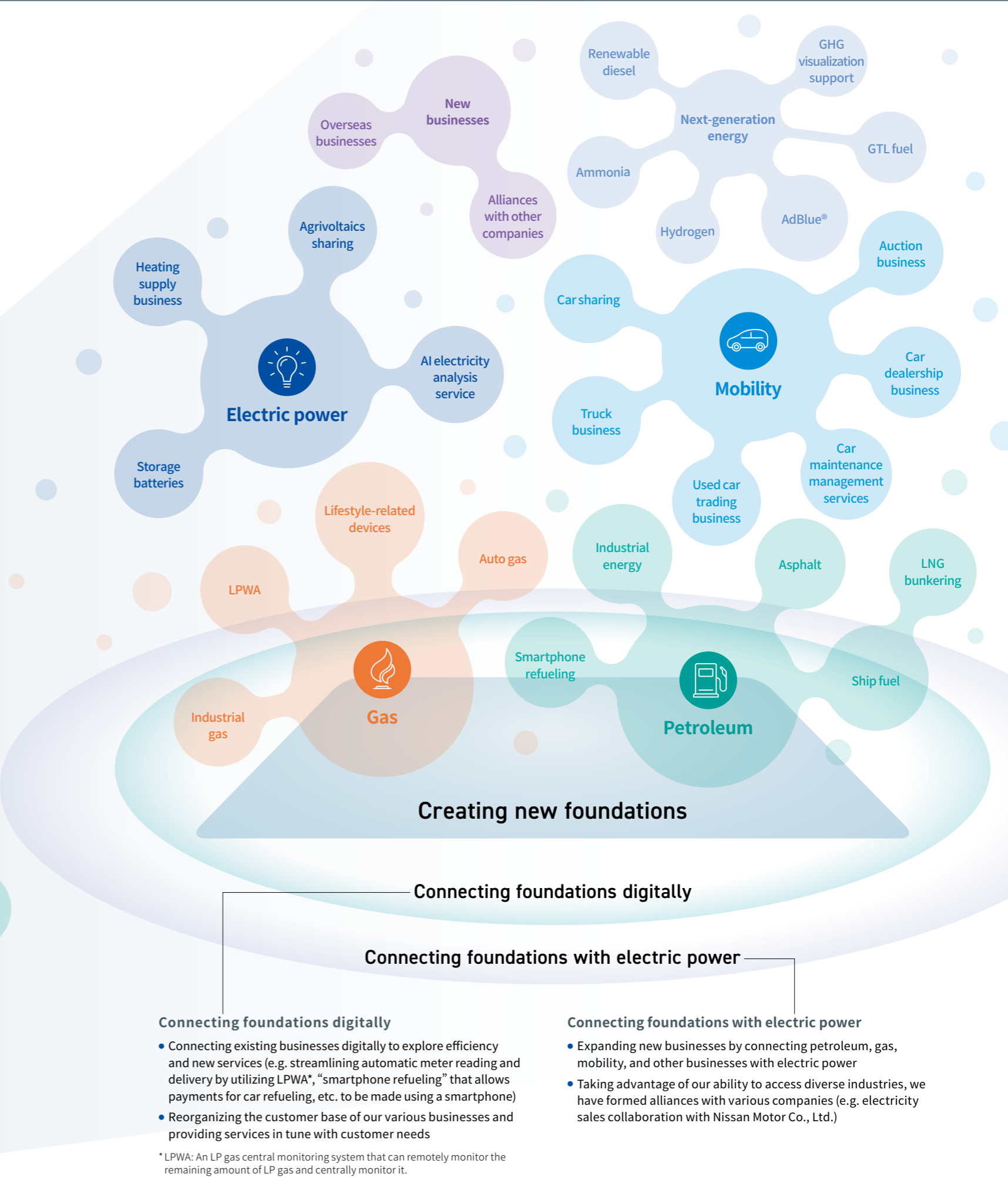


Expansion of Our Foundation to Evolve Our Business Model

The Group has developed its enterprises centered on essential businesses such as petroleum and LP gas, which are important as social and life infrastructures. We have created a virtuous cycle of accumulated strengths, while adapting to changes to the times and the external environment to flexibly and nimbly expand and change our business foundations. The reason the Group has been able to provide a safe and stable supply of energy for over 60 years is because we have built a unique foundation that organically combines networks with customers, infrastructure, and business partners. Even though the petroleum and gas markets are shrinking, we are working on M&A and active sales development in the LP gas business, etc., in order to further strengthen and maintain this foundation.

Also, utilizing the foundations we have independently built in the petroleum and gas businesses, we have expanded into peripheral businesses such as related services, and created synergies with our new forays into the electric power business (electric power retail business from 2010) and the mobility business (in 2014 with the car dealership business).

Under the current Medium-Term Business Plan, ENEX2030, against the backdrop of changes in the social environment, such as the accelerated transition to carbon neutrality, we are promoting environment-related and other businesses that make maximum use of our unique foundation, as well as creating new businesses through digital and alliances. In addition, by quickly detecting changes in the times and external environment, and expanding our base in a variety of areas, we are studying how to create new foundations while providing various energy services.



Looking Back on Past Medium-Term Business Plans

In order to respond flexibly to changes in society and the environment, the Group has steadily grown its profits by formulating medium-term business plans every two years. In order to achieve further growth going forward, we will create value unique to the Group by responding nimbly to changes in the business environment.



Medium-Term Business Plan Name



ENEX2030

Basic Policy

- Promotion of Growth Strategies –

 - (1) Maintaining and deepening the revenue base
 - (2) Making inroads overseas and in peripheral fields
 - (3) Creating new businesses
- Evolution of the Organizational Base –

 - (1) Strengthening Group management
 - (2) Human resource strategies for growth
 - (3) Promoting innovation

- Maintaining and expanding the customer base
- Deepening the environment & energy businesses
- Cultivating next-generation human resources

Main measures

- Strengthening collaboration with other industries
 - Reorganization of Group companies
 - Expansion of our environmental business
 - Strengthening our renewable energy business
 - Start of new overseas on-the-job training system
- Expanding our trading area by acquiring LP gas business operators
 - Strengthening the customer base by gaining electric power customers
 - Expanding the implementation of renewable diesel and broadening the AdBlue® value chain
 - Start of collaboration with Smart Solar Corporation, construction and operation of LNG bunkering vessels
 - Enhancing lateral collaboration through cross-functional approaches
 - Cultivating overseas business personnel through overseas on-the-job training

Quantitative plan & results

Quantitative plan & results	2019			2020		
	Plan	Results	Evaluation	Plan	Results	Evaluation
Net Profit	¥11.8 billion	¥12.1 billion	○	¥11.0 billion	¥12.2 billion	○
ROE	9.0% or more	9.6%	○	9.0% or more	9.2%	○
Substantive operating cash flows*	¥20 billion or more	¥36.5 billion	○	¥20 billion or more	¥32.9 billion	○
Consolidated payout ratio	40% or more	41.2%	○	40% or more	46.4%	○
Amount of investments	—	¥22.3 billion	—	¥43.0 billion (two-year total)	¥41.0 billion (two-year total)	×

* Substantive operating cash flows (CF): [Cash flows from operating activities] – [Fluctuation in working capital, etc.]
(Note) The FY2020 plan is a revised plan based on the impact of COVID-19.(ROE is excluded from the revised plan, but is listed as a reference value)

Quantitative plan & results	2021			2022		
	Plan	Results	Evaluation	Plan	Results	Evaluation
Net Profit	¥12.5 billion	¥13.2 billion	○	¥13.0 billion	¥13.8 billion	○
ROE	9.0% or more	9.4%	○	9.0% or more	9.3%	○
Substantive operating cash flows	¥30 billion or more	¥33.8 billion	○	¥30 billion or more	¥37.3 billion	○
Consolidated payout ratio	40% or more	41.1%	○	40% or more	40.8%	○

Quantitative plan & results	Plan (two-year total)	2021 results	2022 results	Plan (two-year total)	Evaluation
New and strategic investments	¥40.0 billion	¥12.7 billion	¥9.4 billion	¥22.1 billion	×
Capital expenditures	¥20.0 billion	¥9.5 billion	¥7.3 billion	¥16.8 billion	○

ENEX2030 '23-'24

- Strengthening on-site capabilities
- Developing a framework for making investments
- Strengthening the organization and human resources

Unfinished tasks

Considering the increasingly prominent environmental issues and COVID-19, which was spreading on a global scale, we realized that we needed to step up a gear and further accelerate.

Although our goals for progress for new investments have not been achieved, the plan has been achieved in terms of profitability and efficiency by strengthening on-site capabilities. The challenge for the future is to accelerate investment.

Details on next page

Progress of the Medium-Term Business Plan ENEX2030

In April 2023, the Group announced its new medium-term business plan, ENEX2030, covering the eight-year period from FY2023 to FY2030. Under ENEX2030, with the slogan “To Create the Driving Force of Life,” we will strengthen our on-site capabilities, and further expand our customer base and improve profitability in existing businesses. We will also accelerate investment, aiming to make new and strategic investments worth ¥210 billion during this period. To begin with, in the two years spanning FY2023 and FY2024, we will strengthen our on-site capabilities and revenue base, thereby building a framework for achieving our growth strategies.

ENEX2030 '23-'24

Strengthening on-site capabilities to solidify our footing and secure sources of revenue

To pursue the 2030 vision, we will strengthen our on-site capabilities and revenue base, thereby building a framework for achieving our future growth strategies.

Major Initiatives

1

Strengthening on-site capabilities

2

Strengthening the organization and human resources

3

Advancing a framework for making investments

Management Targets

Financial indicators

Net Profit

¥13.5 billion

(FY2023-2024)

Substantive operating cash flows

Per FY

¥35.0 billion

Total amount of investments

¥60.0 billion

(including ¥16.0 billion of CAPEX)

ROE

8-9%

(FY2023-2024)

Shareholder returns

Dividend policy

Progressive dividends

Consolidated payout ratio

Strong awareness of maintaining 40% or more

2030 Vision

We will provide a variety of energy services for life and industry and take on the challenge of further growth and transformation.

ENEX2030 Management Targets

Financial indicators

Net Profit

¥20 billion or more

Substantive operating cash flows

¥45 billion

ROE

9.0% or more

New and strategic business investments

¥210 billion

Non-financial Indicators

GHG emissions

50% reduction or more

(Compared with FY2018 Scopes 1 and 2)

Ratio of female hires

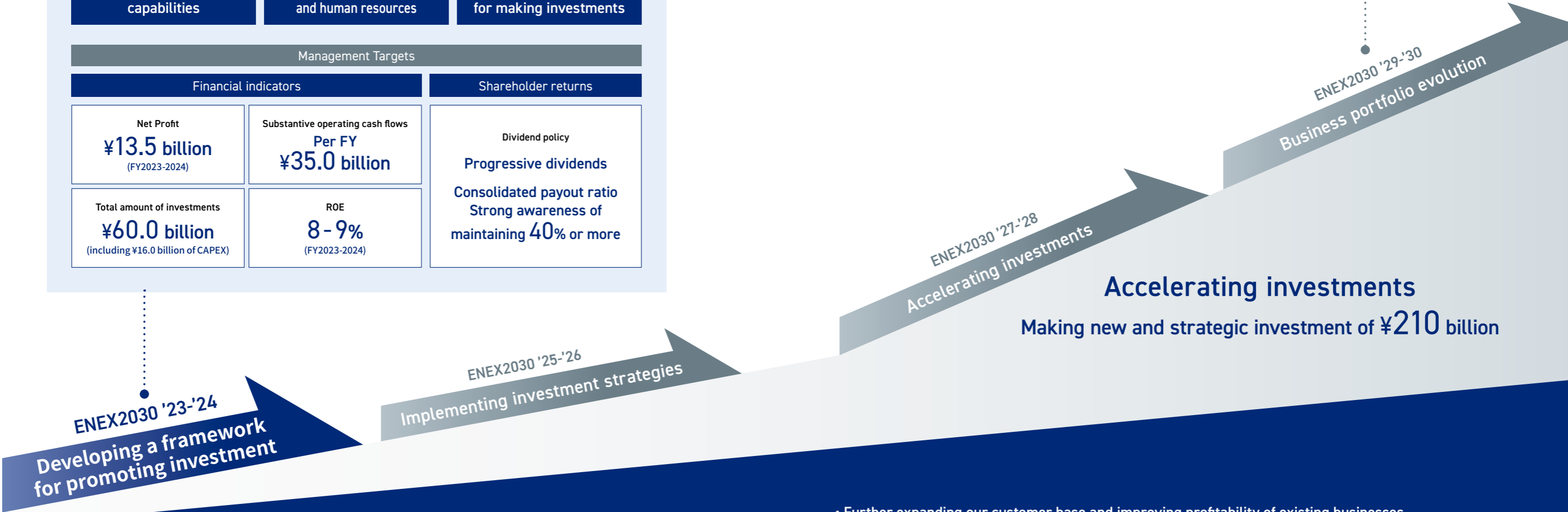
30% or more

Percentage of female managers

10%

Ratio of childcare leave taken by male employees

80% or more



Strengthening on-site capabilities

- Further expanding our customer base and improving profitability of existing businesses
- Improving Group communication, building comprehensive strength, and strengthening on-site capabilities

Progress of ENEX2030 '23-'24

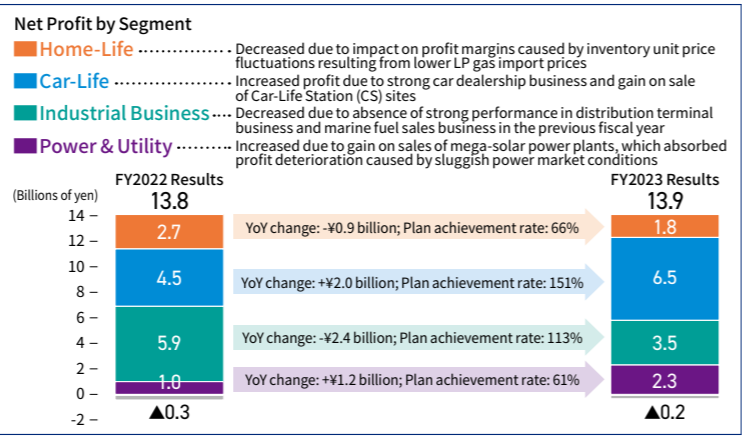
Summary of FY2023

Operating income increased by ¥2.2 billion year-on-year to ¥23.6 billion compared to the FY2023 plan of ¥20.9 billion (+¥2.7 billion/achievement rate of 113%). This was driven by strong profits from the car dealership business, despite the recoil from the strong performance of the Industrial Business Division in FY2022, deterioration in earnings in the Power & Utility Business due to the sluggish electric power market, and lower margins in the Home-Life Business due to a fall in LP gas import prices. In addition, due to gains on sales of fixed assets such as mega solar power plants, net

profit increased by ¥0.1 billion year-on-year to ¥13.9 billion compared to the FY2023 plan of ¥13.5 billion (+¥0.4 billion/achievement rate of 103%), which was a new record high. Although the SG&A-to-sales ratio worsened due to a ¥900 million year-on-year decrease in gross profit, we maintained our target of 80% or below through continued improvement of operational efficiency.

In terms of shareholder returns, we increased the dividend by ¥4 from the previous fiscal year to ¥54, in line with our policy of paying out more dividends than previously.

	Plan	FY2023 results	Results
Net Profit	¥13.5 billion	¥13.9 billion	Achieved
ROE	8-9%	8.8%	Achieved
Substantive operating cash flows	¥35 billion each fiscal period	¥28.9 billion	Slightly lower
Total amount of investments over 2 years	¥60.0 billion	¥17.4 billion	Decrease in CAPEX through selective investments
Dividend policy	Strong focus on progressive dividends of 40% or more	Progressive dividends 40% or more	As planned

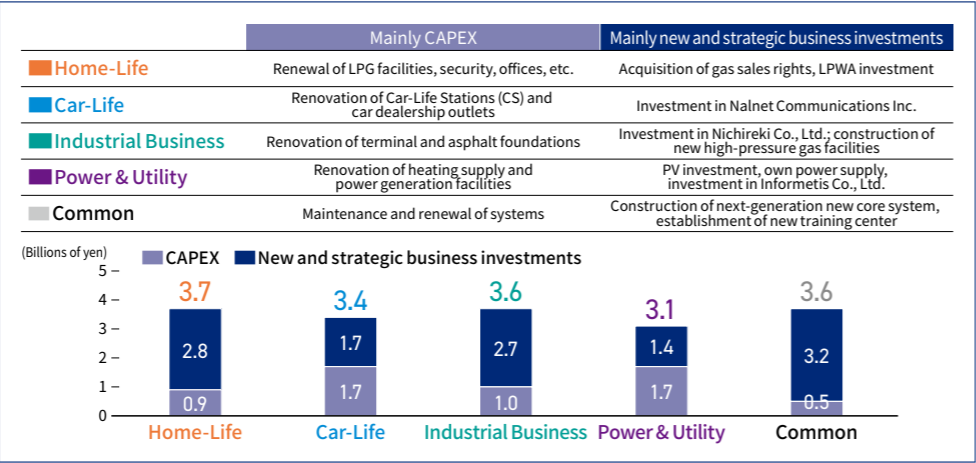
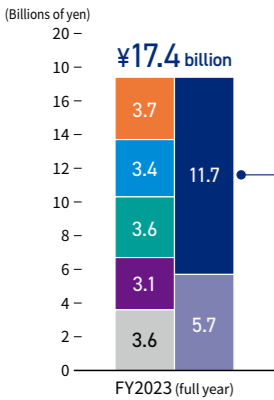


Investment Results

A cumulative total of ¥60.0 billion is planned for the two-year period of ENEX2030 '23-'24, and ¥17.4 billion was invested in FY2023 through renovation of existing facilities and new and strategic business investments. In terms of new and strategic business investments, we invested in the expansion of our customer base through the acquisition of LP gas sales rights, the expansion of the car after-market business (investment in Nalnet Communications Inc.), a new service using AI-based electric power analysis (investment

in Informetis Co., Ltd.), and the promotion of a sustainable asphalt supply system (investment in Nichireki Co., Ltd.). The next-generation core system used as a common platform by major group companies was successfully migrated to the cloud, and we worked to improve operational efficiency through digitalization and strengthen information security. In January 2025, it is planned for the sales support system to enter operation and the construction of a robust data system to be completed.

FY2023 Investment Results Breakdown



Progress of Major Initiatives

1 Strengthening on-site capabilities

- Advancing our revenue model by bringing together the strengths of all employees and improving comprehensive strength
- Promoting delegation of authority to speed up on-site decision making
- Implementing personnel policies to evaluate on-site efforts and performance

In aiming for net profit of ¥20.0 billion after taxes in FY2030, ENEX2030 '23-'24 was positioned as "a period of building strength and preparing for further growth," and the reorganization of the organizational structure was studied with the aim of clarifying decision-making and roles, and transitioning to a leaner structure. In FY2024, we streamlined the non-consolidated Company by reducing the number of departments from 31 to 24, sections from 95 to 66, Representative Directors from two to one, Directors

from eight to seven, and Executive Officers from 18 to 12. In addition, as a new organizational structure to promote the delegation of authority, the Legal & Credit Control Department was reorganized as the Legal & Risk Management Department and also made responsible for the risk management function, and a new Subsidiaries & Associated Companies Management Department was established to manage operating companies, creating a support structure to promote the strengthening of on-site capabilities.

2 Advancing a framework for making investments

- Enhancing our ability to carry out investment projects (project analysis, composition, execution and review)
- Establishing an "Investment Strategy Department" as a professional organizational unit for executing investments

We provide ongoing finance training to strengthen our ability to execute (project analysis, structuring, execution, and review) investment projects that will contribute to the further expansion of our business domain. A cumulative total of 80 employees have undertaken the training so far (as of March 31, 2024). In addition, the Investment Strategy Department, consisting of members from sales and corporate departments, has been formed as an investment promotion structure that consolidates, analyzes, and

reports on all of the Group's investment projects to the President and Chief Executive Officer.

As a result of the above, the Company has expanded its business domain through capital participation in Nalnet Communications Inc. (expansion of the car after-market business), a capital and business alliance with Nichireki Co., Ltd. (promotion of an asphalt supply system), and a capital and business alliance with Informetis Co., Ltd. (electric power analysis service that uses AI).

3 Strengthening the organization and human resources

- Developing human resources who will be able to realize growth strategies
- Implementing personnel, evaluation, and award systems to improve employee motivation
- Streamlining consolidated Group management

Since its founding in 1961, the Group has always considered its people to be its greatest asset. Human resources are at the center of the Group's value creation and are the driving force of sustainable growth and medium- to long-term enhancement of corporate value. With this in mind, we have begun revising our personnel system and are working to build a structure that will directly motivate employees. In

addition, we recognize the importance of enhancing the comprehensive strength of the entire Group in order to promote further growth and the creation of new value in the midst of a drastically changing business environment. ITOCHU ENEX Karuizawa LABO, a training and welfare (recreation) facility with accommodation, was established to strengthen the Group's human resources base.

Policy for FY2024

To pursue the 2030 vision, we will strengthen our on-site capabilities and revenue base based on "ENEX2030 '23-'24" in the same manner as in FY2023, thereby building a framework for achieving our future growth strategies. Regarding investments in FY2024, under the further strengthening of our investment execution structure, we plan to make new and strategic business investments of more than ¥40 billion in total, including investments of more than ¥10 billion in WECARS Co., Ltd. (formerly Big Motor Co., Ltd.) and mobility-related businesses, ¥20 billion in selected projects with high profitability and strategic significance as new and strategic business investments, and ¥10 billion in CAPEX.

FY2024 Quantitative Plan

Financial Indicators (FY2024)			
Net Profit	Substantive operating cash flows	Total amount of investments	ROE
¥13.5 billion	¥35.0 billion	¥60.0 billion (Cumulative total for FY2023-2024)	8-9%

Framework For Making Investments

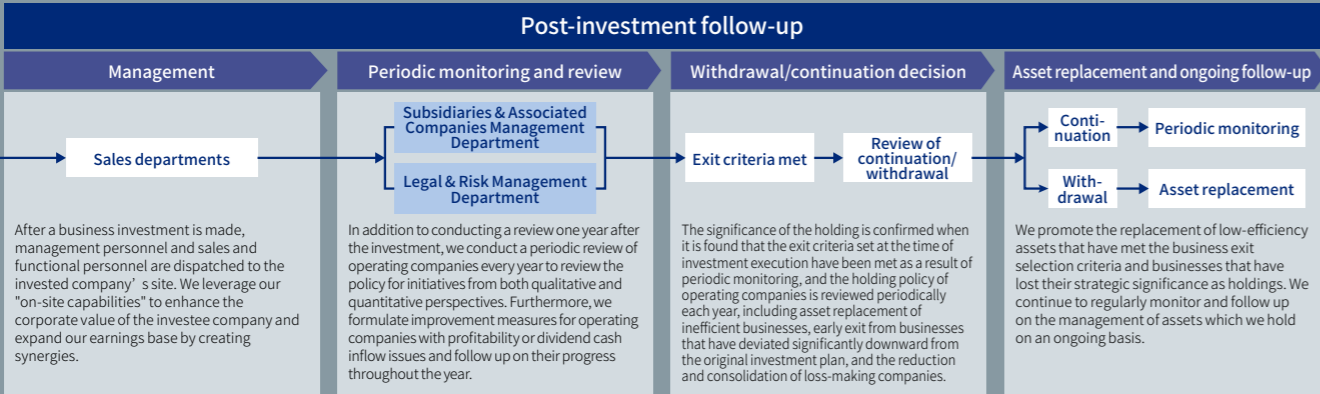
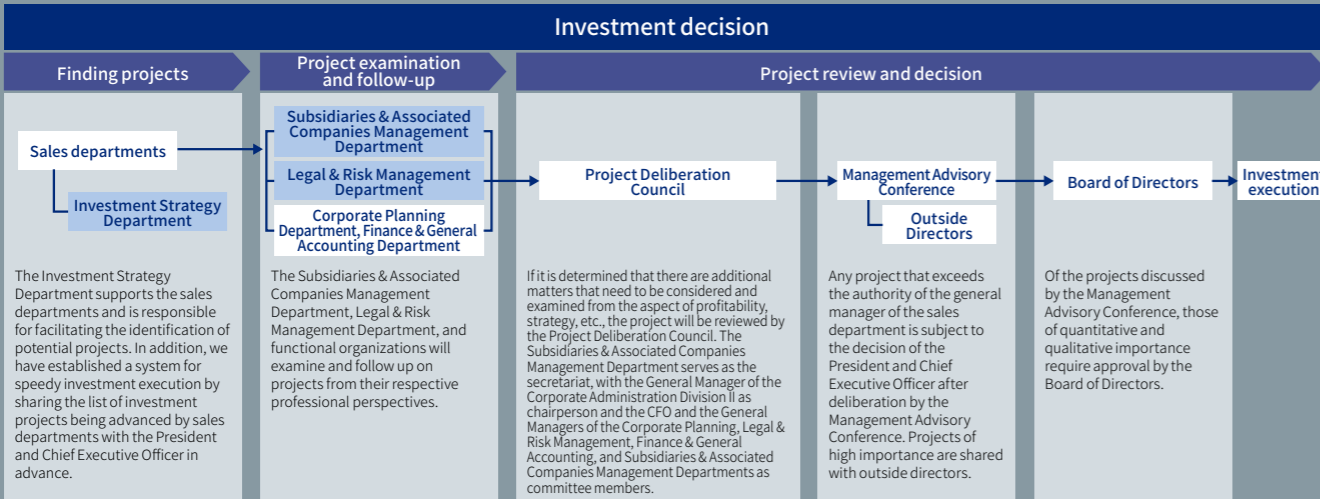
In our eight-year Medium-Term Business Plan ENEX2030 that commenced in FY2023, we have prepared a medium-to long-term roadmap and have set targets of ¥20 billion or more in net profit and a total of ¥210 billion in new strategic investments over the eight-year period until 2030. In the first year of the Medium-Term Business Plan (FY2023), under the theme of "advancing a framework for making investments," we promoted the speeding up of decision-making through the promotion of delegation of authority and the creation of an organization to evolve our investment execution framework. We established the Subsidiaries & Associated Companies Management Department, the Legal & Risk Management Department, and the Investment Strategy Department as new organizations, each of which has a function of promoting and controlling the execution of investments.

We are also strengthening our risk management, which

is inextricably linked to the delegation of authority. We have introduced and are operating a risk management system that creates a risk map, consisting of the importance of risks and their frequency of occurrence, and clarifies the countermeasures. We will also monitor businesses after an investment is executed by setting KPIs for each business and following up on a regular basis.

In making investment execution decisions, the functional organizations leverage their high level of expertise and accumulated know-how to conduct an even more rigorous review thorough an examination of the various risks and the appropriateness of the business plan and acquisition price. After executing an investment, we seek to expand our earnings base by maximizing the corporate value of the investee company through management that leverages our "on-site capabilities".

Department	Subsidiaries & Associated Companies Management Department	Legal & Risk Management Department	Investment Strategy Department
Function/ Role	Manages investments and operating companies to enable our response to investment in new areas and improvement in the investment efficiency of existing businesses. It is working to examine investees and to strengthen the governance and enhance the corporate value of operating companies after investment execution.	Oversees the Group's risk management to enable our response to the diversification of risks associated with the creation of new businesses. Recognizing that risk management is an important management issue, it promotes the strengthening of risk management systems throughout the Group.	Supports sales departments and promotes investment across the Company. In order to realize our Medium-Term Business Plan, the Group emphasizes speedy on-site decision-making by promoting the delegation of authority, and the Investment Strategy Department is responsible for facilitating prompt investment execution.



CASE Launch of new company "WECARS"



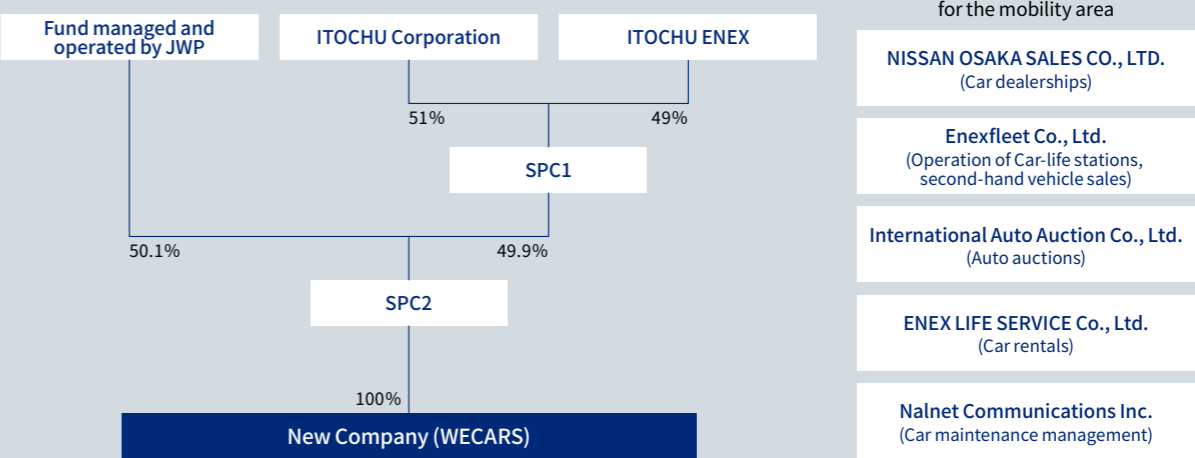
Under the new investment execution structure, we have been working with ITOCHU Corporation and J-Will Partners, Inc. to rebuild the business of the former Big Motor Co., Ltd.

In November 2023, we began due diligence to verify the possibility of restructuring the business operated by the former Big Motor, and as a result, we determined that restructuring the business was feasible and a meaningful initiative, and established a new company, WECARS Co. Ltd., on May 1, 2024.

Through the new WECARS company, we will maximize the "on-site capabilities" of the Group,

which operates a wide range of automotive-related businesses, including the operation of car-life stations, maintenance, and car rental. We have seconded more than 40 employees, most of whom are familiar with on-site operations such as Car-Life Stations. With the comprehensive strength of the ITOCHU Group, we will rebuild the business and achieve future growth by restoring confidence in the industry, providing customers with a sense of security, and securing employment for employees, by making the used car business more transparent based on a "customer-first" concept.

Scheme Diagram (percentages are based on capital contribution)



* SPC = Special Purpose Company

Message from the CFO

Continuing our transformation toward ENEX2030 while steadily solidifying our footing

Director and Executive Officer
Chief Financial Officer, Chief Information Officer,
and Chief Operating Officer,
Corporate Administration Division I

Yasuhiro Imazawa



How is the progress of ENEX2030 '23-'24?

Regarding our FY2023 results, the effect of our diversified business portfolio, which includes a wide range of business fields such as gas, petroleum, electric power, and mobility, was once again demonstrated this year, and we were able to achieve record profits. Specifically, the strong performance of the car dealership business and gains on the sale of assets associated with asset replacement offset the retreat from the strong performance of the Industrial Business Division in the previous fiscal year and the deterioration of earnings in the Power & Utility Division due to the sluggish power market. On the other hand, substantive operating cash flow fell short of the target of ¥35.0 billion due to a year-on-year decrease, which was affected by factors including the payment of withholding taxes on the sale of assets, but this was a result of the fact that the replacement of assets is included in financing cash flow, which is the recovery of investment funds, and the business as a whole continues to generate abundant cash flow.

“Advancing a framework for making investments”, which is one of the key policies of ENEX2030 '23-'24 that was

formulated in FY2023, aims to build a foundation for moving away from a business model centered on trading, and under the newly established Investment Strategy Department we have been developing and gaining experience for professional investment personnel. The Investment Strategy Department was placed under the Corporate Planning Department in FY2024 to further strengthen the system for coordinating investment projects under consideration and reporting directly to the President & CEO, thereby speeding up the decision-making process for investment execution. In addition, in FY2023, approximately 15% of our employees undertook an investment course conducted in-house with external instructors, where they acquired basic knowledge for calculating a corporation's value while engaging in group discussions to acquire analytical skills and insight for management decision making, thereby solidifying the foothold for strengthening our investment execution system. We are continuing to offer the same investment course in FY2024, and plan for approximately 25% of our employees to undertake the course in two years, thereby further strengthening investment literacy.

As I mentioned in last year's Integrated Report, to promote the delegation of authority, it is necessary to

strengthen risk management, to which it is inextricably linked. Recognizing that risk management is an important management issue, the Legal & Risk Management Department was established in FY2024 as an organization to oversee risk management for the Group. The Company has created a Risk Map that shows the degree of effect of risks and the probability of their occurrence, clarifies countermeasures, and promotes the strengthening of the Group-wide risk management system with regard to the “significant risks” in the Company. In addition, in order to respond to the diversification of risks associated with the creation of new businesses, we have established a new Subsidiaries & Associated Companies Management Department as an organization to manage investments and operating companies, etc., and are working to strengthen the governance of the entire Group by increasing the rigor of screening the entry and investment in businesses with an awareness of the cost of capital, strengthening management of operating companies to determine whether they are viable, and reducing risk as early as possible by setting KPIs and conducting monitoring.

In addition, we are steadily advancing DX to strengthen our on-site capabilities. In July 2023, we completed the migration of the next-generation core system used as a common platform by 19 major group companies from on-premises to cloud infrastructure, and we are now in the second phase of building a sales support system that will enable efficient business execution, a robust and flexible database that can be used in a variety of ways, and a data integration hub system to link different systems in a versatile manner. Construction of the system is almost complete and we are moving forward with the goal of full-scale operation in January 2025 after thorough user acceptance testing. When the second phase is complete, we believe that we will be able to grasp sales information more quickly than ever before and progress the sophistication of management. Furthermore, this system will be important for the future

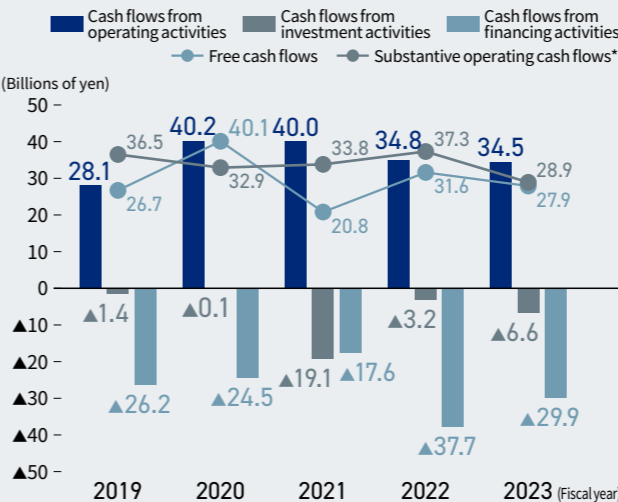
evolution of our business model. We are characterized by a very unique business structure among energy companies, as we handle gas and petroleum, electricity, and mobility. By utilizing the aforementioned data integration hub system and database, data that has been managed separately can be shared among different businesses, which we predict will have a significant synergy effect, such as enabling the creation of new services that utilize data in the B2C domain, for example, by using electricity as a common product that cuts across businesses.

How is the progress of the strategic investments?

In FY2023, we invested ¥11.7 billion in new and strategic investments, including the acquisition of gas sales rights, solar power generation facilities, in-house power supply development, and the project to build the next-generation core system. The total investment, including capital expenditures, was ¥17.4 billion, about 30% of the two-year cumulative investment plan. This was mainly due to the careful selection of projects and reduced capital expenditures, as well as the time and human resources allocated to the due diligence for WECARS Co., Ltd. (formerly Big Motor Co., Ltd.).

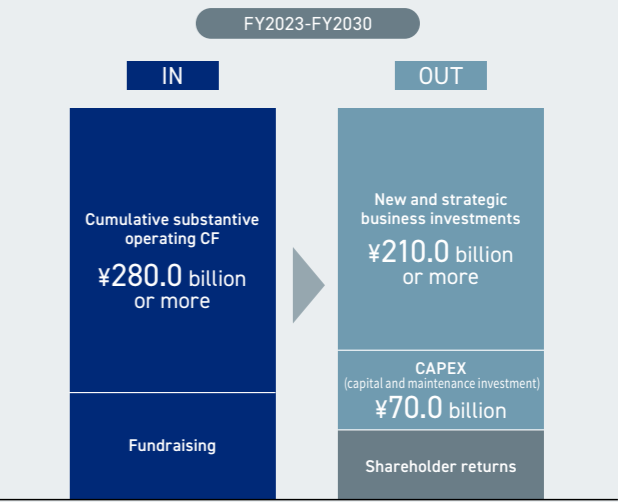
WECARS, established on May 1, 2024, is jointly owned by ITOCHU Corporation, J-Will Partners (JWP), and the Company. ITOCHU Corporation will utilize its hands-on management expertise in business restructuring, JWP will be in charge of business administration and compliance, and we will support WECARS with our on-site capabilities. First, in order to change the corporate culture, we will push forward with the development of internal controls based on a policy of putting compliance before profit, and we are considering various initiatives with an eye toward the company making a full-scale contribution to earnings in a few years.

Cash flows



*Substantive operating cash flows: [Cash flows from operating activities] - [Fluctuation in working capital, etc.]

Cash allocation



We have been involved in the mobility-related business since around 2000, and in FY2023 we invested in Nalnet Communications Inc., which operates a business for consigned managing of the maintenance of leased vehicles, thereby expanding our business domain related to the mobility after-market. We will consider making WECARS a common platform for the entire company and expect to create new synergies by linking many businesses such as gas, petroleum, electricity, and mobility. We also believe that there is room to improve the operational efficiency of WECARS through DX, gain trust, and expand business opportunities, and we plan to make investments mainly in IT-related areas.

In FY2024, we plan to invest more than ¥10.0 billion in WECARS and mobility-related projects, and ¥20.0 billion in projects with high profitability and strategic significance, but as asset prices such as for renewable energy continue to soar amid a weak yen, we intend to be selective in selecting projects to avoid purchasing at high prices.

■ What is the policy on shareholder returns for FY2024?

As it was the first year of ENEX 2030 '23-'24 and we are at the stage of implementing growth investments to increase profits, ROE at the end of FY2023 remains flat at 8.8%, but PER has increased from 9.2x at the end of FY2022 to 12.8x at the end of FY2023. As a result, PBR increased from 0.8x at the end of FY2022 to 1.1x at the end of FY2023. We understand this to be a sign that our direction to increase earning power through aggressive investment and to improve capital efficiency in combination with stable dividend increases has been well received by our shareholders and investors.

We remain highly conscious of a consolidated dividend payout ratio of 40% or more, and have a policy of implementing a "progressive dividend" in which the amount of the dividend will either maintained or increased, but not

be reduced, regardless of the performance in individual fiscal years. In FY2023, we revised the annual dividend per share to ¥54, up by ¥2 from the initial plan of ¥52. As a result, the dividend payout ratio increased 3.1 points from FY2022 to 43.9%. For FY2024, we plan to increase the dividend by another ¥2 to ¥56, for a dividend payout ratio of 46.8%. We intend to continue to steadily increase dividends on a real basis while steadily accumulating profits.

Also, regarding our ROE target of 8% to 9%, we are also looking towards an even higher target but will leave it unchanged, as we view our target values as commitments which we aim to achieve with certainty, and would appreciate your understanding in this regard. Furthermore, Net DER is negative, which means that we are operating without debt. In the process of progressing our strategic investments, we expect that the Bank of Japan's monetary policy will be shift towards normalization and interest rates will rise, but we have received an extremely high rating from the Japan Credit Rating Agency, Ltd. (long-term issuer rating: AA-, domestic CP rating: J-1+) and we plan to utilize our creditworthiness to procure funds and utilize our financial leverage to improve our ROE.

■ Initiatives for non-financial indicators aimed at sustainable enhancement of corporate value

As a company that handles fossil fuels, we recognize that ESG initiatives, including climate change countermeasures, must not be limited to the achievement of ENEX 2030, but are an extremely important factor for the sustainable development of the Group. In FY2023, the Sustainability Committee, which I chair, met six times, and we added "biodiversity conservation" and "human rights and supply chain" to our basic policies of "response to climate change," "access to energy," "human resource utilization," and "corporate governance," which have been our key



issues. Regarding "response to climate change," in April 2024 we updated our disclosure based on the TCFD recommendations (reviewed our scenario analysis based on the assumed time frame and degree of impact).

Our approach is not to go with the flow of the majority, but to respond flexibly according to the situation, not to stop at disclosure as a mere formality, set achievable policies and steadily move forward with them. For example, in terms of climate change countermeasures, we have set a target to reduce GHG emissions (total of Scope 1 and Scope 2) by 50% by 2030 compared to FY2018 (894 thousand tons), and our result for the end of FY2023 was 533 thousand tons, a reduction of approximately 40% compared to FY2018. At this point, we consider that the FY 2030 reduction target is sufficiently achievable without requiring an additional burden on management. The target of 10% female managers by FY2030 may seem low at first glance, but as 14

years have passed since we started the significant hiring of female in FY2010, we believe that this is an achievable figure that was calculated by taking into account the fact that the ratio will increase in the future, with consideration given to the time required to develop into the age group that can take on managerial roles.

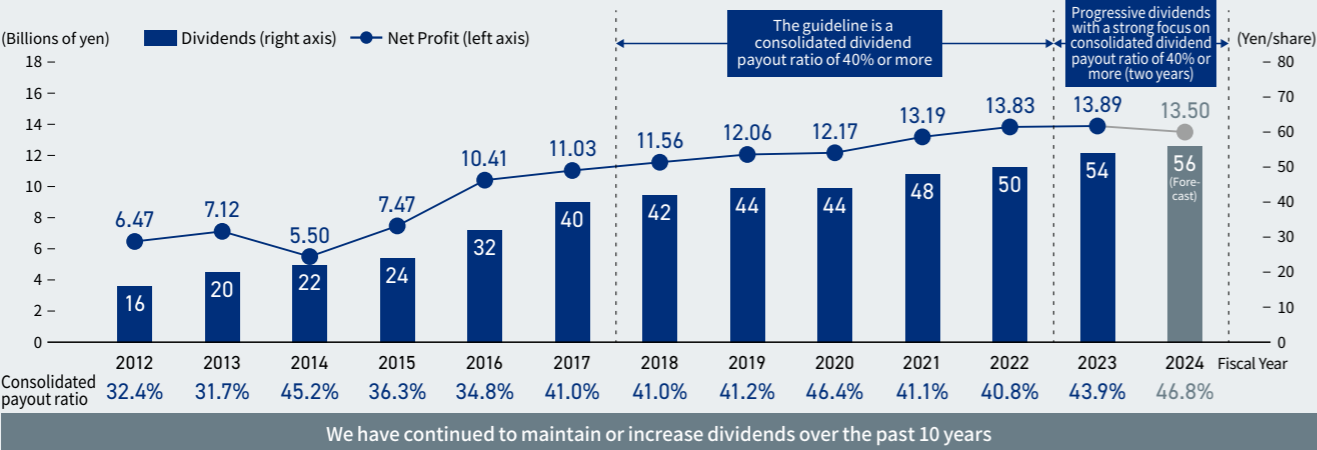
We have published GHG emissions (total of Scope 1 and Scope 2) since the first year of mandatory disclosure of sustainability information in the Annual Securities Report (FY2022). Since this is an indicator that investors are highly interested in, we adopted a "forward-looking reference" method, which means that the preliminary figures for FY2022 were published in the Annual Securities Report for the fiscal year ending March 31, 2023, and the final figures with third-party assurance were disclosed in the Integrated Report (issued in September 2023). As a result, we were selected as a good example of sustainability disclosure by the Financial Services Agency.

In addition, our proactive sustainability initiatives are being rated highly externally, as we were the first company in the energy industry to receive a AAA rating in MSCI's ESG ratings, due to our relatively high rating for corporate governance, etc. within the industry, and we were also selected as a constituent of the FTSE Blossom Japan Sector Relative Index for the first time.

Also, in FY2023, we increased the supervisory authority of the Non-Standing Audit & Supervisory Board Members dispatched to Group companies at Board of Directors meetings, and established a system whereby they report to me once a quarter. I believe that this will further strengthen group governance.

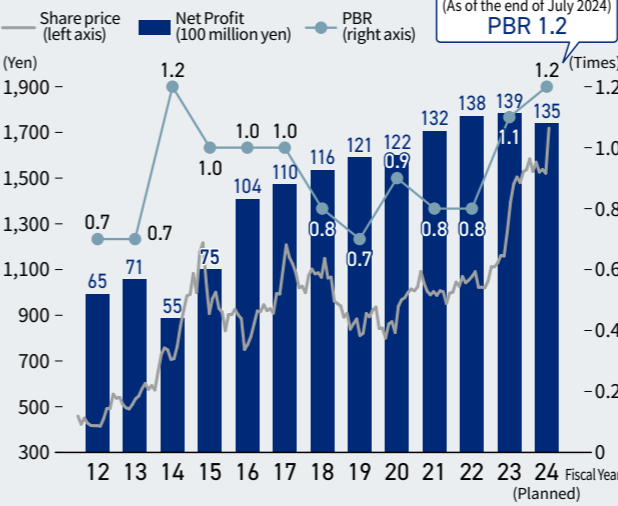
While striving to achieve both these financial and non-financial targets, the Group will make steady progress toward the vision it aims to achieve under ENEX 2030. I would like to ask all of our stakeholders for your continued support.

Shareholder returns



*The FY2012 net income of ¥6.47 billion is the calculation under IFRS (¥5.58 billion under Japanese GAAP; the Company adopted IFRS in FY2013.)
 *In FY2020, a commemorative dividend of ¥6 was paid separately (the consolidated dividend payout ratio includes the commemorative dividend).


Share Price / Net Profit, PBR




Boosting Non-Financial Capital by Deepening Relationships With Stakeholders

The Group regards constructive communication with stakeholders as the basis for sustainable growth, and strives to deepen relationships with a wide range of stakeholders.


Relevant important issues




Response to climate change














Human Resource Utilization



Access to energy



Corporate Governance

Stakeholders	Importance of stakeholders	Initiatives to deepen relationships (increase capital)	Strengthened capital	Impact on corporate value
<div>Customers (consumers)</div> <div></div>	As “The Best Partner for Life and Society” laid out in our Corporate Philosophy, we have made it our mission to not only stably supply energy, but also promptly and attentively provide our customers with the diverse services they need. We strive to create an environment where customers can rationally and confidently choose better products and services.	<ul style="list-style-type: none">• Offering products and services through branches and Group companies nationwide• Maintaining supply via LP gas core filling stations and disaster response Car-Life Stations• Disaster response network to connect disaster-stricken areas and other areas nationwide (offering company-wide support for affected areas)• Solutions tailored to society’s needs, including eco-friendly products and services	Social capital	<ul style="list-style-type: none">• Expanding profit opportunities by expanding the customer base• Tapping needs that will lead to new business opportunities
<div>Business partners</div> <div></div>	We endeavor to offer better services by working toward two-way dialogue with our business partners, in addition to appropriately managing any information related to them and securely protecting confidential information. We believe that dialogue with our business partners will become increasingly important as the environment surrounding our Group changes significantly.	<ul style="list-style-type: none">• Strategic alliances and sustained collaborations with companies in a variety of industries• Running “ENEX Meetings” for training and exchange with business partners• Holding exchange meetings, informal conferences, and product seminars in each region• Distribution of web communication tools for LP gas/CS business outlets	Social capital Production capital Intellectual capital	<ul style="list-style-type: none">• Expansion of customer base through stable supply of energy• Creation of new business models through alliances
<div>Suppliers</div> <div></div>	We promise to ensure that our business will always be conducted in a fair manner. This means that we will do business based on fair and free competition; will procure fairly; will strictly observe rules and regulations on commercial transactions; and will refrain from unfair conduct, including price fixing and cartel agreements. We seek to grow together with our suppliers by maintaining and reinforcing our mutual trust.	<ul style="list-style-type: none">• Holding and participating in exchange meetings, informal conferences, and various events in each region• Sales promotion through our own campaigns and events• Regular face-to-face meetings, and discussions to explore new opportunities• Promoting the use of environmentally-friendly products among consumers and business partners	Social capital Production capital Intellectual capital	<ul style="list-style-type: none">• Stable supply of energy• Providing new products by procuring diverse products
<div>Local communities</div> <div></div>	Based on our Corporate Philosophy of being “The Best Partner for Life and Society,” we strive to contribute to society as a good corporate citizen through our business activities. With our vision to develop the environment, people, and communities in ways that foster the next generation, we are working to deepen communication and mutual understanding with local communities and engaging in activities pass on a sustainable society to the future generations.	<ul style="list-style-type: none">• Holding events for food education, fire education, and hands-on job experiences related to our businesses• Actively participating in and supporting community events; holding cleanups• Activities for fostering the next generation through co-sponsored sport events, support for people with disabilities (golf, rugby, and basketball teams, etc.)• Running a volunteer activity support system to develop reliable human resources who will contribute to society	Social capital	<ul style="list-style-type: none">• Tapping needs that will lead to new business• Business sustainability in communities• Fostering a sense of trust through disaster response
<div>Shareholders/investors</div> <div></div>	We are implementing various activities to continuously provide and explain the information necessary for investment decisions in a timely, fair, accurate, and clear manner and be rated appropriately by our shareholders and investors. We value two-way communication and ensure that requests and opinions are shared with the management in order to improve the Group’s operations.	<ul style="list-style-type: none">• Opportunities to actively communicate with shareholders and investors (general meeting of shareholders, financial result briefing, and individual dialogue with institutional investors, etc.)• Business management emphasizing maintenance of a healthy financial structure and capital efficiency• Enhanced content for investors through appropriate disclosure of information and website information, etc.• Sustainable growth based on Corporate Philosophy, such as Medium-term Business Plan, etc.	Financial capital	<ul style="list-style-type: none">• Realization of management rooted in a medium- to long-term perspective• Upgrading management through communication
<div>Employees</div> <div></div>	Since its founding in 1961, the Group has always considered its people to be its greatest asset. Human resources are at the center of the Group’s value creation and are the driving force of sustainable growth and medium- to long-term enhancement of corporate value. Accordingly, the Group seeks to provide a pleasant and rewarding work environment for all employees.	<ul style="list-style-type: none">• Promotion of “Enex Early Bird” working style reforms• Finance training, overseas on-the-job training programs, and graduate school admission program for working professionals• Initiatives to improve health literacy, respond to mental health issues, and prevent harassment• Utilization of human resources and improvement of systems and in-house environment based on the Diversity Statement• Job engagement surveys to ascertain employees’ perceptions, satisfaction levels, and their opinions on programs/systems	Human capital Intellectual capital	<ul style="list-style-type: none">• Expanding the customer base by strengthening on-site capabilities• Creation of new business models
<div>Environment</div> <div></div>	As a company dealing in various forms of energy, we believe one of our most important challenges is to realize sustainable growth through careful consideration of how to achieve harmony between a better global environment and our lifestyles. Through our ongoing business activities, we are conscious of the global environment, strive for environmental conservation, and actively engage in environmentally-friendly businesses.	<ul style="list-style-type: none">• Identification of climate change response as an important issue and disclosure of our Action Plan• Providing various environment-related products and services and studying new efforts (alternative fuels, renewable energy, storage batteries, electric vehicles, and heating supply systems)• Eco-office activities: energy saving and transition to green energy at business offices• Compliance with environmental regulations and environmental management systems (ISO 14001), and promoting activities on environmental protection and biodiversity conservation	Natural capital	<ul style="list-style-type: none">• Ensuring sustainability by responding to environmental risks• Expansion of clean energy and electric power businesses, etc.

Sustainability Initiatives at the ITOCHU ENEX Group

Under the Corporate Philosophy, “The best partner for life and society—with Energy, with the Car, with the Home,” the ITOCHU ENEX Group has delivered a stable supply of energy and services to the benefit of all for more than half a century. To address the rapid transition toward a decarbonized society, the Group swiftly began taking action in environmental, next-generation energy, and other businesses. In 2021, we formulated our Sustainability Policy and identified material issues to be given priority, as discussed on the next page. The entire Group is accelerating efforts to solve these sustainability issues over the medium to long term.

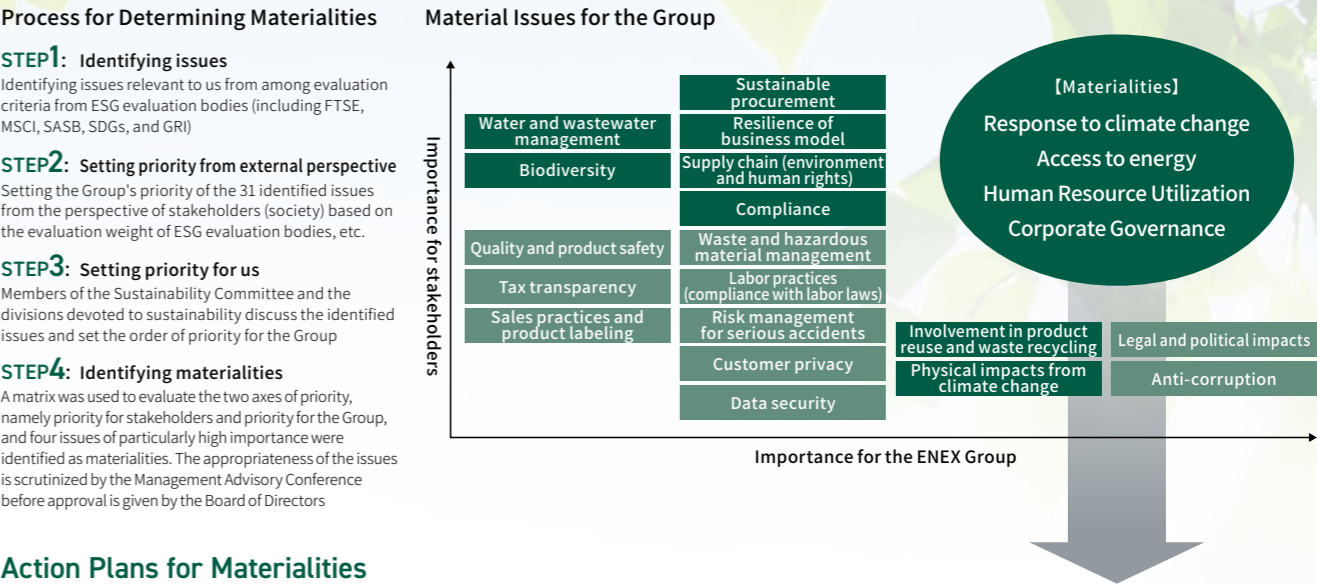
Sustainability Policy

The ITOCHU ENEX Group has a mission of delivering **energy and services** as a **"The Best Partner for Life and Society"** and will aim to **improve our corporate value** while contributing to **the development of a rich life for people and a sustainable society**.

- 1. Contributing to a carbon neutral society through our business
- 2. Contributing to rich communities through a stable energy supply
- 3. Establishing a governance system stakeholders can rely on

Materialities

Determination Process and Material Issues for the Group



Action Plans for Materialities

Based on our Sustainability Policy, we have identified sustainability issues (materialities). Through initiatives to address these issues, we will contribute to the creation of a sustainable society and strive to further enhance our corporate value. In addition, the Sustainability Committee will manage the progress of initiatives related to material issues.

Materialities	Major opportunities	Major risks	Relevant SDGs	Areas of initiatives
Response to climate change Contribution to the realization of a carbon-neutral society	<ul style="list-style-type: none">Expansion of the alternative fuel market and increase of sales opportunities accompanying the rising demand for alternative fuelsCreation of opportunities to construct infrastructure for hydrogen and other new energy sourcesRising demand for renewable energy and creation of new business opportunitiesExpansion of markets where businesses have the potential to solve social issues	<ul style="list-style-type: none">Weakening of the existing energy businessesReduction of demand for fossil fuels due to the regulation of businesses' greenhouse gas emissions, etc.		<ul style="list-style-type: none">Alternative fuelsRenewable energyElectric vehiclesEnergy solutions for storage batteries / household products For details, see P.40-43
Access to energy Offering energy to everyone	<ul style="list-style-type: none">Expansion of business supported by the trust of the local community and the entire supply chainProvision of an environment that enables choices from a variety of energy sources, including alternative energy sourcesEntry into regions where access to energy is underdevelopedRetention and acquisition of customers by strengthening the disaster-resilient supply structureEarning the trust of customers and the creation of new businesses through the stable supply of environmentally-friendly resources and materials	<ul style="list-style-type: none">Loss of customer base due to deteriorated relationships with local communitiesInstability of business due to insufficient energy procurement		<ul style="list-style-type: none">Relationships with local communitiesAccess to energyStable supply of energy-related servicesCar-life stationsOverseas expansion of LP gas sales For details, see P.16-17
Human Resource Utilization Human resource strategies to generate diverse values	<ul style="list-style-type: none">We will increase labor productivity, improve health and motivation, acquire talented human resources, and strengthen our ability to respond to changes and business opportunities by developing a rewarding work environment	<ul style="list-style-type: none">Lower labor productivity, flight of talented human resources, loss of business opportunities, higher health-related costs, and other risks resulting from a failure to appropriately respond		<ul style="list-style-type: none">Diversity, equity and inclusionHealth and safetyHuman resource developmentSocial contribution activities For details, see P.44-47
Corporate Governance Clear, effective and fair decision-making	<ul style="list-style-type: none">We will improve the transparency of decision-making, respond appropriately to changes, and establish a foundation for stable growth by establishing a strong governance structure	<ul style="list-style-type: none">Risks of business discontinuity, unexpected losses, and other risks associated with the dysfunction of Corporate Governance and internal controls		<ul style="list-style-type: none">Corporate GovernanceStrengthening the functionality of Board of DirectorsIncreasing stakeholder engagementOperating committees appropriatelyEnhancing Group governanceEnhancing risk management For details, see P.59-65

■ ESG-Related External Assessments

Details regarding ESG indices used by the GPIF

■ Selected for the MSCI Japan ESG Select Leaders Index

2023 CONSTITUENT MSCI ジャパン ESGセレクト・リーダーズ指数

MSCI ESG RATINGS **AAA**

CCC B BB BBB A AA AAA

(Note) ITOCHU ENEX Co., Ltd.'s use of data from MSCI ESG Research LLC or affiliated companies (MSCI), and the use of the MSCI logo, trademarks, service marks, and index names do not constitute support, endorsement, or sales promotion of ITOCHU ENEX Co., Ltd. by MSCI. MSCI's services and data are assets of MSCI and its information providers. They present current conditions and do not represent guarantees. The MSCI name and logo are trademarks of MSCI.

■ Selected For FTSE BLOSSOM JAPAN SECTOR RELATIVE INDEX

FTSE Blossom Japan Sector Relative Index

(Note) FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) shows that, as the result of a third-party investigation, the Company has met the requirements for inclusion in the FTSE Blossom Japan Sector Relative Index, and has become a component of the index. The FTSE Blossom Japan Sector Relative Index is broadly used in the creation and evaluation of sustainable investment funds and other financial products

Other Major Evaluations

■ Nikkei SDGs Management Survey

NIKKEI SDGs **★★★★**

A survey that evaluated companies' initiatives towards the United Nations' Sustainable Development Goals (SDGs).

■ Nikkei Smart Work Management Survey

NIKKEI Smart Work **★★★★ 2024**

A survey that comprehensively evaluated companies' based on three types of data concerning "utilization of human resources", "innovation" and "market development".

■ Eruboshi Certification (Stage 2)

This certifies companies that have outstanding implementation of initiatives to promote women's participation in the workforce. (Ministry of Health, Labor and Welfare) *Certified in FY2023

■ Kurumin Certification (Certified for the 6th time)

This certifies companies that have enhanced support systems for balancing work and childcare (childbirth and childcare), based on the Act on Advancement of Measures to Support Raising the Next-Generation of Children. (Ministry of Health, Labor and Welfare) *Certified for the 6th time

Our Approach to Climate Change and Initiatives

The Group recognizes the importance of climate-related financial information disclosure and has expressed our support for the TCFD* recommendations. Based on the approach of the TCFD recommendations, we identify risks and opportunities that climate change may have on our business activities, analyze scenarios and disclose the results. Going forward, we will continue to view climate change as a new business opportunity as part of our management strategy, and will continue to strengthen our efforts. In addition, we will review our disclosures based on the TCFD recommendations as appropriate (most recent revision in June 2024) and will

Climate Change Governance

The Group discusses climate change issues, including policies for responding to climate change-related risks and opportunities and greenhouse gas reduction targets and initiatives, at the Sustainability Committee, which deliberates on all aspects of sustainability, including issues

continue to make appropriate disclosures in the future.

We also participate in the TCFD Consortium that was established as a forum for discussion among companies and financial institutions that support the TCFD recommendations and the Ministry of Economy, Trade and Industry, the Ministry of the Environment, and the Financial Services Agency are involved as observers.

* TCFD refers to the "Task Force on Climate-related Financial Disclosures," which was established by the Financial Stability Board (FSB) in response to a request from the G20 to study how to disclose climate-related information and how financial institutions should respond.

Climate Change Strategy

The Group considers the various risks and opportunities associated with climate change as one of the important perspectives in formulating its business strategy. Regarding the impact of climate change, we will reflect our consideration of the medium-long-term perspective when formulating our business plans.

“Reference Scenarios”

In conducting our scenario analysis, we referred to publications by the International Energy Agency (IEA) and

the Intergovernmental Panel on Climate Change (IPCC) and extracted and analyzed items that would have a significant impact on the Company from multiple scenarios, including an increase of 1.5°C/ less than 2°C. The risks and opportunities in the scenario analysis results take into account the "transition" aspect caused by social changes due to policies and technologies, as well as the "physical" aspect caused by natural disasters and rising temperatures.

	1.5°C/Less Than 2°C Scenario	4°C Scenario
Transition	IEA transition scenarios "Announced Pledges Scenario (APS)" (IEA WEO2022) and "Net Zero Emissions by 2050 Scenario (NZE)" (IEA WEO2022)	IEA transition scenario "Stated Policies Scenario (STEPS)" (IEA WEO2022)
Physical	IPCC climate change projection scenarios "AR6 SSP1-1.9" and "AR6 SSP1-2.6"	IPCC climate change projection scenarios "AR6 SSP5-8.5"

	Company's Vision of Society Under the 1.5°C/Less Than 2°C Scenario	Social phenomena predicted by the Company under the 4°C Scenario
Transition	<ul style="list-style-type: none">The business portfolio will change as demand for petroleum products declines and the coal-fired power generation business converts to other fuels.CO2 reduction requirements will be strengthened and the burden related to carbon taxes will increaseInvestment and business maintenance costs for equipment that is high-efficiency, energy-saving, etc. will increase.The Company will be required to actively engage in the business of environmental products such as heating supply, hydrogen, EVs, self-consumption photovoltaic power (PV), ammonia, and other next-generation fuels that have an effect on reducing CO2 emissions.During the transition period when fuels such as petroleum products are replaced by next-generation fuels with net-zero CO2 emissions, demand will temporarily increase for fuels which have relatively low CO2 emissions when burned, such as GTL, LNG, and LP gas.	<ul style="list-style-type: none">Although the extent will be less than in the 1.5°C/less than 2°C scenario, the burden related to carbon taxes will increase and CO2 reduction requirements for coal-fired power generation projects will be strengthened to a certain degree.Investment and business maintenance costs for equipment that is high-efficiency, energy-saving, etc. will increase.The demand for heating supply, hydrogen, EVs, self-consumption PV, ammonia, and other next-generation fuels that have an effect on reducing CO2 emissions will expand, and business opportunities for environmental products are expected to grow to a certain degree, requiring the promotion of initiatives that suit the demand.The demand for heating supply projects with an energy-saving effect will be relatively higher than in the 1.5°C/less than 2°C scenario.
Physical	<ul style="list-style-type: none">The frequency of power outages will increase as severe weather events become more extreme, and supply instability will occur due to damage to supply facilities and other equipment.Volatility in the demand for fuels such that are used for heating equipment in winter, such as kerosene, will change due to the constant rise in temperature.Opportunities to utilize LP gas core filling stations and disaster response stations, which can provide a stable supply of LP gas even in times of disaster, will increase.The demand for storage batteries and power sources for adjustment will increase due to the tightening of electricity demand.	<ul style="list-style-type: none">Severe weather events will become more extreme compared to the 1.5°C/less than 2°C scenario, which will increase the frequency of power outages and destabilize the supply network due to damage to supply facilities, etc., resulting in a decrease in revenue.Further increases in average temperature will cause changes in fuel demand as well as larger volatility in revenue.Demand for electricity will increase due to the use of air conditioners, etc. as temperatures rise during summer.Opportunities to utilize LP gas core filling stations and disaster response stations, which can provide a stable supply of LP gas even in times of disaster, will increase even more.The demand for storage batteries and power sources for adjustment will increase due to the increased frequency of natural disasters and tightening of electricity demand.The sales and customer base will be hollowed out due to natural disaster.




Scenario Analysis (Risks and Opportunities)

Analysis Based on 1.5°C/Less Than 2°C Scenario

Category			Risk		Opportunities
Transition	Policy	Regulation of CO2 emissions	<ul style="list-style-type: none">Decrease in demand for petroleum productsLevying of carbon taxDecrease in retail networkIncrease in fuel procurement costs	<ul style="list-style-type: none">Regulatory changes, resource constraints, etc.Cost increases due to fuel conversion and equipment upgrades	<ul style="list-style-type: none">Increase in demand for environmental products such as next-generation and alternative fuels and renewable energyIncrease in revenue due to capturing dealers in the aftermarketIncrease in opportunities to invest in decarbonization technologies
		Changes to the energy mix	<ul style="list-style-type: none">Insufficient procured power supplyIncrease in procurement costsIncrease in PV power output suppression		<ul style="list-style-type: none">Temporary increase in demand for industrial LP gas and LNGExpansion of the adjustment power source-related businessExpansion of the renewable energy businessIncrease in business opportunities due to regional decentralization of power sources
	Market	Changes to energy demand	<ul style="list-style-type: none">Increase in electricity procurement pricesIncrease in market procurement prices		<ul style="list-style-type: none">Increase in the number of customer homes due to industry restructuringIncrease in electricity demandExpansion of EV-related business
		Changes in customer behavior	<ul style="list-style-type: none">Increase in stockpiling facility maintenance costsIncrease in development costs, etc. for new electric power optionsBrand image deterioration		<ul style="list-style-type: none">Increase in demand for facilities with high environmental performance and high-efficiency equipmentIncreased opportunities for the energy service business to make proposalsIncrease in demand for PV for private consumption
		Advances in next-generation technologies	<ul style="list-style-type: none">Decrease in demand in the petroleum product-related maintenance domainDecrease in retail networkResponding to a diverse energy supplyIncrease in regulatory risks		<ul style="list-style-type: none">Expansion of the hydrogen-related businessExpansion of sales of ammonia fuel for shipsIncrease in environmental value of biomass power plantsDecrease in cost of biomass power generation
	Physical	Acute	Intensification of extreme weather	<ul style="list-style-type: none">Risk of damage to the Company's facilitiesIncrease in cost of responding to disastersDecrease in sales revenue due to increased risk of power outages	
Chronic		Rising temperature	<ul style="list-style-type: none">Decrease in revenue due to lower demand for electricity and fuel in winter		<ul style="list-style-type: none">Increase in demand for adjustment power sources to level demand

Analysis Based on 4°C Scenario

Category			Risk		Opportunities
Transition	Policy	Regulation of CO2 emissions	<ul style="list-style-type: none">Decrease in demand for petroleum productsLevying of carbon taxDecrease in retail network	<ul style="list-style-type: none">Increase in fuel procurement costsCost increases due to fuel conversion and equipment upgrades	<ul style="list-style-type: none">Increase in demand for environmental products such as alternative fuels and renewable energyIncrease in revenue due to capturing dealers in the aftermarketIncrease in opportunities to invest in decarbonization technologies
		Changes to the energy mix	<ul style="list-style-type: none">Insufficient procured power supplyIncrease in procurement costsIncrease in PV output suppression		<ul style="list-style-type: none">Expansion of the hydrogen-related businessIncrease in demand for disaster preparedness that utilizes LP gasExpansion of the adjustment power source-related businessExpansion of the renewable energy businessIncrease in business opportunities due to regional decentralization of power sourcesIncreased opportunities for the energy service business to make proposals
	Market	Changes to energy demand	<ul style="list-style-type: none">Increase in electricity procurement pricesIncrease in market procurement prices		<ul style="list-style-type: none">Increase in the number of customer homes due to industry restructuringIncrease in electricity demandExpansion of EV-related business
		Advances in next-generation technologies	<ul style="list-style-type: none">Brand image deteriorationIncrease in maintenance costs for supply facilities		<ul style="list-style-type: none">Business transformation of fleet CSIncrease in demand for biofuel
Physical	Acute	Intensification of extreme weather	<ul style="list-style-type: none">Risk of damage to the Company's facilitiesIncrease in cost of responding to disastersDecrease in sales due to supply disruptions and power outagesDecrease in customers due to hollowing out of disaster-prone areas		<ul style="list-style-type: none">Increase in demand for LP gas as a resilience functionIncrease in opportunities to utilize disaster response stationsIncrease in demand for large storage batteriesExpansion of facilities maintenance business due to strengthening resilience
	Chronic	Rising temperature	<ul style="list-style-type: none">Decrease in revenue due to lower demand for electricity in winterHigh procurement prices due to increased electricity demand in summer		<ul style="list-style-type: none">Increase in demand for adjustment power sources to level demand

 Please refer to the Disclosure Based on the TCFD Recommendations
<https://www.itcenex.com/en/csr/environment/climatechange/okj2b50000034yo-att/okj2b5000003520.pdf>



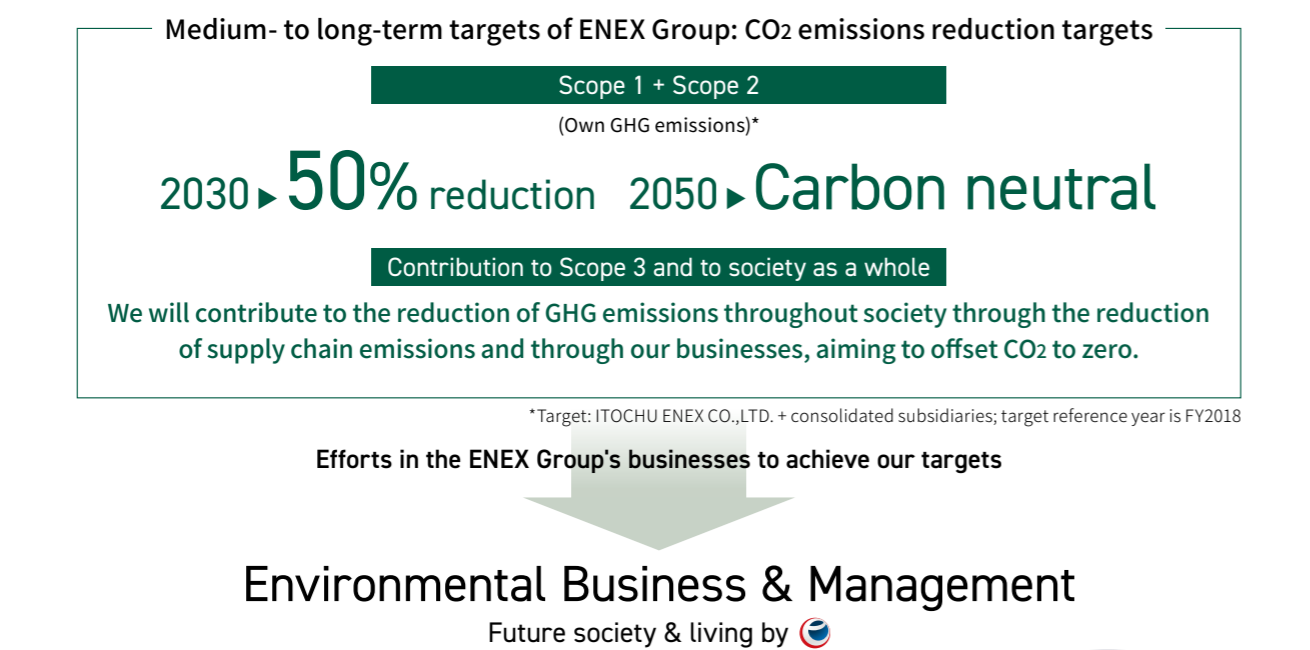
Climate Change Risk Management

Under our company-wide risk management system, the Risk Management Committee, an advisory body to management, identifies and evaluates risks that could have a major impact on management and business as priority risks. The Sustainability Committee plays a central role in discussing and monitoring both climate change

risks and opportunities, conducts deliberations on both strategy formulation and individual business management, and discusses these chiefly at the Management Advisory Conference. It has also built a structure for making reports to the Board of Directors as necessary.

Indicators and Targets

The Group has set medium- to long-term CO2 emissions reduction targets for 2030 and 2050, and through its businesses, contributes to the reduction of CO2 throughout society and to the realization of a decarbonized society.



Human Resource Utilization

Efforts to Support Diverse Value Creation

Basic
Philosophy

Since its founding in 1961, the Group has always considered its people to be its greatest asset. Human resources are at the center of the Group’s value creation and are the driving force of sustainable growth and medium- to long-term enhancement of corporate value. We respect diverse values and aim to be a rewarding company where our human resources can thrive, and are implementing the following human resources strategy.

- (a) Fostering a rewarding work environment in which employees share common goals and contribute from their respective standpoints
- (b) Securing and providing opportunities where diverse human resources can play active roles regardless of nationality, gender, age, etc.
- (c) Formulating and promoting human resources development plans that respect the individuality and respective roles of each employee

Diversity Promotion

Based on the basic approach behind our human resources strategy, we will continue to actively promote the creation of a healthy organization and culture in order to create a company where all employees can fully utilize their individual abilities, and find work more rewarding.

 Diversity
<https://www.itcenex.com/en/csr/social/diversity/index.html>



Declaration of Diversity & Inclusion

We promote diversity and inclusion throughout the Company. We respect the diversity of ages, nationalities, genders, disabilities, values, workstyles, and other attributes of our employees, accept the differences among them, acknowledge their individual characteristics, promote various initiatives leveraging those things as our strengths to bring about further change to ensure that all of our employees are able to fully demonstrate their capabilities and personal qualities and remain “The Best Partner for Life and Society.”

Diverse human resources help the company grow

In order to achieve sustainable growth, we believe that it is important to respect the diversity and values of our employees and utilize them as strengths, so we hire a variety of human resources and provide them with opportunities to flourish.

In FY2021, we established the “Challenge Promotion Program” as part of the development of young employees. In this program, we select talented young employees as managers and supervisors to provide opportunities for them to gain management experience and grow. In FY2022, we began to promote employees in area positions that do not require transfers to management and supervisory positions.

In FY2023, we held interactive training (cross-functional

training) sessions across divisions, job classifications, and age groups to provide opportunities for employees who do not normally interact with each other in the course of their work to foster a culture of mutual respect for each other's values.

We are also working to expand employment opportunities for people with disabilities. Through the “IBUKI” service that provides indoor agricultural jobs to people with disabilities (Startline Co., Ltd.), seven staff members with disabilities are working at the farm (as of April 2024) and the herbal tea made at this farm is also distributed to employees. In addition, our original calendars feature designs drawn by people with disabilities, supporting the independence of artists who are actively working despite their disabilities.

 HR-related data, etc.
<https://www.itcenex.com/en/csr/social/health-management/index.html>



Bolstering the comprehensive strength of ENEX Group employees

Since FY2021 we have held cross-functional training for the purpose of connecting employees across the Group, and is an initiative we have continued with the aim of fostering solidarity as members of the same corporate group and creating innovation, as well as discovering “chemical reactions” which transcend divisional and product boundaries and the seeds for creating new businesses.

Furthermore, in FY2022, we began participating in a regional problem-solving training program, where we use our past experience and skills to solve problems faced by local governments and local companies, while encountering different values and perspectives and gaining new ideas and insights.

In FY2023, we held group-wide meetings for the purpose of strengthening on-site capabilities under the Medium-Term Business Plan ENEX2030, and promoted initiatives to improve the comprehensive strength of Group employees, such as sharing the efforts of employees who are active on site.



View of a cross-group meeting

Reforming awareness and fostering a corporate culture where the Company and employees work together

With the objective of implementing improvements and reforms by ascertaining issues at the organizational level, the Company conducts an job engagement survey once every two to three years to gauge attitudes and satisfaction and collect feedback on Company measures and programs. In addition, regular monthly meetings are held with the employees' union, and we are working on reforming the personnel system and developing human resources in order to achieve sustainable growth for both the Company and its employees. We are also striving to improve productivity so that each employee can fully demonstrate their own abilities.



Changes in the ENEX Group’s Diversity

2013	<ul style="list-style-type: none">Percentage of female employees: Approx. 10%Start of new personnel system reformsPublished a special feature on diversity in the Group internal newsletter and administered questionnaire on topics such as promotion of women
2014	<ul style="list-style-type: none">Reforms made to various workplace programs (universal access to 20 days of paid leave per year, 10 days of pregnancy leave added as a new benefit, extension of the use of shortened working hours, clarification of staggered work hours, reemployment program for employees who left due to spouse's transfer)
2015	<ul style="list-style-type: none">Acquired Kurumin Mark 2015Held the first Enex Family Day (children of employees visit the workplace)
2016	<ul style="list-style-type: none">Launched Enex Early Bird working style reformsApproved by the Tokyo Metropolitan Government as a TOKYO Workstyle Reform Declaration Company
2017	<ul style="list-style-type: none">Introduced Casual FridayParticipated in trial of a shared-use satellite office with childcare facilityIntroduced support program for sports activitiesImplemented mentor training
2018	<ul style="list-style-type: none">Acquired Kurumin Mark 2018Conducted job satisfaction surveyRecruited nine foreign nationals at Group companiesStarted a new overseas on-the-job training program
2019	<ul style="list-style-type: none">Established the Diversity Promotion OfficePercentage of female employees: 20%Introduced system for taking paid leave by the hourHired six employees through IBUKI, a facility for people with disabilitiesFirst female Outside Director appointed
2020	<ul style="list-style-type: none">Start of staggered workday schedules and telework environment (COVID-19 measure)Employee roundtable discussion on working stylesCareer design seminar heldLife plan seminar heldDiversity-related subject matter added to rank-based training
2021	<ul style="list-style-type: none">First female outside Audit & Supervisory Board memberDiversity Statement formulatedLaunched the Challenge Promotion Program to promote junior employeesConducted the second job satisfaction surveyAcquired Kurumin Mark 2021
2022	<ul style="list-style-type: none">Quantitative target set for female representation in management: 30% by FY2035Start of promotion of employees in area positions to managerial positionsAdded LGBT content to rank-based trainingHeld diversity promotion meetings
2023	<ul style="list-style-type: none">Opened a recreation and training center with the aim of strengthening human resource development and fostering a sense of unityHeld cross-group meetingsIntroduced casual day for every day

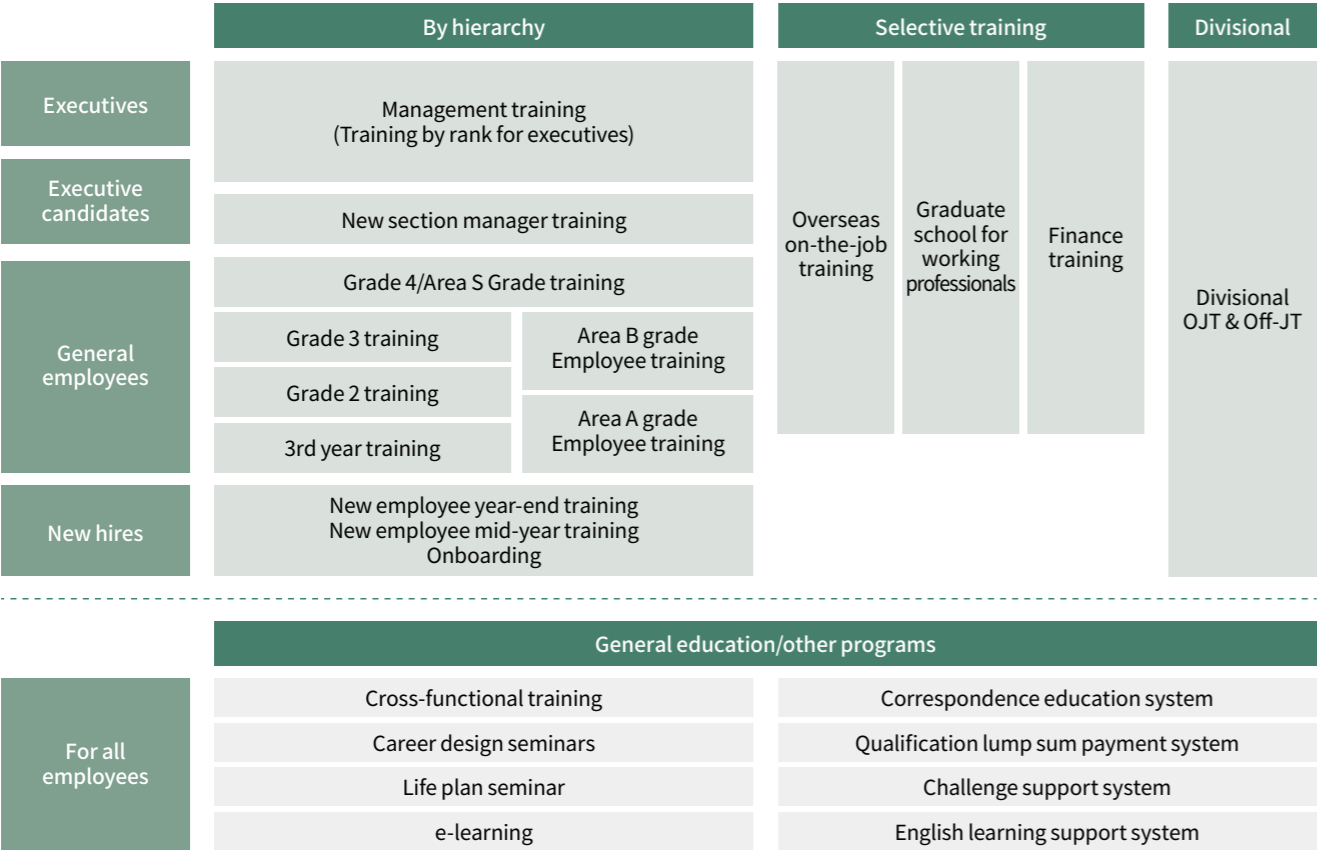
Human Resource Development

We operate a systematic skill development program to cultivate multi-talented human resources who can play active roles in a variety of business environments. We offer a career development, education and training program in which employees learn while engaging in self-reflection so that they can carve their own path, rather than all employees following the same path.

Qualities we seek in our human resources

“Individuals who think independently and creatively, act boldly, and achieve as partners to society”

Training System Diagram



External view of training and recreation center Karuizawa LABO

We have a variety of educational programs in place, including training tailored to each role, from new hires and mid-career employees to executives, as well as correspondence courses to encourage voluntary learning. We will contribute to the growth of the Company by pursuing individual strengths and increasing the value of human resources.

Additionally, in FY2023, we established a training and recreation center. With the aim of further strengthening our human resources base, we will further promote the growth and success of our group's human resources by providing a place to learn, grow, and foster a sense of unity while living under the same roof in an environment separate from daily work.



Many of our group's employees are already undergoing training at Karuizawa LABO.

Strengthen human resource development throughout the ENEX Group

In order to foster bottom-up management not only in our company but the entire Group, in addition to traditional OJT, we hold study sessions led by our business staff with the aim of improving management literacy in areas such as IT, finance, and legal affairs.

In addition, with the aim of developing human resources

who can play an active role in Japan and abroad, we have been implementing overseas on-the-job training since FY2018, and have sent a total of 20 participants to eight countries, mainly in Southeast Asia.

This is linked to the development of human resources who will support the growth of our entire Group.

Finance training

Under the "strengthening the organization and human resources" policy of ENEX 2030 '23-'24, in FY2023, we held a total of 12 lectures taught by finance experts, which a total of 80 employees attended, with the aim of cultivating analytical skills in management decision making, in addition to acquiring the basic framework and analytical methods in finance. We are striving to strengthen our ability to execute investment projects by enhancing the financial skills of our employees.



Supporting the Health of the Company, Employees, and Their Families

By implementing the Enex Early Bird working style reforms, the ITOCHU ENEX Group is building up a system that promotes employee health, values personal lifestyles, and empowers diverse human resources to utilize their talents. We are creating a better company, a rewarding place to work, and a company to be proud of with regard to families and society for each and every employee, and creating an environment where employees and their families can maintain and improve their health, one where employees can work with peace of mind.

We carry out health management practices designed to enable each employee to work with vitality, feeling both motivated and fulfilled. By improving employee motivation, we seek to energize our organization and maximize our performance.



Enex Early Bird working style reforms

Health Promotion Measures

- Commitment by the President & CEO to health management
- Building a system to tackle health promotion as a management issue
- Lifestyle-related disease prevention measures
- Measures to address health issues specific to women
- Cancer and disease prevention measures; support for balancing treatment and work
- Measures to encourage smoking cessation
- Measures to improve health literacy
- Health management of employees posted overseas
- Vitalization of communication
- Measures to prevent presenteeism
- Mental health measures
- Infectious disease prevention measures
- Expansion of welfare benefits
- Children's education fund

Health Management and Occupational
<https://www.itcenex.com/en/csr/social/health-management/index.html>



HOME-LIFE DIVISION



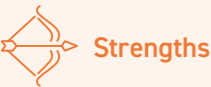
Strongly promoting our business through organizational restructuring for the future with the aim to become an attractive, top-class LP gas business in Japan.

ITOCHU ENEX HOME-LIFE CO., LTD.
President and Representative Director (to be appointed on October 1, 2024)
Kyosuke Wakamatsu



Changes in Society and Our Mission

The situation in the LP gas market is expected to change further as the market shrinks due to the declining birthrate, aging and decreasing population, and shrinking household sizes in Japan, as well as new regulations under the Liquefied Petroleum Gas Act. In order to respond quickly to these changes, we will further strengthen our strengths in disaster-resistant LP gas and the nationwide customer base and sales network we have cultivated, and provide added value in the form of new products and services to provide people with prosperous and comfortable lives.



- A stable customer base spread across the country and a sales network established by Group companies
- An integrated logistics system from upstream (import terminals) to downstream (ordinary households nationwide)



- Providing added value in the form of new products and services amid shrinking domestic LP gas market
- Meeting the increasing demands of the spread of IT, digitalization, and DX (digital transformation)



LP gas sales business
We sell LP gas to customers all over Japan. We deliver to 1.5 million households domestically.



LP gas primary distribution business
We have made an investment worth 20% of the shares in Japan Gas Energy Corporation, an LP gas primary distributor, and are building a business foundation to cover everything from import procurement to wholesaling and retailing.



Lifestyle-related services business
We support comfortable and secure lifestyles through the sale of various equipment essential for living (including household appliances and equipment related to combustion, kitchens, air conditioning, etc.).



City gas sales business
The Group supplies city gas in Kyushu and some areas in the Kanto region.



Electric power retail business
Group companies deliver electricity to customers nationwide under the Group's "e-koto denki" service system.



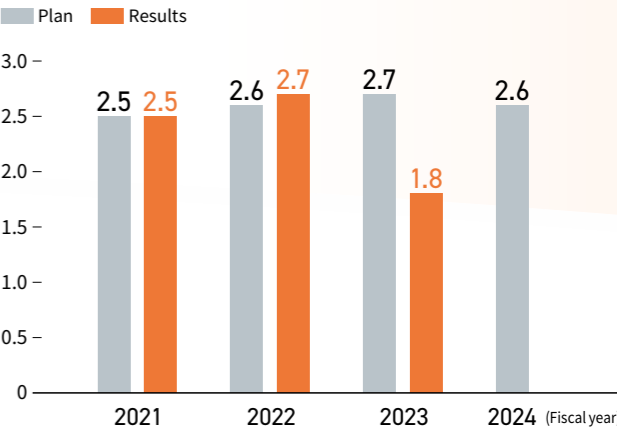
Carbon neutral LP gas sales business
The Group sells carbon neutral LP gas, for which the greenhouse gas emitted during the production, transportation, and use of the LP gas is offset with carbon credits.

FY2023 initiatives

In FY2023, we continued with M&A and proactive sales activities which allowed us to steadily increase the number of LP gas retail sales customers, increasing by about 9,000 households from the previous fiscal year to about 574,000 households. In addition, we have been promoting the installation of LPWA devices, and the Group's cumulative installation rate reached 94%, one of the highest in the industry. We have also acquired certification as a Gold Security Certified Operator (First Class LP Gas Distributor). Gold Security Certified Operator certification can be acquired by LP gas distributors that have been certified as working to implement advanced security systems to ensure consumer safety, such as introducing a centralized monitoring system. With the acquisition of this certification, we have re-examined our business bases and streamlined our operations as well as expanded our sales areas. We have also begun offering on-demand lectures for the first-stage course to attain the national qualification as an LPG installation engineer. Making the first-stage LPG installation

engineer lecture available on demand is an industry-leading initiative, and we are promoting further advancement of safety in the LP gas industry.

Net Profit (Billions of yen)



Strategies and priority areas going forward

We will continue to actively bolster our LP gas customer base, which is positioned as an important asset of the business and one of the strengths of the Group as a whole. In addition to acquiring new customers, we will review and analyze our existing customer database to expand our product lineup in response to customer needs and promote point system measures to improve customer satisfaction. We will also promote further quality improvement and digitalization of security operations, which is most

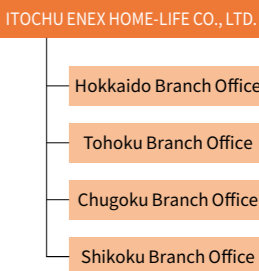
important to the business. Further, with the social environment undergoing drastic changes, we recognize the need to earnestly work on the transition to a decarbonized society in the future. As such, in parallel with expanding our business base, we are working to reduce CO2 emissions during delivery through the sale of carbon neutral LP gas, which began in FY2022, and other initiatives that contribute to the reduction of CO2 emissions, as well as by improving delivery efficiency through the use of LPWA.

PICK UP

Merger of four consolidated subsidiaries engaged in the LP gas sales business

As the LP gas market in Japan continues to shrink, maintaining and expanding our nationwide customer base and sales network will become a major challenge in the future. In addition, LP gas operators are being required to strengthen their governance, as new regulations regarding appropriate transactions and transparency in rates have been introduced under the Liquefied Petroleum Gas Act. In order to respond quickly to these changes in circumstances and strengthen our business competitiveness, in October 2024 we will merge the four group companies that are mainly engaged in the LP gas sales business. The new company, ITOCHU ENEX HOME-LIFE CO., LTD., will operate the LP gas sales business and the operating companies, while aiming to further expand our business base.

Post-Merger Organization Chart



CAR-LIFE DIVISION



We will transform our business portfolio with the aim to restructure our existing business and expand our mobility business.

Director and Managing Officer
Chief Operating Officer, Car-Life Division
Tsukasa Motegi



Changes in Society and Our Mission

As the decarbonization of society accelerates, the consumption of petroleum products is expected to continue to decline. We need to strengthen our mobility business area in order to transition our locations so they are capable of supplying not only petroleum products but also energy to EVs and FCVs (fuel cell vehicles), and to transform our business portfolio to one that is not solely dependent on fuel sales. Meanwhile, the power generation and storage functions associated with the transition to EVs can also be useful in the response to a disaster. The 129 disaster response stations owned by the Group will also be equipped with emergency generators to maintain fuel supply function, and will be ready to respond to the various needs of the community in the event of an emergency.



Strengths

- Stable customer base and sales network centered on CS nationwide
- Automotive business network centered on car dealers, used car sales and car maintenance business



Issues

- Responding to a decarbonized society, EVs, and hybrid vehicles
- Creation of new peripheral areas in the petroleum business and mobility business, and development of new fields and new areas by leveraging the customer base



Automotive energy sales business

We deliver various types of energy (gasoline, kerosene, diesel oil, automotive lubricating oil, etc.) to 1,566 affiliated CS* nationwide.

* An abbreviation of Car-Life Station, these are multi-service refueling stations produced by the Company.



Car dealership business

Group company NISSAN OSAKA SALES CO., LTD. is one of the largest Nissan Motor-affiliated dealers in Japan and is the only Nissan Motor-affiliated dealership in Osaka Prefecture, selling new and second-hand cars and offering service and maintenance.



Truck business

Enexfleet Co., Ltd., a Group company, operates Fleet CS, mainly for trucks and buses. The company has also entered the truck body alteration business, expanding its truck peripheral business.



Consulting support for CS

We support sales outlets through our consulting service with our experience and expertise in operating CS.



Electric power retail business

We offer a service called "Nissan car + Nissan Osaka e-denki," developed jointly by NISSAN OSAKA SALES CO., LTD. and ENEX LIFE SERVICE CO., LTD.



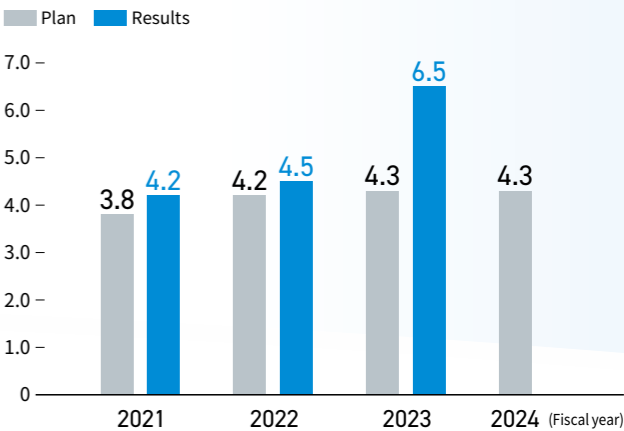
Car After-market Business

Nalnet Communications Inc. operates a business of managing maintenance consigned by automobile leasing companies. IAA Co., Ltd. is advancing its distribution business through its auction business.

FY2023 initiatives

In the petroleum product sales business, we implemented organizational restructuring to maximize operating efficiency, and merged three operating companies in FY2022 into the new Enexfleet Co., Ltd., which is driving our overall industrial energy business, and we have maintained sales volume at the same level as FY2022 despite the shrinking market. We consider that we have begun to see some outcomes as a result of the operational efficiency improvements achieved through the reorganization. In the mobility business, we conducted a capital participation in Nalnet Communications Inc. in August 2023 together with ITOCHU Corporation. Nalnet Communications Inc. is engaged in the business of consigned managing of the maintenance of leased vehicles, and has alliances with approximately 11,500 automobile repair shops nationwide to provide appropriate vehicle management and maintenance, residual value guarantees, and other services.

Net Profit (Billions of yen)



Strategies and priority areas going forward

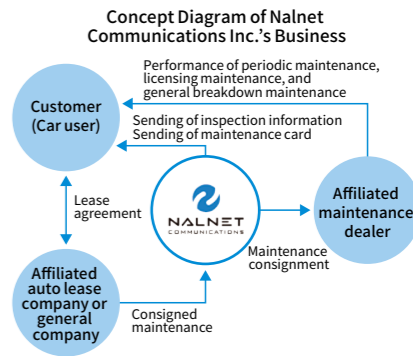
We will continue to expand the petroleum business and mobility business, which are the two pillars of this Division. In the petroleum business, we aim to maintain and expand our customer base while expanding the scale of our car accessory sales business and developing area-specific services that leverage that customer base. In addition, we will consider business alliances to expand the fleet refueling network and develop services that take advantage of the characteristics of each area. Regarding the mobility business, this Division will focus on the car purchasing and sales business and maintenance business, centered on

WECARS Co., Ltd., which is being promoted company-wide, and provide value by creating synergies across our existing businesses. The mission of this Division in a decarbonized society is to transform into a strong organizational structure that does not rely solely on fuel sales. In order to expand the mobility business domain for that purpose, it is essential that we proactively promote digital transformation (DX). To that end, we will actively study the creation of new mechanisms.

PICKUP

Capital participation in Nalnet Communications Inc.

Nalnet Communications Inc. has alliances with approximately 11,500 automobile repair shops nationwide and is engaged in the business of consigned managing of the maintenance of leased vehicles. The mechanisms that support mobility are also becoming more complex due to the recent diversification of services for the movement of people and goods. Under these circumstances, by forming a strategic partnership with Nalnet Communications Inc., one of the largest companies in the automotive maintenance management field, we will build a system capable of handling the diverse automobile maintenance that is evolving and expand our car after-market business.



INDUSTRIAL BUSINESS DIVISION



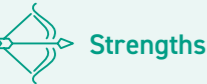
Leveraging our accumulated strengths and knowledge to expand both our core and new businesses.

Executive Officer
Chief Operating Officer, Industrial Business Division
Hirofumi Chimura



Changes in Society and Our Mission

In the current decarbonization of industries, balancing the reduction of environmental impact and the economic rationality of continuing the business is becoming an important point. In this business, it is necessary to strengthen new technologies and new products related to new energy sources, but we are also a business that has functions that will not change, such as asphalt, for which we can expect a certain level of demand in the future, and the tank terminal business which will conduct storage and delivery even if the type of fuel changes. I believe that the mission of this business is to stably supply what customers want and need, with a wide range of options in anticipation of future decarbonization needs.



- Comprehensive solutions consisting of diverse products such as asphalt, industrial gas, environmental products, automobile fuel cards for corporate customers, etc.
- Solutions and sales know-how in environment-related businesses such as AdBlue, renewable diesel, and GTL fuels



- Accumulation of knowledge and expertise on new technologies and new products, and the creation of functions and human resource systems
- Partnerships through collaboration and cooperation with other companies when considering further business development



Asphalt sales business
We supply asphalt as an industrial material to our customers, using our nationwide sales network and our own supply network.



Environmental product sales and service business
We are a pioneer in the sales of next-generation energy sources, including AdBlue®, which detoxifies exhaust gas from diesel vehicles, GTL derived from natural gas, renewable diesel made from waste cooking oil, liquefied natural gas, etc.



Marine fuel sales business
We sell marine fuel and marine lubricating oils at major ports in Japan and overseas. We also operate a supply business for marine LNG fuel in cooperation with Kyushu Electric Power Co., Inc., Nippon Yusen Kabushiki Kaisha, and Saibu Gas Co., Ltd.



Industrial gas sales business
We sell industrial gases (oxygen, nitrogen, argon, sterilization gases, etc.) used in all kinds of fields. We also provide a gas container pressure inspection service and related supplies.



Overseas businesses
We are engaged in the import, wholesale, and sales of LP gas in the Philippines, where future growth is expected, and in the import, wholesale, and retail of petroleum products in the Pacific region.



Petroleum product trading terminal business
We are engaged in the import and export of petroleum products and domestic sales business (domestic supply and demand adjustment transactions), and we have two terminals nationwide as supply bases for petroleum and chemical products to meet the needs of our customers.

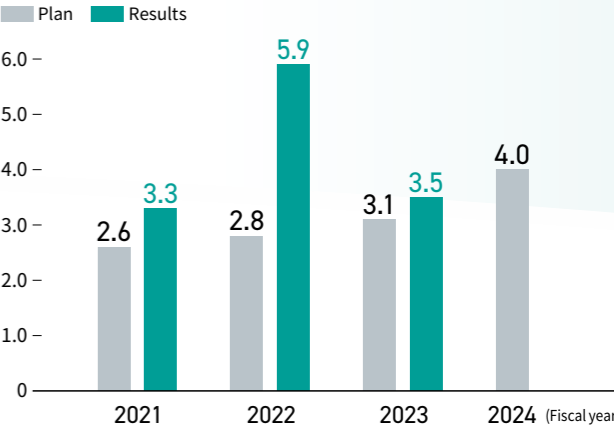
FY2023 initiatives

In FY2023, we executed aggressive investments in our asphalt and AdBlue businesses with the aim to achieve niche leadership in our existing businesses. In the asphalt business, we entered into a capital and business alliance with Nichireki Co., Ltd., a manufacturer of modified asphalt, in order to proactively engage in the maintenance business for aging road infrastructure. In addition, we have increased our tanks to enhance our storage capacity. In the AdBlue business, we established our second domestic manufacturing plant in Okayama Prefecture to strengthen our supply system.

In the environment business, an LNG bunkering vessel entered into service in March 2024 and started supplying LNG fuel in the Kyushu and Setouchi regions. We are developing a supply system for renewable diesel, which is gaining attention as an alternative fuel to petroleum, and working on various implementation projects, such as the first use of it in Japan as ship fuel and its adoption for passenger buses. In addition, it has been adopted on a trial basis as a CO₂ reduction measure in the construction

work and transportation for the Expo 2025 Osaka, Kansai scheduled to be held in 2025, and demonstration tests for the Expo have begun.

Net Profit (Billions of yen)



Strategies and priority areas going forward

With the pursuit of multiple goals as the theme for our Division, we have a policy of expanding both core businesses as well as new businesses that will be relevant for the next generation. In addition to the current trend toward decarbonization, we will focus on these related businesses to address social issues such as aging road infrastructure and the 2024 logistics problem, and will proactively invest in areas surrounding our existing businesses and address new needs such as next-generation fuels.

In FY2024, we reorganized our organizational structure from being product-based to being function/area-based. In addition to further strengthening the structure in our focus areas, we also aim to increase initiatives that go beyond the product framework and are unique to regions by further strengthening customer contacts in the area.

PICK UP

Capital and business alliance agreement with Nichireki Co., Ltd.

In October 2023, the Company entered into a capital and business alliance agreement with Nichireki Co., Ltd., which has 65 offices nationwide and is engaged in the business of providing a wide range of products, construction work, and technology related to road paving. Currently, the aging of road infrastructure is becoming an issue for society. The Company, which supplies asphalt for road infrastructure maintenance, will build a long-term partnership with Nichireki Co., Ltd., a leading manufacturer and seller of asphalt-related products, that will contribute to the promotion of national resilience.



POWER & UTILITY DIVISION



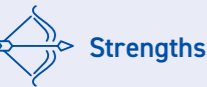
Connecting the ITOCHU ENEX Group's customer base through power while balancing decarbonization and economic efficiency, to become a driving force for growth.

Executive Officer
Chief Operating Officer, Power & Utility Division
Fumiya Tanaka



Changes in Society and Our Mission

Today, society is striving for sustainable development as it shifts from an era of consumption to one of energy conservation and the sharing economy, but uncertainty is increasing due to the current rise in geopolitical risks. In these circumstances, I recognize that the mission of this Division is to contribute to the stability of our customers' lives by promoting distributed power generation which uses renewable energy that is not affected by changes in the world's energy situation, expanding our electric power supply/demand adjustment function, and promoting the reduction of electric power and mobility costs using DX.



- Integrated system covering everything from power generation (solar, hydro, coal-fired, and natural gas-fired) to supply and demand adjustment and power sales
- Networks and connections with regional businesses that have strong customer bases



- Ability to respond flexibly to system changes and changes in the supply and demand environment, and efforts to realize a low-carbon society
- Providing added value in electric power retail and services, maintaining market competitiveness, and expanding overseas electric power-related businesses



Power generation business
Leveraging our good mix of power generation facilities (solar, hydro, coal-fired, and natural gas-fired), we operate a power generation business that seeks to achieve both economic efficiency and environmental sustainability.



Electric power retail business
Together with Group companies ENEX LIFE SERVICE CO., LTD. and Oji-Itochu Enex power retailing Co., Ltd., we operate electric power sales networks in various areas to serve diverse customers.



District heating supply service business
Group company Tokyo Toshi Service Co., Ltd. produces hot and cold water for air conditioning in its heating supply plants and supplies the water to buildings via local pipelines.



TERASEL Solar Services Business
This is a flat-rate service enabling customers to use electric power generated by our solar power generation system installed on their premises for their own consumption. It reduces CO2 emissions and energy costs.



Biomass power generation business
Together with Oji Green Resources Co., Ltd., we operate a biomass power plant that uses forest resources and agricultural residues as fuel. We will continue to work towards the development of power sources that contribute to the realization of a low-carbon society.



Overseas businesses
We established two companies, ITC ENEX Southeast Asia Co., Ltd. and ITC ENEX (Thailand) Co., Ltd., in Bangkok, which operate solar power and renewable energy businesses.

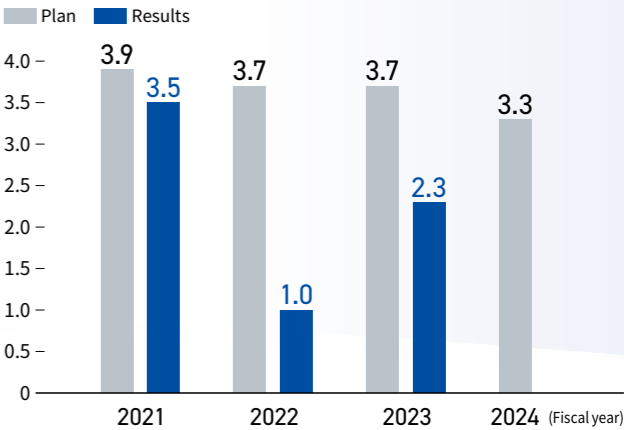
FY2023 initiatives

In FY2023, we further expanded the customer base that the Group has built up to date through the use of DX. To this end, we are operating three services in what we call the TERASEL Series: "TERASEL Denki," which is an electric power sales service for households, "TERASEL Solar," which is a solar power service for businesses, and "TERASEL Car Share," an EV car sharing service, and the total number of customers for the electricity retail and mobility businesses has increased to approximately 660,000.

Driven by the principle of pursuing both decarbonization and economic efficiency, we have also advanced initiatives that are environmentally conscious. We supplied renewable electric power through solar off-site PPA* for data centers and provided a solar power self-consignment service for Coop Sapporo's stores. In addition, in order to provide new value-added services to our customers, we entered into a capital and business alliance with Informetis Co., Ltd. and joined an electric power data utilization business.

* Solar off-site PPA is a contract to purchase electricity generated by a solar facility at a location separated from the point of demand.

Net Profit (Billions of yen)



Strategies and priority areas going forward

The universal mission of this Division is to provide the world with clean electric power in a stable and reasonably priced manner. In the future, we will promote the efficient use of energy through demand response and the expansion of power sources (facilities) for adjusting supply and demand, promote mobility-related services using DX, and further promote initiatives that "get closer to people's lives" (such as the cultivation of environmentally low-impact agricultural products). Electric power is a relatively new

product for the Group, but it is essential to people's lives and this importance will not be lost in the future. Our strength lies in our ability to realize an integrated energy supply system through a wide variety of products and services by connecting the Group's customer base and networks with various businesses through "electricity". We will further evolve and develop the Power & Utility Division while utilizing these features.

PICK UP

Electric Power Data Utilization Business Initiative - Launch of "TERARIN AI" Service

ENEX LIFE SERVICE CO., LTD., a Group company, has launched "TERARIN AI", a service that uses AI to visualize electric power usage per home appliance. "TERARIN AI" is a service that visualizes electric power usage by separating usage data obtained from household smart meters into five categories (heating/cooling, refrigerator, standby power, lighting, and other devices) using proprietary AI technology developed jointly with Informetis Co., Ltd. At the same time, it can help customers use energy more efficiently in accordance with their lifestyles by proposing specific power-saving methods according to power consumption patterns.

