renewable energy are included in collateral.

###### (ii) Obligations related to security

Accounts payable: .....174,264 million yen  
 Long-term loans payable (including current portion):.....478,528 million yen  
 Other: ..... 10,700 million yen

Accounts payable is included in "trade and other payables" of the Consolidated Statements of Financial Position.

The obligations corresponding to the assets offered as security include, in addition to (ii) above, the transaction guarantee of 959 million yen, and loans payable and accounts payable by equity method affiliates, or the like of 137,204 million yen.

- (2) Breakdown of property, plant, and equipment
- |                                                 |                       |
|-------------------------------------------------|-----------------------|
| Buildings, structures and oil tanks:            | 443,769 million yen   |
| Machinery, equipment and vehicles:              | 685,767 million yen   |
| Land:                                           | 1,370,642 million yen |
| Construction in progress:                       | 111,448 million yen   |
| Exploration and development investment account: | 404,426 million yen   |
| Other:                                          | 21,208 million yen    |
- (3) Loss allowance directly deducted from assets
- |                                                        |                   |
|--------------------------------------------------------|-------------------|
| Trade accounts receivables and acceptance receivables: | 2,949 million yen |
| Other:                                                 | 1,170 million yen |
- Trade accounts receivables and acceptance receivables are included in “trade and other receivables” of the Consolidated Statements of Financial Position.
- (4) Accumulated depreciation and accumulated impairment loss of property, plant, and equipment:
- 5,223,277 million yen
- (5) Breakdown of bonds and borrowings
- (i) Current
- |                                                    |                     |
|----------------------------------------------------|---------------------|
| Bonds:                                             | 11,130 million yen  |
| Short-term borrowings:                             | 371,616 million yen |
| Long-term borrowings to be repaid within one year: | 152,710 million yen |
- (ii) Non-current
- |                       |                       |
|-----------------------|-----------------------|
| Bonds:                | 539,846 million yen   |
| Long-term borrowings: | 1,261,481 million yen |
- (6) Guarantee obligations
- The Company provides guarantees, or the like, to, among others, loans from financial institutions by companies other than the subsidiaries. The Company also provides guarantees to employees’ loans (housing funds).
- |                                |                    |
|--------------------------------|--------------------|
| Equity method affiliates:      | 17,321 million yen |
| Other companies and employees: | 4,276 million yen  |

## 6. Notes to Consolidated Statements of Profit or Loss

- (1) Breakdown of other income and expenses
- (i) Other income
- |                               |                    |
|-------------------------------|--------------------|
| Dividend income:              | 10,707 million yen |
| Rental income:                | 10,364 million yen |
| Gain on sale of fixed assets: | 21,420 million yen |
| Exchange gain:                | 13,636 million yen |
| Other:                        | 29,903 million yen |

- (ii) Other expenses  
 Impairment loss: ..... 197,806 million yen  
 Loss on sale and retirement of fixed assets: ..... 13,713 million yen  
 Other: ..... 21,312 million yen  
 For details of impairment loss, please refer to “3. Notes to Significant Accounting Estimates  
 (1) Impairment of non-financial assets.”

(2) Breakdown of finance income and costs

- (i) Finance income  
 Interest income: ..... 11,048 million yen  
 Exchange gain: ..... 11,611 million yen  
 Other: ..... 1,025 million yen
- (ii) Finance costs  
 Interest expense: ..... 40,889 million yen  
 Other: ..... 669 million yen

**7. Notes to Consolidated Statements of Changes in Equity**

- (1) Class and Total Number of Issued Shares: Common stock 3,032,850,649 shares  
 (as of March 31, 2025)

(2) Purchase of treasury stock

Based on the resolution of the Board of Directors’ meetings held on February 9, 2024 and May 14, 2024, the Company purchased its treasury stock of 232,338 million yen (299,294 thousand shares) in this fiscal year. Together with 41 million yen due to purchase from holders of shares less than one unit, etc., the aggregate amount of purchase of treasury stock totaled 232,379 million yen.

(3) Written Put Option Held Against Non-controlling Shareholders

The ENEOS Group recognizes the present value of the redemption amount of the written put option held by non-controlling shareholders as financial liability and derecognizes non-controlling interests which are the subject of the put option, and includes the difference between them in capital surplus. Such amount included in “capital surplus” in this fiscal year was (6,275) million yen.

(4) Dividends of Surplus

(i) Dividends paid

| Resolution                                                     | Class        | Total Dividends<br>(Millions of yen) | Dividends per<br>Share (yen) | Record Date        | Effective Date    |
|----------------------------------------------------------------|--------------|--------------------------------------|------------------------------|--------------------|-------------------|
| Ordinary General Meeting of Shareholders held on June 26, 2024 | Common stock | (Note 1) 32,986                      | 11.0                         | March 31, 2024     | June 27, 2024     |
| Board of Directors’ Meeting held on November 13, 2024          | Common stock | (Note 2) 36,689                      | 13.0                         | September 30, 2024 | November 29, 2024 |

(Note 1) Total dividends include dividends of 63 million yen on the shares held by the BIP trust, an executive incentive plan.

(Note 2) Total dividends include dividends of 69 million yen on the shares held by the BIP trust, an executive incentive plan.

- (ii) Dividends with record date falling in the current fiscal year, and with effective date coming in the following fiscal year

| Scheduled Resolution Date                                      | Class        | Source of Dividends | Total Dividends (Millions of yen) | Dividends per Share (yen) | Record Date    | Effective Date |
|----------------------------------------------------------------|--------------|---------------------|-----------------------------------|---------------------------|----------------|----------------|
| Ordinary General Meeting of Shareholders held on June 26, 2025 | Common stock | Retained earnings   | (*) 35,092                        | 13.0                      | March 31, 2025 | June 27, 2025  |

(\*) Total dividends include dividends of 69 million yen on the shares held by the BIP trust, an executive incentive plan.

## 8. Notes to Financial Instruments

### (1) Matters relating to Status of Financial Instruments

The ENEOS Group is striving to realize and maintain optimal capital structure to achieve medium- to long-term group strategy and maximization of corporate value.

The ENEOS Group, which is exposed to various risks such as credit risk, liquidity risk and market risk in the course of its business activities and financing activities, manages risks as described below.

#### (i) Credit risk

The ENEOS Group implements measures for early grasp of collection concerns and other credit risks, by properly managing each business partner in accordance with the ENEOS Group's credit management rules and other internal policies.

The receivables held by the Company are receivables against a large number of business partners in a wide range of industries and regions. The Company is not exposed to a material credit risk pertaining to a specific business partner, and there is no excessive concentration of credit risk requiring special management.

#### (ii) Liquidity risk

In order to secure the minimum cash on hand in carrying out the business, the ENEOS Group takes out loans from financial institutions and issues corporate bonds or commercial paper, whenever necessary. The ENEOS Group has also established a commitment line in case of emergency such as where it unexpectedly faces a necessity of funds or where market liquidity suddenly declines.

In addition, as an effort to manage liquidity risk, the ENEOS Group appropriately grasps the group companies' demand for funds, prepare a cash management plan and monitor cash flows by comparing the plan with actual cash flows.

(iii) Market risk

To hedge market risk, the ENEOS Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and commodity futures transactions. The execution and management of derivative transactions are in accordance with internal rules that stipulate trading authorities. It is the ENEOS's policy not to conduct speculative transactions using derivative financial instruments.

Changes in fair value of derivatives that meet hedge accounting requirements are, in principle, recognized in other comprehensive income.

(2) Matters relating to Fair Value, and the like of Financial Instruments

(i) The carrying amount and fair value of the financial instruments measured at amortized cost

|                      | (Millions of yen)                    |            |
|----------------------|--------------------------------------|------------|
|                      | Current Fiscal Year (March 31, 2025) |            |
|                      | Carrying Amount                      | Fair Value |
| Bonds and borrowings | 2,336,783                            | 2,247,816  |

The fair value of bonds issued by the Company is calculated using the reference statistical prices of the Japan Securities Dealers Association, and is classified as Level 2 on the fair value hierarchy because the fair value is measured using observable market data. The fair value of other bonds and borrowings of ENEOS Group is estimated by discounting future cash flows to the present value using interest rates applicable when ENEOS Group takes out a new similar loan. These are classified as Level 2 because the inputs are observable.

The Company does not disclose the financial instruments measured at fair value in the consolidated statements of financial position and the financial instruments with fair value being nearly equal to its carrying amount.

(ii) Financial instruments measured at fair value

All financial instruments measured at fair value are categorized within the following three levels of fair value hierarchy, based on the observability in market of inputs used in fair value measurement:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly

Level 3: Unobservable inputs



(Millions of yen)

| Recurring fair value measurement                                           | Current Fiscal Year (March 31, 2025) |         |              |         |
|----------------------------------------------------------------------------|--------------------------------------|---------|--------------|---------|
|                                                                            | Level 1                              | Level 2 | Level 3      | Total   |
| Financial assets measured at fair value through net profit or loss         |                                      |         |              |         |
| Other financial assets (derivatives)                                       | –                                    | 20,942  | 891          | 21,833  |
| Financial assets measured at fair value through other comprehensive income |                                      |         |              |         |
| Other financial assets (equity investments)                                | 129,974                              | –       | 104,293      | 234,267 |
| Financial liabilities measured at fair value through net profit or loss    |                                      |         |              |         |
| Other financial liabilities (derivatives)                                  | –                                    | 10,654  | (Note) 4,217 | 14,871  |
| Other financial liabilities (preferred stock)                              | –                                    | –       | 18,928       | 18,928  |

#### A. Other financial assets (derivatives) and other financial liabilities (derivatives)

Within derivatives, the fair value of foreign exchange forward contracts is determined based on forward exchange quotation at the end of the reporting period. The fair value of interest rate swaps is determined by discounting future cash flows to their present value using the remaining period to maturity and the rate at the end of the reporting period. The fair value of commodity derivatives is determined based on publicly available indexes at the end of the reporting period. All of these derivatives are classified as Level 2. The fair value of the written call options granted to non-controlling interests (Note) are calculated by discounting future cash flows or other valuation approaches, and constitutes Level 3.

#### B. Other financial assets (equity investments)

Fair value of listed equity investments is determined using unadjusted quoted prices based on the closing price of the market at the end of the reporting period, and are classified as Level 1. Unlisted equity investments are calculated using valuation techniques based on discounted future cash flows, etc., and using appropriate valuation techniques, and are classified as Level 3 on the fair value hierarchy.

#### C. Other financial liabilities (preferred stock)

The fair value of preferred stock is determined using the dividend discount method and is classified as Level 3.

(iii) Financial instruments classified as Level 3

Changes in other financial assets (derivatives) classified as Level 3 are shown below:  
(Millions of yen)

|                                             | Current Fiscal Year (From April 1, 2024 to March 31, 2025) |
|---------------------------------------------|------------------------------------------------------------|
| At beginning of the year                    | 13,739                                                     |
| Losses (gains) recognized in profit or loss | (Note) (12,183)                                            |
| Other changes                               | (665)                                                      |
| At end of the year                          | 891                                                        |

(Note) Purchased put options towards controlling interests in equity method affiliates in the previous fiscal year amounting to 12,411 million yen have been extinguished upon exercise of written call options granted to these controlling interests. This amount is the net of losses and gains recognized in profit and loss arising from the written call options granted to these controlling interests, and is included in “Profit from discontinued operations” in the consolidated statements of profit or loss.

Changes in other financial assets (equity investments) classified as Level 3 are shown below:  
(Millions of yen)

|                                                       | Current Fiscal Year (From April 1, 2024 to March 31, 2025) |
|-------------------------------------------------------|------------------------------------------------------------|
| At beginning of the year                              | 103,017                                                    |
| Gains (losses) included in other comprehensive income | (1,182)                                                    |
| Purchases                                             | 4,417                                                      |
| Sales                                                 | (847)                                                      |
| Settlements                                           | (171)                                                      |
| Other changes                                         | (941)                                                      |
| At end of the year                                    | 104,293                                                    |

Gains (losses) included in other comprehensive income relate to financial assets measured at fair value through other comprehensive income.

Changes in other financial liabilities (derivatives) classified as Level 3 during the reporting period are shown below:

|                                             | (Millions of yen)<br>Current Fiscal Year (From April 1, 2024 to March 31, 2025) |
|---------------------------------------------|---------------------------------------------------------------------------------|
| At beginning of the year                    | 33,529                                                                          |
| Losses (gains) recognized in profit or loss | (Note 1) (13,549)                                                               |
| Other changes                               | (Note 2) (15,763)                                                               |
| At end of the year                          | 4,217                                                                           |

(Note 1) Written call options granted to controlling interests in equity method affiliates in the previous fiscal year amounting to 12,629 million yen have been extinguished upon exercise of such written call options. This amount is the net of losses and gains recognized in profit and loss arising from the purchased put options towards these controlling interests,

and is included in “Profit from discontinued operations” in the consolidated statements of profit or loss.

(Note 2) “Other changes” include a decrease of 14,517 million yen resulting from the deconsolidation of JX Advanced Metals and its subsidiaries.

Changes in other financial liabilities (preferred stock) classified as Level 3 during the reporting period are shown below:

|                                             | (Millions of yen)                                          |
|---------------------------------------------|------------------------------------------------------------|
|                                             | Current Fiscal Year (From April 1, 2024 to March 31, 2025) |
| At beginning of the year                    | 18,201                                                     |
| Losses (gains) recognized in profit or loss | 974                                                        |
| Other changes                               | (247)                                                      |
| At end of the year                          | 18,928                                                     |

Gains or losses recognized in profit or loss are included in “Finance income or costs” in the consolidated statements of profit or loss.

In accordance with the Company’s policy, the fair value of unlisted equity investments classified as Level 3 is measured by each group entity which directly holds the equity investments. The appropriateness of the fair value determination is verified on a continuous basis through the valuation policy and the valuation model developed, maintained and updated by the Company, and periodic monitoring of businesses of each unlisted company evaluated.

The significant unobservable inputs used in the measurement of fair value of unlisted equity investments classified as Level 3 are the discount rate used in the discounted cash flow method and the assumptions used in the estimation of the future cash flows, such as future commodity prices based on market price and foreign exchange rates which are assumed based on the year-end exchange rate. The discount rate applied by the Company is approximately 10%. Changes in the fair value are not expected to be significant, assuming a 0.5% increase/decrease in discount rate or a 10% increase/decrease in future commodity prices based on market price at the end of the reporting period.

## 9. Notes to Revenue Recognition

### (1) Breakdown of revenue

ENEOS Group operates Petroleum Products Business, Oil and Natural Gas E&P Business, High Performance Materials Business, Electricity Business, Renewable Energy Business and Other Business, and the revenues recorded by these businesses are presented as revenue because these segments are subject to regular review by the Company’s board of directors in order to make decisions about the allocation of resources and assess performance. In addition to IFRS 15 “Revenue from Contracts with Customers (“IFRS 15”),” revenue related to commodities and other instruments in accordance with IFRS 9 “Financial Instruments (“IFRS 9”)” and government grants in accordance with IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance (“IAS 20”)” are included in revenue as revenue from other sources. In addition, revenue is broken down by regions based on

customers' locations. The reconciliation of revenue disaggregated by geographical region and revenue for each reportable segment is as follows:

In order to strengthen the management foundation towards the realization of the ENEOS Group Long-Term Vision, ENEOS Corporation's three businesses that belong to the former Energy segment (High Performance Materials, Electricity, and Renewable Energy) were converted into separate companies effective from April 1, 2024.

Also, on March 19, 2025, JX Advanced Metals was listed on the Tokyo Stock Exchange Prime Market. In connection with the listing of shares, a portion of the shares of JX Advanced Metals was sold in a secondary offering. As a result, JX Advanced Metals was reclassified from a subsidiary to an equity method affiliate, and the Metals Business has been classified as a discontinued operation. For further details, please refer to "10. Disposal groups classified as held for sale and discontinued operations."

The reportable segments have accordingly been changed effective from the current fiscal year.

(Millions of yen)

| Current Fiscal Year (From April 1, 2024 to March 31, 2025) |                     |                    |                         |                            |
|------------------------------------------------------------|---------------------|--------------------|-------------------------|----------------------------|
| Region                                                     |                     | Petroleum Products | Oil and Natural Gas E&P | High Performance Materials |
| Japan                                                      |                     | 8,666,931          | 42,043                  | 175,338                    |
| Asia                                                       | Singapore           | 655,990            | 4,386                   | 393                        |
|                                                            | China               | 407,507            | 53,860                  | 34,959                     |
|                                                            | Other parts of Asia | 426,708            | 115,313                 | 62,228                     |
| Other                                                      |                     | 745,169            | 27,211                  | 71,344                     |
| Total                                                      |                     | 10,902,305         | 242,813                 | 344,262                    |

(Millions of yen)

| Current Fiscal Year (From April 1, 2024 to March 31, 2025) |                     |             |                  |         |            |
|------------------------------------------------------------|---------------------|-------------|------------------|---------|------------|
| Region                                                     |                     | Electricity | Renewable Energy | Other   | Total      |
| Japan                                                      |                     | 313,228     | 43,310           | 456,972 | 9,697,822  |
| Asia                                                       | Singapore           | —           | —                | —       | 660,769    |
|                                                            | China               | —           | —                | 144     | 496,470    |
|                                                            | Other parts of Asia | —           | 28               | 6,661   | 610,938    |
| Other                                                      |                     | —           | —                | 12,771  | 856,495    |
| Total                                                      |                     | 313,228     | 43,338           | 476,548 | 12,322,494 |

(Note) Amounts after exclusion of internal transactions between group companies are presented.

(i) Petroleum Products Business

The Petroleum Products Business is engaged in the sales of petroleum products (gasoline, kerosene, lubricants, etc.), petrochemicals, gas, etc.

In the sales of such products, the legal rights of ownership, possessory rights, the material risks accompanying the ownership of products and the economic value transfer to the customer at the time when the control over the product transfers to the customer, i.e. when the product is delivered to the customer, and the rights to receive consideration for the product from the customer are obtained. Thus, revenue is recognized at that point. In addition, because revenue is recognized based on the transaction price in the contract with the customer and the consideration for transactions is received within one year of the delivery of products, the transactions do not include any significant financing components. Regarding transactions in which the consideration can fluctuate, the revenue therefrom is recognized only within the scope wherein it is highly probable that no significant reverse will occur in the future by using the single amount which is the most likely amount within the range of possible consideration amounts.

In this fiscal year, revenue from other sources included in “revenue” contains 198,079 million yen of revenue derived from trading of petroleum products and other products in a US subsidiary. The transactions are accounted for as derivative instruments in accordance with IFRS 9 because the purpose of these transactions is to generate margins as a distributor, and the company enters into sales contracts and trades the products in a short period of time. The gross transaction value is recorded as revenue for transactions settled in physical form. In addition, amounts associated with measures under the “Comprehensive Emergency Measures to Cope with Crude Oil Price and Price Surges” taken by the Japanese government during the COVID-19 pandemic, that are accounted for in accordance with IAS 20 and included in “revenue” as revenue from other sources consist of: 827,990 million yen of subsidies received by a domestic subsidiary under the “Project for Measures to Mitigate Drastic Changes in Fuel Oil Prices” (effectuated in January 2022); 133 million yen of subsidies received by a domestic subsidiary under the “Project for Measures to Mitigate Drastic Changes in Electricity and Gas Prices” (effectuated in January 2023, covers consumption until May 2024); 217 million yen of subsidies received by a domestic subsidiary under “Emergency Assistance for Overcoming Severe Summer Heat” (covers consumption from August to October 2024), and; 132 million yen of subsidies received by a domestic subsidiary under the “Electricity and Gas Price Burden Reduction Support Program” (covers consumption from January to March 2025). The full amount of these subsidies received was appropriately reflected in wholesale prices in accordance with the purposes of the projects.

(ii) Oil and Natural Gas E&P Business

The Oil and Natural Gas Exploration and Production (E&P) Business is engaged in the sales of crude oil, natural gas, other mineral resources, etc.

In the sales of such products, the legal rights of ownership, possessory rights, the material risks accompanying the ownership of products and the economic value transfer to the customer at the time when the control over the product transfers to the customer, i.e. when the product is delivered to the customer, and the rights to receive consideration for the

product from the customer are obtained. Thus, revenue is recognized at that point. In addition, because revenue is recognized based on the transaction price in the contract with the customer and the consideration for transactions is received within one year of the delivery of products, the transactions do not include any significant financing components.

(iii) High Performance Materials Business

The High Performance Materials Business is engaged in the sales of synthetic rubber and thermoplastic elastomer, etc.

In the sales of such products, the legal rights of ownership, possessory rights, the material risks accompanying the ownership of products and the economic value transfer to the customer at the time when the control over the product transfers to the customer, i.e. when the product is delivered to the customer, and the rights to receive consideration for the product from the customer are obtained. Thus, revenue is recognized at that point. In addition, because revenue is recognized based on the transaction price in the contract with the customer and the consideration for transactions is received within one year of the delivery of products, the transactions do not include any significant financing components. Regarding transactions in which the consideration can fluctuate, the revenue therefrom is recognized only within the scope wherein it is highly probable that no significant reverse will occur in the future by using the single amount which is the most likely amount within the range of possible consideration amounts.

(iv) Electricity Business

The Electricity Business is primarily engaged in the sales of electricity derived from thermal power, etc.

These sales are conducted under power supply agreements concluded with customers and furthermore constitute transactions whereby performance obligations are satisfied over specified periods pursuant to the agreement. Meanwhile, progress toward satisfying performance obligations is measured based on volume of consumption as determined by meter readings, with revenue accordingly recognized based on the measured volume of consumption and the contractually agreed upon unit price.

Regarding power consumption of customers whose meter reading date does not coincide with the accounts settlement date, the revenue associated with the period from the meter reading date until the accounts settlement date is recognized based on unit price data combined with power consumption data on power consumed by the customer obtained from a general electricity transmission and distribution utility.

In addition, the Company generates revenue from performance obligations related to the delivery of electricity based on transactions concluded on the Japan Electric Power Exchange (JEPX). In the wholesale electricity market, revenue is recognized upon satisfaction of performance obligations at the point in time when electricity is delivered as agreed upon under the relevant trading rules, etc.

Revenue in each of the above cases is recognized based on the transaction price specified in the contract with customers. Since consideration for such transactions is received within one

year of electricity supply, the contracts do not contain any significant financing components. Furthermore, for transactions in the Electricity Business between the meter reading date and the accounts settlement date, revenue is recognized using an amount calculated by multiplying the consumption volume obtained from the electricity transmission and distribution utility by the average unit price for the month, but only to the extent that a significant reversal of the recognized revenue is highly unlikely to occur between the Company and the customer.

During the current fiscal year, in addition, amounts associated with measures under the “Comprehensive Emergency Measures to Cope with Crude Oil Price and Price Surges” taken by the Japanese government during the COVID-19 pandemic, that are accounted for in accordance with IAS 20 and included in “revenue” as revenue from other sources consist of: 2,944 million yen of subsidies received under the “Project for Measures to Mitigate Drastic Changes in Electricity and Gas Prices” (effectuated in January 2023, covers consumption until May 2024); 4,062 million yen of subsidies received under “Emergency Assistance for Overcoming Severe Summer Heat” (covers consumption from August to October 2024), and; 2,362 million yen of subsidies received under the “Electricity and Gas Price Burden Reduction Support Program” (covers consumption from January to March 2025). The full amount of these subsidies received was appropriately reflected in retail and wholesale prices in accordance with the purposes of the projects.

(v) Renewable Energy Business

The Renewable Energy Business is engaged in the sales of electricity from renewable energy power plants owned by the ENEOS Group, etc.

These sales are conducted under power supply agreements concluded with customers and constitute transactions whereby performance obligations are primarily satisfied at the point in time when electricity is supplied to the customer pursuant to the agreement. Revenue is accordingly recognized based on customer meter readings. In addition, revenue is recognized based on the transaction price with customers (primarily fixed unit price). Since consideration for such transactions is received within one year of electricity supply, the contracts do not contain any significant financing components.

During the current fiscal year, subsidies amounting to 691 million yen received under Japan’s Feed-in Premium (FIP) program were accounted for in accordance with IAS 20 and included in revenue as income from other sources. The FIP program was introduced by the Japanese government in April 2022 with the aim of encouraging investment by power producers, promoting broader adoption of renewable energy, and integrating it into the electricity market as an independent power source. Under the FIP program, certified renewable energy producers receive a premium payment (subsidy) in addition to the market price when selling electricity. The subsidies received are indirectly borne by consumers through a surcharge imposed to promote renewable energy generation, in line with the intent of the program.

(vi) Other Business

Revenue in Other Business is mainly related to the construction business.

In the construction business, because control of the asset is transferred to a customer in accordance with the progress of work for a construction work contract under which the performance obligation is satisfied over time, revenue is recognized in the corresponding construction period. When the outcome of construction can be estimated reliably, revenue is measured based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs. For long-term construction work contract, a certain portion of the consideration is received in advance when the contract is entered into or during the construction period.

(2) Receivables arising from contracts with customers, contract assets, and contract liabilities

The components of receivables arising from contracts with customers, contract assets, and contract liabilities are as follows.

Note that trade receivables are included in “trade and other receivables,” contract assets are included in “other current assets,” and contract liabilities are included in “other current liabilities” in the consolidated statements of financial position.

(Millions of yen)

|                                                                                 | Beginning of Current<br>Fiscal Year<br>(April 1, 2024) | End of Current Fiscal Year<br>(March 31, 2025) |
|---------------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------|
| Trade receivables (accounts receivable<br>- trade and notes receivable - trade) | 1,398,644                                              | 1,172,664                                      |
| Contract assets                                                                 | 60,458                                                 | 51,685                                         |
| Contract liabilities                                                            | 25,315                                                 | 27,713                                         |

Contract assets relate to the ENEOS Group’s rights to unclaimed consideration arising from construction work contracts, and they are transferred to receivables when the right to payment becomes unconditional. Contract liabilities are consideration received in advance of performance based on a contract, and they are transferred to revenue as the Company satisfies the performance obligations based on the contract (or at the time of performance).

The balance of contract liabilities at the beginning of the year ended March 31, 2025 was mostly recognized as revenue during the year and the amount carried forward was not material. In addition, the amount of revenue recognized from the performance obligations satisfied in previous periods in the year ended March 31, 2025 was not material.

(3) Transaction price allocated to the remaining performance obligations

The total amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2025 is as follows:

(Millions of yen)

| Construction contracts in the construction business, etc. | Current Fiscal Year (March<br>31, 2025) |
|-----------------------------------------------------------|-----------------------------------------|
| Within one year                                           | 182,713                                 |
| Over one year, within two years                           | 67,544                                  |
| Over two years                                            | 31,060                                  |
| Total                                                     | 281,317                                 |



The Company categorizes the transaction price for contracts on which construction plans are not yet finalized as of March 31, 2025 according to the completion timing.

In addition to construction contracts in the construction business, transaction prices based on long-term sales contracts for certain products handled by the ENEOS Group are also included. There may be long-term sales contracts with the transaction price based on market price at the time of sale. However, these are not presented, in light of the possibility of significant reversals being conducted in the future on amounts estimated as of March 31, 2025, materiality of the amounts, and other factors.

The remaining performance obligations with an initial expected term of one year or less are not included in the table above, applying the practical expedient method in IFRS 15 paragraph 121.

(4) Contract costs

The amount of assets recognized from the costs incurred to obtain or fulfill contracts with customers in the year ended March 31, 2025 was not material. In addition, contract costs are recognized as an expense when incurred if the amortization period is one year or less when applying a practical expedient.

**10. Disposal groups classified as held for sale and discontinued operations**

(1) Disposal groups classified as held for sale

On July 8, 2024, the Company agreed to transfer the maritime transportation business of ENEOS Ocean Corporation (hereinafter “ENEOS Ocean”), a subsidiary of the Petroleum Products segment, excluding its crude oil tanker business mainly comprising LPG carriers, chemical tankers, product tankers, and cargo carriers, to NYK Energy Ocean Corporation (hereinafter “NEO”), a wholly owned subsidiary established by ENEOS Ocean through an absorption-type company split. Subsequently, 80% of NEO’s shares were transferred to Nippon Yusen Kabushiki Kaisha (hereinafter “NYK”) (collectively referred to as the “Transaction”). Accordingly, a portion of the ENEOS Group’s maritime transportation business has been classified as a disposal group classified as held for sale. Because fair value less costs to disposal (FVLCD) exceeds the carrying amount, the disposal group classified as held for sale is measured at its carrying amount. In addition, the Transaction was completed on April 1, 2025.

For further details on the impact of the Transaction with respect to results of the following fiscal year, please refer to “13. Notes to Material Subsequent Events.”

(2) Discontinued operations

(i) Outline of the transaction

On March 19, 2025, the Company’s subsidiary JX Advanced Metals was newly listed on the Tokyo Stock Exchange Prime Market. In connection with the listing of shares, a partial secondary offering was carried out in regard to the shares of JX Advanced Metals owned by the Company, thereby reducing the Company’s ownership to 42.4% after the secondary

offering. Given this loss of control, JX Advanced Metals was reclassified from a subsidiary to an equity method affiliate. The remaining interest was measured at fair value upon loss of control.

Accordingly, the Metals Business has been classified as a discontinued operation for the current fiscal year and profit or loss from discontinued operations is presented separately from that of continuing operations in the consolidated statements of profit or loss.

(ii) Profit or loss from discontinued operation

The profit or loss from discontinued operation is as follows:

|                                                | (Millions of yen)                                          |
|------------------------------------------------|------------------------------------------------------------|
|                                                | Current Fiscal Year (From April 1, 2024 to March 31, 2025) |
| Income (Note)                                  | 944,678                                                    |
| Expenses                                       | 679,079                                                    |
| Operating profit from discontinued operations  | 265,599                                                    |
| Finance income and cost                        | (4,553)                                                    |
| Profit before tax from discontinued operations | 261,046                                                    |
| Income tax expense (Note)                      | 31,477                                                     |
| Profit from discontinued operations            | 229,569                                                    |

(Note) The revenue amount includes a gain of 153,334 million yen related to sale arising from loss of control over JX Advanced Metals. Income tax expense associated with this amounts to 6,945 million yen.

## 11. Notes to Per-share Information

|                                                                |              |
|----------------------------------------------------------------|--------------|
| Equity attributable to owners of the parent per share:         | 1,152.50 yen |
| Basic profit attributable to owners of the parent per share:   | 79.96 yen    |
| Continuing operations                                          | 3.94 yen     |
| Discontinued operations                                        | 76.02 yen    |
| Diluted profit attributable to owners of the parent per share: | 79.81 yen    |
| Continuing operations                                          | 3.93 yen     |
| Discontinued operations                                        | 75.88 yen    |

## 12. Notes to Business Combination

Omitted since there are no important business combinations.

## 13. Notes to Material Subsequent Events

Completion of partial transfer of maritime transportation business

In accordance with the stock purchase agreement (hereinafter referred to as the “Stock Purchase Agreement”) entered into between ENEOS Ocean, a subsidiary of the Petroleum Products segment, and Nippon Yusen Kabushiki Kaisha (hereinafter “NYK”), ENEOS Ocean transferred its maritime transportation business, excluding its crude oil tanker business mainly comprising LPG carriers, chemical tankers, and cargo carriers, to NYK

Energy Ocean Corporation (hereinafter “NEO”), a wholly owned subsidiary newly established by ENEOS Ocean through an absorption-type company split. Subsequently, 80% of NEO’s shares were transferred to NYK. The Transaction was completed on April 1, 2025.

The transfer price for the Transaction is approximately 76.0 billion yen, and a gain on the Transaction of approximately 70.0 billion yen is expected to be recorded in “other operating income” in the consolidated statements of profit or loss for the fiscal year ending March 31, 2026. The transfer price will be finalized after certain price adjustments are made based on net debt and net working capital, etc. as stipulated in the Stock Purchase Agreement.

## Non-consolidated Financial Statements

### [Non-consolidated Statements of Changes in Net Assets (from April 1, 2024 to March 31, 2025)]

(Millions of yen)

|                                                                     | Shareholders' equity |                       |                       |                       |                                                         |                                   |                         |                |                            |
|---------------------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|---------------------------------------------------------|-----------------------------------|-------------------------|----------------|----------------------------|
|                                                                     | Common stock         | Capital surplus       |                       |                       | Retained earnings                                       |                                   |                         | Treasury stock | Total shareholders' equity |
|                                                                     |                      | Legal capital reserve | Other capital surplus | Total capital surplus | Other retained earnings                                 |                                   | Total retained earnings |                |                            |
|                                                                     |                      |                       |                       |                       | Reserve for advanced depreciation of non-current assets | Retained earnings brought forward |                         |                |                            |
| Balance as of April 1, 2024                                         | 100,000              | 526,389               | 837,608               | 1,363,997             | 1,553                                                   | 504,529                           | 506,082                 | (23,872)       | 1,946,208                  |
| Changes of items during the period                                  |                      |                       |                       |                       |                                                         |                                   |                         |                |                            |
| Dividends of surplus                                                |                      |                       |                       |                       |                                                         | (69,675)                          | (69,675)                |                | (69,675)                   |
| Net income                                                          |                      |                       |                       |                       |                                                         | 403,055                           | 403,055                 |                | 403,055                    |
| Purchase of treasury stock                                          |                      |                       |                       |                       |                                                         |                                   |                         | (232,350)      | (232,350)                  |
| Disposal of treasury stock                                          |                      |                       | 0                     | 0                     |                                                         |                                   |                         | 181            | 181                        |
| Reversal of reserve for advanced depreciation of non-current assets |                      |                       |                       |                       | (32)                                                    | 32                                | —                       |                | —                          |
| Net changes of items other than shareholders' equity                |                      |                       |                       |                       |                                                         |                                   |                         |                |                            |
| Total changes of items during the period                            | —                    | —                     | 0                     | 0                     | (32)                                                    | 333,413                           | 333,381                 | (232,169)      | 101,212                    |
| Balance as of March 31, 2025                                        | 100,000              | 526,389               | 837,608               | 1,363,997             | 1,521                                                   | 837,942                           | 839,463                 | (256,040)      | 2,047,420                  |

|                                                                     | Valuation and translation adjustments                 | Total net assets |
|---------------------------------------------------------------------|-------------------------------------------------------|------------------|
|                                                                     | Valuation difference on available-for-sale securities |                  |
| Balance as of April 1, 2024                                         | 18,689                                                | 1,964,897        |
| Changes of items during the period                                  |                                                       |                  |
| Dividends of surplus                                                |                                                       | (69,675)         |
| Net income                                                          |                                                       | 403,055          |
| Purchase of treasury stock                                          |                                                       | (232,350)        |
| Disposal of treasury stock                                          |                                                       | 181              |
| Reversal of reserve for advanced depreciation of non-current assets |                                                       | —                |
| Net changes of items other than shareholders' equity                | (5,029)                                               | (5,029)          |
| Total changes of items during the period                            | (5,029)                                               | 96,183           |
| Balance as of March 31, 2025                                        | 13,660                                                | 2,061,080        |

## Notes to Non-consolidated Financial Statements (from April 1, 2024 to March 31, 2025)

### 1. Notes to Matters relating to Important Accounting Policies

#### (1) Valuation Standards and Valuation Method for Assets

##### Securities

Shares of subsidiaries and shares of associates: Valued at cost, based on the moving-average method.

##### Other securities:

Securities other than shares and other securities with no market value

Valued at fair value based on the market value as of the non-consolidated balance sheet date (Valuation differences are included directly in net assets. The acquisition cost used as the basis for calculating the valuation differences is determined by the moving-average method.)

Shares and other securities with no market value

Valued at cost, based on the moving-average method.

#### (2) Valuation Standards and Valuation Method for Derivatives

Derivatives: Valued at fair value.

#### (3) Method of Depreciation of Fixed Assets

Property, plant and equipment (excluding leased assets):

The straight-line method

Major expected lifetime is as follows.

Buildings and structures: 2 years to 50 years

Intangible assets (excluding leased assets):

The straight-line method

Software is amortized based on the authorized period of internal use (5 years).

Leased assets:

The lease period is treated as the expected lifetime, and the straight-line method assuming no residual value is adopted.

#### (4) Recording Standards for Provisions

##### Provision for bonuses:

The provision will be appropriated to pay for the bonuses of the employees; therefore, this is recorded based on the expected payment amount at the end of this fiscal year.

##### Provision for share remuneration:

To prepare for delivery of the Company's shares to directors and the like of the ENEOS Group under the performance-linked share remuneration system, the provision is recorded based on the expected payment amount at the end of this fiscal year.

#### (5) Recording Standards for Income

The Company applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30), and recognizes income from contracts with customers based on the following five-step approach.

- Step 1: Identify the contract with customers
- Step 2: Identify the performance obligation in the contract
- Step 3: Calculate the transaction value
- Step 4: Allocate the transaction value to performance obligations in the contract
- Step 5: Recognize the income when the performance obligation has been satisfied (or as it becomes satisfied)

The Company engages in business management of its Principal Operating Companies (ENEOS Corporation, ENEOS Xplora Inc., ENEOS Materials Corporation, ENEOS Power Corporation, and ENEOS Renewable Energy Corporation) and incidental operations thereof, and its customers are the Principal Operating Companies of the Company. The Company has identified providing business management and guidance to the Principal Operating Companies of the Company as the performance obligations in the contracts on business management. Because these performance obligations are satisfied as time passes, income is recorded evenly over the contract period.

**(6) Other Matters Important for Preparation of Non-consolidated Financial Statements**

- (i) Method of treatment of deferred assets  
Bond issuance costs are treated as expenses upon expenditure.
- (ii) Method of hedge accounting  
Deferred hedge accounting is adopted in principle. However, the exception method is adopted with interest swaps upon satisfying this method's requirements.

**2. Notes to Changes in the Accounting Policies**

**Application of the Accounting Standard for Current Income Taxes**

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the current fiscal year. Revisions to categories for recording current income taxes conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022. There is no impact on the non-consolidated financial statements for the current fiscal year as a result of this change in accounting policy.

**3. Notes to Revenue Recognition**

Information that forms the basis for understanding income from contracts with customers is as stated in "1. Notes to Matters relating to Important Accounting Policies, (5) Recording Standards for Income."

**4. Notes to Significant Accounting Estimates**

The Company's financial statements include management's estimates. Although these estimates are based on the best estimates by the management in light of historical experience and various factors, etc. that are deemed to be reasonable at the end of the reporting period, actual results may differ from those estimates.

Major estimates that may have significant impact on the Company's financial statements are as follows.

#### Valuation of shares of subsidiaries and associates

The Company is a pure holding company and its main role is to hold shares of subsidiaries and associates. At the end of this fiscal year, the amount recorded as shares of subsidiaries and affiliates was 2,148,506 million yen, and no loss on valuation of shares of subsidiaries and affiliates was recognized. While these shares are recorded at acquisition cost in accordance with the accounting standards, loss on valuation will be recorded if the actual value of shares has declined significantly and it is not considered that the value is expected to recover to the acquisition cost.

Since many of the Company's subsidiaries and associates are unlisted, management determines loss on valuation based on judgments of significant declines in the actual value and an estimate of recoverability. However, because such judgments and estimates are subject to effects of changes in uncertain factors such as economic conditions, resource price and foreign exchange rates, if they need to be reviewed, financial statements could be affected significantly.

### 5. Notes to Non-consolidated Balance Sheet

- (1) Assets Offered as Security
  - (i) Assets offered as security
 

|                                        |                    |
|----------------------------------------|--------------------|
| Stocks of subsidiaries and affiliates: | 21,000 million yen |
|----------------------------------------|--------------------|
  - (ii) Obligations to the above
 

|                                               |                     |
|-----------------------------------------------|---------------------|
| Loans payable to subsidiaries and affiliates: | 222,000 million yen |
|-----------------------------------------------|---------------------|
- (2) Accumulated Depreciation of Property, Plant and Equipment: 13,343 million yen
- (3) Guarantee Obligations
 

|                                         |                            |
|-----------------------------------------|----------------------------|
| Guarantee on loans:                     | 405,535 million yen        |
| <u>Guarantee on transactions-other:</u> | <u>156,307 million yen</u> |
| Total:                                  | 561,843 million yen        |
- (4) Monetary Claims against and Monetary Obligations to Subsidiaries and Affiliates (excluding those indicated separately under the account titles in the balance sheet)
 

|                                  |                    |
|----------------------------------|--------------------|
| Short-term monetary claims:      | 18,467 million yen |
| Long-term monetary claims:       | - million yen      |
| Short-term monetary obligations: | 24,033 million yen |
| Long-term monetary obligations:  | 1,453 million yen  |

### 6. Notes to Non-consolidated Statements of Income

- (1) Volume of Transactions with Subsidiaries and Affiliates
 

|                                                             |                     |
|-------------------------------------------------------------|---------------------|
| Operating revenue:                                          | 178,418 million yen |
| Operating expenses:                                         | 8,470 million yen   |
| Volume of transactions other than in business transactions: | 31,044 million yen  |
- (2) Gain on sales of shares of subsidiaries and affiliates
 

The gain is attributable to the secondary offering of shares of JX Advanced Metals Corporation in connection with its listing on the Tokyo Stock Exchange Prime Market.

## 7. Notes to Non-consolidated Statements of Changes in Net Assets

### Class and Number of Treasury Stock as of the End of this Fiscal Year

| Class of Share | Number of shares as of the beginning of this fiscal term | Number of shares increased in this fiscal term | Number of shares decreased in this fiscal term | Number of shares as of the end of this fiscal term |
|----------------|----------------------------------------------------------|------------------------------------------------|------------------------------------------------|----------------------------------------------------|
| Common stock   | 39,832,827 shares                                        | 299,309,545 shares                             | 414,408 shares                                 | 338,727,964 shares                                 |

(Note 1) The increase in the number of treasury stock consists of an increase of 299,294,000 shares due to purchase of treasury stock based on the said resolution of the Board of Directors' meeting, and an increase of 15,545 shares due to demand for purchase from holders of shares less than one unit.

(Note 2) The decrease in the number of treasury stock consists of a decrease of 414,067 shares due to delivery to directors and the like through the BIP trust, an executive incentive plan, and a decrease of 341 shares due to demand for sale to holders of shares less than one unit.

## 8. Notes to Tax Effect Accounting

### (1) Breakdown of deferred tax assets and deferred tax liabilities by major causes

|                                                         | (Millions of yen) |
|---------------------------------------------------------|-------------------|
| (Deferred Tax Assets)                                   |                   |
| Provision for bonuses                                   | 86                |
| Investment securities                                   | 1,325             |
| Income tax payable                                      | 788               |
| Other                                                   | 1,066             |
| Subtotal of deferred tax assets                         | 3,265             |
| Valuation reserve                                       | (1,896)           |
| Total deferred tax assets                               | 1,369             |
| (Deferred Tax Liabilities)                              |                   |
| Land                                                    | 20                |
| Reserve for advanced depreciation of non-current assets | 700               |
| Investment securities                                   | 6,125             |
| Assets for adjustment of profit and loss                | 171               |
| Other                                                   | 285               |
| Total deferred tax liabilities                          | 7,301             |
| Net deferred tax liabilities                            | 5,932             |

### (2) Accounting of corporate and local corporate income tax or tax effect accounting with respect thereto

The Company has adopted the Japanese Group Relief System and performs accounting treatment of income taxes and local income taxes or performs accounting treatment and disclosure of tax effect accounting related to these in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, October 28, 2022).



- (3) Adjustment to deferred tax asset and deferred tax liability balances due to changes in corporate tax rates, etc.

Following the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) by the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on April 1, 2026 are calculated by changing the statutory effective tax rate from 30.6% to 31.5%.

The effect of this change is immaterial.

## 9. Notes to Transactions with Related Parties

| Type       | Name of Company               | Percentage of Voting Rights or the like Held | Relationship with Related Parties                               | Details of Transaction                                                                                                                                                                                                                                                                                                               | Transaction Amount (Millions of yen)                                               | Account Title                                                                                                                                                                                                                                                                                                   | Balance at End of Period (Millions of yen) |
|------------|-------------------------------|----------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Subsidiary | ENEOS Corporation             | Directly owned, 100%                         | Business management; Interlocking directorate                   | Receipt of business management fee (Note 1)<br>Guarantee of obligations or the like (Note 2)                                                                                                                                                                                                                                         | 14,849<br>384,679                                                                  | Operating accounts receivable                                                                                                                                                                                                                                                                                   | 842                                        |
| Subsidiary | ENEOS FINANCE CORPORATION     | Directly owned, 100%                         | Outsourcing of funds related services; Interlocking directorate | Loan of operation funds by group finance (Note 3)<br><br>Short-term loans<br><br>Collection of long-term loans<br><br>Borrowing of necessary funds for the Company by group finance (Note 4)<br>Borrowing of long-term funds<br><br>Repayment of long-term funds<br><br>Receipt of interest (Note 3)<br>Payment of interest (Note 4) | <br><br>79,210<br><br>241,100<br><br>320,000<br><br>100,000<br><br>10,087<br>4,173 | Short-term loans receivable from subsidiaries and affiliates<br>Long-term loans receivable from subsidiaries and affiliates<br>*Including those that shall be collected within one year<br><br>Long-term loans payable to subsidiaries and affiliates<br>* Including those that shall be repaid within one year | 130,315<br><br>1,322,950<br><br>309,877    |
| Subsidiary | ENEOS Real Estate Corporation | Directly owned, 100%                         | Outsourcing of real estate leasing business                     | Guarantee of obligations or the like (Note 5)                                                                                                                                                                                                                                                                                        | 40,702                                                                             | —                                                                                                                                                                                                                                                                                                               | —                                          |
| Subsidiary | Roadmap Holdings KK           | Directly owned, 50.1%                        | Interlocking directorate                                        | Provide security (Note 6)                                                                                                                                                                                                                                                                                                            | 222,000                                                                            | —                                                                                                                                                                                                                                                                                                               | —                                          |

The terms and conditions of transactions and the policies for determining the terms and conditions of transactions

(Note 1) The Company receives consideration for business management of Principal Operating Companies from these companies, based on the expenses necessary for operating the Company, in proportion to their respective business size and so on.

(Note 2) The Company granted guarantees of transactions, or the like, for matters such as purchase of crude oil by ENEOS Corporation but does not receive any guarantee fees.

(Note 3) The Company procures funds necessary for the ENEOS Group through borrowings from outside financial institutions or the like, issuances of bonds, commercial paper, or the like in a lump sum, and distributes the necessary business funds to the respective group companies through loans to ENEOS FINANCE CORPORATION. The loan rate from the Company to ENEOS FINANCE CORPORATION is determined reasonably in light of the costs to procure such funds. In addition, the transaction amounts for short-term funds are shown net of loans and collections.

- (Note 4) The Company borrows necessary business funds from, and deposits its surplus funds with, ENEOS FINANCE CORPORATION, as intra-group funds transactions. Interests on loans and deposits are decided reasonably by taking consideration of the market interest rates. In addition, the transaction amounts for short-term funds are shown net of borrowings and repayments.
- (Note 5) The Company has provided guarantee on loans in connection with business funds borrowed by ENEOS Real Estate Corporation from ENEOS FINANCE CORPORATION, but does not receive any guarantee fees.
- (Note 6) The Company has offered all its shares of Roadmap Holdings KK as security on loans from financial institutions by Roadmap Holdings KK. The transaction amount as stated is the balance of obligations as of the end of this fiscal year.

## 10. Notes to Business Combinations, etc.

Transactions under common control

### (1) Outline of the transaction

#### (i) Name of the business subject to transaction and its business

The High Performance Materials Business and the Electricity & City Gas Business of the Company's subsidiary ENEOS Corporation

#### (ii) Date of the business combination

April 1, 2024

#### (iii) Legal form of business combination

An absorption-type company split in which ENEOS Corporation is the splitting company, with the High Performance Materials Business transferred to ENEOS Materials Corporation as a successor company and the Electricity & City Gas Business transferred to ENEOS Power Corporation as a successor company

#### (iv) Name of company after combination

Unchanged.

#### (v) Other items regarding overview of the transaction

The Company spun off the High Performance Materials Business and the Electricity & City Gas Business of ENEOS Corporation. Furthermore, the Company received an in-kind distribution consisting of all shares of ENEOS Materials Corporation and ENEOS Renewable Energy Corporation held by ENEOS Corporation, effective April 1, 2024. As a result, the Company has transitioned to a structure whereby it directly owns its Principal Operating Companies under an optimal group management structure.

### (2) Overview of accounting treatment adopted

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for

Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the transaction is accounted for as a transaction under common control.

## **11. Notes to Per-share Information**

|                            |            |
|----------------------------|------------|
| Net assets per share ..... | 765.03 yen |
| Net income per share ..... | 142.34 yen |

## **12. Additional Information**

Not applicable.