

ENEX REPORT 2024

ITOCHU ENEX Group Integrated Report



The Best Partner for Life and Society
ITOCHU ENEX CO.,LTD.

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The Best Partner for Life and Society

—with Energy, with the Car, with the Home—

For over half a century, the ITOCHU ENEX Group has continuously supplied energy products, centering around petroleum and LP gas, to our customers across Japan.

No matter how society and people’s lives may change, we aim to continue to be the company of choice for our customers in the community as a constant, indispensable partner.

Origin of the company name

In July 2001, on the occasion of the 40th anniversary of its founding, the company name was changed from Itochu Fuel Corporation to ITOCHU ENEX CO., LTD.

The “E” in ENEX stands for energy, end consumers, and ecology, while “NEX” stands for “NEXT,” as in the next generation, or the future.

The meaning behind the logo

The corporate mark, newly established in October 2005, overlaps the letter “e” to connect the blue earth and bright red sun. The theme is reverence for nature and the commitment to cherishing limited resources. While the “e” logo represents “energy” and “ecology,” it also embodies our commitment to valuing customers (end-consumers), and symbolizes communication that connects people to each other and to society.



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Editorial Policy	
ENEX REPORT 2024 is an integrated report covering financial and non-financial information, including sustainability activities, prepared with reference to various guidelines. Its purpose is to communicate the Group's business activities and strategies implemented in pursuit of sustained growth.	
Note on Forward-Looking Statements	
Forward-looking statements in this report, including outlooks for future Group business performance, are made by our management team based on the information available at the time of publication. Actual results may differ considerably from projections for various reasons, including fluctuating exchange rates, market trends, and economic conditions.	
Period	Covered April 2023 – March 2024 (Note: Includes certain activities that fall outside this period)
Organizations	Covered ITOCHU ENEX CO., LTD. and ITOCHU ENEX Group companies
Publication Date	September 2024



A new ENEX will be born through businesses that support people's lives and new added value, with "rooted in the community" as the keyword

Representative Director, President and Chief Executive Officer

Tomofumi Yoshida

Empowerment

In FY2023, net income was a record-high ¥13.9 billion and the dividend was increased by ¥4 to ¥54. Although it was not a stable year by any means, as there were gains on sales of fixed assets due to asset replacements, it was the result of having a diversified business portfolio.

On the qualitative side, for our company, whose strength lies in our on-site capabilities, the key to the first year of working towards "ENEX2030" was how we could transform ourselves together with our employees, who are our most important capital. In FY2023, I released 17 Three Minute Speeches in which I sought to share my thoughts with employees and help them gain new insights into their daily work, and held 20 sessions for direct dialogue with employees, with a total of 531 staff participating.

As I mentioned in last year's Integrated Report, the most important aspect of the current business plan for strengthening human resources and the organization is

empowerment, or in other words, increasing the experience of each individual by delegating authority and enhancing decision-making capabilities on site.

We currently have four business areas, which are structured according to types of commercial product. As we handle hazardous materials, a vertical division may be more rational in many ways, such as in terms of the passing on of know-how, but in order to stay close to the community and expand our business based on customer needs, we cannot make new proposals based only on the products and knowledge of the business to which we belong.

Information is shared across businesses, which support each other and work together to come up with solutions and demonstrate comprehensive strength. By giving equal recognition not only to those who generate revenue, but also to those who provide support, our aim is to expand opportunities to play an active role and to change the culture to one in which everyone benefits from working together and helping each other in a collective effort, or in

other words, to improve our comprehensive strength.

This system not only motivates employees in terms of thinking outside the box and appreciating challenges, but also has the effect of training their decision-making skills as they face various difficulties in their position of promoting new projects. To take risks and make decisions requires the continuing tightening of our defense and honing of offensive skills, and by modestly and sincerely taking in the opinions of those around us, we can accumulate many insights and hone our competitive instincts.

This empowerment is the backbone of the strategy I have practiced until now, and I consider it an important concept for strengthening our on-site capabilities.

Decision-making ability and risk takers

Making decisions is important for an organization to move forward, and if decisions are not made then logjams will occur. We should not avoid making decisions out of fear, but make a decision and then proceed, and it is ok to go back if it was wrong. This sounds obvious but is not easy to do.

The important thing is to make a decision and proceed. Please improve your decision-making ability. Conversely, there will also be failures after a decision is made. Some people attribute this to bad luck or fate.

However, luck is not biased, and I am sure that it comes fairly to everyone over the long term.

The theme of “risk takers and luck” is often analyzed

as the background for corporate management and global conflict. I believe that corporate leaders and leaders in conflicts would be called risk takers. These are people who, assuming that everyone has the same probability of luck, will desperately try to read the flow of the game to see when the luck will come. Moreover, in most cases, we act on the assumption that we will not have any luck.

What sort of person is a risk taker? I believe that it is someone who is confident, clear headed, physically strong, and courageous, but a person lacks the disposition if they are self-righteous and refuse to change from what they decide. A true risk taker is modest, humble, not arrogant, grateful, careful, thorough in their studies, and converses often with those around them. In other words, I believe that the qualifications to be a risk taker are to notice things through sincere conversations with the people around you, and on top of that be able to sense the flow of the world, and to be a person who can produce results that attract luck.

Every contest is decided by the balance between offense and defense. Whether it is martial arts, sports, or chess, if you are too aggressive you will lose. In defense, there are usually standard moves which are efficient, but in offense, there are no standard moves and you have to attack while defending, which often fails.

It is the same in business. First the defense should be strengthened, but there will be no growth through that alone. I want employees to boldly try new things, but some are afraid to proceed for fear of failure. When it is the final battle or a stalemated negotiation that you want to resolve, or it is a case of having to make a choice from multiple options, then a decision must be made. This ability to make decisions is very important.

In April 2023, the Investment Strategy Department was established as the organization responsible for large-scale investment projects, which will analyze, formulate, execute, and review projects as a group of investment professionals. Until now, on-site staff took time to review an investment project and reported to me once the details had been sufficiently decided, which took a long time, but in order to bring more cases into the investment consideration phase and speed up the process to approval and execution, we have changed the system so that information is consolidated in the Investment Strategy Department and I

myself review all cases.

The members of the department have continued to learn through trial and error, and a variety of information has been gathered over the course of the year. Investments require studying and ascertaining the vital points, and if we invest in something that is not connected to our business, it will not help ENEX grow stronger even if it makes a profit. It is also important to have a viewpoint of whether an investment can be nurtured efficiently. My focus is on whether the investment can be weaponized for ENEX's business. We do not need overvalued “golden axes” in our arsenal. We are investing in “silver axes” to strengthen and expand into the areas surrounding our existing businesses.

We made several strategic investments in the 2023 fiscal year from the perspective of what can be used as a weapon by our existing businesses. Informetis Co., Ltd., in which we invested in June 2023, is expected to provide services such as “visualization of electricity” by analyzing and predicting the electricity usage of each model of home appliances and electrical equipment through the use of its proprietary AI technology, thereby contributing to added value in the Power & Utility Division.

Nichireki Co, Ltd., which we entered into a capital and business alliance agreement with in October 2023, is engaged in the business of providing a wide range of products, construction work, and technology related to road paving, and is developing asphalt products with reduced environmental impact and long-life asphalt products that can handle EVs, which are heavier than conventional vehicles, and conducts business that will contribute by providing products for the Industrial Business Division.

In the area of the Car-Life Division, we invested in Nalnet Communications Inc., which is engaged in the business of consigned managing of the maintenance of leased vehicles. The company has a nationwide network of approximately 11,500 auto repair shops and efficiently manages data related to the maintenance of vehicles



20 sessions for direct dialogue with employees were held in FY2023. Explanation of the New Medium-Term Business Plan ENEX2030 was given to approximately 500 employees.

under its management, and provides appropriate vehicle management and maintenance, residual value guarantees, planning and proposal of leasing products for individuals according to their needs, the sale of appropriately priced maintenance packages, and the purchase of vehicles. By forming a strategic partnership with the company, we will work to expand our business related to the evolving mobility aftermarket.

Animal Spirit

In today's extremely uncertain economic environment with heightened geopolitical risks, it is very important to be able to somehow generate the innovation that will drive economic growth. Innovation is challenging to begin with, and nothing about it is easy, but one thing that can be said is that all innovation has been generated by humans in the past.

If the direction of a company's activities is determined simply by mathematics or cold analysis, then the company may well go into decline. To use an analogy, its meaning may be similar to Antarctic exploration and space exploration, about which people question, “What are we doing it for?” I believe that animal spirit is different from



My Three Minute Speeches are available on the intranet. In them I share my thoughts with the Group about decisiveness, risk takers and animal spirit, as I have mentioned in these pages.

mathematical probability theory, and is a figurative term for “the entrepreneurial spirit of daring to try.”

The times change, and people change with them. There are always ups and downs. Nevertheless, I believe it is necessary for managers and entrepreneurs to generate innovation and take on bold challenges, which I believe is the animal spirit.

In last year’s Integrated Report, I wrote that creativity and the ability to take action are paramount, and that we will create mechanisms for new business by adding new functions to our businesses, without being constrained by fixed notions. Both of these are also the key that leads to the animal spirit and innovation. Being empowered and becoming engrossed in work based on your own decision will lead to creativity and the ability to take action, which is how I believe that innovation arises from the animal spirit.

In July 2023, the former Big Motor Co., Ltd. began to rattle and crumble as fraud issues started to come to light. I imagined that someone would have to sponsor and rebuild the company, as it was facing a management situation of distress. It was at this time that I decided to go for it first with the animal spirit. It was an inspiration.

Thereafter, until we made the final investment decision in April 2024, we worked with ITOCHU Corporation and J-Will Partners (JWP) to thoroughly analyze, study, discuss, and receive wisdom from those around us, and we overcame many hurdles, which finally led to the conclusion to go ahead. If I did not decide to go for it at that time, it would not have led to that conclusion. I feel that deciding to go for it at that time is the animal spirit.

It would not have been possible to revitalize Big Motor as WECARS without the help of ITOCHU Corporation. Revitalization inevitably requires not only money, but also human resources and a time frame. As for human resources, I have colleagues at ITOCHU headquarters who I have done hands-on work with on various projects in the past, which

went through hardship and joy and led to success. ENEX has excellent human resources who are well versed in the field. We are engaged in buying, selling, insuring, and making loans for used cars. We are also involved in car rentals and repairs.

The former Big Motor company motivated people to work through excessive incentives. All over the world there is a saying, “it’s all about making money.” However, there must be an awareness of compliance and an internal control system in place. In the absence of this, the incentives came to the fore, and trust was broken as a result.

It will take several years to build this compliance awareness and internal control system from the ground up and to transform employee awareness. We must also create integrated HR and accounting systems, and further evolve



our sales structure with DX. Once these things are in place in a couple of years, we will begin our attack.

“The horse chestnut shell that flows from the mountain to the mouth of the river can only float if it sacrifices itself.” This poem describes how a nut falls from a horse chestnut tree and floats down a mountain river, bobbing up and down, which flows into a world that would be unreachable if the nut had stayed in the tree. In other words, nothing ventured, nothing gained. We will revolutionize the used car industry. I hope you will look forward to it.

Mission as a company closely connected to the lives and livelihoods of the community

I would like to express my heartfelt sympathy to those who were affected by the Noto Peninsula earthquake on January 1, 2024, and to those who are living their lives anxiously as they continue to live in evacuation shelters. The Noto region is an area that supplies energy to the Company, and after receiving the first reports of the earthquake we immediately confirmed the safety of our local employees and dealers, and established a cooperative system with transportation companies from the following day.

Roads in the area were cut off, making it difficult for rescue vehicles to move, but the day after the earthquake we held discussions with the Agency for Natural Resources and Energy, Suzu City Hall, and other relevant parties. On January 3, a total of 22 employees went to the region to start supplying daily necessities, and at the same time, electricity was restored to the oil depot of our distributor, which recovered to serve as a disaster response base. From the following day, it began refueling activities, and in about two weeks a total of 70,000 liters of gasoline, kerosene, and diesel oil was supplied to emergency vehicles and 100,000 liters to victims of the disaster. The disaster response network that we had been steadily building served the local people. This event also made me realize that there are still many things that need to be done to support the community, such as installing

reliable power generators at our CS* in preparation for cases like this where there are problems with the electricity supply, and further strengthening the network not only for gas and electricity, but also for logistics. It will take a long time for the region to recover, and we will continue to support and be there for them.

Japan's population is steadily declining. We need to shift to a direction where we can wisely utilize what we already have. Taking the problem of vacant houses as an example, many houses need to be renovated but there are not enough carpenters on site to do it. As for cars too, it is difficult for maintenance shops to make a profit, so there is a shortage of mechanics. The recent price hikes in courier fees due to the 2024 problem and other factors in the logistics industry, as well as the aging of society, are exacerbating the shortage of human resources. I believe that the main reasons for this are that the multi-layered contracting relationship has resulted in a structure where businesses at the bottom of the chain are not viable due to thin profit margins, which has made it difficult to attract workers, resulting in an increasing shortage of human resources as the working population continues to decline at an accelerating pace.

I understand that it is difficult to solve the problems of the declining birthrate and low wages in the short term, but if there is no reform, nobody in Japan will be able to live as they have in the past. How many people can imagine a life in which items are delivered only once every three days? Supporting people's lives has been the DNA and mission of the Company since our founding. We will promote our Medium-Term Business Plan ENEX 2030 with the promise to everyone that we will change the structure of our existing businesses that support people's lives, differentiate ourselves through the creation of new systems and added value, become a company where employees who support such transformation will want to continue working, and grow with our “comprehensive strength”.

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

Response to the Noto Peninsula Earthquake

Since its establishment, the Group has supplied energy, which is indispensable to daily life, throughout Japan with the mission of "continuing to deliver energy to society." With this mission in mind, we are contributing to the recovery following the Noto Peninsula Earthquake.



Continual energy supply in any situation

In addition to building bases that can contribute to local governments and communities in order to strengthen local disaster prevention, the Group is building a network to support disaster-hit areas and provide a stable supply of energy even during a disaster, by using our 12 sales locations located nationwide as the foundation to connect the disaster-hit area with the rest of Japan.

In addition to developing human resources capable of quickly responding to a disaster, from disaster preparedness to post-disaster recovery, we have also formulated a Business Continuity Plan (BCP) in anticipation of a large-scale disaster. We have decentralized our supply network through cooperation between the Group companies nationwide, and we are continually making steady efforts on the ground, such as educating retailers on equipment safety in the event of a disaster and supporting disaster

prevention training. The 2024 Noto Peninsula Earthquake demonstrated the true value of this preparation.

The urgent issue of protecting lifeline infrastructure

At around 4:10 p.m. on January 1, 2024, an earthquake of maximum intensity 7 (magnitude 7.6) struck the Noto Peninsula in Ishikawa Prefecture. Many houses collapsed and large fires broke out, causing extensive damage. As the aftershocks continued, the urgent task was to provide support to secure food, daily necessities, and other lifeline infrastructure for those affected by the disaster. Energy, in particular, needed to be supplied as soon as possible.

The ITOCHU ENEX Group's collective effort

Only one hour after the earthquake, we completed confirming the safety of our employees in the Hokuriku area and their families through our communication network. After that, we confirmed the safety of retailers and their employees. Amid disruptions to communication networks, nine out of the ten companies in the Noto area completed

the confirmation of employee safety on January 1, and the remaining company completed it the following day. On January 2, a Disaster Response Headquarters was set up at the head office (Tokyo) to work closely with employees in the area to gather information such as whether retailers could operate and the needs in the area. On January 3, the General Manager of the Car-Life Division's East Japan Sales Department together with another employee from the head office arrived in the area to formulate measures for energy supply and material support, taking into account the local situation, and to make concerted efforts to restore the fuel supply system, procure and deliver supplies, and provide manpower support.

Restoration of the energy supply system using our network

Amid wide-scale power outages, on January 3, refueling stations that were deemed capable of operating on in-house power generation started providing fuel to the victims of the disaster. However, inventory was limited. Establishing a stable fuel supply system for emergency



vehicles and the people who were forced to live as evacuees in the severe cold was an urgent matter. In order to support the community's lifeline infrastructure, retailers who were themselves victims of the disaster implemented a variety of initiatives to supply energy. Also, in cooperation with the Agency for Natural Resources and Energy, Suzu City Hall, and Hokuriku Electric Power Company, we began providing fuel to emergency vehicles (Self-Defense Forces, fire departments, police, and utility companies) and disaster victims at retailers' refueling stations, while on January 4, lorry deliveries resumed with the cooperation of various companies in the Kanto, Chubu, and Kansai regions. On January 5, five refueling stations were able to restart operations, and the energy supply system was established on the Noto Peninsula.

Manpower and material support

Another important issue was the problem of "people." The employees of refueling stations were also affected by the disaster, and were providing fuel while being forced to live in evacuation centers after their houses were completely destroyed, so securing personnel and providing care to employees was required. In particular, since it was necessary to establish a system to continually supply to



Water, clothing, hygiene products and other relief material delivered to the affected area

the Self-Defense Forces and other emergency vehicles, as well as the victims of the disaster, we asked our suppliers to cooperate by providing personnel support, and in addition to having them participate in fueling work rotations, we worked with retailers to design detailed personnel rotations and manage work hours.

Regarding the supply of material, on January 3, based on lessons learned from past earthquakes, we began securing and delivering the material that was especially needed, such as water and clothing. Because there was

a lack of material in Ishikawa Prefecture and they could not be purchased in large quantities, we cooperated with delivery, such as by nearby sales branches and Group companies Enexfleet Co., Ltd. and Nissan Osaka Sales Co., Ltd. securing supplies at their respective locations. Although delivery was extremely difficult due to overland routes being cut off, employees who arrived at the site one after another secured approximately 35 types of items, including water, food, clothing, toilets, body warmers, and hygiene products, and delivered them to the affected areas. In contrast to energy, it took time to arrange for companies to perform the delivery of supplies. Learning from this lesson, we intend to build a network that considers the transport of material during normal times.

Continuing to be a trusted company

Through the support we provided on this occasion, we were able to demonstrate the on-site capabilities and

comprehensive strength of the Group in the form of quick decision-making and Group collaboration that was led from on site. The disaster relief efforts would not have been possible without the cooperation of the five transportation companies that provided the lorries and the petroleum primary distributors that collaborated with us in arranging the lorries, and we recognized once again the importance of the relationships with our business partners.

Although the recovery has been progressing gradually since the earthquake, many people are still forced to live in evacuation centers. We will continue to provide support to those affected by the disaster so that they can return to their normal lives as soon as possible, and will use this experience to further strengthen our disaster response, aiming to become a company that people trust even more.



Traveling by road to affected areas was difficult due to landslides and fallen trees



A retailer's CS office after the earthquake



A retailer and supplier refueling emergency vehicles



Relief material packed in a supplier's transport vehicle

Continuing to Support Life and Society Downstream

ITOCHU ENEX was established in 1961, at the beginning of the period of rapid economic growth, when the nation had overcome the postwar confusion, the people were seeking more affluent lives, and the manufacturing industry was beginning to grow as a national power in order to return to the international community. Since then, we have consistently placed ourselves downstream, and have diversified our product lineup and expanded our service areas by responding to the changing demands of the times, while sincerely working alongside the lives of people and industries in local communities and our business partners. Throughout this period, our underlying principles have continued to flow from the company motto that was announced at the time of our establishment. The new corporate philosophy, "The Best Partner for Life and Society" established in 2001 in response to intensified sales competition and restructuring of primary distributors due to energy deregulation, also reflects the belief that the inheritance and practice of the founding spirit is what ITOCHU ENEX must continue to uphold for sustainable development. The environment surrounding the Company is currently undergoing major changes. However, no matter how times change, we will continue to fulfill our mission to support society and people's lives as "The Best Partner for Life and Society."

Company motto at the time of founding (published in 1962)

Company Motto

- 1. Strive for reliability and sincerity in our daily work
- 2. Streamline management through creativity and ingenuity, and continue to make unlimited progress
- 3. Cooperate based on the principles of transparency and integrity, and promote the happiness and prosperity of all people related to the company

2001-Present

Corporate Philosophy

The Best Partner for Life and Society
—with Energy, with the Car, with the Home—

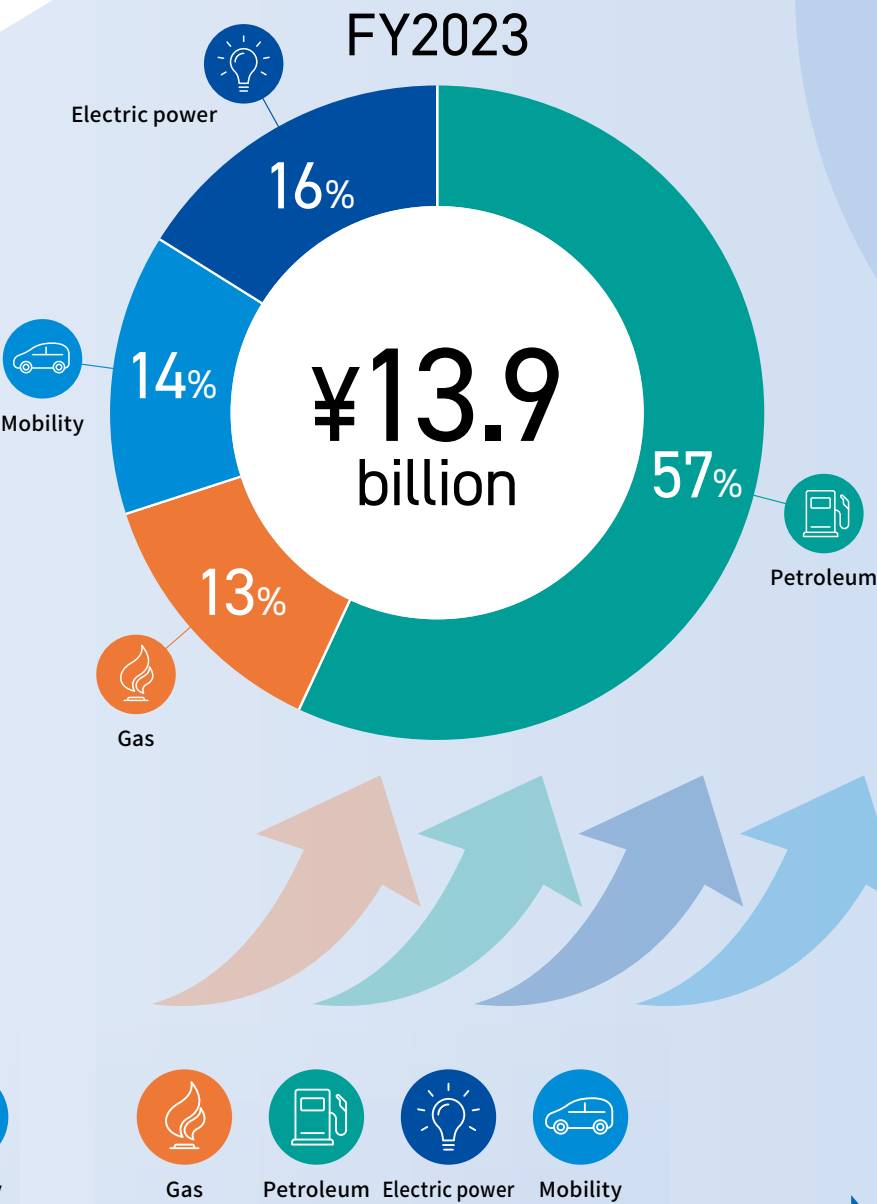
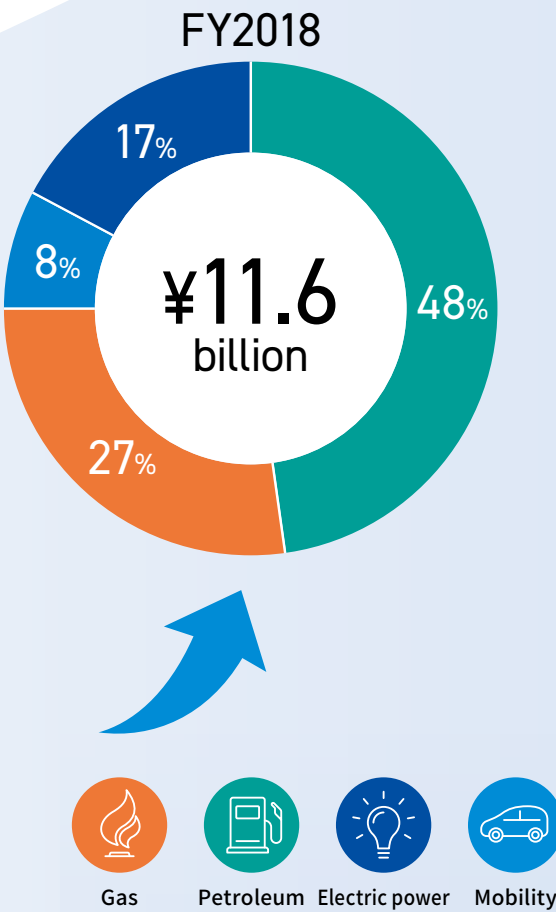
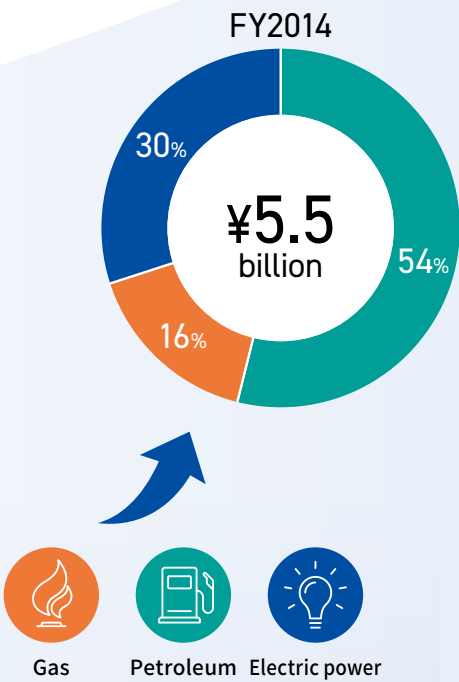
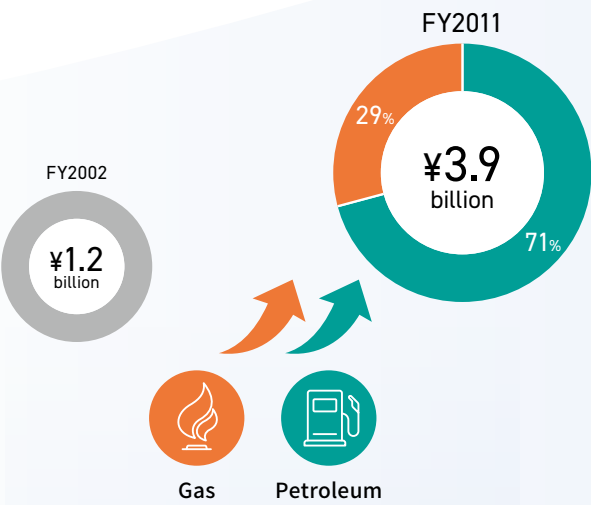
Code of Conduct

Be Ethical
Reliability and sincerity, creativity and ingenuity,
transparency and integrity

ITOCHU ENEX Group Continues to Transform Together With Society

In the more than 60 years since its inception, the Group has overcome all kinds of difficulties by anticipating the needs of social structures and customers, and using these insights for the flexible transformation of its business portfolio and continuous expansion of its business foundations. We will overcome the unprecedented changes in the business environment that we are currently facing by providing a variety of energy services for people's lives and industry, while maintaining and expanding our business foundations and taking on new challenges.

Changes in Business Fields and Net Income



Expansion of business foundation with an emphasis on downstream

Strengthening of the petroleum sales network and M&A in the LP gas business

Entry into the electric power business

Entry into the car dealership business

Evolution of the business portfolio toward 2030

In response to accelerating changes in the petroleum industry, including intensified sales competition due to deregulation and restructuring of the primary distributors due to declining domestic demand, we have taken the leap from a fuel trading company to an energy trading company. In 2007, the merger of ITOCHU ENEX Home-Life Kyushu Co., Ltd. and IDEX Gas K.K. resulted in the establishment of ECORE Co., Ltd., and in 2009, we strengthened our LP gas business by acquiring shares in the LP gas primary distributor Japan Gas Energy Corporation. In the petroleum business, the company acquired the petroleum sales business from Kohnan Corporation in 2008. At the same time, we strengthened our sales network by acquiring additional shares in Kohnan Fleet Corporation (now Enexfleet Co., Ltd.).

Amid a difficult business environment in the petroleum and LP gas-focused businesses, we have set a basic policy of evolving into a "multiple energy company" with energy, vehicles, and homes at its core, and have sought to expand our earnings base by diversifying our portfolio. After establishing a structure to promote the trading business and solar and EV business, the company entered the electric power business in earnest in 2011 with the acquisition of shares in JEN Holdings Co., Ltd. (now ENEX Electric Power Co., Ltd.). In 2012, we made a new entry into the district heating supply business by acquiring shares in Tokyo Toshi Service Company.

The Medium-Term Business Plan was formulated to transform the business to one that contributes to future values and lifestyles, amid the acceleration of various changes in the external environment. Under the slogan of "Moving!", we have developed new markets and fundamentally revised the old methods of operating. In 2014, the company entered the car dealership business by acquiring the shares of OSAKA CAR LIFE GROUP CO., LTD. While leveraging the existing customer base and sales network of the Car-Life Station business that is centered on fuel sales, we have been further exploring the needs in the downstream industry, creating a new Car-Life Station model and expanding the mobility business domain.

In 2023, we adopted the slogan "To Create Driving Force of Life" in the eight-year Medium-Term Business Plan, ENEX2030. We will further enhance our customer base and profitability in existing businesses by strengthening our on-site capabilities, and execute new and strategic business investments. New and strategic business investments include investments in new services using AI-based electric power analysis, the car after-market business, and road infrastructure maintenance domain business. In 2024, we established WECARS Co., Ltd. to operate the used car sales and other businesses, and are working to achieve transparency in the used car business and restore trust in the industry. We will continue to evolve our business portfolio by expanding our existing business base and making new and strategic business investments.

Changes in the social landscape

- Intensified sales competition and restructuring of primary distributors due to deregulation
- Global warming

- Soaring energy prices and intensified competition from electric power and city gas

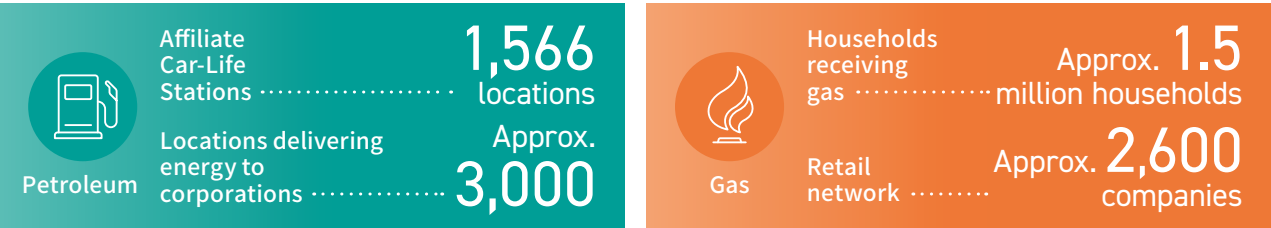
- Declining birthrate and aging population, consumer awareness, and increased interest in energy conservation and efficiency

- Rapid changes in the composition and structure of global energy
- Increased opportunity for a decarbonized society

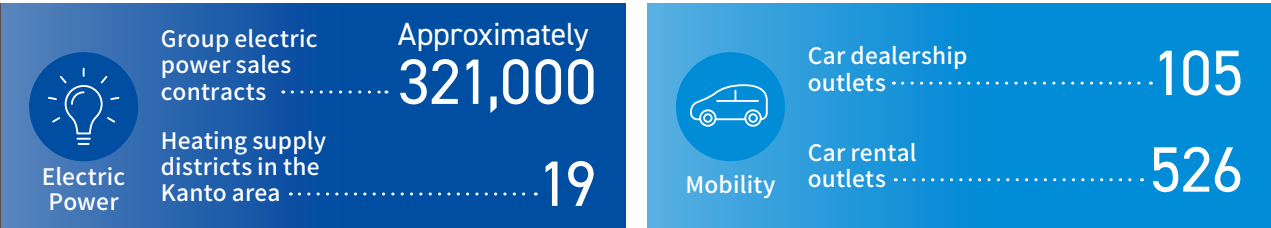
Transforming the business portfolio and building

trust through a virtuous cycle of “strengths”

Accumulated business



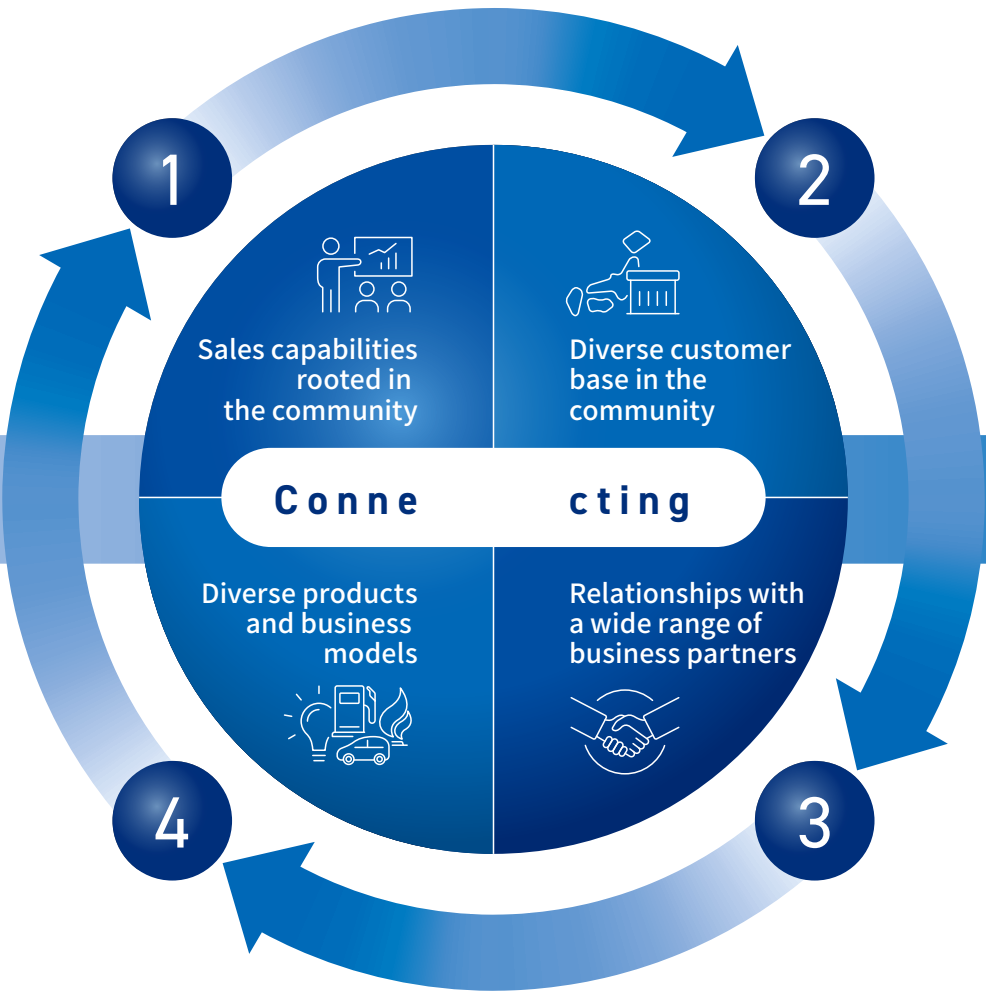
portfolio foundation



Sales capabilities rooted in the community

Since our founding, the Group has built up a nationwide customer base and operates businesses that are rooted in the local community. We have created new businesses and solidified our customer base through sales activities that are closely connected to the local community and that respond carefully to needs. Utilizing the network we have built, we maintain an infrastructure that can deliver energy safely and securely to all parts of the country in both normal times and emergencies, so that we can deliver energy without delay even in times of emergency.

“Strengths” of the ITOCHU ENEX Group



Diverse customer base in the community

The Group has built a sales network with 1,566 Car-Life Stations nationwide, and delivers corporate energy to approximately 3,000 business locations nationwide and gas to 1.5 million homes, which is the Group’s own customer base. This customer base is an important foundation that provides the Group with stable earnings and allows us to discover new business opportunities. In addition to thorough and sincere customer service, we strive to deepen relationships of trust by providing a variety of products in each community and by collaborating with partners, and are working to further expand our customer base.

Diverse products and business models

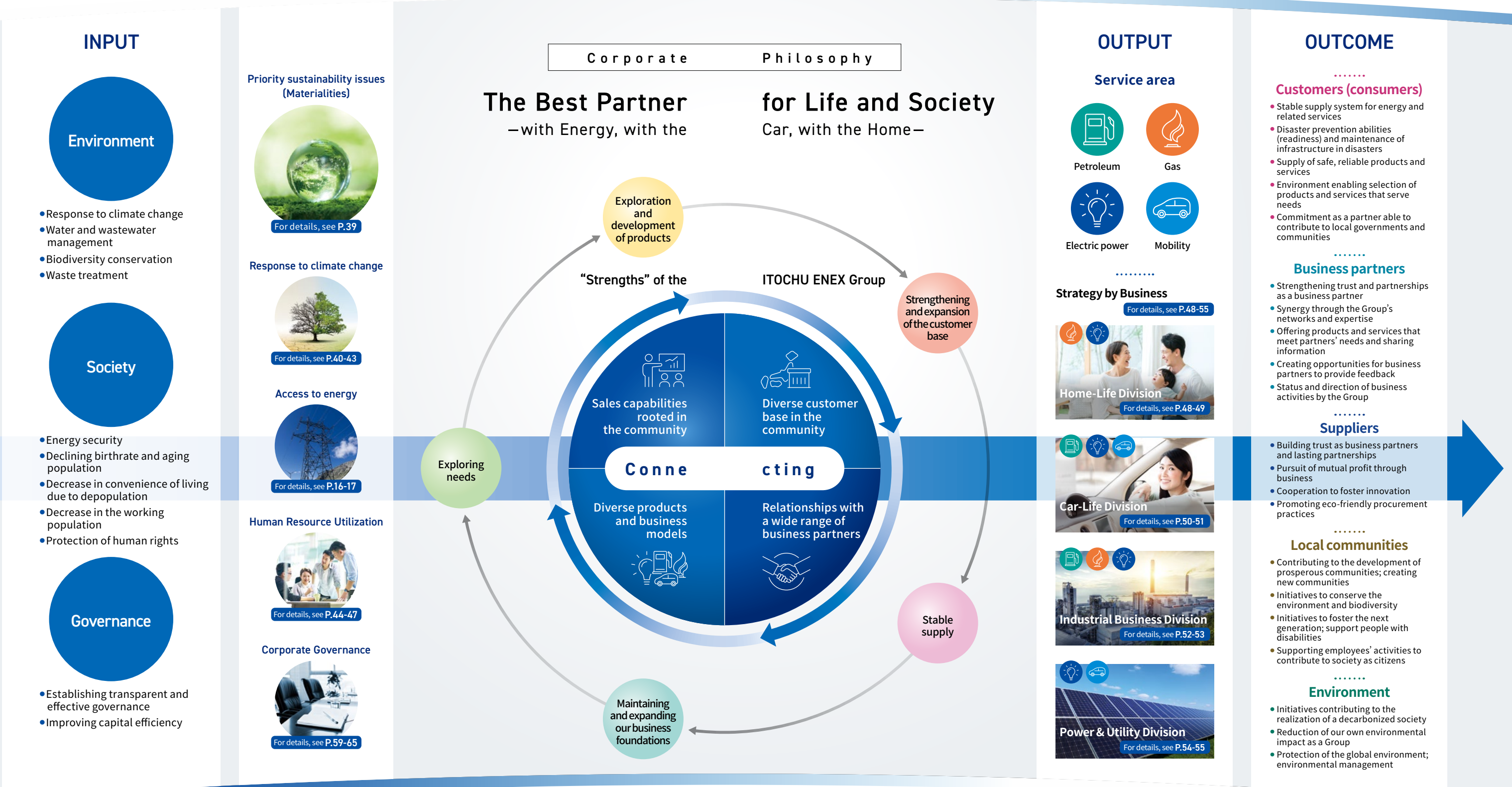
To date, the Group has expanded its business by responding to society’s conditions and anticipating customer needs. Our predecessors’ main business was LP gas and petroleum, but now we operate in a wide range of business fields including LP gas, petroleum, electric power, and mobility-related businesses. The Group, which is an energy trading firm, is able to flexibly provide a wide variety of energy commodities based on its mission to provide a stable supply of energy, with limited investment in manufacturing facilities and no restrictions on commodities. Furthermore, by creating alternative energy sources and new businesses, our business model allows us to sustainably increase our corporate value.

Relationships with a wide range of business partners

In addition to the wide range of sales channels we have built, we are leveraging our flexibility as an energy trading company to collaborate with a variety of business partners, including major companies in a variety of industries and local governments. We are building win-win relationships in everything from petroleum and LP gas to clean energy and a variety of services that support daily life, enabling us to provide products and services that meet the needs of each community. In addition, by collaborating with companies outside of the energy industry we have gained know-how that we previously did not have, which has led to the expansion of our business domain.

Value Creation Process

As “The Best Partner for Life and Society,” the Group continues to contribute to solving social issues by quickly grasping the needs of each region through feedback from the field. By continuing to strive to resolve issues, we will expand our customer base, increase profits, and leverage these for the sustainable enhancement of corporate value.



Business Model

The Group has built up a strong customer base by striving to provide a stable supply of energy throughout the country. In addition, by diversifying our products in line with changes in social structure and needs, we have succeeded in expanding and deepening our customer base. As the energy industry undergoes major changes to the business climate, we aim to expand profits by flexibly changing and solving social issues.



Expanding Our Products

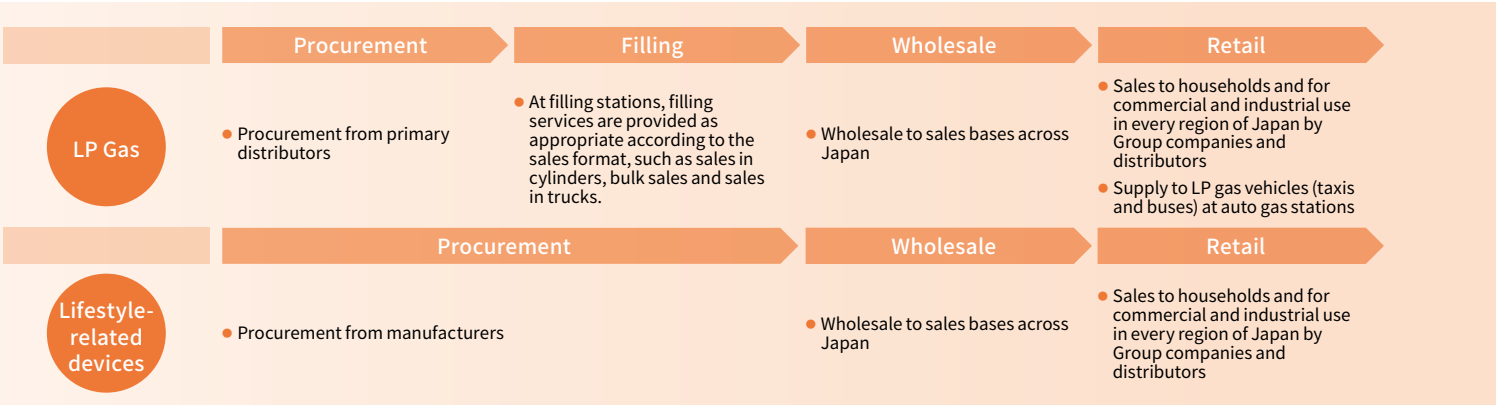


Expanding Our Customer Base

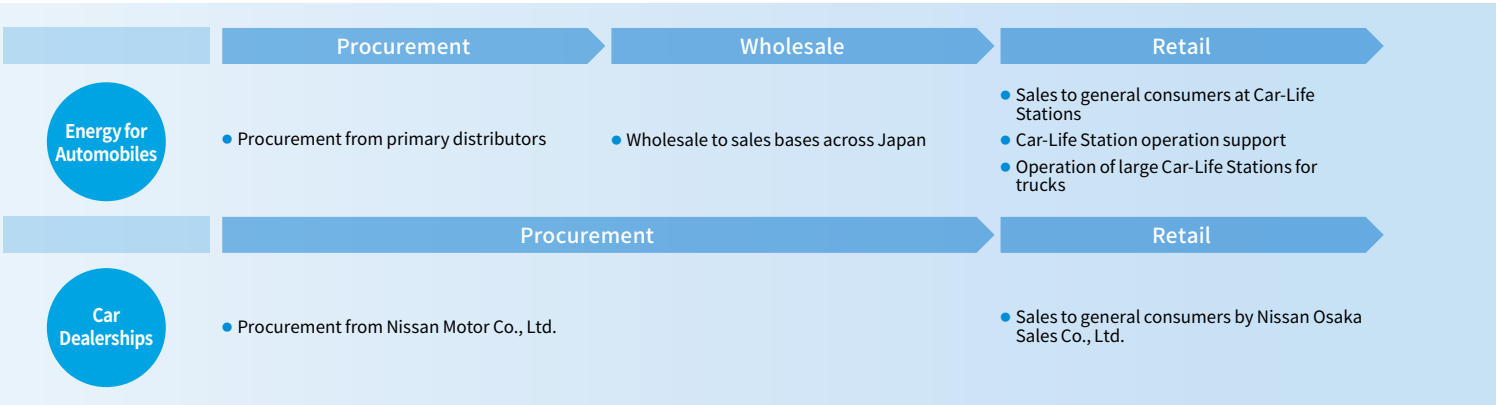


Example of Business Flow by Division

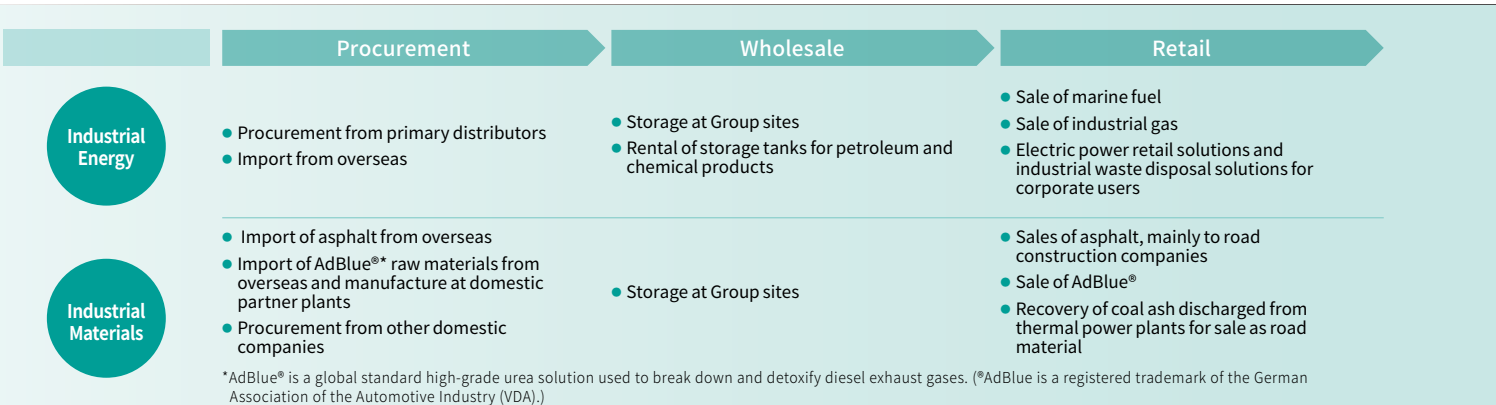
HOME-LIFE DIVISION



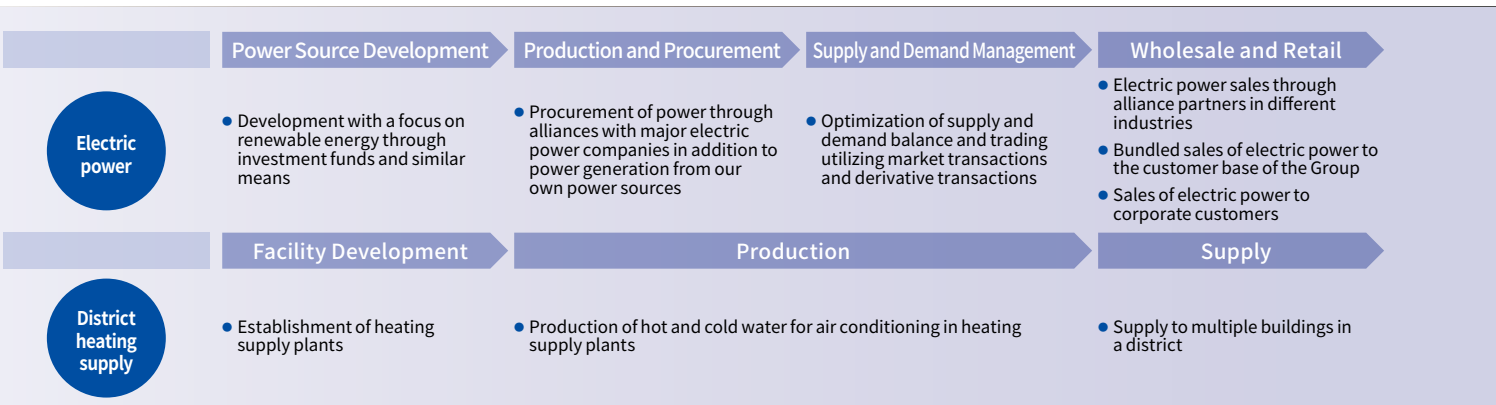
CAR-LIFE DIVISION



INDUSTRIAL BUSINESS DIVISION



POWER & UTILITY DIVISION

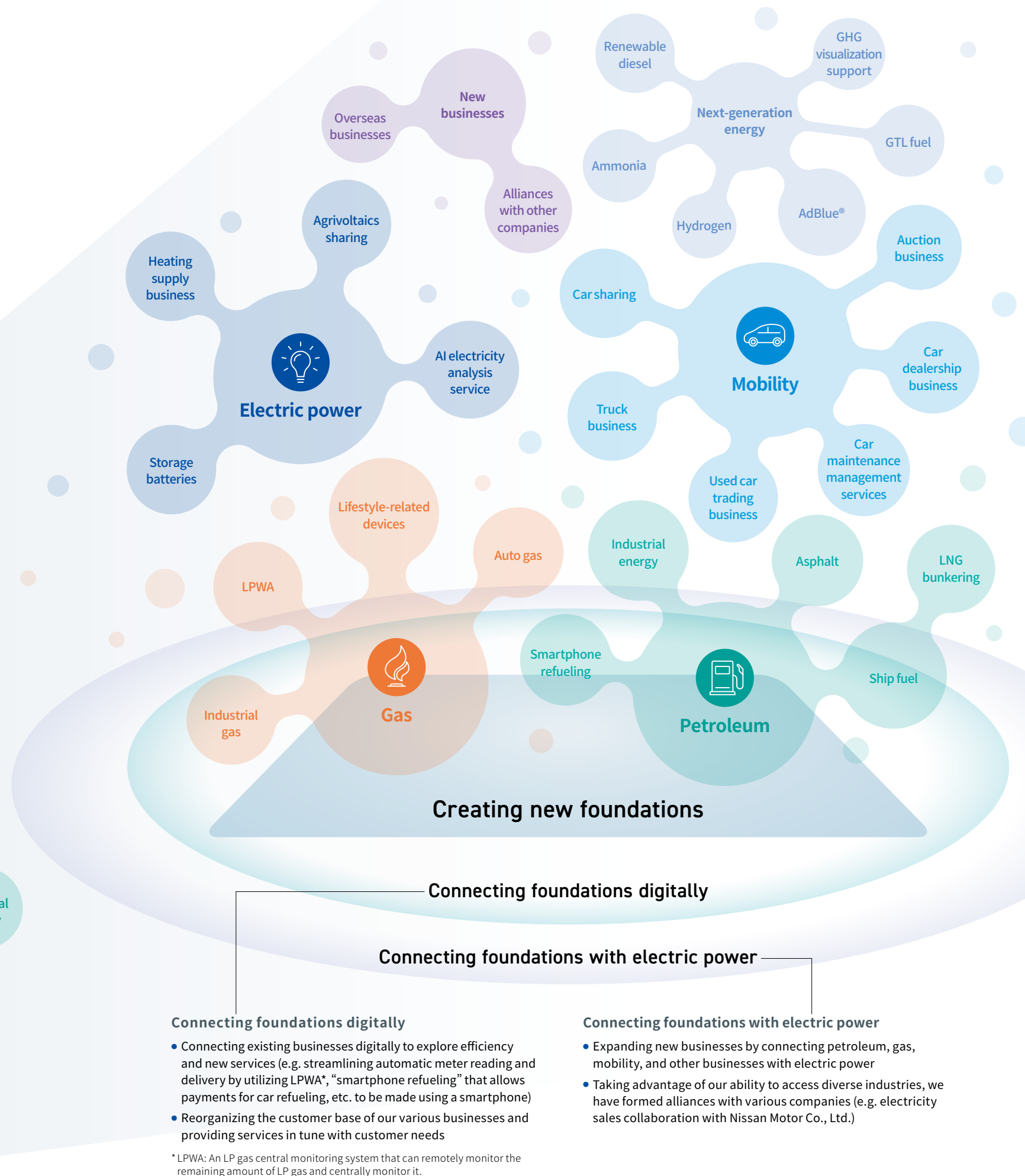
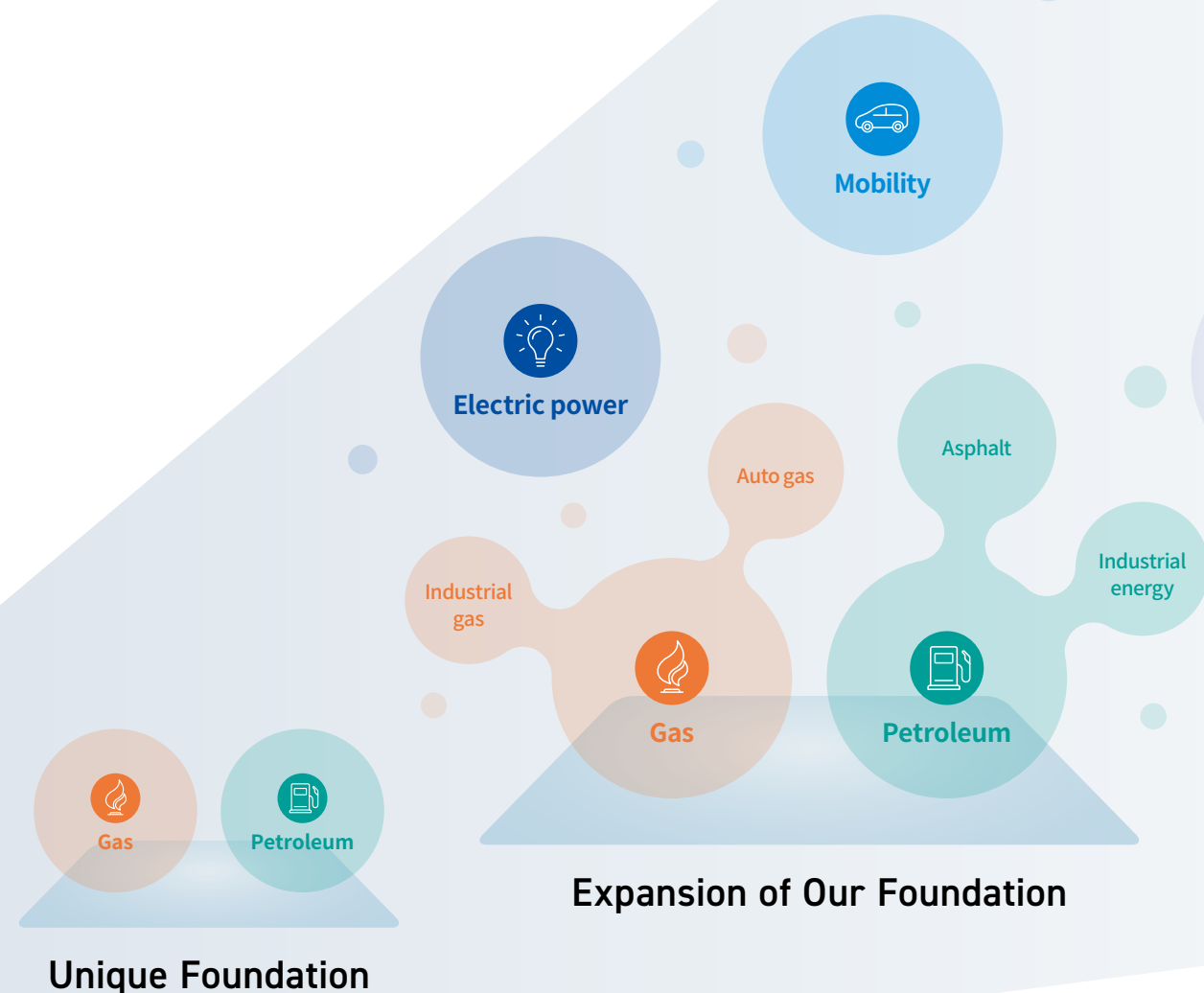


Expansion of Our Foundation to Evolve Our Business Model

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

Details on next page

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.

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

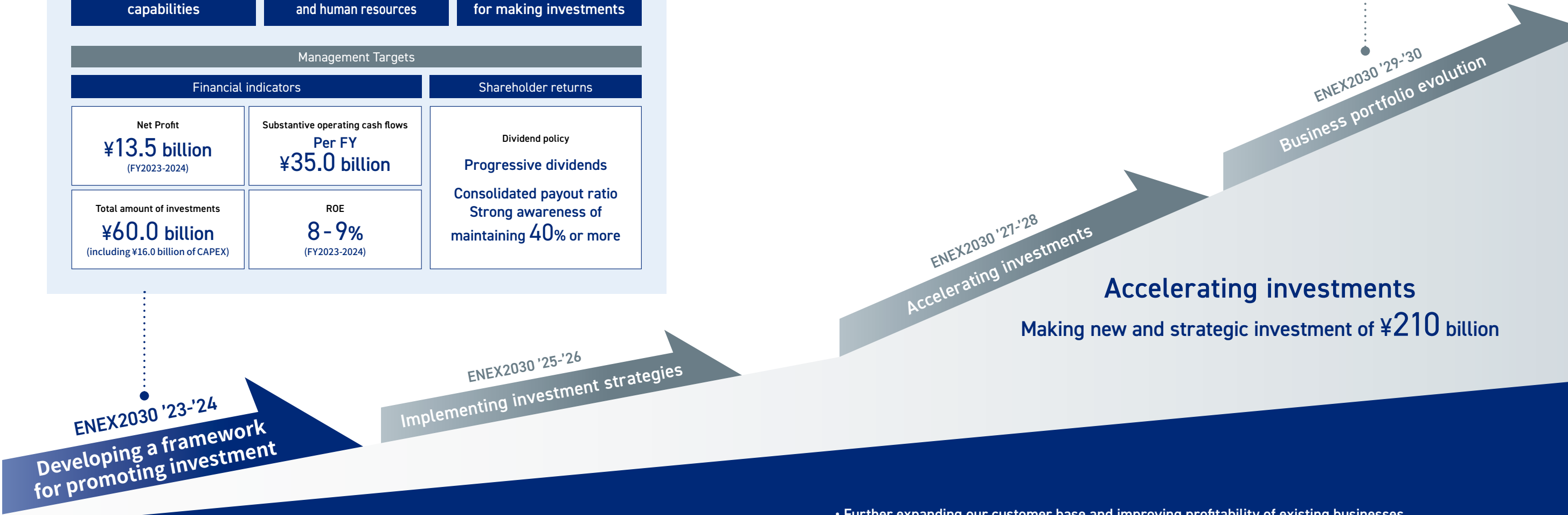
30% or more

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

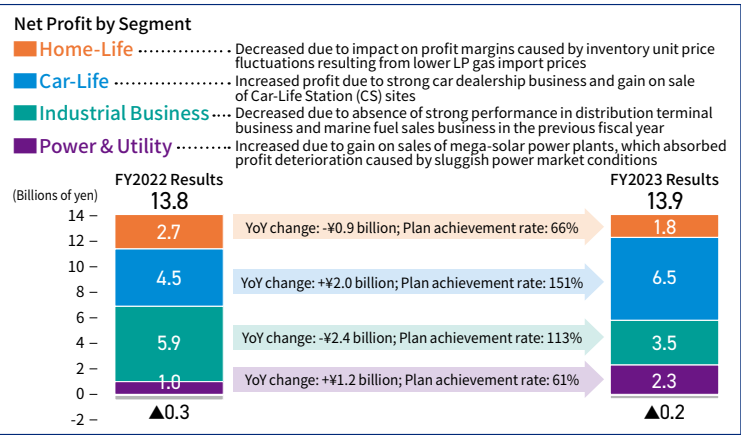
Summary of FY2023

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

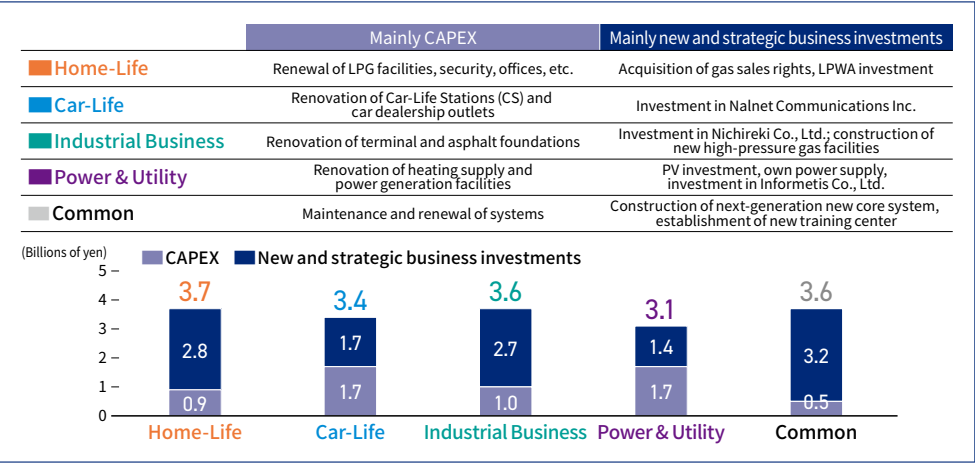
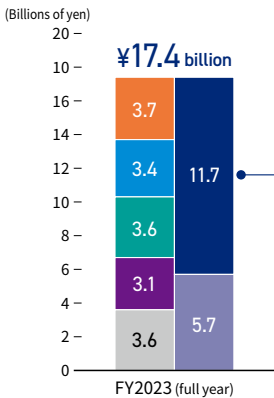


Investment Results

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

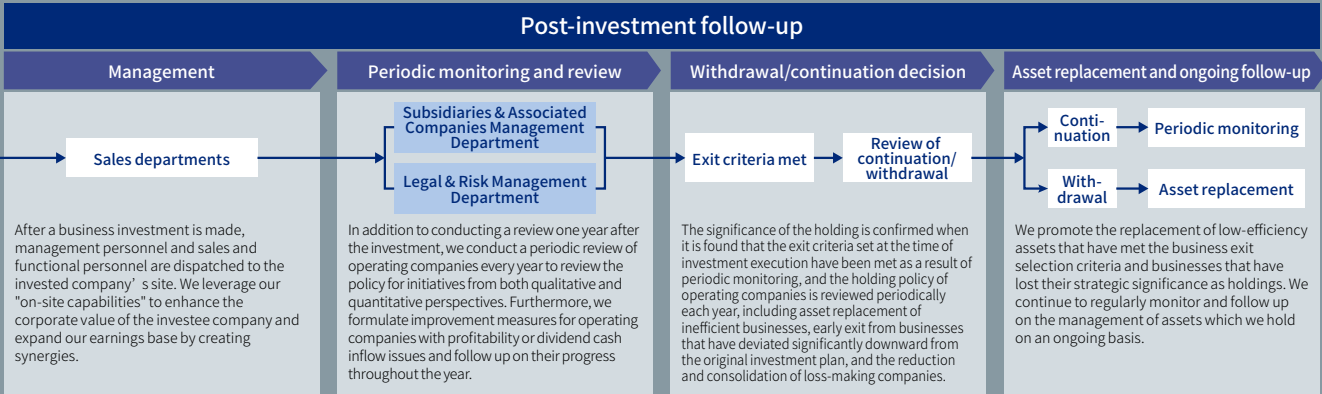
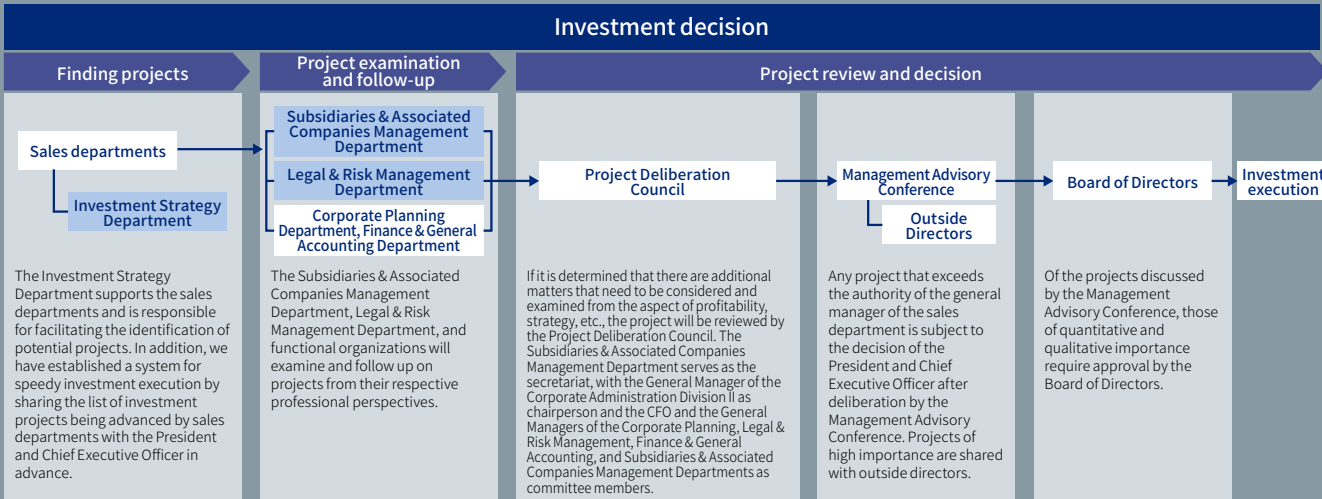
In our eight-year Medium-Term Business Plan ENEX2030 that commenced in FY2023, we have prepared a medium-to long-term roadmap and have set targets of ¥20 billion or more in net profit and a total of ¥210 billion in new strategic investments over the eight-year period until 2030. In the first year of 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"



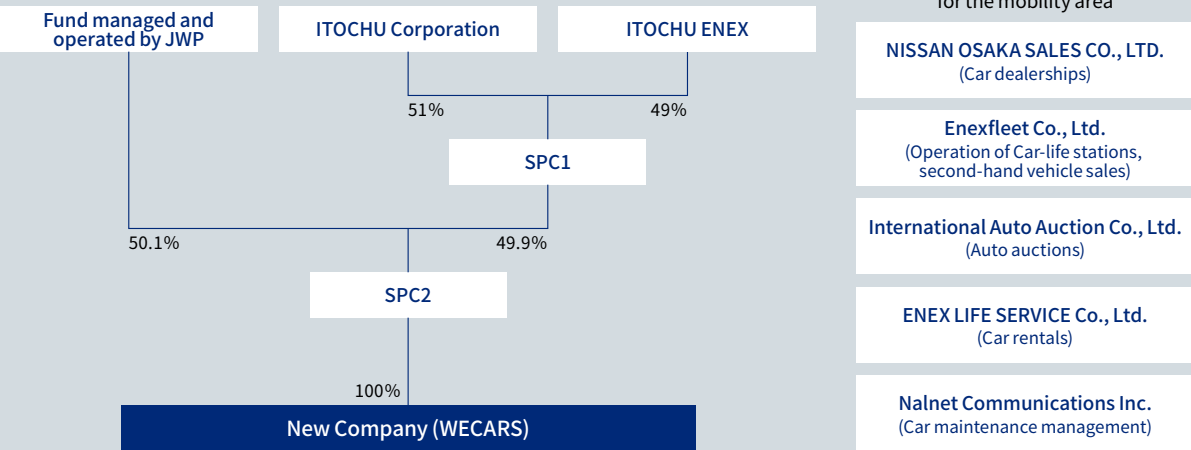
Under the new investment execution structure, we have been working with ITOCHU Corporation and J-Will Partners, Inc. to rebuild the business of the former Big Motor Co., Ltd.

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

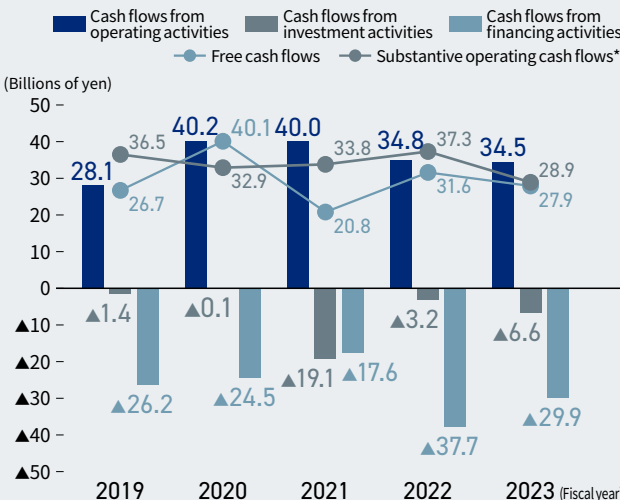
evolution of our business model. We are characterized by a very unique business structure among energy companies, as we handle gas and petroleum, electricity, and mobility. By utilizing the aforementioned data integration hub system and database, data that has been managed separately can be shared among 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.).

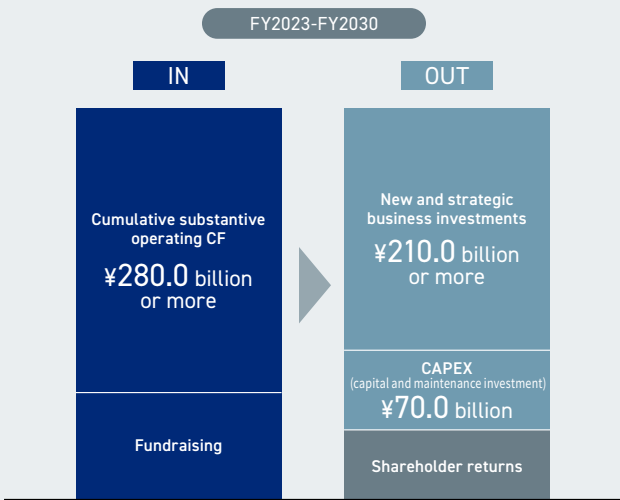
WECARS, established on May 1, 2024, is jointly owned by ITOCHU Corporation, J-Will Partners (JWP), and the Company. ITOCHU Corporation will utilize its hands-on management expertise in business restructuring, JWP will be in charge of business administration and compliance, and we will support WECARS 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

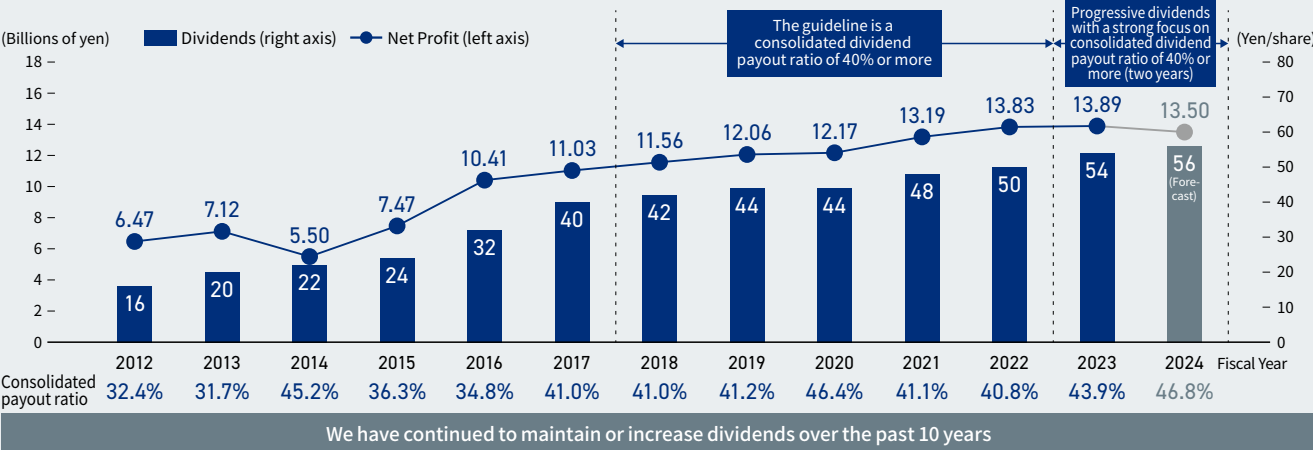
be reduced, regardless of the performance in individual fiscal years. In FY2023, we revised the annual dividend per share to ¥54, up by ¥2 from the initial plan of ¥52. As a result, the dividend payout ratio increased 3.1 points from FY2022 to 43.9%. For FY2024, we plan to increase the dividend by another ¥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

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).



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.

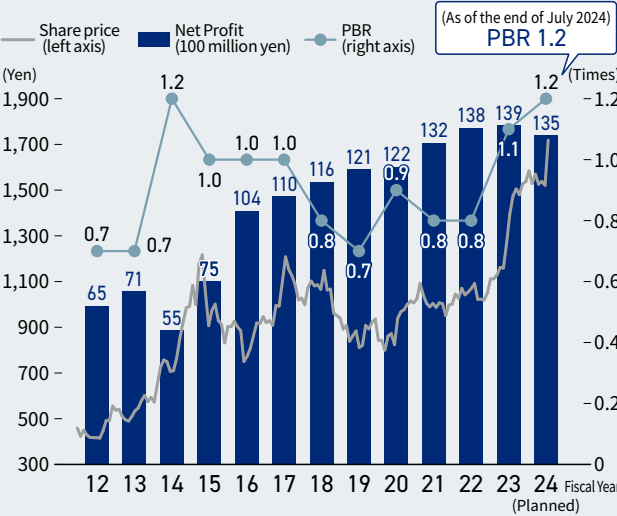
We have published GHG emissions (total of Scope 1 and Scope 2) since the first year of mandatory disclosure of sustainability information in the Annual Securities Report (FY2022). Since this is an indicator that investors are highly interested in, we adopted a “forward-looking reference” method, which 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.


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

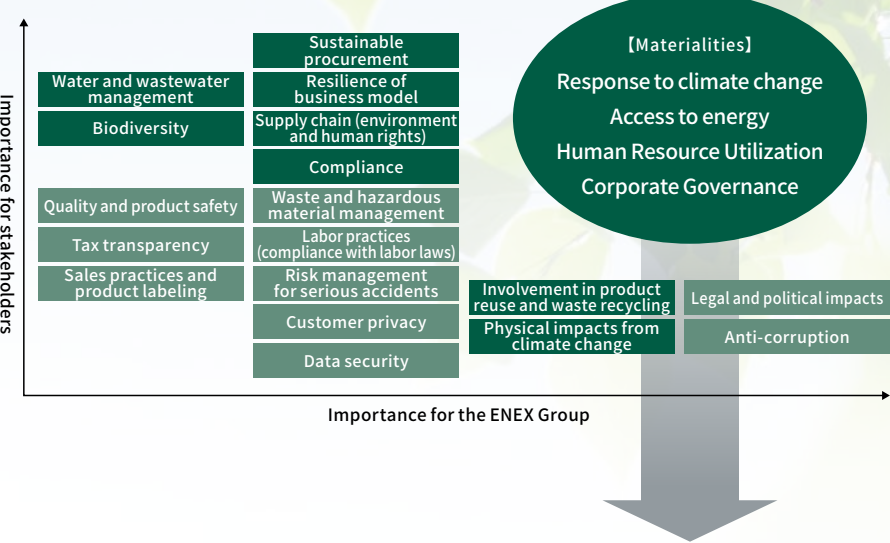
Materialities

Determination Process and Material Issues for the Group

Process for Determining Materialities

- STEP1: Identifying issues**
Identifying issues relevant to us from among evaluation criteria from ESG evaluation bodies (including FTSE, MSCI, SASB, SDGs, and GRI)
- STEP2: Setting priority from external perspective**
Setting the Group's priority of the 31 identified issues from the perspective of stakeholders (society) based on the evaluation weight of ESG evaluation bodies, etc.
- STEP3: Setting priority for us**
Members of the Sustainability Committee and the divisions devoted to sustainability discuss the identified issues and set the order of priority for the Group
- STEP4: Identifying materialities**
A matrix was used to evaluate the two axes of priority, namely priority for stakeholders and priority for the Group, and four issues of particularly high importance were identified as materialities. The appropriateness of the issues is scrutinized by the Management Advisory Conference before approval is given by the Board of Directors

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



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



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

Nikkei Smart Work Management Survey



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.

related to climate change. The committee is chaired by an Executive Director, and important matters are reported to the Board of Directors as appropriate, ensuring that the Board of Directors monitors it as an important management issue.

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 CO ₂ 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/okj2b500000034yo-att/okj2b50000003520.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.

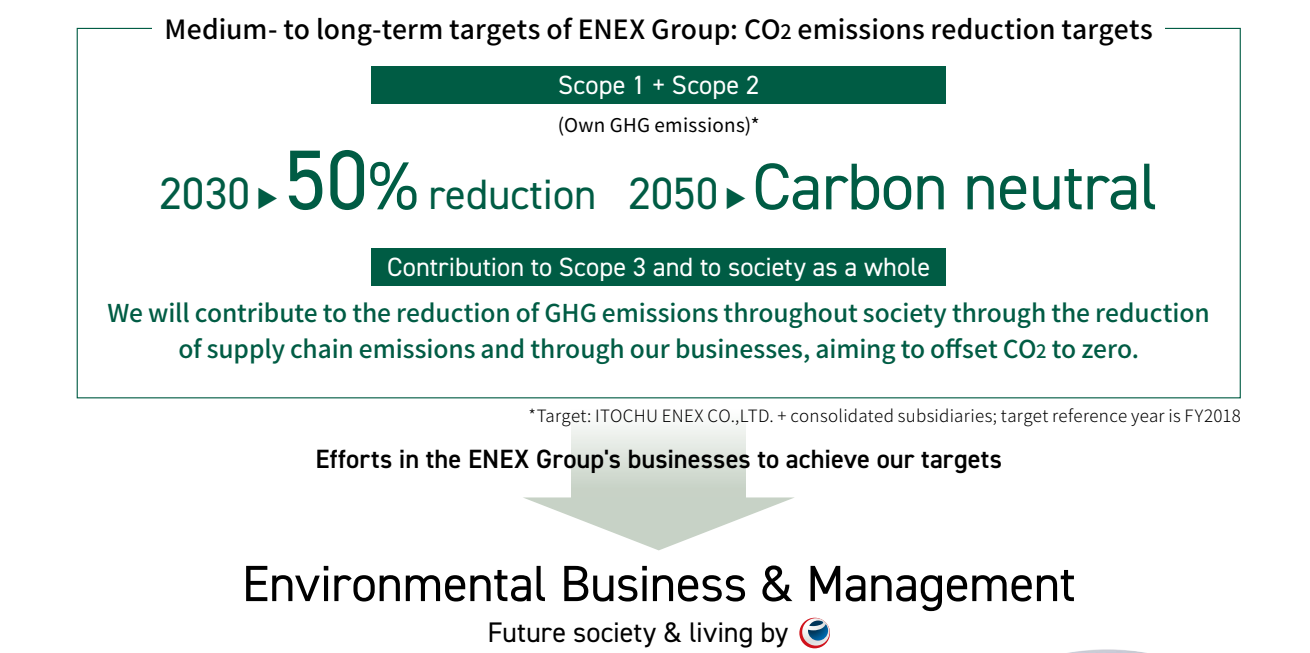
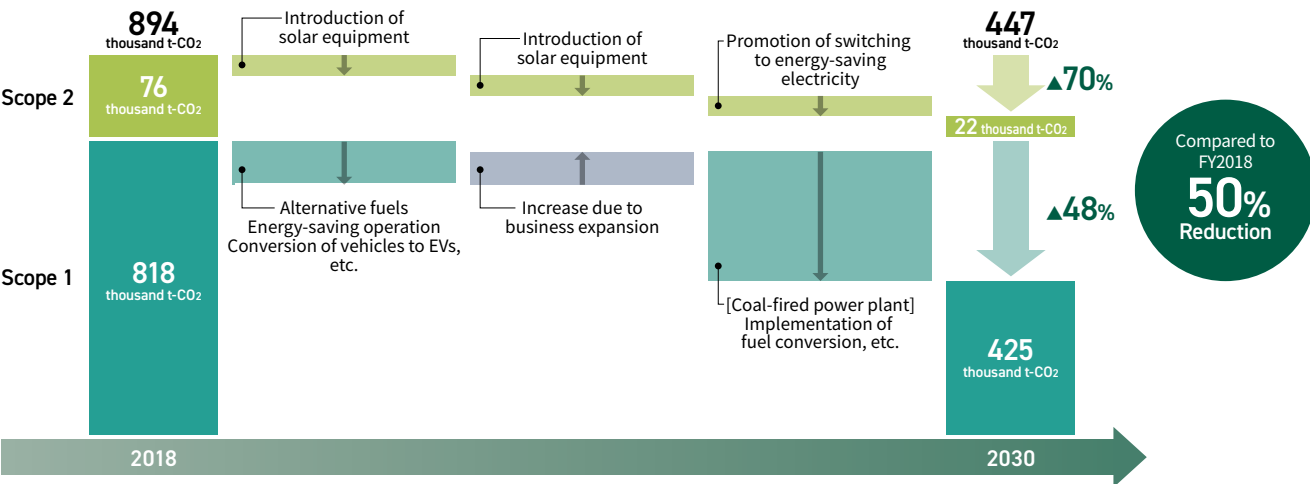


Image of Transition Toward Achieving the 2030 Reduction Target



Changes and progress in GHG emissions

Changes and progress in Scope 1 and 2 emissions by energy type

(Unit: thousand t-CO₂e)

Energy type	FY2018 (Reference year)	FY2019	FY2020	FY2021	FY2022	FY2023
Kerosene	1	1	1	0	1	1
Diesel oil	2	2	2	2	2	2
Gasoline	3	3	4	4	4	4
Heavy oil	30	31	26	24	28	32
Coal	760	716	742	664	432	411
GTL	—	—	0	1	1	—
LP Gas	2	2	2	2	2	6
City gas	20	17	57	29	35	18
Scope 1 total	818	771	833	728	505	474 ✓
Heat	0	—	0	0	0	0
Electricity	78	77	65	67	63	60
Non-fossil certificate	—	—	—	△ 0	△ 0	△ 0
Use of in-house power generation	△ 3	△ 3	△ 2	△ 2	△ 1	△ 1
Scope 2 total	76	75	63	65	62	59 ✓
Scope 1 and 2 total	894	846	896	793	566	533 ✓
FY2030 emissions target						447
Reduction rate for FY2030 target						81%


(Notes) 1. In calculating GHG emissions, our Group refers to ITOCHU ENEX CO.,LTD. and consolidated subsidiaries (for Scope 1 and 2, companies with 10 or fewer employees are excluded).
2. GHG emissions are calculated using the GHG protocol developed by WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development).
3. Energy-derived CO₂ is included in the calculation of GHG emissions.
4. Fractions less than 1,000 t-CO₂e are rounded off.
5. Deloitte Tohmatsu Sustainability Co., Ltd. undertook an assurance engagement of data indicated with ✓.
6. Deloitte Tohmatsu Sustainability Co., Ltd. undertook an assurance engagement of data in FY2018 (reference year).

Changes in Scope 3 emissions by category

Category			FY2018 (Reference year)	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 3	Category 1	CO2 emitted during the mining, importing, and refining stages of fuels sold by the Group	4,252	3,976	3,400	3,282	3,487	3,273
	Category 3	CO2 emitted during the fuel procurement process for our power plants	128	113	95	76	53	27
	Category 4	CO2 emitted when driving our chartered trucks	107	103	99	98	103	100
	Category 6 and 7	CO2 emitted during business trips and commuting by employees	2	2	2	2	2	2
	Category 11	CO2 emitted during the use stage of sold gasoline, etc.	18,834	18,033	17,383	17,195	17,961	17,616
Scope 3 total			23,324	22,227	20,979	20,653	21,607	21,018

(Note) 1. The scope of Scope 3 calculations is limited to categories that have a large impact on our businesses.

Independent Practitioner's Assurance Report



Independent Practitioner's Assurance Report

August 15, 2024

Mr. Tomohiro Yoshida,
Representative Director, President and Chief Executive Officer,
ITOCHU ENEX CO., LTD.

Tomohiro Hase
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the GHG emissions (Scope 1 and 2) indicated with ✓ for the year ended March 31, 2024 (the "GHG Emissions Information") included in the "ENEX REPORT 2024" (the "Paper") of ITOCHU ENEX CO., LTD. (the "Company").

The Company's Responsibility
The Company is responsible for the preparation of the GHG Emissions Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the GHG Emissions Information). CO₂ quantification is subject to inherent uncertainty for sources such as incomplete scientific knowledge used to determine emissions factors and measurement data.

Our Independence and Quality Management
We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is based on fundamental principles of integrity, objectivity, professional competence and the care, confidentiality and professional behavior. We apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the GHG Emissions Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3000, Assurance Engagements on Greenhouse Gas Statements, issued by the IAASB and the Practice Guide for the Assurance of Sustainability Information, issued by the Japanese Association of Assurance Practitioners for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied.
- However, our procedures did not include testing the data on which the estimates are based or replicating the estimates.
- Understanding only aims to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the data.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained is a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the GHG Emissions Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Tohmatsu Limited

Note: The Independent Practitioner's Assurance Report is also posted on our website.

 Independent Practitioner's Assurance Report
<https://www.itocnec.com/en/csr/environment/climatechange/thirdpartyassurance.pdf>



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

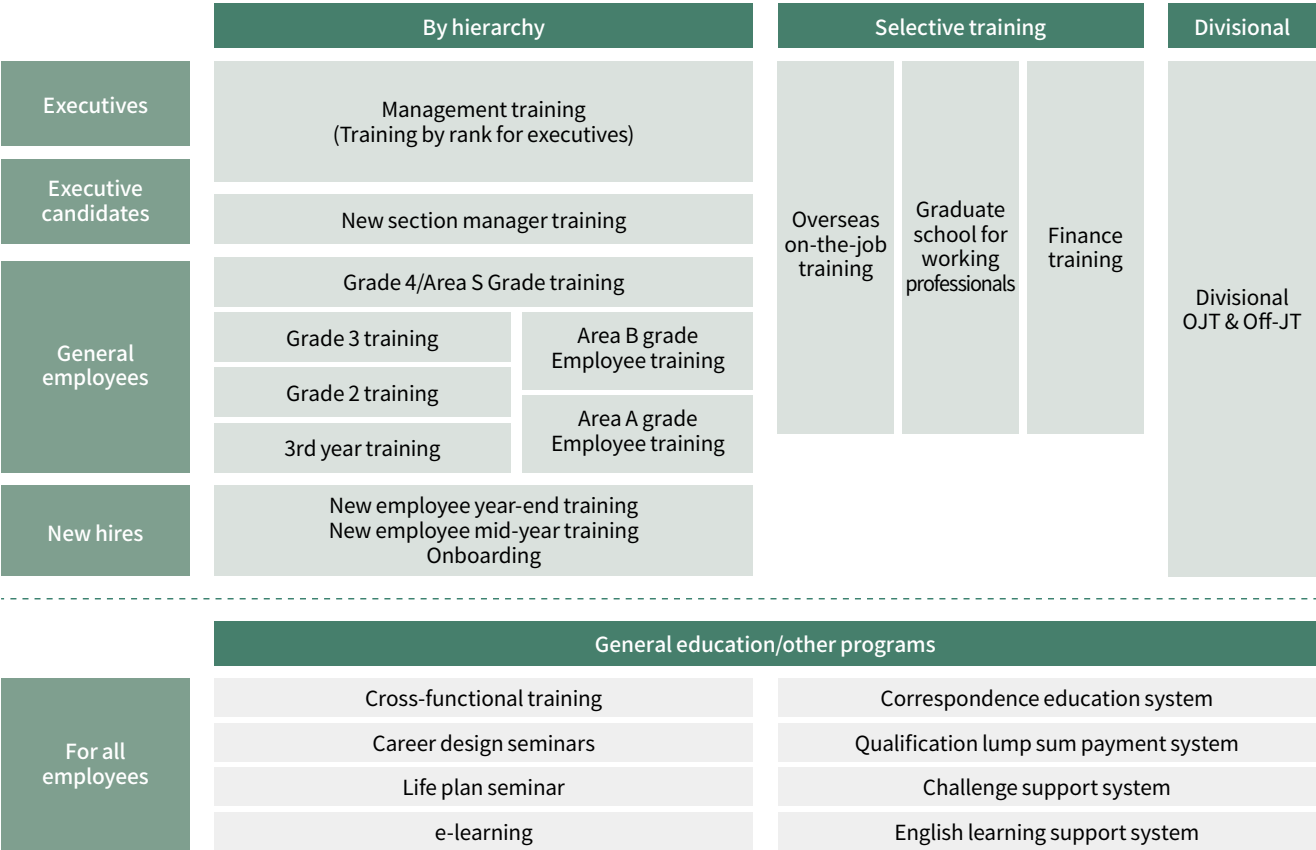
Human Resource Development

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.



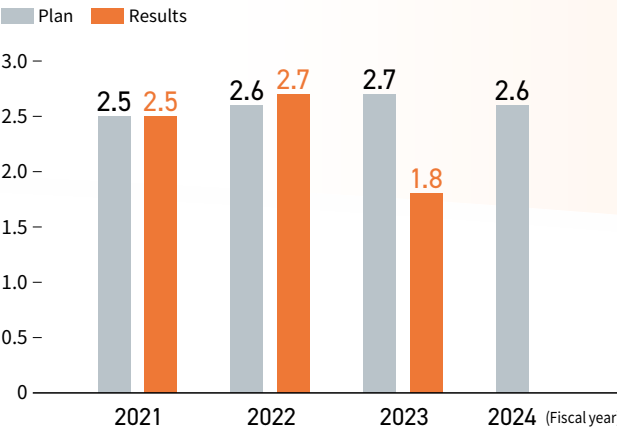
Carbon neutral LP gas sales business
The Group sells carbon neutral LP gas, for which the greenhouse gas emitted during the production, transportation, and use of the LP gas is offset with carbon credits.

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

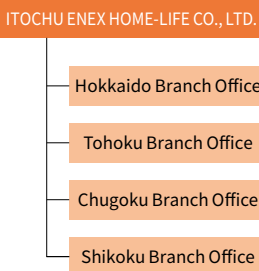
important to the business. Further, with the social environment undergoing drastic changes, we recognize the need to earnestly work on the transition to a decarbonized society in the future. As such, in parallel with expanding our business base, we are working to reduce CO2 emissions during delivery 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.



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



- 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.



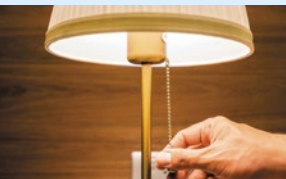
Car dealership business
Group company NISSAN OSAKA SALES CO., LTD. is one of the largest Nissan Motor-affiliated dealers in Japan and is the only Nissan Motor-affiliated dealership in Osaka Prefecture, selling new and second-hand cars and offering service and maintenance.



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.

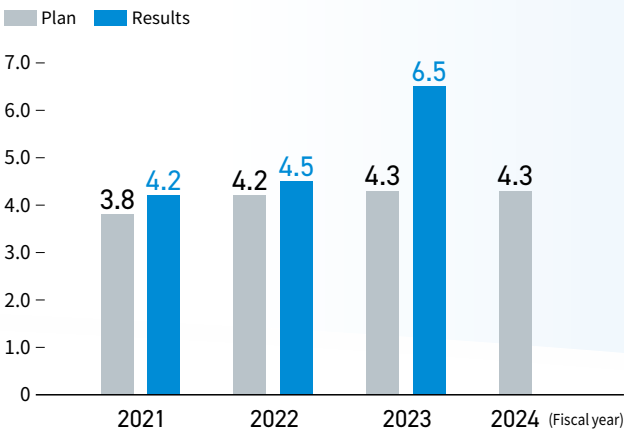


Car After-market Business
Nalnet Communications Inc. operates a business of managing maintenance consigned by automobile leasing companies. IAA Co., Ltd. is advancing its distribution business through its auction business.

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

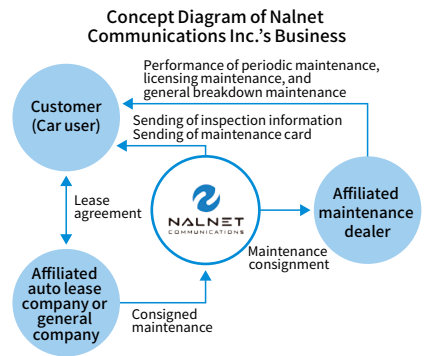
We will continue to expand the petroleum business and mobility business, which are the two pillars of this Division. In the petroleum business, we aim to maintain and expand our customer base while expanding the scale of our car accessory sales business and developing area-specific services that leverage 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



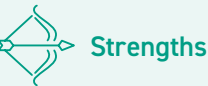
Leveraging our accumulated strengths and knowledge to expand both our core and new businesses.

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.



Strengths

- 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



Issues

- 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.

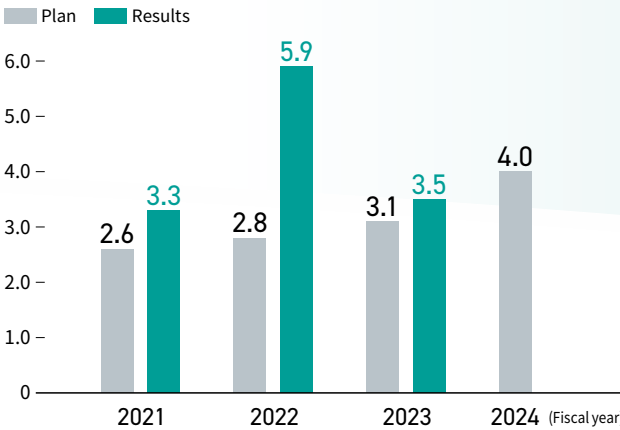
FY2023 initiatives

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



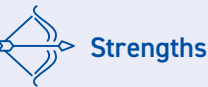
Connecting the ITOCHU ENEX Group's customer base through power while balancing decarbonization and economic efficiency, to become a driving force for growth.

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.

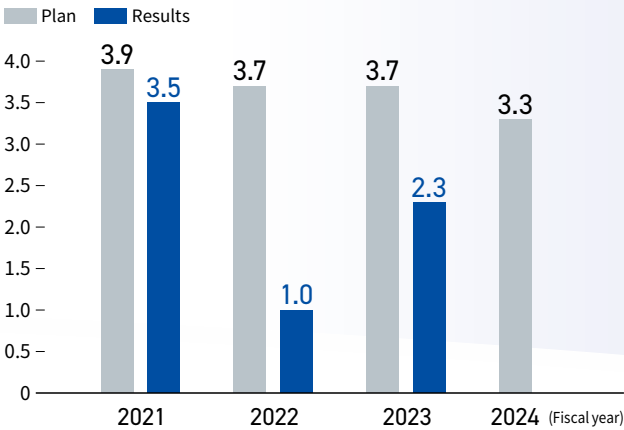
FY2023 initiatives

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

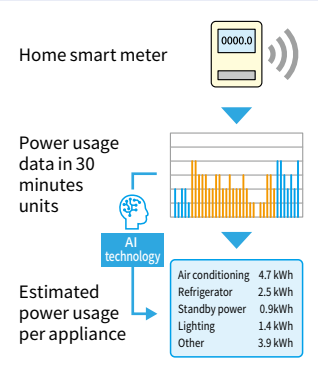
The universal mission of this Division is to provide the world with clean electric power in a stable and reasonably priced manner. In the future, we will promote the efficient use of energy through demand response and the expansion of power sources (facilities) for adjusting supply and demand, promote 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.



Management Team


(As of June 19, 2024)

(Notes) 1. Shares of the Company's common stock owned as of May 16, 2024
2. Independent indicates a Board Member registered with the Tokyo Stock Exchange as an independent officer
3. Board of Directors meeting attendance denotes number of times attended/number of times held during FY2023

Directors

Director and Chairman


Kenji Okada



Kenji Okada has worked mainly in Finance, Insurance, Logistics, and Realty areas at ITOCHU Corporation. After serving as Representative Director of TOCHU Corporation, he was appointed as Chief Executive Officer of ITOCHU ENEX CO., LTD. in June 2012. He was appointed as Representative Director and Chairman of the company in April 2023. He is seeking to grow the Company and improve productivity by both leveraging the existing management structure and advancing new initiatives, including renovation of business structures and internal systems, and expansion into new business areas.
● Shares of the Company owned: 199,958
● Board of Directors meeting attendance: 14/14
● Significant concurrent positions outside the Company: None

Representative Director, President and Chief Executive Officer


Tomofumi Yoshida



Tomofumi Yoshida has worked mainly in areas such as lifestyle materials, construction, logistics, information, finance, and insurance at ITOCHU Corporation. After serving as Representative Director, he was appointed as Representative Director and Executive Vice President of ITOCHU ENEX CO., LTD. in June 2022, and Representative Director, President and Chief Executive Officer in April 2023. He has excellent management skills cultivated through a wealth of business experience and broad insight into global business management.
● Shares of the Company owned: 69,526
● Board of Directors meeting attendance: 14/14
● Significant concurrent positions outside the Company: None

Director and Managing Officer


Tsukasa Motegi



Tsukasa Motegi has worked mainly in our petroleum-related businesses since joining the Group. He previously held the post of Representative Director in Group company Enexfleet Co., Ltd. He currently serves as Chief Operating Officer of the Car-Life Division at ITOCHU ENEX CO., LTD., utilizing his extensive business experience across the Company and Group companies and broad expertise in business management.
● Shares of the Company owned: 20,878
● Board of Directors meeting attendance: 11/11
● Significant concurrent positions outside the Company: Director, OSAKA CAR LIFE GROUP CO., LTD. Director, Nissan Osaka Sales Co., Ltd. Director, Enexfleet Co., Ltd.

Director and Executive Officer


Yasuhiro Imazawa



Yasuhiro Imazawa has worked for ITOCHU Corporation for many years, mainly in Finance, Accounting, Risk Management, and Audit areas. Possessing a wealth of business experience and broad expertise in management, he was appointed as a new Director of ITOCHU ENEX CO., LTD. in June 2022, and holds the post of Chief Operating Officer for Corporate Administration Division I.
● Shares of the Company owned: 16,315
● Board of Directors meeting attendance: 14/14
● Significant concurrent positions outside the Company: None

Director


Ichiro Saeki



Ichiro Saeki has specialized knowledge in his capacity as an attorney and a university professor, and extensive experience with corporate legal affairs. He also acquired broad knowledge of banking and finance during his tenure at The Nippon Credit Bank (currently, Aozora Bank, Ltd.). Based on this broad knowledge, he provides advice for the management of the Company as well as proper oversight of the execution of the Company's businesses from an objective and expert perspective.
● Shares of the Company owned: 26,409
● Board of Directors meeting attendance: 14/14
● Significant concurrent positions outside the Company: Representative Attorney, Shi-Go-Roku Law Office Auditor, The Shinkumi Federation Bank Emeritus Professor, Aoyama Gakuin University

Director


Takuya Morikawa



Takuya Morikawa has long engaged in a wide range of business activities in the stationery and office equipment industry, including business strategy, overseas business, and the launch of new businesses. Through these activities, he has gained business experience and a wealth of knowledge on business management. He was appointed as a Director in June 2022 and provides advice for the management of the Company as well as proper oversight of the execution of the Company's businesses.
● Shares of the Company owned: 1,742
● Board of Directors meeting attendance: 14/14
● Significant concurrent positions outside the Company: Outside Director, Asanuma Corporation Representative Director, President and Chief Executive Officer, NETSQUARE CO., Ltd.

Director

Chie Sato



Chie Sato was appointed as a director of the Company in June 2024 due to having extensive knowledge of corporate management, both as an author of numerous books related to graduate business schools in the U.S. and also as having been active as a management strategy consultant at a major consulting firm.
● Shares of the Company owned: None
● Board of Directors meeting attendance: N/A
● Significant concurrent positions outside the Company: Member of the Professional Graduate Business School Certified Evaluation and Accreditation Committee, The Japan University Accreditation Association Outside Director, BIPROGY Inc. (formerly Nihon Unisys Ltd.)

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member

Ryohei Suda



Ryohei Suda has worked for ITOCHU Corporation for many years, mainly in energy-related businesses, serving in roles that include CEO of the Middle East Bloc, Deputy Chief Operating Officer of the Energy Division, and General Manager of the Research & Business Development Division. He was appointed as a Audit & Supervisory Board Member of the Company in June 2024 due to his global business experience and extensive knowledge related to business management that he has cultivated through his various roles.
● Shares of the Company owned: None
● Board of Directors meeting attendance: N/A
● Significant concurrent positions outside the Company: None

Audit & Supervisory Board Member

Shozo Tokuda



In addition to Shozo Tokuda's expertise as a certified public accountant and his extensive experience in corporate accounting, he has profound knowledge gained at auditing firms. Based on this knowledge, from an objective and expert perspective, he has been appointed as an Audit & Supervisory Board Member and provides advice for the management of the Company as well as proper oversight of the execution of the Company's businesses.
● Shares of the Company owned: None
● Board of Directors meeting attendance: 14/14
● Significant concurrent positions outside the Company: None

Audit & Supervisory Board Member

Masako Iwamoto



As an attorney, Masako Iwamoto has specialized knowledge and extensive experience in corporate legal affairs. She has also acquired deep insight during her tenure as an outside officer at Achilles Corporation. Based on this knowledge, from an objective and expert perspective, she has been appointed as an Audit & Supervisory Board Member and provides advice for the management of the Company as well as proper oversight of the execution of the Company's businesses.
● Shares of the Company owned: None
● Board of Directors meeting attendance: 14/14
● Significant concurrent positions outside the Company: Representative Attorney, Iwamoto Law Office Outside Director, Member of Audit and Supervisory Committee, ACHILLES CORPORATION

Audit & Supervisory Board Member

Sonoko Kajiyama



Sonoko Kajiyama was appointed as an Audit & Supervisory Board Member of the Company in June 2024 due to having an objective and expert perspective based on her expertise as a certified public accountant and her extensive experience as an auditor, as well as profound knowledge gained at major auditing firms and the internal audit departments of global companies.
● Shares of the Company owned: None
● Board of Directors meeting attendance: N/A
● Significant concurrent positions outside the Company: Audit & Supervisory Board Member, McDonald's Holdings Company (Japan), Ltd. Audit & Supervisory Board Member, McDonald's Company (Japan), Ltd.

Skills Matrix of Directors and Audit & Supervisory Board

		Directors				Outside Directors			Audit & Supervisory Board Member	Outside Audit & Supervisory Board Members		
		Director and Chairman Kenji Okada	Representative Director, President and Chief Executive Officer Tomofumi Yoshida	Director and Managing Officer Tsukasa Motegi	Director and Executive Officer Yasuhiro Imazawa	Director Ichiro Saeki	Director Takuya Morikawa	Director Chie Sato	Standing Audit & Supervisory Board Member Ryohei Suda	Audit & Supervisory Board Member Shozo Tokuda	Audit & Supervisory Board Member Masako Iwamoto	Audit & Supervisory Board Member Sonoko Kajiyama
Business management		◎	◎	○	○	○	○	○	○	○	○	○
Corporate	Finance, accounting, risk management				○					○		○
	Legal, internal control, compliance					○				○	○	
Sales	Sales, marketing			○		○	○					
Key areas for realization of the Medium-Term Business Plan	SDGs, sustainability				○				○			
	Human resources, labor relations, human resource development							○			○	
	Business investment			○			○		○			
Other	International mindset							○				○

* The approach to the skills and areas of expertise is as follows. These are the skills and areas of expertise that we particularly expect from each of the Directors and Audit & Supervisory Board Members, but do not represent all of the skills and expertise that they each possess.
* Those with experience as a representative director of the Company: Assigned ◎ for "Business management" only as having been responsible for overall business management
* Directors and Audit & Supervisory Board Members: Assigned ○ for those areas in which they are expected to provide useful advice and supervision to the implementing departments based on their unique knowledge and experience

Message from New Outside Director



I want to contribute to the enhancement of the Group's corporate value by leveraging my experience in management strategy planning at global companies to provide a "different perspective".

Outside Director Chie Sato

As the global energy environment undergoes dramatic changes, the role of the Group as a leading company in the energy industry will become increasingly important. The new Medium-term Business Plan, "ENEX2030," contains the slogan "striving for further growth and transformation through the provision of a range of energy and services for home life and industry." As an outside director, I am particularly committed to "providing a different perspective" to the Group while it is in the midst of such transformation.

I have been involved in the formulation of management strategies at major global companies such as the Boston Consulting Group and the Walt Disney Company, which taught me about the use of "economies of scale" and thorough synergy strategies, and made me keenly aware of the power of thinking from the perspective of overall optimization. I also realized how diversity can have a significant impact on creativity and productivity within a company. I would like to make full use of this experience to frequently provide a perspective that stimulates the ideas of the company's officers and employees at board meetings and other opportunities.

As the number one energy trading company in Japan in terms of revenue, the Group has superior expertise, human networks, and customer base, as well as an enterprising spirit that boldly takes on challenges that other companies would hesitate to take. As an outside director, I will make further efforts to enhance the corporate value of ITOCHU ENEX, which has such high potential.

Career Biography

Apr. 1992	Joined Japan Broadcasting Corporation
Aug. 2001	Joined Boston Consulting Group K.K. (currently, Boston Consulting Group G.K.)
Jun. 2003	Joined The Walt Disney Company (Japan) Ltd.
Jan. 2012	Independent writer and consultant
Apr. 2014	Member of the Professional Graduate Business School Certified Evaluation and Accreditation Committee, The Japan University Accreditation Association (to date)
Apr. 2016	Tokyo Broadcasting System Television (TBS) Program Practice Council Member
Jun. 2017	Outside Director, Nihon Unisys Ltd. (currently, BIPROGY Inc.) (to date)

Follow-up Initiatives for Outside Officers

The Group runs a variety of activities designed to increase outside officers' understanding of the Group, including visiting operating sites and holding briefings for outside directors prior to board meetings, with the aim of boosting the effectiveness of management oversight functions, thereby leading to more energetic discussion by the Board of Directors and a transparent governance system.



Company briefing at Enearc Kanto Co., Ltd., a Group company



Visit to Tokyo Toshi Service Co., Ltd., a Group company

Visiting operating sites

Since FY2017, we have been conducting visits of operating sites across the country for the purpose of facilitating understanding the businesses of the Group and interacting with on-site employees. In FY2024, the first visit was conducted in the Tokyo and Kanagawa area in June. On-site visits are an important opportunity for outside officers to deepen their understanding of the Group's businesses by directly experiencing the business circumstances and opinions of employees.

Briefings for outside officers

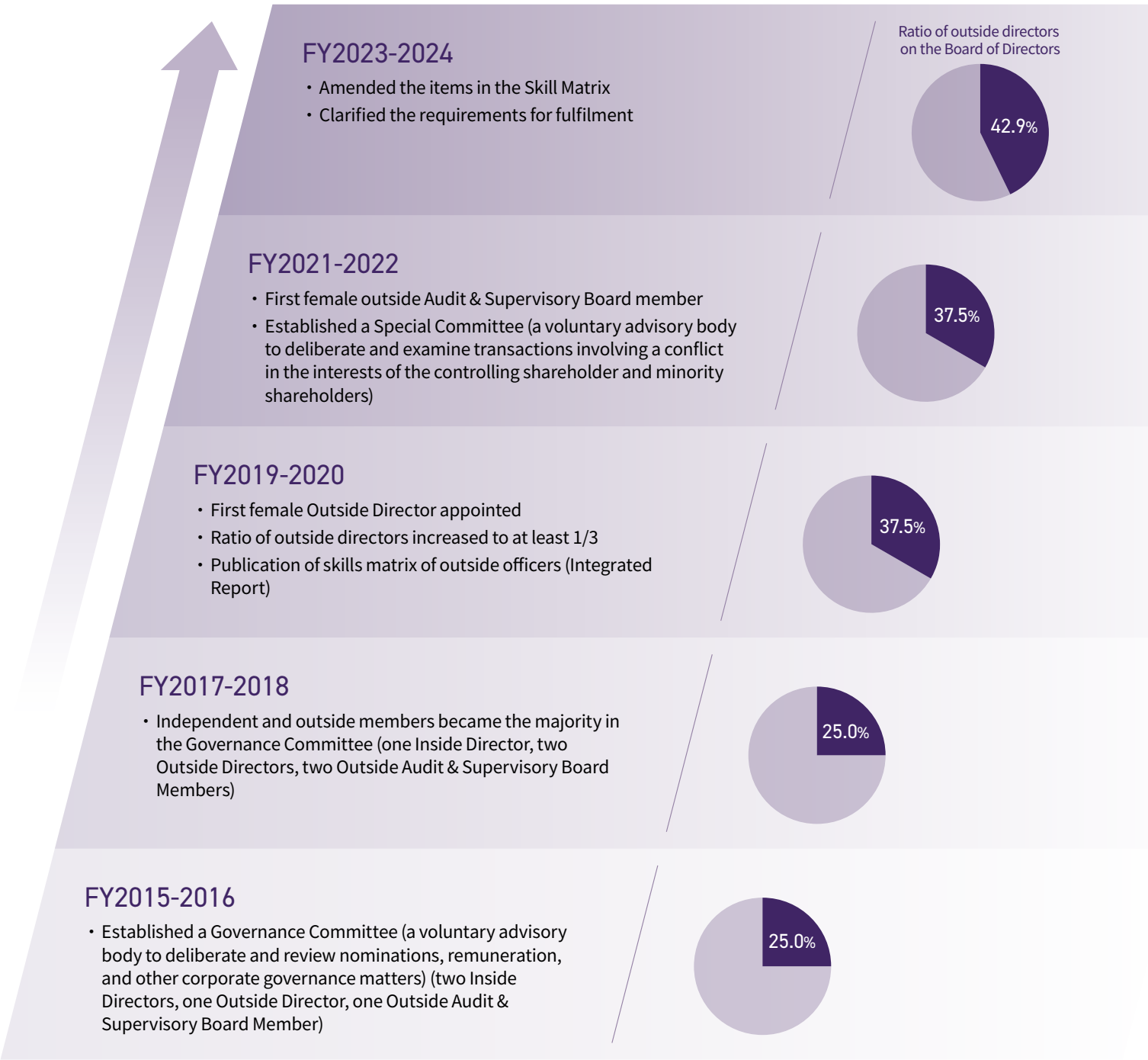
Outside officers are briefed on the agenda of each Board of Directors' meeting three business days in advance so that they will be able to take part in the discussions with a better understanding of the issues. During these sessions, the project owner for each agenda item gives a briefing and various questions are asked. In FY2024, in order to further deepen the understanding of each project, we plan to hold regular opinion exchange sessions with the heads of each division and outside officers.

Corporate Governance

Basic Philosophy

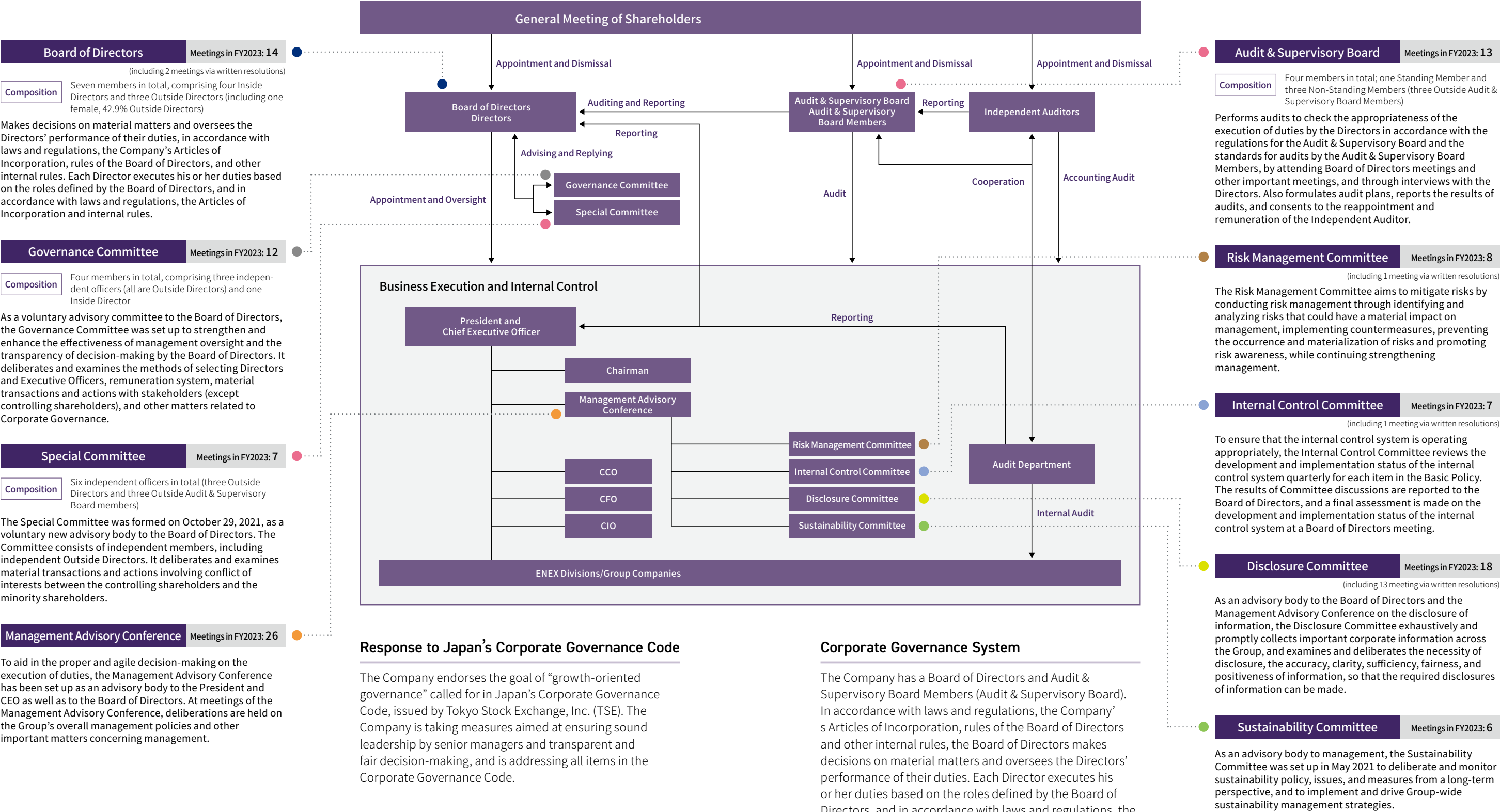
In accordance with the Corporate Philosophy, the Employee Code of Conduct (Be Ethical: Reliability and sincerity, creativity and ingenuity, transparency and integrity) and the Declaration of the Group Code of Conduct, the Company is continuously strengthening corporate governance in response to the changing business environment by always concentrating on persistently pursuing compliance as people in the business world, focusing on Shareholders returns, ensuring managerial transparency and making decisions more quickly.

Previous Initiatives to Strengthen Governance



Corporate Governance System* (As of June 19, 2024)

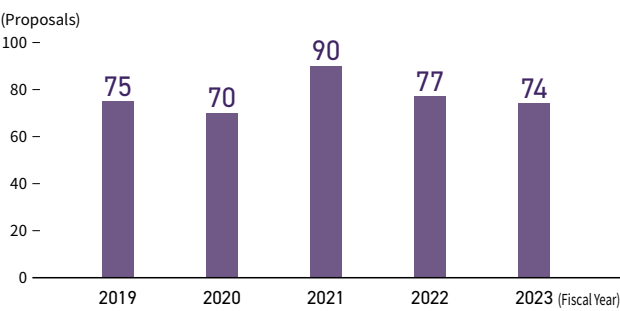
* Business execution, internal control, managerial monitoring and risk management system, etc.



Status of Efforts by the Board of Directors

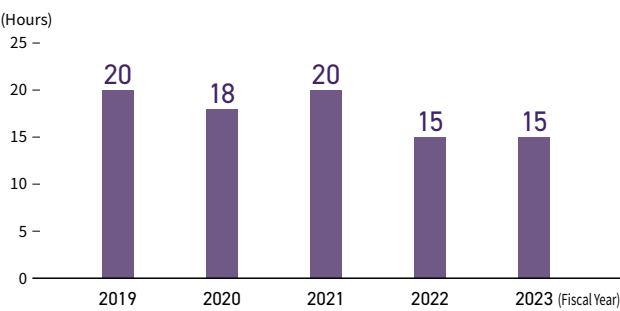
Number of proposals

We have established regulations regarding the submission of proposals to the Board of Directors, Management Advisory Conference, and other meeting bodies. Proposals at meetings of the Board of Directors are submitted according to these regulations. With more and more diverse proposals being submitted to the Board of Directors, in recent years we have been promoting the delegation of authority, and depending on the proposal, we are increasingly leaving it to individual Divisions to decide. Discussions on important proposals have been increasing at Board of Directors meetings.



Deliberation time (annual general meeting time)

We provide opportunities for debate and briefings to outside officers on proposals prior to their submission to the Board of Directors so that they will be able to take part in the discussions with a better understanding of the issues. At the Board of Directors meetings, participants present a wealth of questions and point things out. At the same time, because we shorten explanation times by having discussions in advance, we are also improving work efficiency.



Major issues discussed in the Board of Directors’ meetings in FY2023

- Investment projects of high importance (sales of large-scale solar power generation, etc.)
 - Initiatives to ally with other companies
- Corporate Governance
 - Information disclosure based on the TCFD recommendations

Effectiveness Evaluation

Evaluation of the Effectiveness of the Board of Directors

The Company asked all Directors and Audit & Supervisory Board Members to give their opinions based on their own evaluation of the effectiveness of the Board of Directors as a whole in FY2023, including the composition, operation status, and support structure of the Board. The Board of

Directors then analyzed and evaluated its effectiveness, drawing upon those opinions as well as assessments and analyses by third-party evaluation organizations, and deliberation and examination by the Governance Committee.

Evaluation method	Questionnaire
Subject of Evaluation	Meetings of the Board of Directors held between April 2023 and March 2024 (a total of 14 meetings)
Evaluators	All members of the Board of Directors and Audit & Supervisory Board as of March 2024
Outline of Implementation	Questions and free-form questionnaires (anonymous to ensure transparency) related to “Board of Directors’ operations (7 items),” “Board of Directors’ discussions (5 items),” “Monitoring functions (4 items),” and “Other (7 items)” were implemented.
Evaluation Results	Each item generally suggests a high standard, meaning that the operations of the Board of Directors of the Company as a whole are judged to be appropriate.
Issues	Deepen discussions on medium- to long-term management strategies and policies, improve management systems to encourage discussions, etc.

Policies and Procedures in the Nomination of Director and Audit & Supervisory Board Member Candidates

1. Policies and Procedures in the Nomination of Director and Audit & Supervisory Board Member Candidates

To allow its Board of Directors to perform appropriate oversight of management and make decisions on important business execution, the Company appoints, in principle, the President CEO, Chief Financial Officer (CFO), Chief Compliance Officer (CCO), and Chief Information Officer (CIO), and designates candidates for Directors and Executive Directors from managers with the highest responsibility for their divisions. The Company also designates several candidates for Outside Directors to make the ratio of Outside Directors one third or more with the goal of strengthening the Board of Directors’ oversight of management. The Company appoints those expected to contribute to its management using their extensive knowledge cultivated through experience in their respective fields as Outside Directors. With regard to the policy mentioned above, the President CEO drafts a proposal on the Director candidates, and following deliberation and consideration by the Governance Committee, the Board of Directors makes a decision regarding submission of an appointment proposal to a General Meeting of Shareholders. In the event that a director does not have the required qualifications and ability to perform duties as a director, following deliberation and consideration

by the Governance Committee, the Board of Directors makes a decision regarding submission of a dismissal proposal to a General Meeting of Shareholders.

2. Policy and Procedures for Nomination of Audit & Supervisory Board Member Candidates

In order to ensure that the Company’s management is appropriately audited, the Company nominates Audit & Supervisory Board Member candidates who have both extensive experience as well as knowledge of the Company’s management and a high degree of expertise in various fields, including accounting, finance, legal, and risk management. Regarding Outside Audit & Supervisory Board Members, persons who are highly specialized and have extensive experience in their respective fields, and who can be expected to appropriately audit the Company’s management from an objective standpoint are nominated. With regard to the policy mentioned above, the President CEO drafts a proposal on the Audit & Supervisory Board Member candidates after discussing with the Standing Audit & Supervisory Board Members, and the Board of Directors makes a decision regarding submission of an appointment proposal to a General Meeting of Shareholders upon the approval of the Audit & Supervisory Board.

Reasons for Appointment of Outside Officers

	Name	FY2023 Board of Directors Meeting Attendance	Reasons for Appointment	
Outside Directors	Ichiro Saeki	14/ 14	Ichiro Saeki has specialized knowledge in his capacity as an attorney and a university professor, and extensive experience with corporate legal affairs. He also acquired broad knowledge of banking and finance during his tenure at The Nippon Credit Bank (currently, Aozora Bank, Ltd.). Based on this broad knowledge, he was appointed because it was deemed he could provide advice for the management of the Company as well as proper oversight of the execution of the Company's businesses from an objective and expert perspective. The Company believes that he meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company.	
	Takuya Morikawa	14/ 14	Takuya Morikawa has long engaged in a wide range of business activities in the stationery and office equipment industry, including business strategy, overseas business, and the launch of new businesses. Through these activities, he has gained business experience and a wealth of knowledge on business management. Based on this, it was determined that he would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that he meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company.	
	Chie Sato	—	Chie Sato has extensive knowledge of corporate management, both as an author of numerous books related to graduate business schools in the U.S. and also as having been active as a management strategy consultant at a major consulting firm. Based on this, it was determined that she would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that she meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company.	
	Name	Attendance in FY2023		Reasons for Appointment
		Board of Directoras	Audit & Supervisory Board	
Outside Audit & Supervisory Board Members	Shozo Tokuda	14/ 14	13 / 13	In addition to Shozo Tokuda's expertise as a certified public accountant and his extensive experience in corporate accounting, he has profound knowledge gained at auditing firms. Based on this knowledge, from an objective and expert perspective, it was determined that he would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that he meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company.
	Masako Iwamoto	14/ 14	13 / 13	As an attorney, Masako Iwamoto has specialized knowledge and extensive experience in corporate legal affairs. She has also acquired deep insight during her tenure as an outside officer at Achilles Corporation. Based on this knowledge, from an objective and expert perspective, it was determined that she would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that she meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company.
	Sonoko Kajiyama	—	—	Sonoko Kajiyama has an objective and expert perspective based on her expertise as a certified public accountant and her extensive experience as an auditor, as well as profound knowledge gained at major auditing firms and the internal audit departments of global companies. Based on this, it was determined that she would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that she meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company.

Policies and Procedures on Determination of Remuneration for Directors

Basic Policy

Remuneration for Directors of the Company is designed to attract talented human resources with the ability to implement the Company’s Corporate Philosophy and to motivate them to contribute to the sustained improvement of its corporate value. It is the Company’s basic policy to determine remuneration paid to each Director at an appropriate level based on his/her position and duties.

Remuneration System for Directors

Remuneration for Executive Directors comprises fixed basic remuneration (monthly remuneration) and performance-linked remuneration that fluctuates according to performance. Remuneration for Non-Executive Directors comprises only fixed basic remuneration (monthly remuneration) from the perspective of their roles and independence.

Composition of Remuneration for Executive Directors (FY2023-)

Types of Remuneration	Monetary/Non-monetary	Percentage	
		Chairman/President & CEO	Other directors
Base Remuneration (Fixed Remuneration)	Monetary	57%	63%
Bonuses (Performance-linked Remuneration)	Monetary	29%	32%
Stock Remuneration (Performance-linked Remuneration)	Non-monetary	14%	5%
Total		100%	100%

(Note) The above ratio represents remuneration when 100% of all targets for performance-linked remuneration are reached.

Composition of Director Remuneration (for Executive Directors)

Types of Remuneration	Details of Remuneration
Base Remuneration	The Company determines the fixed monthly amount according to the position and responsibilities of each Director, taking into account the standards of other companies based on the research of specialized external institutions.
Bonuses	<ul style="list-style-type: none">• The Company pays performance-linked bonuses to Executive Directors at certain times of each year as a short-term performance pay based on a performance indicator and the level of goal achievement in the year.• The performance indicator that is the basis for bonuses is the level of achievement of the target profit attributable to the Company's Shareholders (consolidated) each year.• The Company determines the amounts of bonuses by multiplying the base remuneration by a certain coefficient according to the levels of achievement of company-wide performance, division performance, section performance, and a qualitative assessment.* <p>(Note) The comprehensive qualitative assessment is performed by the Representative Director and President & CEO, taking into account the level of the goal achievement of each Executive Director (progress in addressing issues in the areas of their responsibility, development of management executives, thoroughness of legal compliance, etc.).</p>
Stock Remuneration	<ul style="list-style-type: none">• As medium- to long-term performance-linked remuneration, Executive Directors are provided with points according to net profit under the Medium-Term Business Plan, the titles of the Directors, and the number of months in their term of office. At the time of their retirement, they acquire a number of the Company's common shares commensurate with the total number of points granted.• The number of shares provided is the product of multiplying the number of points given by 1.0.• Stock remuneration is adopted to motivate Directors to contribute to the improvement of the Company's medium- to long-term performance and the increase of its corporate value.

(Note) Of the above remuneration, for the bonuses and stock remuneration, which are linked to the Company's business performance, net profit has been adopted as the indicator for evaluating the overall business performance of the Company. It was adopted to ensure the simplicity of the indicator, consistency with the numerical targets related to the Company's business management (or with the quantitative targets set in the medium-term business plan, which apply to the performance-linked stock remuneration), and in light of the trends of other companies. Net profit in FY2023 was 13,887 million yen.

Policy, Etc. for Determining the Remuneration of Individuals

To flexibly determine the amount of remuneration for individuals, Tomofumi Yoshida, the Representative Director, President and Chief Executive Officer of the Company, is delegated to determine specifics based on standards established in advance. Changes made to the above composition of remuneration, basic remuneration, and bonuses require approval by the Board of Directors after consultation with the Governance Committee. Changes in the stock remuneration require approval at a Board of Directors’ meeting or a General Meeting of Shareholders, after consultation with the Governance Committee. The

Company has established a system in which the Governance Committee receives one or more reports a year on the overall distribution of remuneration for individual Directors, ensures that such activities are conducted appropriately in line with this policy, and guarantees their objectivity, fairness, and transparency. The Board of Directors receives the results of deliberations and examinations, and reports on the appropriate remuneration of individual Directors in line with this policy from the Governance Committee, and the Company believes that the activities of the Board of Directors are also in line with this policy.

Cross shareholdings

Policy on cross-shareholdings

The Company has a policy of holding shares of any customer or business partner solely on the condition that holding such shares is deemed to have commercial potential in the future and is strategic. The policy is limited to holdings in which the chances of achieving an investment return are high and the holdings contribute to increasing the Company’s corporate value. With regard to such shares we already hold, the Board of Directors examines the reasonability of the holding of individual shares every year and the continuation or reduction of cross-shareholdings will be properly determined from the perspective of the chances of achieving the expected investment purpose or whether or not they are creating economic added-value that may lead to enhancing the Company’s corporate value.

Examination results as of the Board of Directors held on May 16, 2024 are as follows: For each of the cross shareholdings held by the Company (total of five issues), we conducted a detailed examination to determine

whether the purpose of holding the shares is appropriate and whether the benefits and risks associated with holding the shares are commensurate with the Company's cost of capital. As a result, it was confirmed that the cross shareholdings currently held by the Company are appropriate. (Standard for exercising voting rights as to cross-shareholdings) In exercising voting rights concerning the cross shareholdings, in principle the Company does not abstain from voting or provide a blank proxy. Moreover, the Company makes a decision for and against each proposal tabled after examining individual proposals, not using uniform standards such as short-term operating results/ share prices, but taking the perspective of whether or not it will help increase the medium or long-term corporate value of the Company and the companies in which shares are held, in view of non-financial information such as the business policies, strategies and suchlike of the company in which shares are held.

Relationship with our parent company

Other special circumstances which may have material impact on Corporate Governance (relationship with parent company)

Our parent company, ITOCHU Corporation, holds 53.97% of our voting rights, making us a consolidated subsidiary. Our Company is the core company of the domestic sales of petroleum products in the ITOCHU Group and the import/export business originating from Japan. As a critical business partner, we promote the exchange of information on the trade in petroleum products, market conditions for domestic and foreign crude oil and petroleum products, as well as business initiatives related to personnel exchanges, electric power and environmental businesses, overseas projects, etc. The Company's dependence on the parent company for business transactions is fairly low, and most

transactions are with general companies and consumers. We recognize that there are no business restrictions imposed by our parent company, and we believe that we are in a situation where we can make independent management decisions while ensuring independence and autonomy. Although there are some seconded employees between the Company and ITOCHU Corporation and its corporate Group, three outside directors have been designated as independent officers, and more diverse opinions can be reflected in deliberations at the Board of Directors meetings. As a result, independence is ensured and independent management decisions are not hindered.

Risk Management and Internal Control

Risk Management

In order to respond to the various risks surrounding the Group, the Group manages risks comprehensively and individually by developing management systems and methods. In April 2024, the Legal & Risk Management Department was established as a department to initially oversee and manage the Group's risks. Further, the Risk Management Committee has been established as a management advisory body, and as shown

in the "Risk Management Process" diagram below, it conducts risk management including the identification and analysis of risks that could have a material impact on the Group's operation (significant risks), as well as countermeasures, prevention of the occurrence and materialization of risks, and awareness-raising, while continually bolstering risk management and mitigating risks.

Risk Management Process

- 5
- The Risk Management Committee reviews and decides on improvement measures, additional measures, etc.
 - Support is provided for the implementation of risk countermeasures by each business division.
- 4
- Periodically monitor the status of countermeasures against the various types of risks and verify the effectiveness of the countermeasures.
 - The results of the monitoring and verification are reported to the Risk Management Committee.

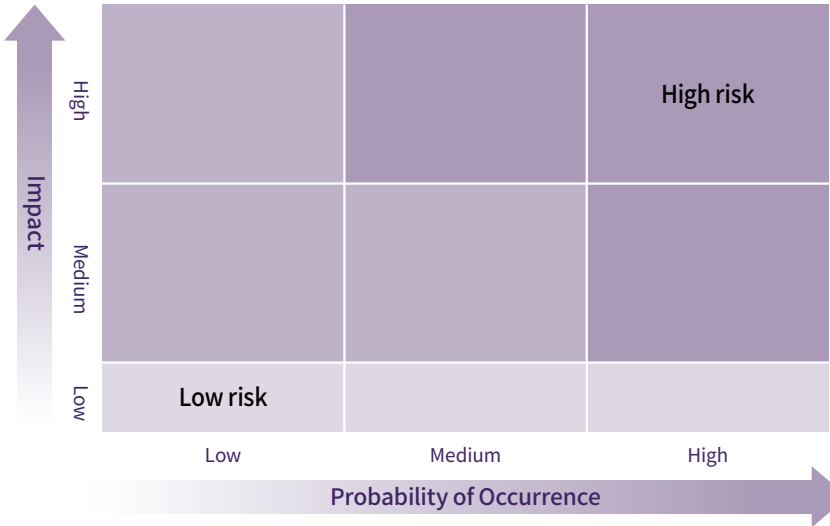


- 1
- Conduct periodic risk surveys to identify, analyze and evaluate risks.
- 2
- Prepare a plan for potential significant risks and their countermeasures and draft a risk map.
 - The Risk Management Committee deliberates on the draft and selects the significant risks.

- 3
- Each business division implements the risk countermeasures.

Risk Map

In selecting the significant risks, the various risks are evaluated based on the two axes of impact and probability of occurrence.



- The following are the nine significant risks to the Group, as selected by the Risk Management Committee (as of June 19, 2024)
- (1) Risk due to a contracting business base
 - (2) Risk due to fluctuations in commodity and raw material procurement prices
 - (3) Risk from environmental regulations
 - (4) Risk related to information security and information systems
 - (5) Risk from natural disasters
 - (6) Risk from impairment of fixed assets
 - (7) Risk in investments
 - (8) Risk related to securing human resources
 - (9) Risk related to compliance

Systems for Handling Emergencies

The Company has established reporting routes that enable it to quickly obtain accurate information and respond appropriately when an accident occurs or a risk arises in the Group. The Company has also developed an emergency contact network that systematically connects Group companies, business divisions, and officers (including the President & CEO), so that when an earthquake, typhoon, heavy rain, or other natural disaster occurs, it will be able to quickly confirm the safety of Group personnel, ascertain

the level of damage to the Group's facilities and clients, and secure essential services. In FY2024, the Company will issue a drill alarm on the first business day of each month to foster employees' awareness of disaster prevention and prepare for contingencies.

Risk Management
<https://www.itcenex.com/en/csr/governance/riskmanagement/index.html>



Fire and Disaster Prevention/Business Continuity Plan (BCP)

The Company has formulated a business continuity plan (BCP) as a precaution against possible major natural disasters. The "BCP and Disaster Response Headquarters", which is the core organization of this plan, consists of the President and Chief Executive Officer (Director of the Disaster Response Headquarters), heads of departments, and general managers. In the event of a large-scale disaster, the Headquarters leads Group-wide activities to respond to the situation based on a plan that lays out the people in the chain of command and how to respond to specific

circumstances. In addition, the Company has in place a backup system to transfer the head office functions to Fukuoka and Hiroshima. Since FY2022, first aid training has been conducted at the head office and in each area, and as of March 31, 2024, a total of 350 Group employees have obtained lifesaving skills certificates. Further, we are working to improve the effectiveness of our BCP, including training linked to our alternative centers of operation and training for personnel in charge of continuing and promoting BCM (Business Continuity Management) operations.



An emergency rescue drill.



Internal Control

We have constructed, operate, and continuously improve on an internal control system to ensure that its operations are conducted properly and in compliance with laws,

regulations, and the Articles of Incorporation. Our Group's internal control system is outlined in the Basic Policy on Internal Control System, which was revised on May 18, 2023.

Basic Policy on Internal Control System
<https://www.itcenex.com/en/corporate/governance/control/index.html>



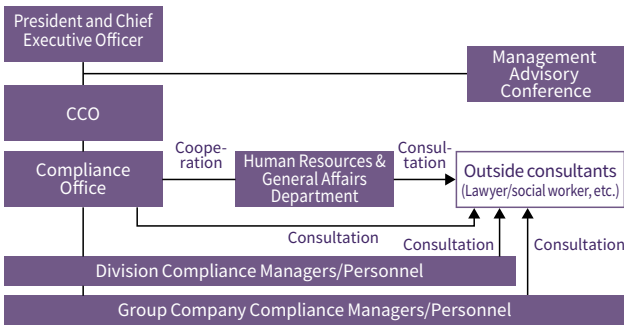
Compliance

Basic Policy on Compliance

To enhance corporate value, efforts to build a trust-based relationship with society are necessary. The prerequisite for building trust-based relationships is compliance. We believe compliance practices are an important issue for the enhancement of our corporate value. To embody this, each employee will increase their compliance awareness and work to build a compliance promotion system so that we can stay focused on our work in compliance with Code of Conduct and Declaration of the Group Code of Conduct.

Promotion structure

The Company has taken steps to improve its compliance system, including appointing a CCO, establishing a department that oversees matters concerning compliance, and developing a compliance program. We have also appointed compliance managers/personnel in each division and Group company, implemented compliance education and training, compiled a legal and regulatory compliance manual, clarified responses to compliance incidents, and developed a whistleblowing system. In addition, from each Director, Executive Officer, and employee we have obtained a Declaration of the Group Code of Conduct related to employee compliance with the Code of Conduct.



*1 Compliance manager: Compliance managers of the Company, one person from each division, are appointed by the CCO. Additionally, at Group companies for which ITOCHU ENEX CO., LTD. has over 50% ownership, in principle, the president of the Group company serves as the compliance manager, also supervising subsidiaries for which that Group company has over 50% ownership.
*2 Compliance personnel: Compliance personnel are appointed by the compliance managers, and are responsible for promoting awareness regarding compliance, serving as the point of contact in the event of trouble, accidents, misconduct or complaints, and ensuring environmental preservation and soil contamination prevention.

Education in Compliance

With the objective of maintaining and ensuring the universal recognition of our compliance system, the Company holds education and training in compliance for Group officers and employees on an annual basis. In particular, the Company conducts nationwide compliance rank-based training programs as appropriate. Furthermore, through education and training for compliance managers and personnel in each department and Group company, the Company is enhancing their practical ability to respond to specific compliance incidents, thereby continuing to strengthen the Group's compliance system.

Promoting Awareness of Compliance

To promote employee awareness of compliance, the Company periodically prepares documents to be distributed within the Group and shared on the intranet.

Compliance Program	This resource provides a straightforward introduction to compliance promotion activities, including objectives, systems, incident/accident response, and whistleblowing and consulting contact points.
Compliance Case Studies	These case studies provide easy-to-understand examples and response approaches for various major and minor compliance violations, including misconduct, harassment, labor issues, complaints, legal and regulatory violations, and information leakage.
Harassment Guidelines	These guidelines set out prohibited workplace behaviors with the aim of ensuring that employees and officers of the Group correctly understand the issue of harassment, and of creating a harassment-free workplace.

ENEX Group Awareness Survey


Incidents relating to accounting misconduct, embezzlement, harassment, and labor issues at various companies, organizations, and bodies are on the rise. The Group conducts a compliance awareness survey of its officers and employees to ascertain the state of compliance awareness and the penetration of the Corporate Philosophy in order to help prevent misconduct and compliance incidents. The results are used as a guide for improving compliance training and creating new initiatives.


Whistleblowing Contact Points

The Group has established inside and outside whistleblowing contact points to facilitate prompt reporting of violations of laws and internal rules, other forms of misconduct, and concerns about the potential for misconduct. As part of compliance training, the Group ensures that all employees are aware of the system of whistleblowing contact points and the protection given to whistleblowers. It has also a system in place for responding appropriately to whistleblowing reports and maintaining the transparency of those responses.

The Group ensures the effectiveness of the whistleblowing system through regulations that clearly define the responsibilities of the various parties that handle cases. These regulations prohibit unfavorable treatment, including termination of employment, as a consequence of whistleblowing, and mandate confidentiality.

IR Activities

 IR Basic Policy
<https://www.itcenex.com/en/ir/policy/basicpolicy/index.html>



When disclosing information to and engaging in dialogue with stakeholders, our Group strictly complies with relevant laws, regulations, and rules. It also emphasizes two-way communication through dialogue, while striving to explain its the status of its businesses, management policies, and other information in a timely, fair, accurate, and clear manner and on an ongoing basis. In addition Feedback from stakeholders, including requests and opinions, is provided to management.

General Meeting of Shareholders


We hold a general meeting of shareholders every June. A video of the day's events is available exclusively to shareholders. We also publish shareholder newsletters as IR tools.





	FY2021 Results	FY2022 Results	FY2023 Results
Dates	June 21, 2022	June 14, 2023	June 19, 2024
Attendance	22	34	24


Main IR activities

Posting of financial results presentation materials and videos
In order to ensure the transparency of our business performance and strategies for our investors and shareholders, we post the financial results presentation materials and videos on our website, and we post a Factbook which summarizes industry-related data and our business performance trends in order to deepen the understanding of our company and industry.


 Financial results presentation materials, etc.
https://www.itcenex.com/en/ir/doc/financial_statements/2025/index.html



 Factbook
<https://www.itcenex.com/en/ir/doc/factbook/index.html>



Presentations for individual investors
Starting in FY2021, we have been holding online presentations for individual investor. Most recently, in July 2024, we released a new video that includes an explanation of the progress of medium-term business plan and the launch of WECARS Co., Ltd. (Speaker: CFO)



	FY2021 Results	FY2022 Results	FY2023 Results
Meetings with investors, etc.*	38	37	43
Financial results presentations for institutional investors, etc.	Twice yearly (87 in total)	Twice yearly (86 in total)	Twice yearly (87 in total)
Presentations for individual investors (number of views)	Held once (1,559)	Held once (1,592)	Held twice (approx. 2,900)

* Investor interview participants: CFO, General Manager of the Finance & General Accounting Department, Finance and Investor Relations Section

JCR (Japan Credit Rating Agency, Ltd.) Rating

In 2022 our JCR long-term issuer rating was upgraded from "A+ (stable)" to "AA- (stable)", and our domestic CP rating was upgraded from "J-1" to "J-1+", and these ratings were maintained in 2024.

As of August 29, 2024

Issue	Rating	Outlook
Long-term issuer rating	AA-	Stable

Issue	Maximum	Rating
Commercial paper	¥30 billion	J-1+

JPX-Nikkei Index 400

This stock price index is jointly calculated by the JPX Research Institute (Japan Exchange Group) and Nikkei Inc. and is composed of "companies that are attractive to investors", and is an index in which companies are selected that utilize capital efficiently and perform management with an awareness of investors. The Company has been selected as a constituent stock of the JPX Nikkei Index 400 for the second consecutive year. (as of August 30, 2024)



Nikko Investor Relations' All Japanese Listed Companies' Website Ranking

The All Japanese Listed Companies' Website Ranking, provided by Nikko Investor Relations Co., Ltd., ranks the websites of all 3,970 listed Japanese companies. This assessment of IR sites is based on 164 objective evaluation items that measure how well each website informs stakeholders in terms of understandability, user convenience, and amount of information. Our website has received the highest rating, AAA, for five consecutive years since 2019.



Gomez IR Site Ranking 2023

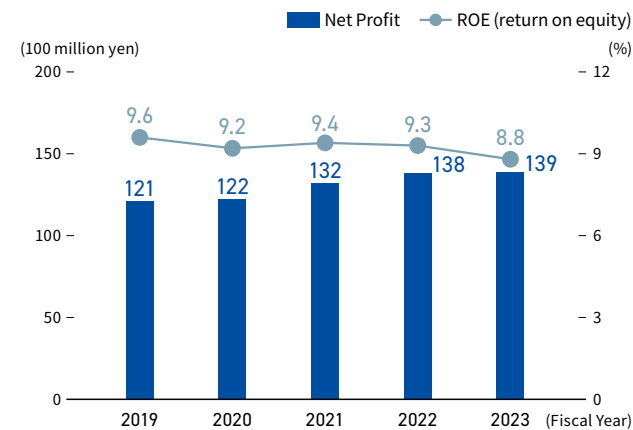
BroadBand Security, Inc. provides GOMEZ IR Site Ranking for the corporate websites of 3,832 listed Japanese companies, based on 231 evaluation items under the categories of usability and proactiveness and foresight in disclosure, among others. We received a Bronze Award in FY2023.



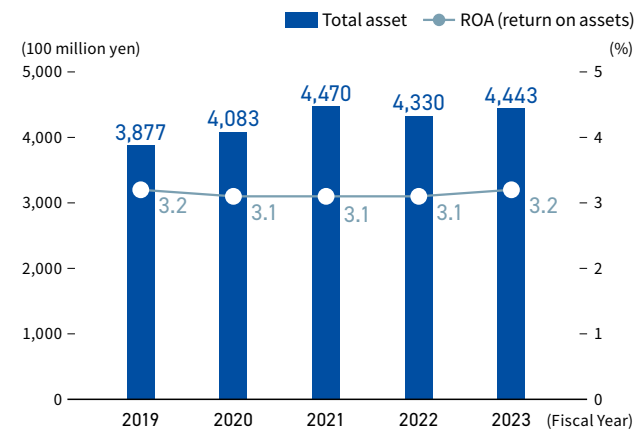
Financial & Non-financial Highlights

Financial

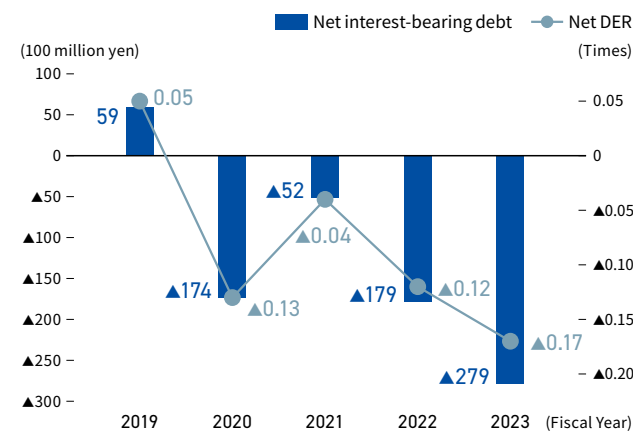
Net profit / ROE (return on equity)



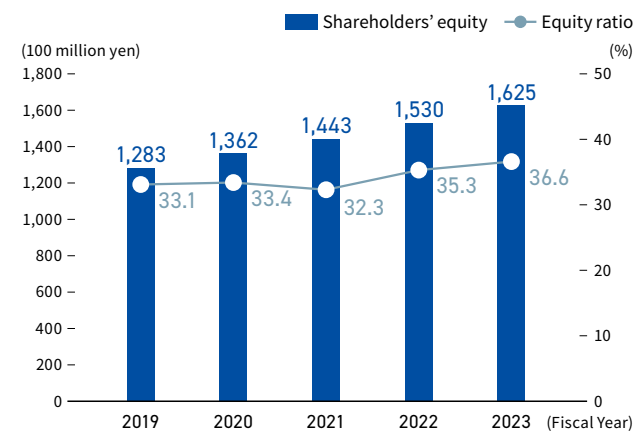
Total assets / ROA (return on assets)



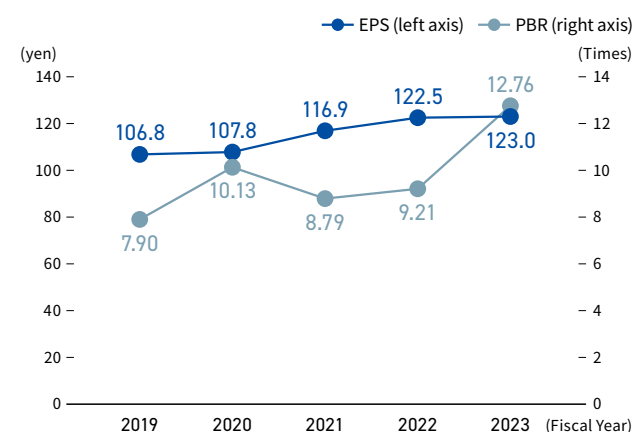
Net interest-bearing debt / Net DER



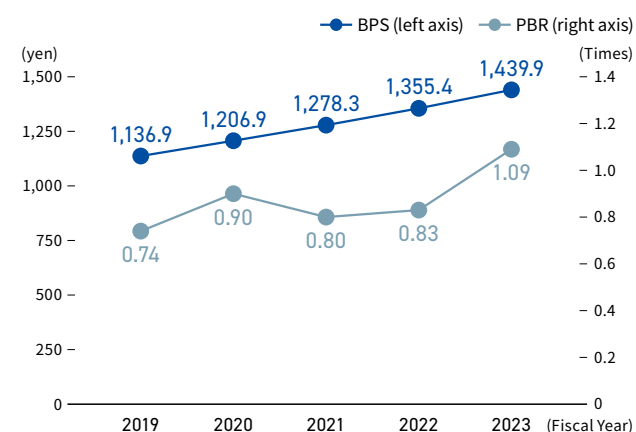
Shareholders' equity / Equity ratio



EPS/PER*



BPS/PBR*



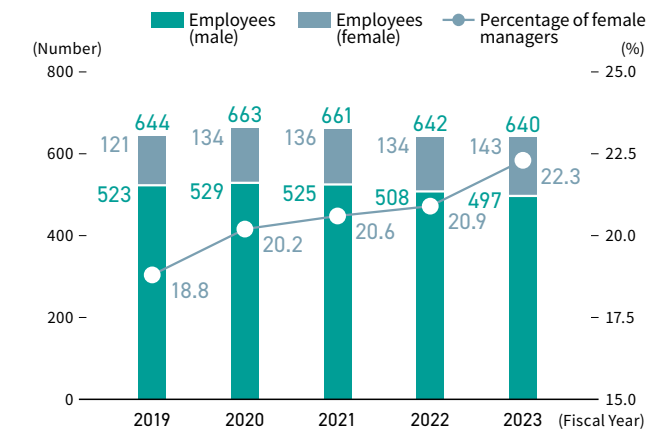
* EPS (earnings per share) = Net profit / Number of shares outstanding
 * PER (price-earnings ratio) = Share price (closing price at the end of the period) / EPS (earnings per share)

* BPS (book value per share) = Shareholders' equity / Number of shares outstanding
 * PBR (price-book value ratio) = Share price (closing price at the end of the period) / BPS (book value per share)

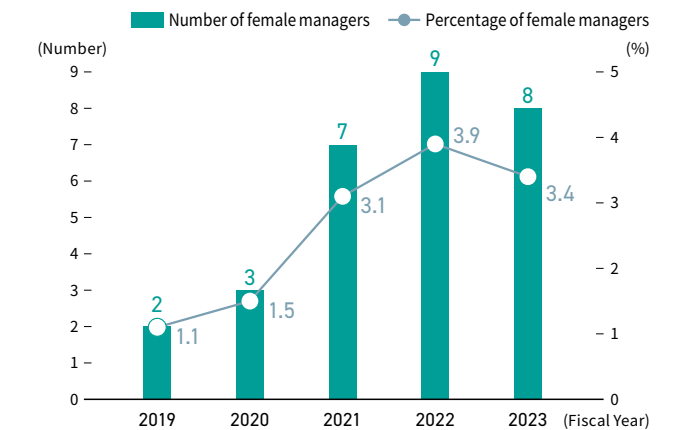
Non-financial

* The values in non-financial data are non-consolidated basis

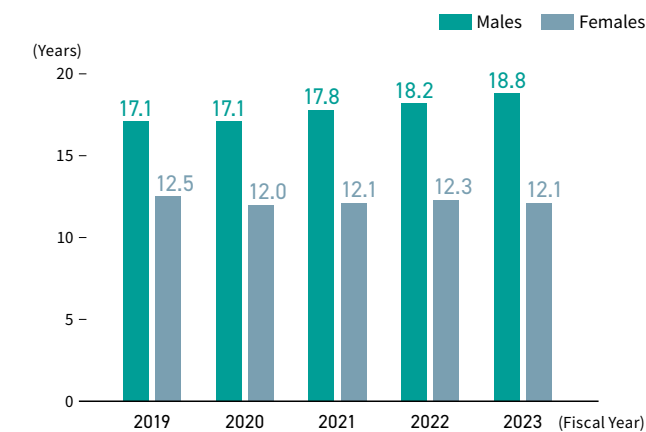
Number of employees (by gender) / Percentage of female employees



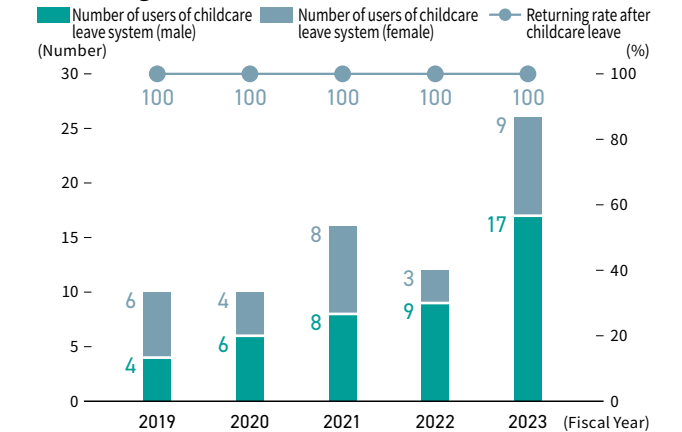
Number of female managers / Percentage of female managers



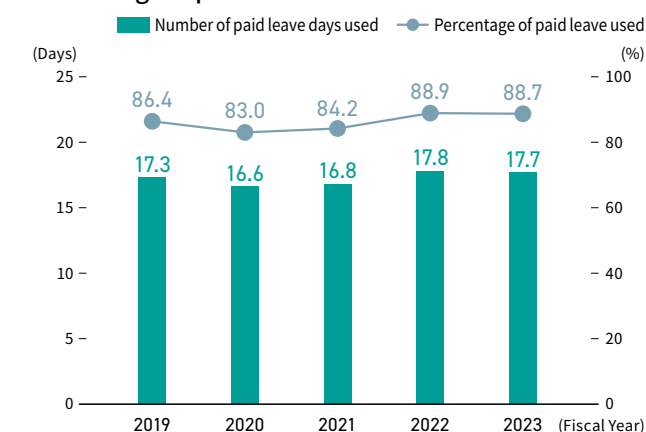
Average length of service (by gender)



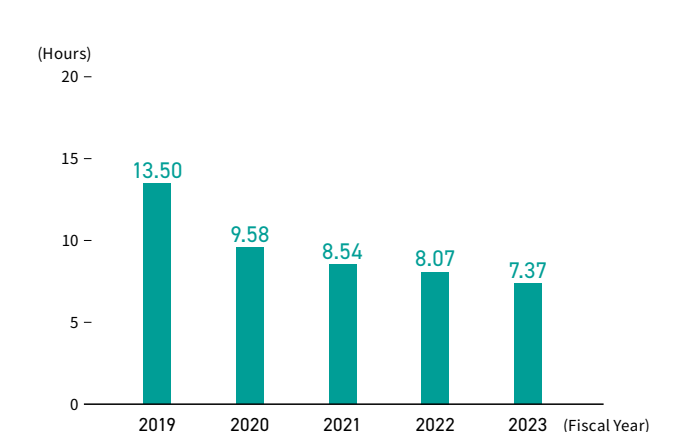
Number of users of childcare leave system (by gender) / Returning rate after childcare leave



Number of paid leave days used / Percentage of paid leave used



Average monthly overtime hours*



* As a general rule, overtime work after 8 p.m. is not allowed.

Financial Summary for 11 Years

	IFRS										
	FY2014/3	FY2015/3	FY2016/3	FY2017/3	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3
Operating Results by FY (millions of yen)											
Revenue	966,044	936,841	723,645	695,060	744,767	1,007,086	897,427	739,067	936,306	1,012,018	963,302
Gross profit	71,599	85,720	89,562	93,604	88,822	84,210	86,418	86,889	83,591	89,556	88,612
Selling, general and administrative expenses	57,862	71,184	73,226	74,697	70,931	67,318	68,858	67,115	68,065	68,889	70,227
Profit from operating activities	11,875	13,100	16,384	19,678	17,153	17,851	19,257	19,346	20,929	21,368	23,587
Net profit attributable to ITOCHU ENEX's shareholders	7,124	5,503	7,469	10,405	11,025	11,559	12,056	12,168	13,194	13,832	13,887
Per share (yen)											
Net profit attributable to ITOCHU ENEX's shareholders	63.05	48.71	66.10	92.09	97.63	102.40	106.81	107.79	116.89	122.54	123.03
Shareholders' equity	833.20	862.30	889.70	960.37	1,028.57	1,083.37	1,136.89	1,206.88	1,278.32	1,355.37	1,439.91
Cash dividends	20	22	24	32	40	42	44	50	48	50	54
Financial position at the end of FY (millions of yen)											
Total assets	321,032	329,059	304,053	344,603	382,621	374,373	387,657	408,327	447,017	433,024	444,304
Interest-bearing debt	38,598	40,954	37,665	41,020	42,705	34,110	25,180	17,459	32,929	14,127	2,174
Net interest-bearing debt	24,347	24,770	16,841	18,293	20,132	15,385	5,937	▲17,382	▲5,216	▲17,886	▲27,929
Shareholders' equity	94,144	97,432	100,526	108,511	116,104	122,290	128,333	136,233	144,297	152,961	162,543
Cash flows at the end of FY (millions of yen)											
Cash flows from operating activities	17,530	34,336	30,322	17,831	24,239	25,403	28,106	40,214	39,955	34,799	34,538
Cash flows from investing activities	▲12,556	▲20,410	▲16,673	▲14,712	▲18,458	▲13,410	▲1,411	▲125	▲19,113	▲3,190	▲6,603
Cash flows from financing activities	▲8,859	▲12,115	▲9,059	▲1,195	▲5,850	▲15,857	▲26,196	▲24,528	▲17,625	▲37,747	▲29,916
Free cash flows	4,974	13,926	13,649	3,119	5,781	11,993	26,695	40,089	20,842	31,609	27,935
Cash and cash equivalents at the end of the period	14,251	16,184	20,824	22,727	22,573	18,725	19,243	34,841	38,145	32,013	30,103
Main indicators											
ROA (%)	2.2	1.7	2.4	3.2	3.0	3.1	3.2	3.1	3.1	3.1	3.2
ROE (%)	7.8	5.7	7.5	10.0	9.8	9.7	9.6	9.2	9.4	9.3	8.8
Equity ratio (%)	29.3	29.6	33.1	31.5	30.3	32.7	33.1	33.4	32.3	35.3	36.6
Net interest-bearing debt – shareholder's equity ratio (NET DER) (times)	0.26	0.25	0.17	0.17	0.17	0.13	0.05	▲0.13	▲0.04	▲0.12	▲0.17
Dividend payout ratio (%)	31.7	45.2	36.3	34.8	41.0	41.0	41.2	46.4	41.1	40.8	43.9

(Notes) 1. Revenue excludes national and local consumption taxes.
2. As the Group began applying IFRIC 21 (Levies) in March 2015, the related main management indicators, etc. for the fiscal year ended March 2014 were adjusted retrospectively.
3. The amounts are rounded off to the nearest million.
4. Intermediary volumes have been included in the electricity sales volumes since the fiscal year ended March 2021.

Yearly sales volumes of main products

	FY2014/3	FY2015/3	FY2016/3	FY2017/3	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3	FY2023/3	FY2024/3
Gasoline (thousand kl)	3,993	3,593	3,722	3,587	3,328	3,201	2,767	2,386	2,510	2,469	2,477
Kerosene (thousand kl)	1,874	1,502	1,471	1,448	1,590	1,565	1,229	1,145	1,054	915	858
Diesel oil (thousand kl)	3,389	3,302	3,321	3,271	3,401	3,499	3,288	3,164	3,282	3,217	3,154
LP gas (thousand tons)	625	619	601	597	618	573	543	500	485	475	445
Electricity (GWh)	231	409	873	2,431	2,671	2,874	2,605	2,393	2,692	2,245	2,266

Stock Information and Company Overview (as of March 31, 2024)

Shares and Shareholders

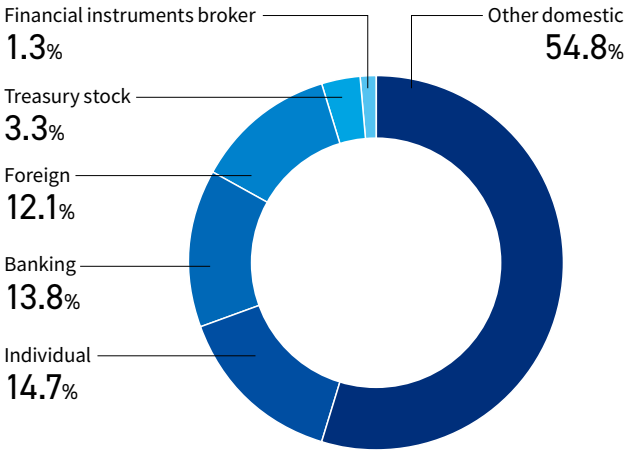
Authorized shares	387,250 thousand
Shares issued and outstanding	116,881 thousand
Shareholders	22,567
Shares per trading unit	100

Principal Shareholders

Name	Shares (thousand)	Stake (%)
ITOCHU Corporation	60,978	53.97
The Master Trust Bank of Japan, Ltd. (trust account)	7,933	7.02
Custody Bank of Japan, Ltd. (trust account)	4,785	4.24
Enex Fund	3,035	2.69
Nippon Life Insurance Company	1,542	1.37
ITOCHU ENEX Employee Shareholding Association	1,417	1.25
THE BANK OF NEW YORK MELLON 140042	802	0.71
STATE STREET BANK AND TRUST COMPANY 505001	771	0.68
STATE STREET BANK AND TRUST COMPANY 505223	761	0.67
Nichireki Co., Ltd.	630	0.56

(Note) The above figures exclude treasury stock (3,896 thousand shares)

Shareholding Ratio by Owner



General Meeting of Shareholders

General Meeting of Shareholders	Annually in June	
Basis dates	Ordinary General Meeting of Shareholders	March 31
	Final dividend	March 31
	Interim dividend	September 30
Shareholder registry administrator	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Ltd.	

Company Overview

Company name	ITOCHU ENEX CO., LTD.	
Head office address	3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo 100-6028, Japan	
Established	January 28, 1961	
Paid-in capital	¥19,877.67 million	
Main sites	Hokkaido, Tohoku, East Japan, Chubu, Kansai, Chugoku & Shikoku, Kyushu	
Subsidiaries	44	
Affiliates (equity method applied)	23	
Number of employees	Non-consolidated 640 (non-consolidated basis, including 151 seconded to subsidiaries) Consolidated 5,349	
Stock exchange listing	Prime Market, Tokyo Stock Exchange (stock name: ITOCHU ENEX)	
Securities code	8133	
Main financial institutions	Sumitomo Mitsui Trust Bank, Ltd.; Sumitomo Mitsui Banking Corp.; Resona Bank, Ltd.; Mizuho Bank, Ltd.; MUFG	

Societal Evaluations and Inclusion in Indices (as of August 31, 2024)

For details, see here

<https://www.itcenex.com/en/csr/evaluation/index.html>

ITOCHU ENEX CO., LTD. Organization Chart (As of April 1, 2024)

