

Section 02

Medium-Term Business Plan ENEX 2030

An eight-year plan to reexamine changes in the external business environment and people's lives, and significantly evolve our business portfolio.

We will uncover opportunities for delivering new value by making the most of the relationships we have built with our customers and business partners; identify promising business prospects; execute strategic investments; and strengthen risk management across our operations. Our goal in putting these into action is to build new pillars of business for the future, and drive further growth through transformation.

To Create
Driving Force of Life

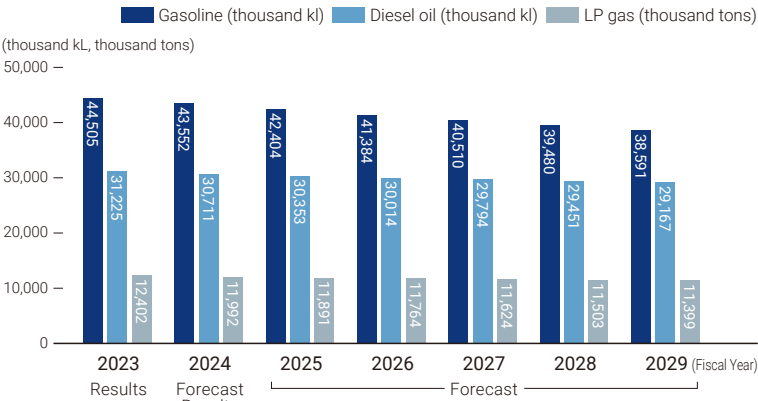
Medium-Term Business Plan “ENEX2030”

Toward Business Portfolio Evolution

Recognition of External Risks Surrounding the Business

The Group is engaged in the sale of petroleum products, the sale of LP gas and industrial gas, the sale of electricity, heat supply, and the sale of vehicles, mainly in Japan. However, a decline in sales volume of conventional energy products is inevitable in the future due to the declining domestic population, accelerating energy conservation, and the spread of electric vehicles. In order to accurately respond to these changes in the external environment of our business, we must transform our business portfolio by promoting expansion into new growth areas, such as the mobility area, in parallel with strengthening the energy area. Based on our direction of "strengthening on-actual-site capabilities" and "accelerating investments," we aim to continuously enhance corporate value by both enriching the foundation of existing businesses and creating growth opportunities in new fields.

Trend and outlook of demand for major domestic petroleum products (gasoline, diesel, LP gas)



Source: Ministry of Economy, Trade and Industry, "Petroleum Product Demand Outlook for FY2025-2029 - Fuel Oils" (published April 25, 2025)

Domestic demand for gasoline, diesel and LP gas is expected to remain on a downward trend. Gasoline is expected to decrease by an annual average of 2.4% from FY2024 to FY2029 due to improved fuel efficiency and a decrease in the number of vehicles, while diesel is also expected to decrease by an annual average of 1.0% due to improved transportation efficiency and a decrease in cargo volumes. A similar downward trend is also expected for LP gas in the long term. On the other hand, we see these structural changes as an opportunity for growth and will respond in each of our businesses as described in the following.

Main Measures

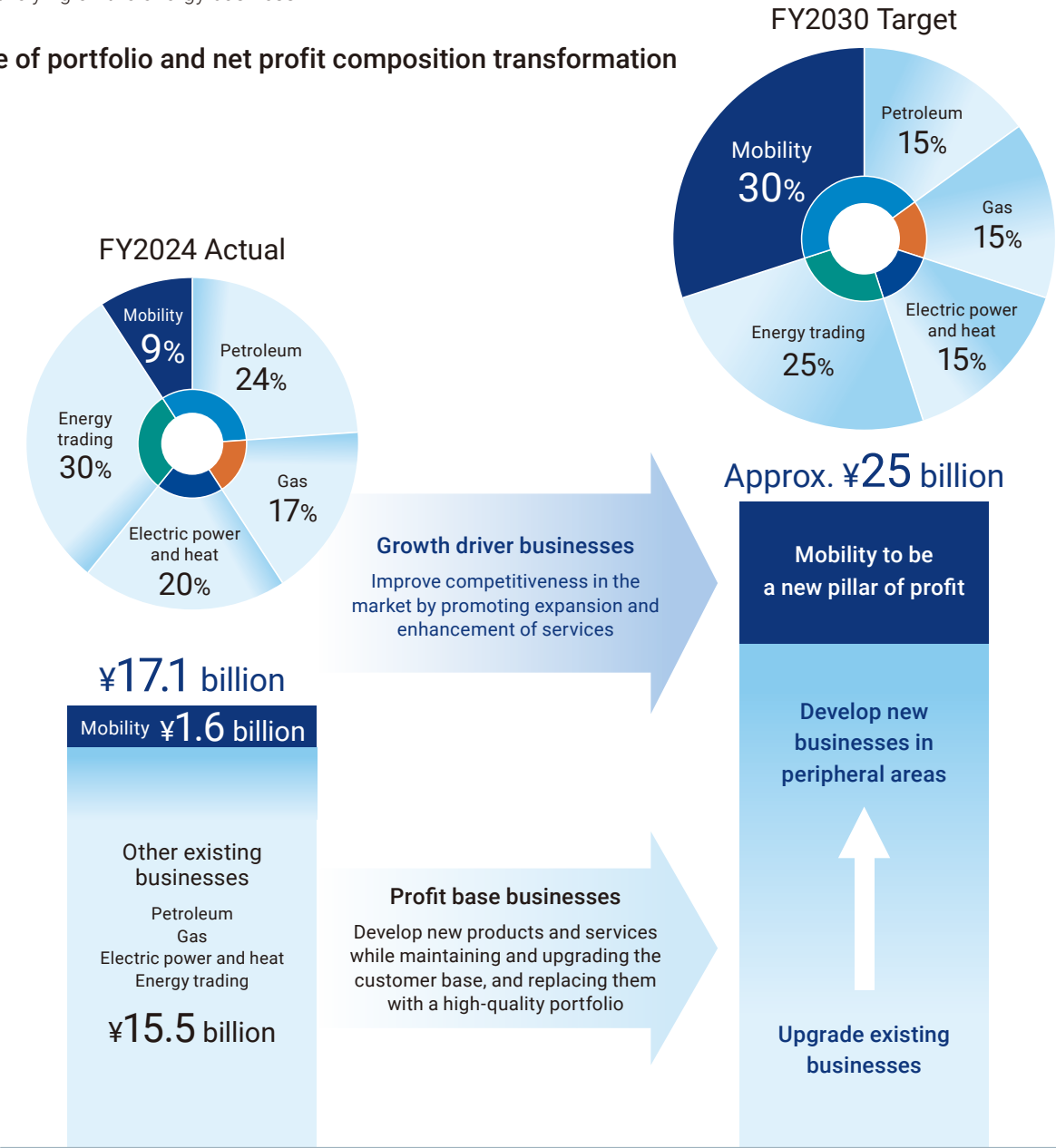
CAR-LIFE DIVISION	- Strengthen the earnings base of affiliate Car-Life Stations by strengthening cooperation with retailers and understanding the needs of local consumers - Expand automotive-related businesses through M&A to prepare for lower earnings due to lower sales volume - Environmental product initiatives
INDUSTRIAL BUSINESS DIVISION	- Expand earnings by marketing and promoting the introduction of environmentally friendly products that are expected to grow in the future, such as AdBlue® and renewable fuels, and by working on next-generation energy sources such as LNG, ammonia, and hydrogen, which will be used as alternative fuels to petroleum - Reinforce the industrial gas container reinspection business and expand into peripheral business areas
POWER & UTILITY DIVISION	- Strengthen sales activities in the electric power retail business by utilizing IT and building the TERASEL brand - Expand the sales base by utilizing the distributor network
HOME-LIFE DIVISION	- Maintain and expand the number of LP gas customers through domestic and overseas M&A - Efficient operation of the retail sales business and expand the number of customers to which the function is provided - Prevent customer turnover through cross-servicing of the customer base - Improve operational efficiency and reduce costs by IT such as LPWA*

* LPWA (Low Power Wide Area) is a communication method that achieves long-distance communication with low power consumption. Meter reading and delivery is being streamlined by installing dedicated equipment on customer gas meters and using LPWA.

Portfolio Direction

The Group will strengthen the diversification of its earnings portfolio for future growth based on its solid business foundation developed as an energy trading company. In order to respond to structural changes in the energy market and the risk of declining demand, we will position the mobility area as a driver of growth and expand it in addition to the traditional energy area. We will leverage our know-how accumulated in the petroleum and automobile-related businesses to provide added value throughout the entire automobile lifecycle, including new and used car sales and maintenance, and will also focus on creating new solutions. In addition, we will leverage our cooperation with the electric power and LP gas businesses to aggressively develop new peripheral businesses that are close to people's daily lives, such as in the household area and those related to food and housing, in order to establish a stable earnings base and reconfigure our portfolio into one that is expected to grow without relying on the energy business.

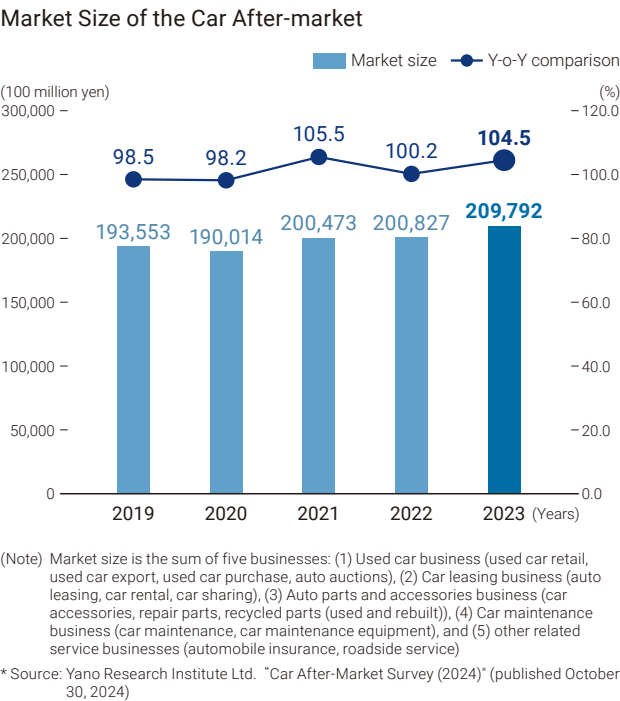
Image of portfolio and net profit composition transformation



Growth Driver Business Strategy —Mobility—

Overview of the Car After-market

In recent years, the car after-market* has continued to grow steadily as disruptions in the supply chain have gradually begun to dissipate and economic activity has picked up. Domestic new car sales have also begun to increase, and the number of four-wheeled vehicles owned at the end of April 2025 remains at a high level of approximately 79 million units (data source: Ministry of Land, Infrastructure, Transport and Tourism). Recovery in corporate demand for car ownership and solid personal demand continue to support the overall market, as well as demand for after-market services and products. Emerging trends such as car sharing and the expansion of EVs are also factors that are stimulating the related markets. On the other hand, new issues have emerged, such as the suspension of production and shipment of some models due to a problem with falsified certifications. However, we believe that the Group can demonstrate high value in the car after-market by leveraging the know-how and on-actual-site capabilities we have cultivated in the mobility field.



Potential Value to the Market

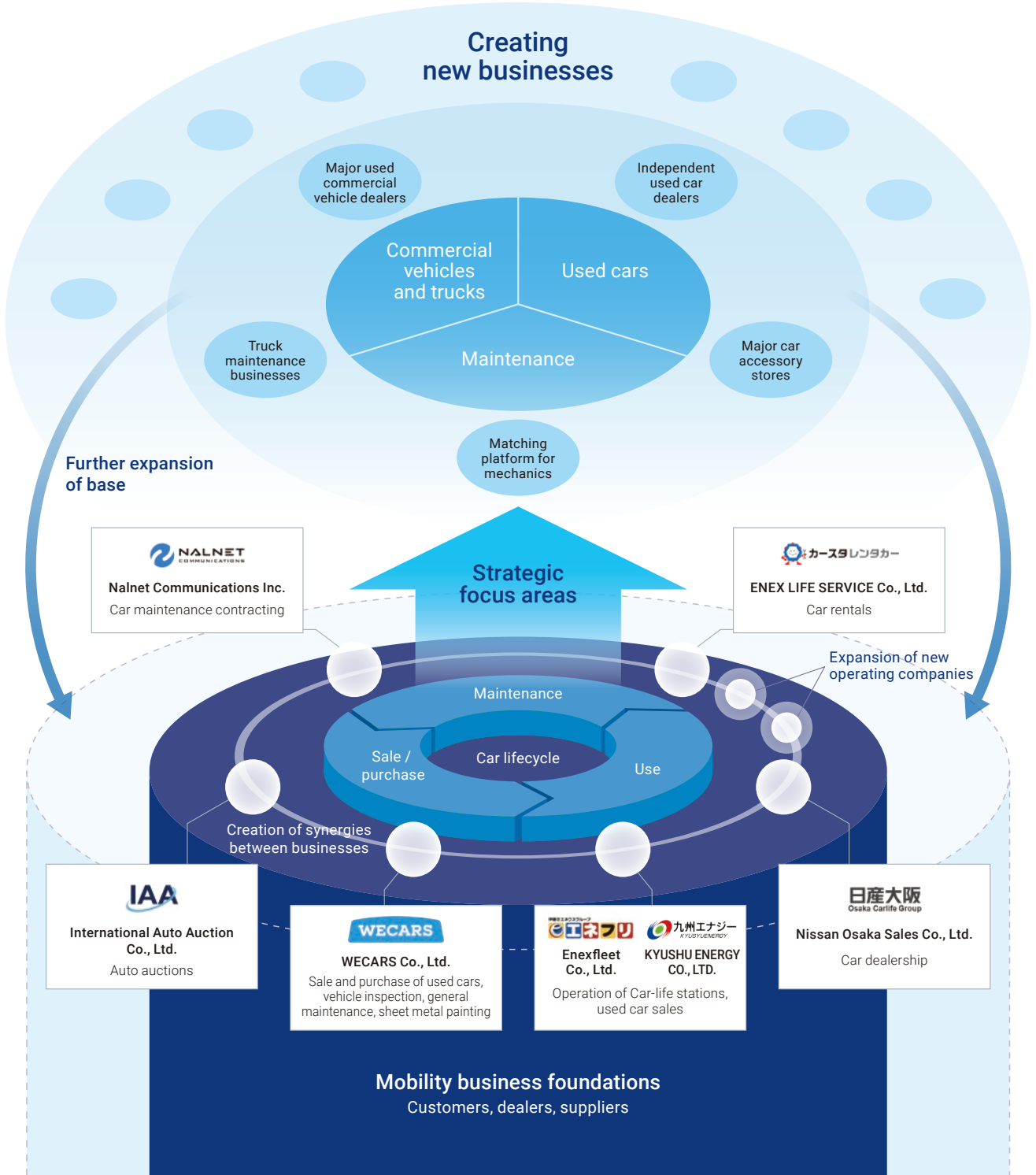
We believe that there is a lot of potential value in the car after-market. Consumer needs are shifting from "ownership" to "use," and new forms of car use such as car sharing and subscriptions are spreading against the backdrop of the uptake of remote work and changing lifestyles. In addition, factors such as the expansion of the used car market and advances in digital technology are driving the diversification of related services and the expansion of the market size.



In the future, as the market environment changes dramatically, it will be essential to secure earnings and strengthen services in existing businesses, as well as to pursue business diversification and further enhance the quality of the customer experience. In the used car market in particular, transparent pricing, quality assurance, and the creation of added value are becoming increasingly important, and the competitive environment is expected to become even more active. We believe that we can contribute to the further development of the car after-market by making maximum use of the know-how and on-actual-site capabilities we have cultivated in the mobility field to date, and by leveraging our comprehensive strengths and broad network, which only an energy trading company can offer, to respond to changing market needs in a meticulous manner.

Mobility Strategy

The Group is engaged in a wide range of mobility-related businesses, including the purchase and sale of used vehicles, vehicle inspection, maintenance, sheet metal coating, auto auctions, car rentals, vehicle maintenance services, the operation of car-life stations (including fueling facilities for large trucks), and car dealerships. We have accumulated know-how and execution capabilities as "on-actual-site capabilities", which we have cultivated over the years, and our abundant customer base that we have formed through our existing petroleum and mobility businesses is also a major strength. In the future, we will focus on the three priority areas of used cars, maintenance, and commercial vehicles and trucks, where we can utilize our knowledge and experience, and find various synergies by linking the know-how and networks of each business through investment in DX. This will allow us to not only expand our existing businesses, but also develop businesses peripheral to our focus areas by making full use of M&A and other means in areas where synergies can be expected, with the aim of achieving further growth in the mobility field.



Profit Base Expansion Strategy

For more than 60 years, the Group has delivered oil, LP gas, and other forms of energy essential to society and daily life. By organically combining our extensive network of customers, suppliers, and infrastructure, we have built a uniquely solid foundation and are continuing to grow sustainably while flexibly responding to the changing times.

To date, we have expanded our service areas by listening to our customers, quickly identifying needs, and adopting market-oriented approach for each business and product. Meanwhile, we will respond to the changing environment and diversifying social issues surrounding the energy market to further strengthen this market-oriented approach and focus on understanding needs from more diverse perspectives.

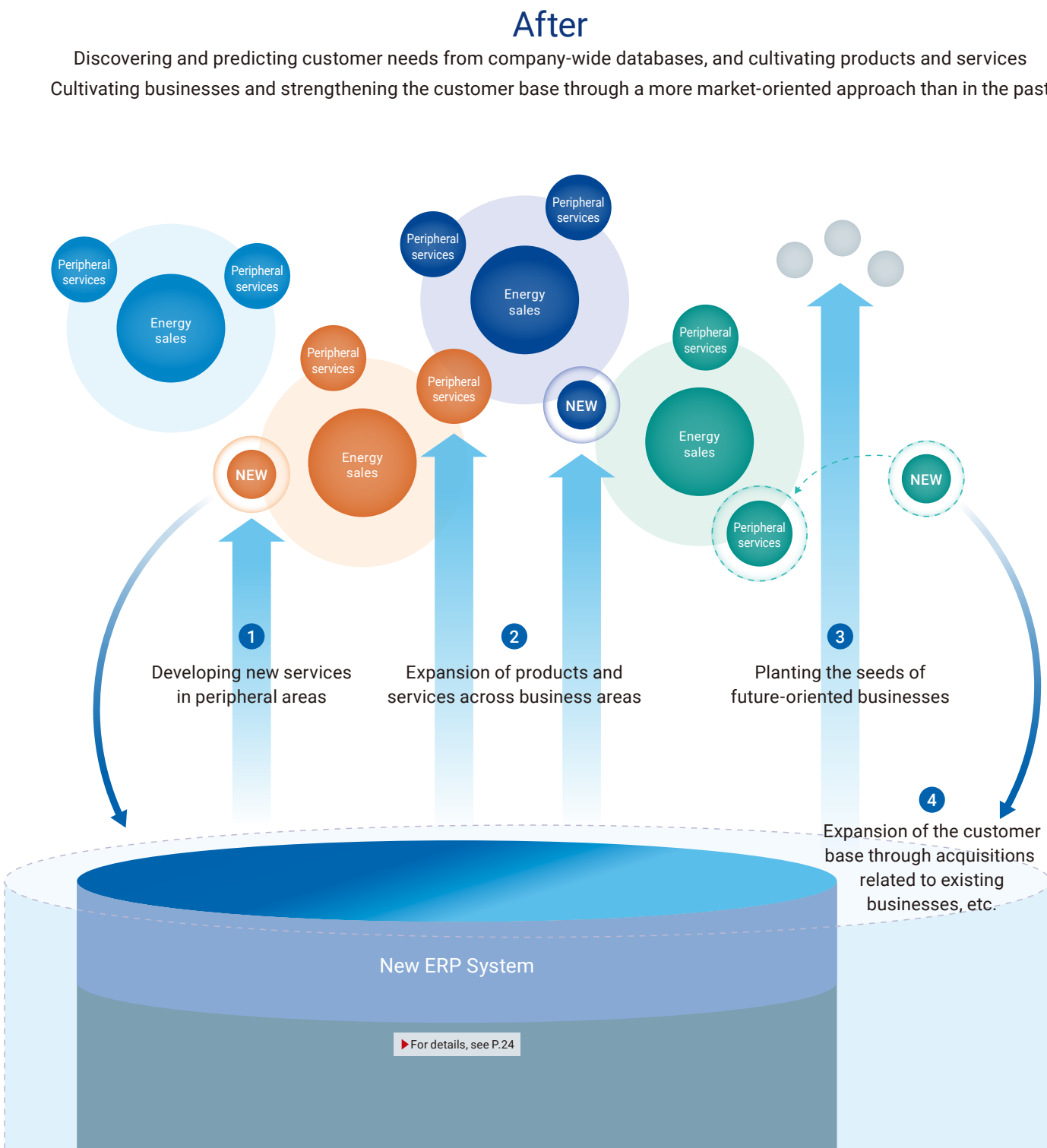
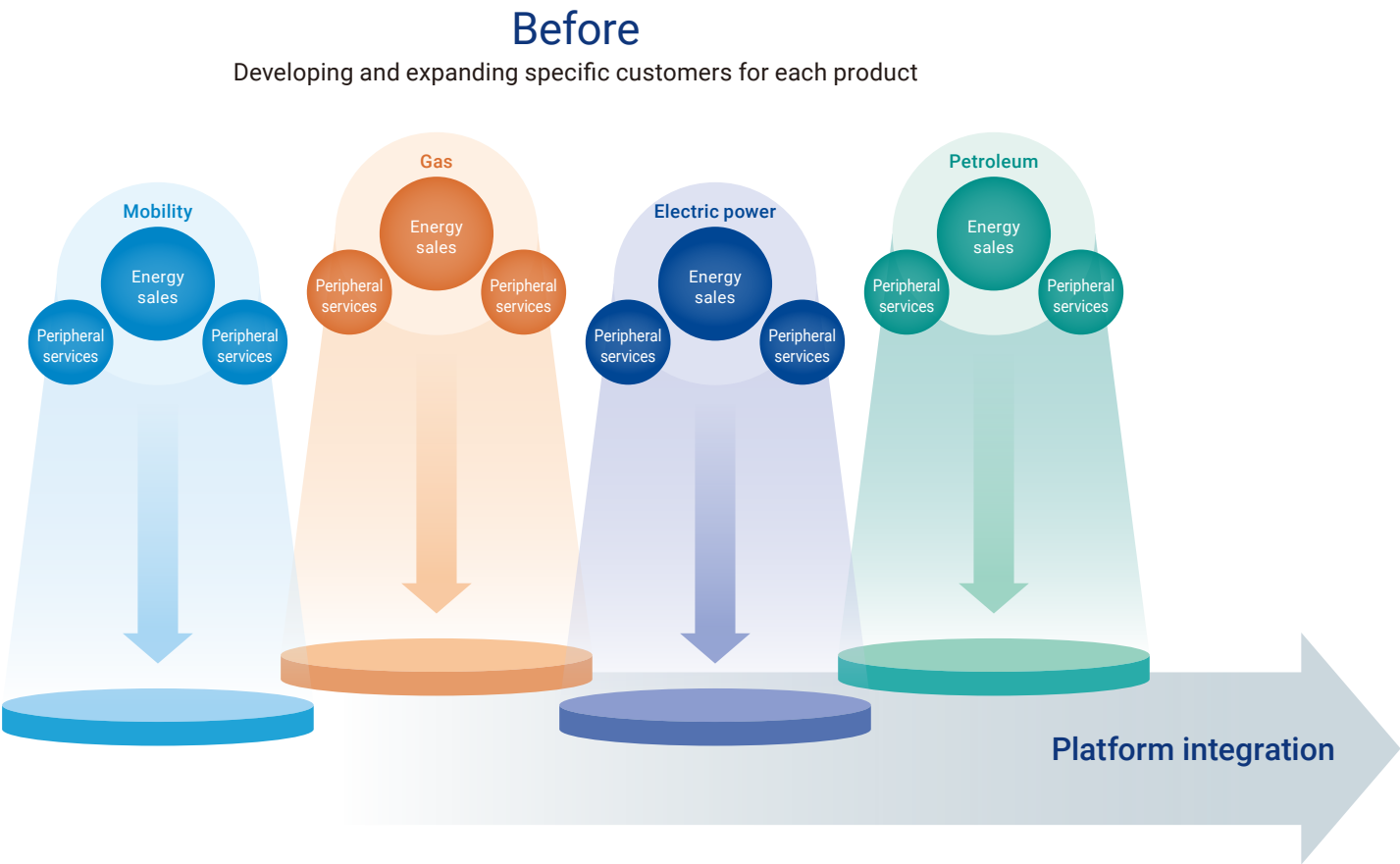
By integrating customer information and various data accumulated within the Group and centralizing it as a company-wide database, we will promote (1) expansion into peripheral areas of existing businesses, (2) horizontal development of products and services and creation of new services across businesses, and (3) seeding of new businesses with a view to sustainable growth for the future. In addition, (4) for existing businesses, we will aggressively work to "polish" our existing businesses to improve profitability and strengthen profitability by expanding our customer base through M&A.

Under the Medium-Term Business Plan “ENEX2030,” recognizing that changes in society offer opportunities for growth, we will continue to take on the challenges of environmental business, digital fields, and new alliances. Going forward, we will continue to create diverse added value and contribute to the realization of a sustainable society and more affluent lifestyles as “The Best Partner for Life and Society.”

History of Expansion of Business Foundations

From the roots of our business focused on oil and LP gas, we made a full-scale entry into the electric power business in 2011 with the acquisition of shares in JEN Holdings Co., Ltd. (now ENEX Electric Power Co., Ltd.), and we entered the car dealership business in 2014 with the acquisition of shares in Osaka Car Life Group Co., Ltd. In addition, in 2024, we established WECARS Co., Ltd. to operate the used car sales and other businesses, and are working to increase transparency in the used car business and restore trust in the industry. Utilizing this uniquely built foundation, we are expanding into peripheral areas of the business fields in which we have expertise.

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graph LR; A[Oil and LP gas business] -- "Expansion into peripheral areas" --> B[Car dealership business]; A -- "Expansion into peripheral areas" --> C[Electric power business]; B -- "Expansion of mobility area" --> D[Used car sales business]
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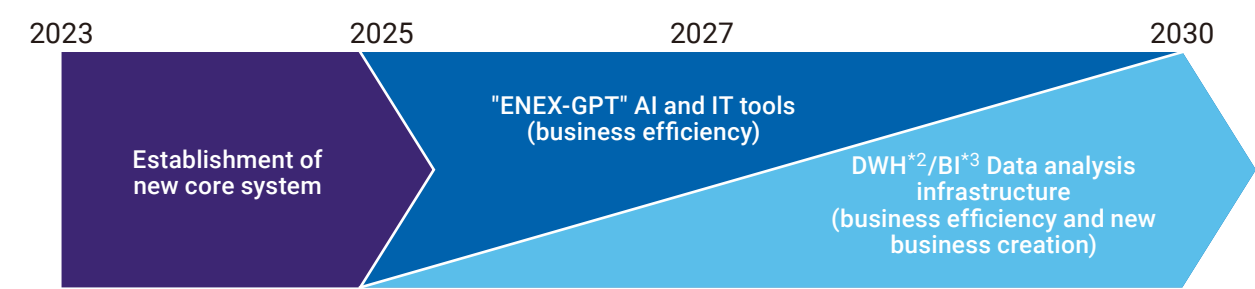
ERP System that Supports Transformation

Position and Purpose of the New ERP System in our Strategy

The Group is working on the digital transformation of its business foundations, and in January 2025 our new core system entered full operation, improving operational efficiency and service quality, normalizing data and implementing expanded functions, and advancing cybersecurity.

In FY2025, we are focusing on improving day-to-day operational efficiency by utilizing the new core system and an AI*1 tool “ENEX GPT”. We are also building data analysis infrastructure that will lead to the creation of new and strategic business investments by integrating and expanding a variety of internal and external data. We believe that this data analysis infrastructure will become increasingly useful as data and information continue to accumulate; currently, it is mainly being used in terms of improving operational efficiency, and in the future we plan to actively use it to create new businesses as the data analysis infrastructure is developed.

Roadmap for implementing measures using the new ERP system



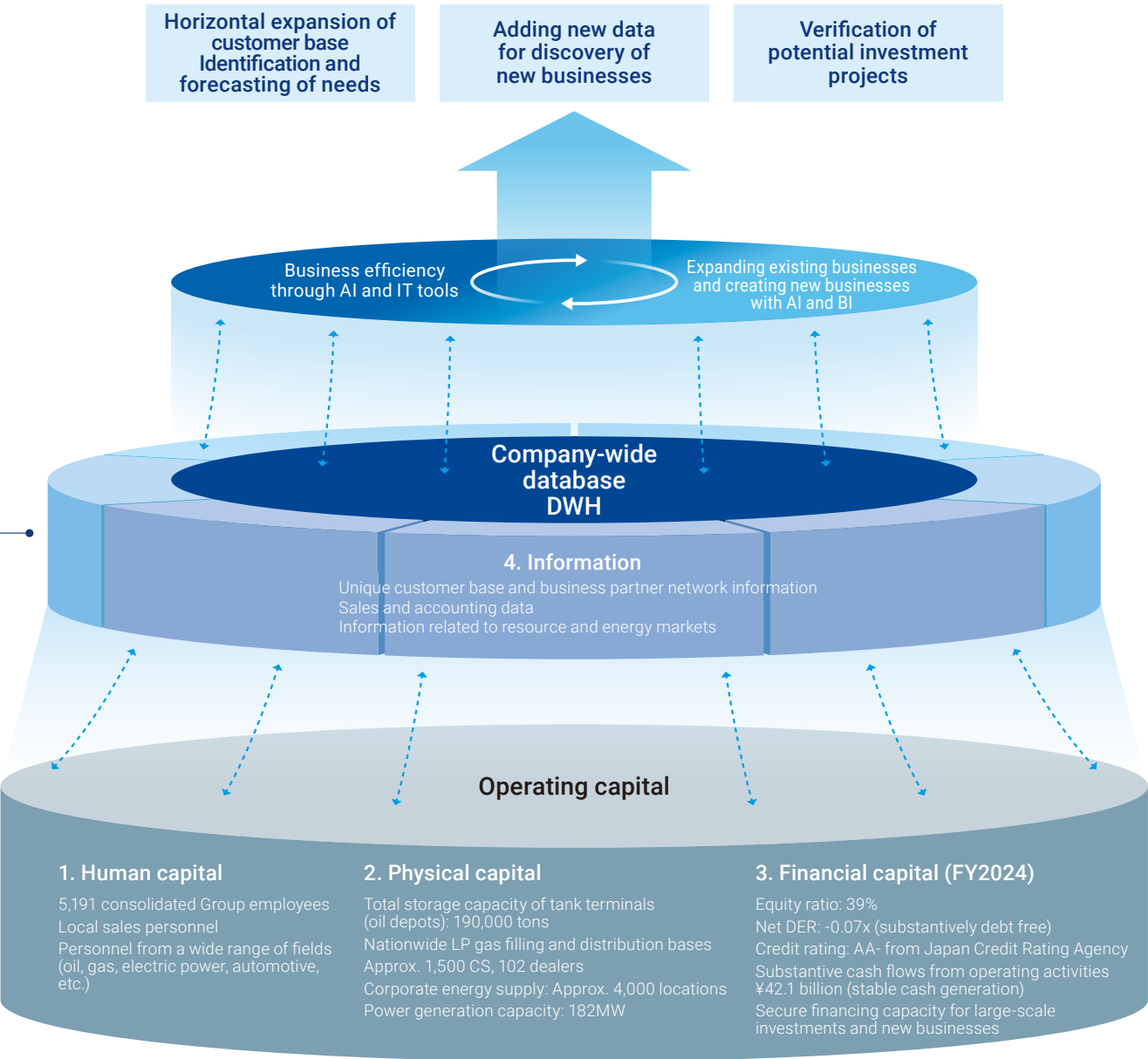
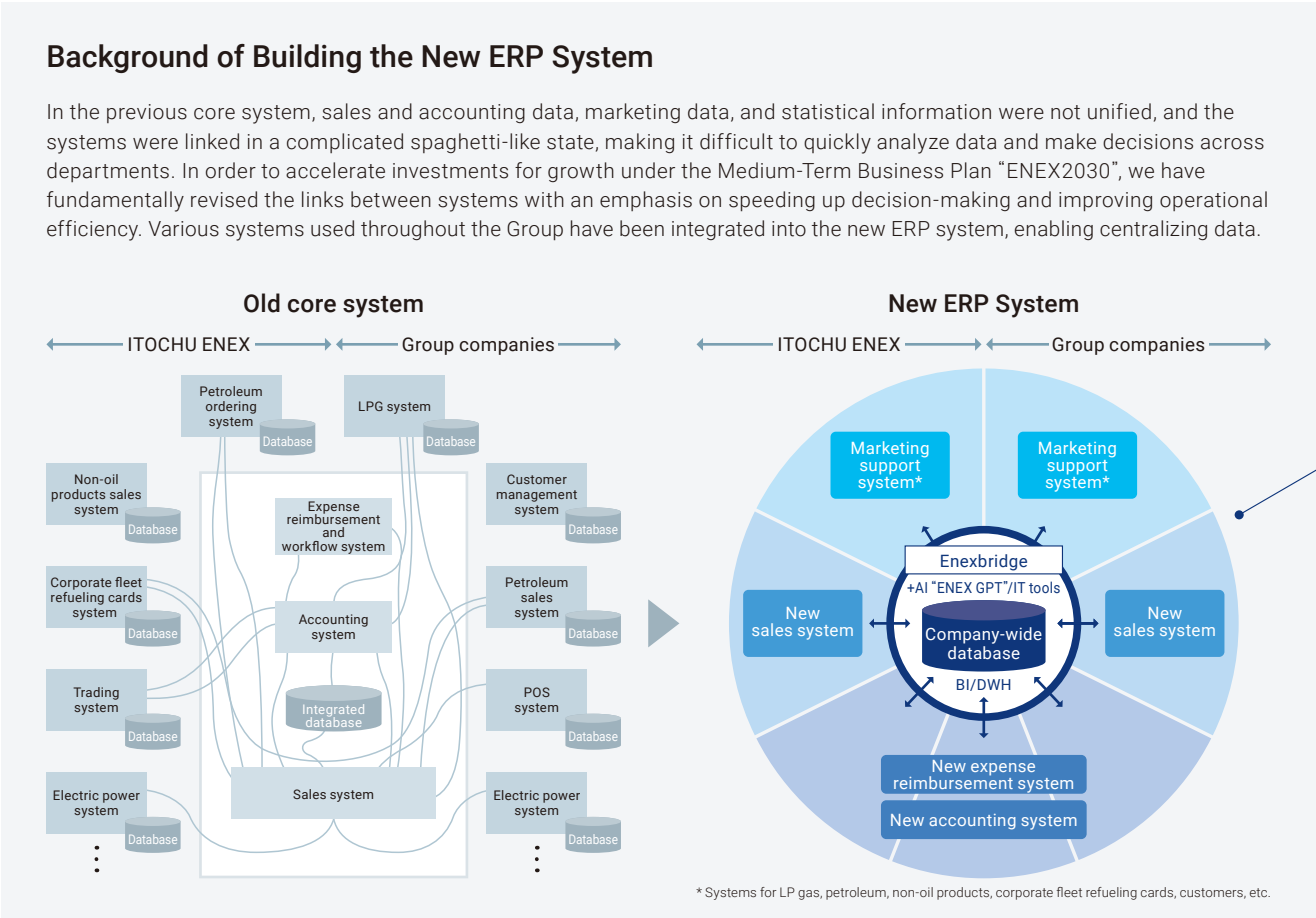
*1 AI (Artificial intelligence): Computer technology that imitates human intelligence for reasoning and learning.
*2 DWH (Data warehouse): Information infrastructure (database) that enables the accumulation, management, and analysis of large volumes of business data.
*3 BI (Business intelligence): Technology and software to aggregate and analyze data accumulated in the DWH to improve management and business operations.

Method of Expanding Existing Businesses and Creating New Businesses

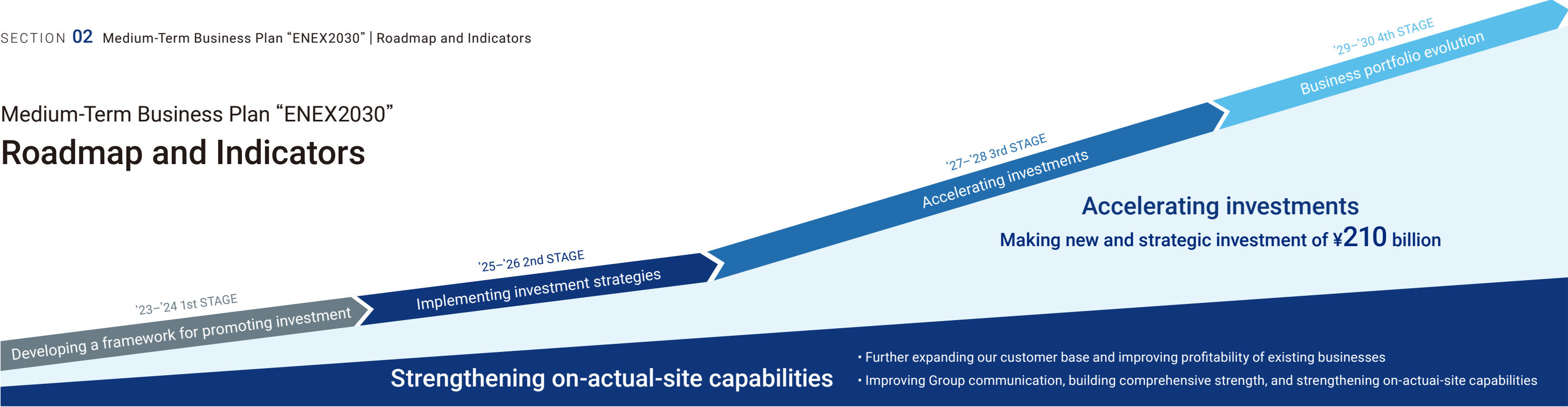
We are currently working on consolidating information into a company-wide database. In addition to the human and physical capital that supports the core of our business, we aim to further improve operational efficiency and create new businesses by horizontally combining the Group's accumulated management capital, including our unique customer base, diverse business partner networks, sales and accounting data, and energy-related information.

For example, the integration of all data, including issues and knowledge gained in the field by the Group's more than 5,000 sales and technical personnel, performance data gathered from offices nationwide, and extensive customer contact and client information, will create an environment that facilitates the creation of synergies throughout the Group. Using this information infrastructure, we can propose products and services based on an accurate understanding of the needs of each customer, forecast demand based on market changes, and analyze new external data to identify untapped business areas, leading to the creation of new businesses as well as the expansion of existing businesses.

Furthermore, our sound financial position and ample fund-raising capacity ensure that we can respond flexibly and quickly to growth opportunities through proactive investment. We will work to create new services and business models that go beyond the energy sector by verifying the appropriateness and future potential of investment projects from multiple perspectives, based on the information gathered throughout the Group and the results of analysis.



Medium-Term Business Plan “ENEX2030”
Roadmap and Indicators



1st Stage "ENEX2030 '23-'24": Review of development of framework for promoting investment

Theme

Solidify our Footing and Secure Sources of Revenue

	Results	Issues
Major Initiatives	Strengthening on-actual-site capabilities Clarification of roles and leaner organization Guidelines were formulated to further clarify the positioning and scope of responsibility of departments and sections, strengthen coordination throughout the organization, and eliminate overlap in hierarchy and roles, thereby promoting efficient organizational management. Establishment of department to support delegation of authority Through the establishment of a new risk management and business administration department, we have created a structure that allows each business area to pursue its strategy with independence and autonomy, leading to the creation of new growth opportunities. Spin-off and reorganization of Home-Life Division The integration of the four subsidiaries of the Home-Life Division in October 2024 has enabled rapid and flexible decision-making on actual site, further enhancing management agility. Establishment of new ERP system We are working to improve the sophistication of our business management and the efficiency of our business processes, and are developing a strong business foundation that can respond quickly to changes in the business environment.	"Promotion of systems for further delegation of authority" By repeating rapid decision-making and execution at the frontline sites, we can expect to create diverse business opportunities and accelerate innovation, thereby increasing profitability. We will continue to expand the scope of delegated authority and decision-making levels and strengthen cooperation with support departments to accelerate the evolution towards a more autonomous organization.
	Evolving the framework for making investments Establishment of the "Investment Strategy Department" (currently the Investment Strategy Section) This department supports sales departments, and supports and assists in the promotion and monitoring of investment project identification. The quality and speed of investment decisions have been improved, and a more agile investment execution system has been put in place. Implementation of new and strategic investments We proactively made new investments in growth areas and strategic investments with a view to enhancing corporate value over the medium to long term. Diversified investments were realized in focus areas, including in WECARS Co., Ltd., Nalnet Communications Inc., Koukandekirukun, Inc., ENECHANGE Ltd., and Nichireki Group Co., Ltd.	"Strengthening our ability to identify and promote investment projects" Amid the rapidly changing external environment, we recognize that strengthening our ability to "identify" and "promote" investment projects is an important issue in order to respond to increasingly diverse and sophisticated investment needs and to further enhance corporate value. In addition to creating investment opportunities through the creation of a wider range of information gathering capabilities and network building, we aim to achieve higher quality decision-making and faster project execution through human resource development and strengthening systems.
	Strengthening the organization and human resources Holding investment training To improve investment literacy, we held new investment training sessions across the Company to develop an environment that enhances understanding and responsiveness to the ever-changing investment environment. Through this, we are cultivating the foundation for each and every employee on actual site to play an active role in business growth and the creation of new businesses. Revision of personnel system We have established fair and transparent evaluation criteria and established a new award system that firmly reflects achievements and contributions. Through these efforts, we are promoting the creation of a rewarding workplace where each employee can feel their own growth and contribution to the organization. Establishment of "Karuzawa LABO" training facility This facility offers highly specialized programs and leadership training for different career stages and roles, developing the skills of diverse human resources that will lead our future businesses. Through the creation of an open learning environment where employees can stimulate and challenge each other, we are raising the level of the entire organization and creating innovation.	"Deepening consolidated Group management" We recognize that deepening initiatives that maximize the benefits of consolidated management by further exploiting synergies among Group companies and utilizing information, human resources, and know-how in an integrated manner is an issue. In addition to further promoting the optimal allocation of management resources and mutual utilization of growth opportunities, we will promote the deepening of integrated Group management from the perspective of corporate culture, human resource development, and governance.

2nd Stage "ENEX2030 '25-'26": Implementing investment strategies

Actively use DX for Aggressive and Defensive Measures
Execute Investments and Support the Growth of Portfolio Companies

	Strengthening on-site capabilities	Implementation of new and strategic investments		
Aggressive	Further promotion of "delegation of authority" • Increase profitability by speeding up on-site decision making Utilizing DX in sales • Evolution of sales through the introduction of the new ERP system and in-house version of ChatGPT	New and strategic areas • Mobility related, mainly around WECARS Co., Ltd. • Strategic investment for reorganization of LPG wholesale and retail businesses • Expand domestic market share of asphalt business • Renewable energy-related		
	Strengthen consolidated Group management • Disseminate the corporate governance code as a common language within Group companies • Strengthen management of human resources and compliance on a consolidated Group-wide basis • Improvement of efficiency of job functions by introducing the new ERP system	Promotion of portfolio management • Investment strategy based on the business portfolio • Replacement of inefficient assets • Strengthen KPI management of portfolio companies		
Financial Targets		FY2024 Actual	FY2025-26 Target	FY2030 Target
	Net Profit	¥17.1 billion	¥16 billion per fiscal year	¥20 billion or more
	Substantive operating cash flows	¥42.1 billion	¥38 billion per fiscal year	¥45 billion
	ROE	10.2%	Approx. 9.0% each fiscal year	9.0% or more
	New and strategic business investments	¥27.4 billion (2-year cumulative total)	¥50 billion (2-year cumulative total)	¥210 billion (8-year cumulative total)
Non-financial Targets		FY2024 Actual	FY2030 Target	
	GHG emissions	37% reduction	50% or more reduction (Scope 1 & 2, compared to FY2018)	
	Ratio of female hires*	41%	30% or more *Achieved	
	Percentage of female managers	3.0%	10%	
	Ratio of males taking parental leave	75%	80%	

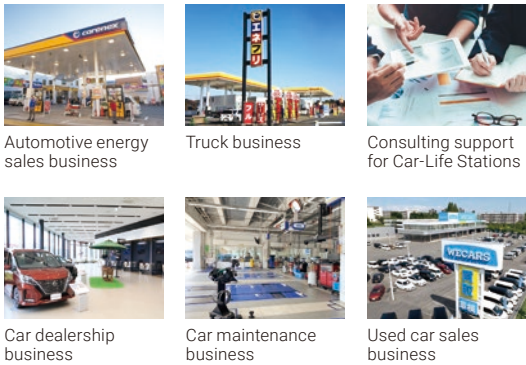
* The ratio of female hires has been achieved for two consecutive fiscal years (2023 and 2024) and is expected to be achieved in the future, so it has been excluded from the main KPIs from FY2025 onward.

Strategy by Business

Business and Strengths

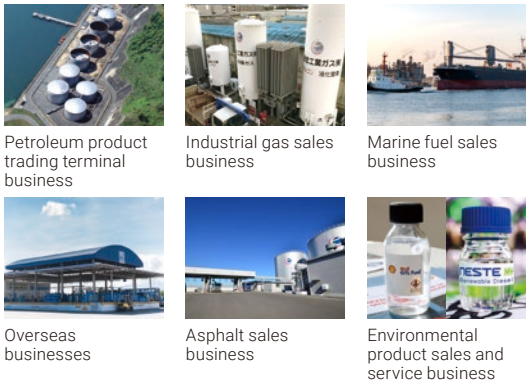
CAR-LIFE DIVISION

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



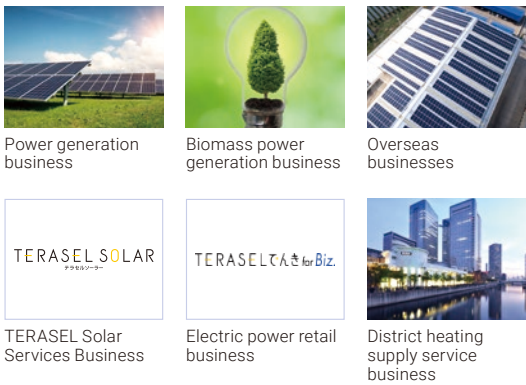
INDUSTRIAL BUSINESS DIVISION

- 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



POWER & UTILITY DIVISION

- 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



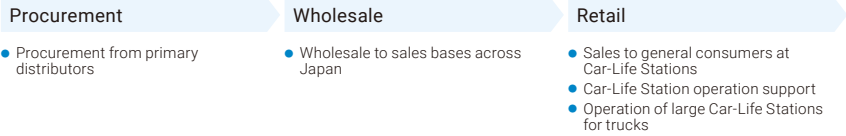
HOME-LIFE DIVISION

- 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)

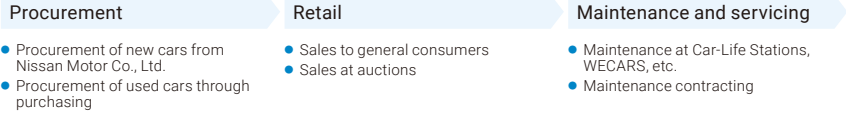


Business Flow

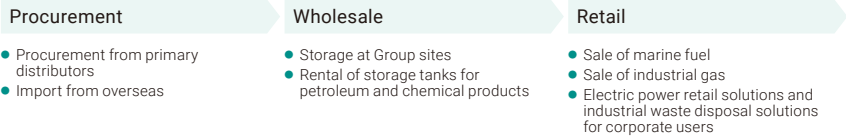
Energy for Automobiles



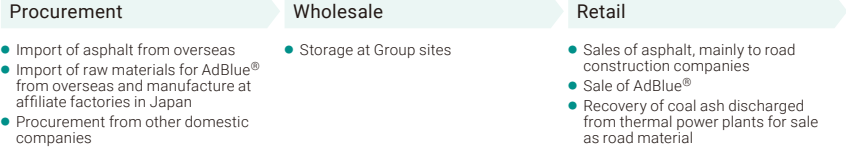
Mobility



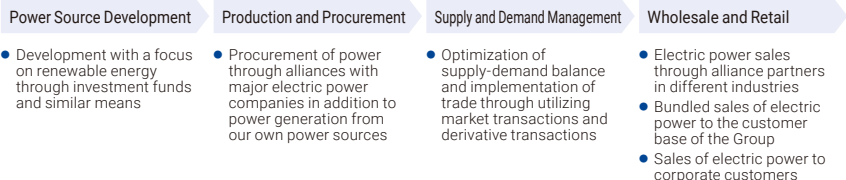
Industrial Energy



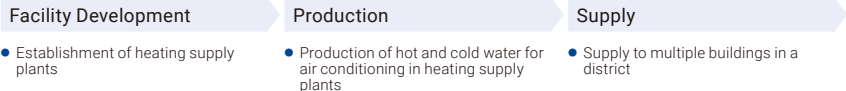
Industrial Materials



Electric power



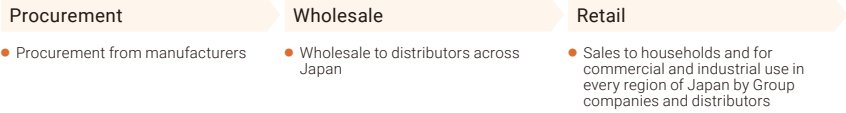
District heating supply



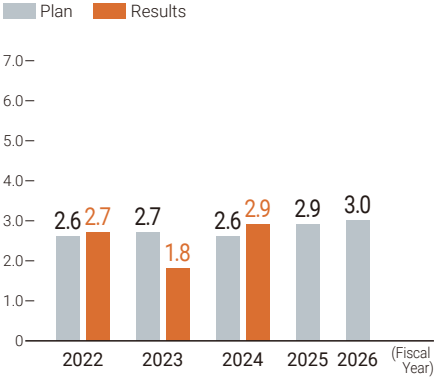
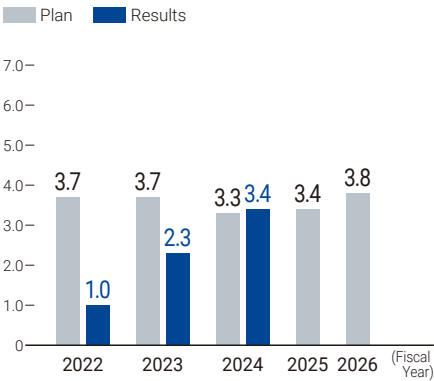
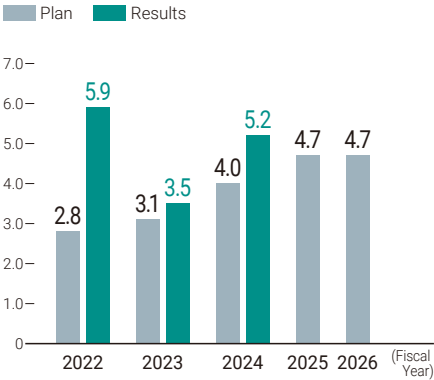
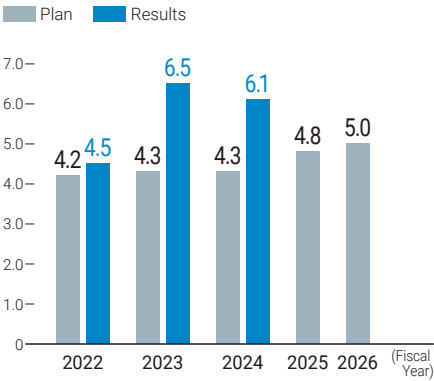
LP Gas



Lifestyle-related devices



Net Profit (Billions of yen)



CAR-LIFE DIVISION



Achieving BX (Business Transformation) by promoting growth in the mobility business and strengthening our existing petroleum business.

Director and Managing Officer
Chief Operating Officer, Car-Life Division,
Officer in charge of WECARS Co., Ltd.
Kunio Nishimura

Position and Strategic Policy of the Division

The Car-Life Division currently consists of two major businesses, the “petroleum business”, which is centered on the supply of various types of energy to our affiliated Car-Life Stations, and the “mobility business”, which is centered on the sale of new and used vehicles. The petroleum business forms the foundation of the Company's initial business, which has been built up since our establishment. Meanwhile, the mobility business has expanded its business domain to transform itself into a strong organizational structure that is not dependent on the petroleum business, and has now grown to account for approximately 30% of net profit in the Car-Life Division.

The Group has placed the Car-Life Division as one of the core elements of its business portfolio transformation toward 2030, and will grow the mobility business as the next pillar of the Group. While strengthening the overall infrastructure and promoting organic integration through DX and alliances with other companies, we will develop new market opportunities through the expansion of used car-related businesses, centered on WECARS Co., Ltd., and the creation of a digitally-connected used car and maintenance network.

Initiatives under “ENEX2030 '25-‘26”

	Strengthening on-actual-site capabilities	Implementation of new and strategic investments
Aggressive	✓ Profitability reform and productivity improvement through DX and alliances with other companies ✓ Strengthen development of human resources that will lead the mobility business	✓ Expansion of used car-related business centered on WECARS Co., Ltd. ✓ Construction of a digitally-connected used car and maintenance network
Defensive	✓ Ensure security and compliance at stores ✓ Optimization of aging stores (seismic-resistance, consolidation of stores)	✓ Inject power to expand WECARS' profit ✓ Build a business portfolio that can respond to change

Key Points of “ENEX2030 '25-'26”

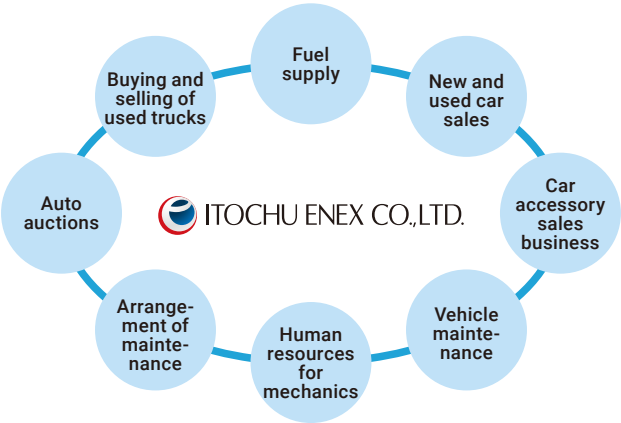
We will expand the two pillars of our business, the petroleum business and the mobility business, and promote cross-selling between the two businesses.

In the petroleum business, we will maintain and expand our customer base through our nationwide network of Car-Life Stations, while strengthening our sales capabilities through the use of digital technology at our Car-Life Stations. In addition to supplying petroleum products, we will aim to become a comprehensive energy hub that combines next-generation energy and other businesses.

In the mobility business, we will expand the used car business and build a maintenance network centered on WECARS Co., Ltd. For this purpose, it is essential that we proactively promote digital transformation (DX). To that end, we will actively study the creation of new mechanisms. Future focus areas include used cars, maintenance, and commercial vehicles/trucks. If synergies can be expected, we will use M&A and other means to expand into peripheral businesses in each of these focus areas and build a new earnings pillar for the division. We also aim to achieve BX

(Business Transformation) by creating synergies across existing businesses, such as the car accessory sales business (Enestore) and expansion of used car sales channels through Car-Life Stations.

Car-Life Division’s domain

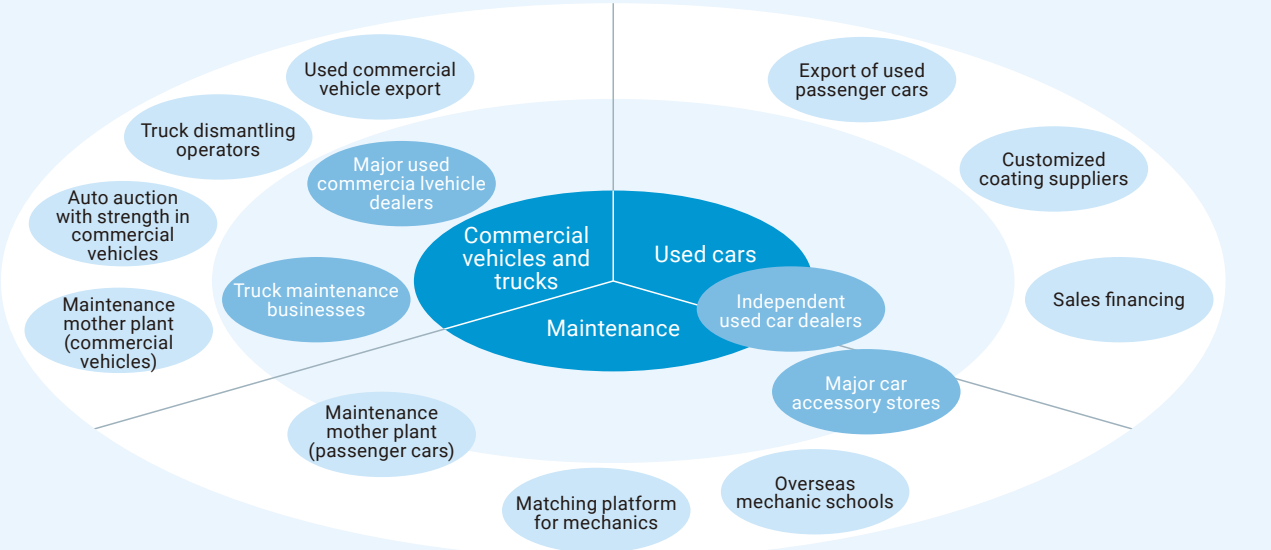


Strengthen Mobility Business (Used Cars, Maintenance, Commercial Vehicles/Trucks)

The Car-Life Division is planning ¥20.5 billion yen in new and strategic business investments during the two-year period of ENEX2030 '25-'26. In addition to focused investments utilizing digital, we will focus on peripheral areas of the mobility business, particularly used cars, maintenance, and commercial vehicles/trucks. Further, the current

independent functions of purchasing, maintenance, and sales of cars leave a great deal of room for synergy creation. We will further increase the value of the value chain through DX investments that digitally and organically connect the entire Car-Life Division infrastructure, including the petroleum business, which is our existing earnings base.

Areas Peripheral to Mobility Surrounding the Company



INDUSTRIAL BUSINESS DIVISION



Seizing commercial opportunities for growth greas related to our existing businesses through Investment in logistics and DX.

Managing Executive Officer
Chief Operating Officer, Industrial Business Division
Hirofumi Chimura

Position and Strategic Policy of the Division

The Industrial Business Division is a business that has a societal responsibility to provide a domestic stable supply of materials and fuels essential to support society, such as asphalt, marine fuel, and industrial gas. The continuation of our business is premised upon ensuring the operation and security of each of our bases. We also recognize that the Industrial Business Division, with its potential for expansion into related areas of existing businesses, will play an important role in supporting the future transformation of the business portfolio.

Under “ENEX2030 ‘23-‘24”, the division underwent an organizational restructuring that broke away from the

vertical structure by product and we have steadily strengthened cooperation within the organization. Under “ENEX2030 ‘25-‘26”, we will put the preparations we have made into action and accelerate new and strategic business investments toward FY2030. Specifically, we will expand our business by strategically strengthening our key logistics functions and complementing our technical functions through alliances with other companies. In addition, we will promote efficiency through the proactive use of digital technology and build a value chain that can handle everything from procurement to sales, aiming to create a system that can provide a one-stop solution to our customers' issues.

Initiatives under “ENEX2030 ‘25-‘26”

	Strengthening on-actual-site capabilities	Implementation of new and strategic investments
Aggressive	✓ Sales DX for asphalt, marine fuel, and corporate fueling cards	✓ Invest to become No. 1 in domestic sales and logistics functions for asphalt
	✓ Strengthen AdBlue® procurement capabilities and expand delivery bases	✓ Active investment in energy service business
Defensive	✓ Improve operational efficiency through in-house delivery of marine fuel	✓ Secure and develop human resources to manage the business operations of investee companies
	✓ Expand scale and strengthen security of gas container inspection business	✓ Create synergies with portfolio companies

Key Points of “ENEX2030 ‘25-‘26”

The theme for the Industrial Business Division in “ENEX2030 ‘25-‘26” is “Business opportunities for growth to be gained through logistics and DX”. We are planning ¥14 billion in new and strategic business investments during the two-year period of the Medium-Term Business Plan, and we believe that we have entered the “aggressive” phase of the plan in earnest. The division is characterized by the wider range of products and services it handles compared to the other three divisions, and we aim to grow the division by investing in logistics functions and promoting DX in order to solidify the business foundation we have developed.

In terms of logistics, we will strengthen our supply chain

and establish a dominant position by investing in marine, tank, and land logistics, especially in the asphalt business.

In the Adblue business, we will expand delivery bases, and in the marine fuel business, we will differentiate ourselves from competitors by strengthening our bunkering vessels.

In addition, the introduction of digital systems will enable the automation of tasks that were previously handled manually, such as ordering and inventory management, which will address the issue of human resource shortages.

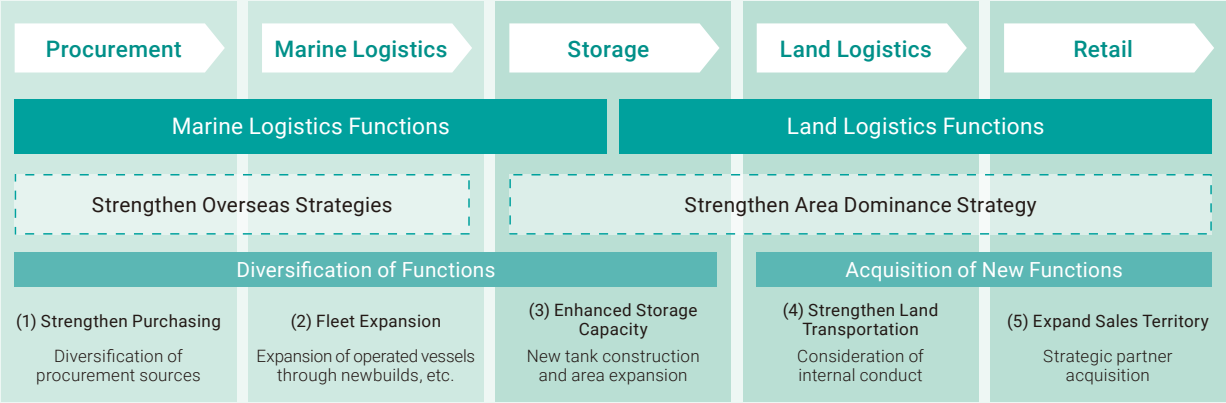
In terms of sales, we aim to improve sales efficiency and expand our customer base and profit through DX.



Strengthen Asphalt Sales and Logistics (All Areas)

Since 1981, when the Petroleum Deliberation Council, an advisory body to the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry), issued guidelines regarding the consolidation of domestic oil refineries, the number of domestic refineries has been continuously decreasing, and domestic straight asphalt production has continued to decline. On the other hand, demand for asphalt mixture itself is expected to remain stable, due in part to the societal issue of repairing aging road infrastructure. Against this backdrop, the Group has set its sights on strengthening the asphalt sales business. Specifically, we will strengthen procurement capabilities by (1) diversifying procurement sources and (2)

expanding our fleet of vessels (including newbuilds), (3) increase storage capacity by building new tanks and expanding our area, and (4) strengthen the supply system, including considering the internal handling of land-based distribution, which faces issues such as aging lorries and driver shortages. In addition, we will (5) increase sales areas and sales volumes through the acquisition of strategic partnerships, in order to further expand our share in domestic asphalt sales volume, which is currently around 30%. As mentioned above, we will shift to a structure that thoroughly differentiates us from our competitors by strengthening all areas of the asphalt value chain, with a focus on logistics functions.



POWER & UTILITY DIVISION



Expanding our customer base and services to achieve both decarbonization and economic efficiency.
“Power to connect customers.
Environmental business for the future.”

Executive Officer
Chief Operating Officer, Power & Utility Division
Masahiro Umemoto

Position and Strategic Policy of the Division

While progress is being made toward decarbonization, geopolitical risks, changes in the supply-demand structure, and technological innovation are increasing the uncertainty in the environment surrounding the Power & Utility Division. Under these circumstances, we are working to solve a wide range of our customers’ issues by leveraging our strength in delivering electricity and heat to customers through an integrated system from power generation to supply and demand adjustment and sales, as well as our unique ability to provide a wide variety of energy products and services in an optimal form.

We will continue to effectively combine professional human resources with expertise in the energy industry and

marketing initiatives that leverage digital technologies, in order to meet our customers’ diversifying needs in a timely and accurate manner and expand our customer base, which forms the basis of our business.

In addition, we will promote the provision of sustainable and higher value-added energy services by further deepening the knowledge and expertise we have cultivated in the areas of supply and demand adjustment and maintenance and operation of electric and heat-related businesses, and deploying energy DX solutions in collaboration with other capital and business alliance partners. We will transform uncertainty into new value and maximize profit.

Initiatives under “ENEX2030 ’25-’26”

	Strengthening on-actual-site capabilities	Implementation of new and strategic investments
Aggressive	✓ Expand customer base to 1 million through people and digital	✓ Provide energy DX solutions for businesses and consumers
	✓ Deepen electric power business by leveraging supply and demand adjustment and O&M capabilities	✓ Active investment in the renewable energy area
Defensive	✓ Stable procurement and optimization of power supply	✓ Balance sheet control and asset efficiency (profitability) improvement
	✓ Maintain and strengthen risk management system for power supply and demand operations	✓ Realization of synergies with capital and business alliance partners

Key Points of “ENEX2030 ’25-’26”

In the Power & Utility Division, we have set three strategic axes ((1) expansion of the customer base, (2) provision of new services, and (3) sophistication of supply and demand function and optimization of procurement) to create and expand profit opportunities with a view toward 2030, and we are promoting initiatives to achieve these goals.

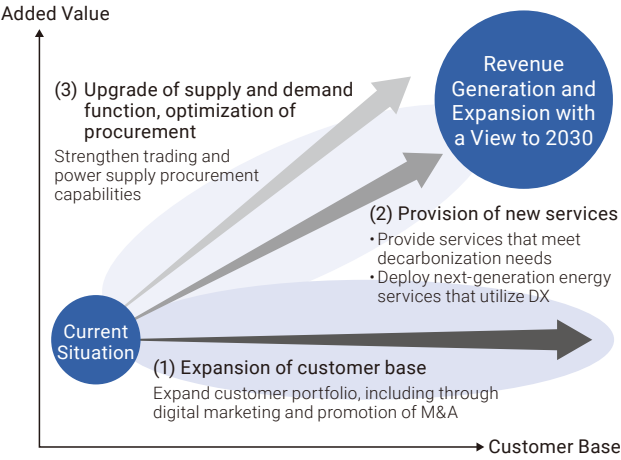
First, with the goal of expanding our current electric power and mobility-related customer base of 690,000 to 1 million by FY2030, we will strengthen digital marketing, promote M&A, and pursue inter-industry collaboration in lifestyle-related fields.

We will also develop electric power-related services with low environmental impact (such as solar power produced and consumed on site, PPA, and provision of environmental value) to meet the energy-saving and decarbonization needs of our customers, and focus on the digitalization of energy services that utilize technology through collaboration with our capital and business alliance partners.

In addition, we will further strengthen our supply-demand adjustment function (in-house power sources, alliances with major power companies, and optimal operation of market

procurement), which is one of our strengths, and aggressively promote investments in various power sources for adjustment, such as gas-fired power generation and storage batteries.

We will achieve further business growth during the two-year period of “ENEX2030 ’25-’26” by promoting these measures in an integrated manner.



Deepen Customer Base and Expand Business Portfolio

In February 2025, the Group subscribed to a third-party allotment of new shares by ENECHANGE Ltd. and entered into a capital and business alliance agreement with the company. Through this alliance, we will pursue sustainable growth and further enhance the corporate value of both companies by combining ENECHANGE’s advanced know-how and management resources in its business domains with the Group’s knowledge, extensive business partner network, and business development capabilities as an energy and infrastructure provider.

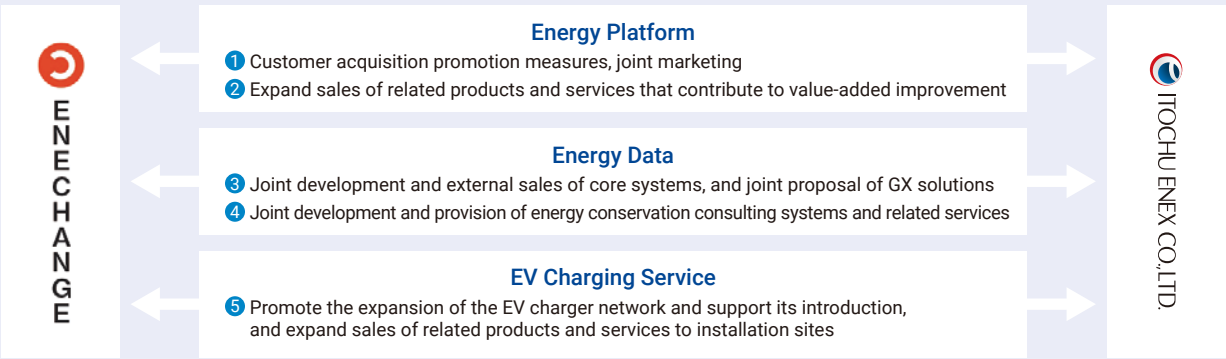
Specifically, we will expand our customer base in the energy platform business through joint marketing and sales expansion of related products and services, and in the

energy data business we will promote joint development of core systems and provision of energy-saving consulting systems with a view to responding to GX. Furthermore, in the EV charging service business, we plan to deepen our multifaceted collaboration, including through the expansion of EV charging networks and the proposal of products to installation sites.

This equity investment in Japan’s largest power and gas platform operator will contribute to the expansion of the Group’s customer base in the downstream energy area.

We will continue to proactively seize business opportunities in this area and work to improve profitability and deepen our business portfolio over the medium to long term.

Cooperative Synergies (Conceptual Image)



HOME-LIFE DIVISION



Strengthening our customer base and group network by making strategic investments toward business restructuring and adding new axes.

ITOCHU ENEX HOMELIFE CO., LTD.
Representative Director and President
Kyosuke Wakamatsu

Position and Strategic Policy of the Division

The Home-Life Division is one of the Company's original businesses, along with the Petroleum Division, and is primarily engaged in the direct sale (B-to-C) and wholesale (B-to-B) of LP gas. The customer base we have built up over the years, including those supplied through distributors, has grown to around 1.5 million (as of March 31, 2025). On the other hand, the decline and aging of Japan's population and decline in the birthrate are expected to continue, and the LP gas market is in a chronic state of decline. In addition, LP gas operators are being required to further strengthen their governance, as new regulations regarding appropriate transactions and

transparency in rates have been introduced under the Liquefied Petroleum Gas Act. In October 2024, four Group companies mainly engaged in the LP gas sales business were integrated to form the new ITOCHU ENEX HOMELIFE CO., LTD. in order to respond quickly to these changes in the business environment throughout Japan and to strengthen our business competitiveness. Under “ENEX2030 '25-'26”, we will continue to focus on acquisitions of LP gas sales rights and other measures to expand our business foundations, and add new profit opportunities to our business base through DX investments.

Initiatives under “ENEX2030 '25-'26”

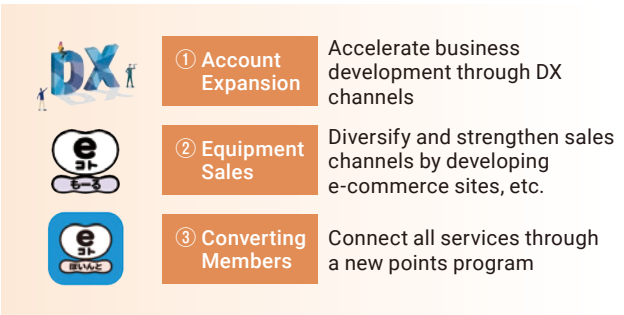
	Strengthening on-actual-site capabilities	Implementation of new and strategic investments
Aggressive	✓ Acquire customers not only in person but also through DX (new methods) ✓ Deploy “subscriptions” for high-functional products (various proposals)	✓ Strategic investment for business restructuring (lay foundations for the future) ✓ New development of e-commerce and reward points plan (add of new axis)
Defensive	✓ Strengthen “security and logistics” with DX (provide safety and security) ✓ Fee structure and Code of Conduct based on the new law (improve trust and confidence)	✓ Develop a bold and precise framework for promoting investment (strengthen organizational capabilities) ✓ Relentlessly pursue synergies with business partners (strengthen alliances)

Key Points of “ENEX2030 '25-'26”

In the Home-Life Division, we will promote the “thorough reinforcement of the LP gas business and valuable investments” with an aim toward FY2030. While expanding our customer base through proactive M&A to acquire sales rights, etc., over the coming years, we will strengthen our marketing capabilities and promote strategic sales measures based on “strong, smart, and earn” by accurately grasping changes in the market environment, such as revisions to ministerial ordinances and increases in product prices. Specifically, we will (1) strengthen our ability to attract customers through DX channels by introducing CRM (customer relationship management) tools and revamping our website and services, thereby accelerating business development, as a measure to expand the number of accounts. In addition, we will (2) open our own e-commerce site to attract buyers on the web without disrupting conventional real sales, as a measure to strengthen equipment sales. Then, we will (3) connect all services through the introduction of a new points program (e-coto points) and focus on creating and securing loyal

customers by making them members.

In December 2024, we entered into a capital and business alliance agreement with Koukandekirukun Inc., a unique e-commerce company that sells products and installation services as a set to meet the need for equipment replacement due to malfunction or deterioration of household equipment, and have begun attempts to integrate it with the Group's long-cultivated know-how and commercial distribution of household equipment and gas equipment sales.



Strengthening of Household Equipment Sales Business (E-commerce Site Development)

Demand for LP gas has been chronically declining due to the declining birthrate and aging population, as well as a decrease in the population and number of persons per household. In addition, labor shortages are becoming more serious, especially in our current business fields of logistics, safety management, and construction, and competition from competing energy sources is also an issue, making the digitization and streamlining of business operations more necessary than ever before.

Under these circumstances, ITOCHU ENEX HOMELIFE CO., LTD. concluded a capital and business alliance agreement with Koukandekirukun Inc. to develop Replaform, a platform that will serve as a foundation for house builders and

management companies to build and operate e-commerce sites for household equipment (launched July 2025). The platform enables companies to build their own e-commerce site and complete the process of product search, quotation creation, and sales settlement online in a one-stop shop. In addition, we will add a new axis to the Group's profit structure by working on the construction and launch of ITOCHU ENEX HOMELIFE CO., LTD.'s own e-commerce site as the first store, joint procurement of products by the two companies (cost containment), joint development of new services (warranty-related, new products, etc.), and personnel exchange in the construction field and mutual complementation of the two companies' construction areas.



Message from the CFO

We will achieve sustainable and profitable growth by strengthening on-actual-site capabilities and advancing a framework for making investments, both from financial and organizational perspectives.

Director and Executive Officer
Chief Financial Officer, Chief Compliance Officer,
and Chief Operating Officer, Corporate Administration Division
Satoshi Watanabe



Responsibility as CFO

I am Satoshi Watanabe, the newly appointed Chief Financial Officer. In my previous roles within ITOCHU Corporation, I have had experience in areas such as finance, accounting, corporate planning, and investor relations. I have also served as CFO at an overseas subsidiary.

Under our Medium-Term Business Plan “ENEX2030” (FY2023-FY2030), which has "To Create Driving Force of Life" as its slogan, ITOCHU ENEX is moving toward further growth and transformation by providing a variety of energy and related services for daily life and industry, and by developing our mobility business. The plan sets forth a policy to transform the business portfolio by strengthening on-actual-site capabilities and accelerating new and strategic business investments, and my responsibility is to support this transformation by effectively and appropriately allocating resources, including capital and human resources, and by building a system to support this. In addition, transformation will require the evolution of IT infrastructure, strict compliance, and ESG initiatives, all of which must be addressed in an appropriate manner.

Under a swift decision-making process, we will realize the vision we have set in ENEX2030.

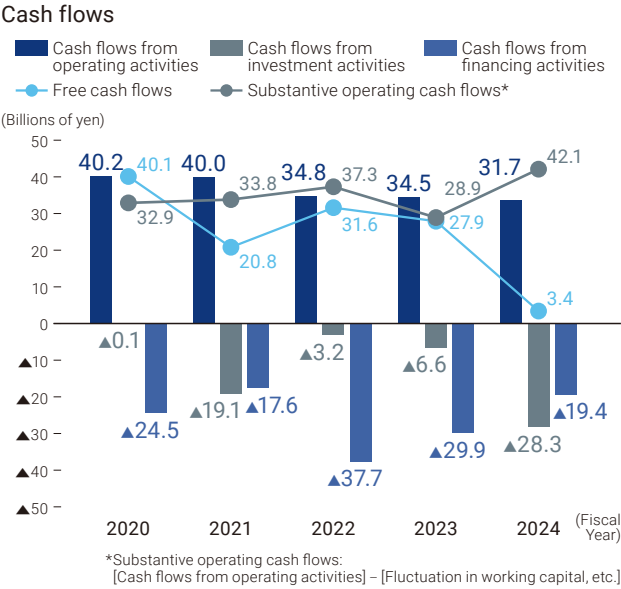


Review of “ENEX2030 '23-'24”

Under ENEX2030, we are building a portfolio by creating new businesses and reforming our business model with a medium- to long-term view of the environment surrounding us, and have launched a new and strategic investments plan in the scale of ¥210 billion over eight years. At the same time, it is essential to further strengthen our existing businesses in parallel with such initiatives. We will be able to create new business in peripheral areas by leveraging the stable cash generated by our customer base, which we call our “foundation,” and by uncovering customer needs. Accordingly , in addition to "advancing a framework for making investments," we have established "strengthening on-actual-site capabilities" as a key policy.

In the first stage, "ENEX2030 '23-'24," which covered FY2023 and FY2024, we were able to quantitatively achieve our plans for each fiscal year. The planned net profit was achieved in both years, and we posted record-high profits for two consecutive years. The planned substantive operating cash flows were achieved in both years and ROE has reached the planned range of 8-9% for each year. The cumulative amount of investments for the two-year period was only ¥46.8 billion, compared to the planned ¥60 billion yen. This was the result of careful selection of investment projects based on careful consideration of price level, risk, and efficiency, rather than executing new and strategic business investments based on the numerical target. On the other hand, capital investments necessary to maintain and improve existing businesses were steadily implemented according to the plan. Regarding new and strategic business investments, in addition to the mobility field, where we made large-scale investments in WECARS Co., Ltd. and Nalnet Communications Inc., we made progress in promoting our strategy in each field. We are seeing an increase in the number of promising projects being identified on the actual site.

On the qualitative side, we established the Investment Strategy Department (now the Investment Strategy

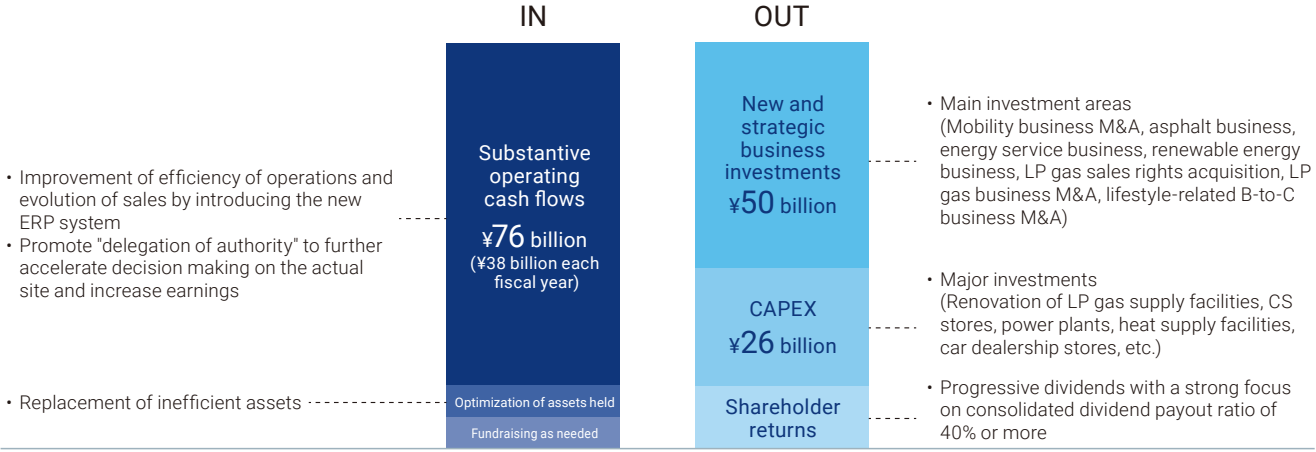


Section) to further promote such strategic investments and promoted the development of investment professionals and the identification of new projects. In addition, the establishment of the Corporate Investment & Risk Management Department has created a foundation to support "strengthening on-actual-site capabilities," including operating company management and support and enhanced risk management, as well as the introduction of a new ERP system to enhance business management sophistication and operational efficiency. We have steadily laid the groundwork, both quantitatively and qualitatively, to take the next step.

Financial and Capital Strategy in “ENEX2030 '25-'26”

In the second stage, "ENEX2030 '25-'26" (FY2025-FY2026), we will further strengthen our existing businesses and accelerate the execution of new and strategic business

ENEX2030 '25-'26" Cash Allocation



CFOメッセージ

investments to build a revenue base to achieve the goals of "ENEX2030". On the quantitative side, we have set a net profit target of ¥16 billion for each fiscal year, and a target ROE of 9%. We will communicate the story of ITOCHU ENEX's transformation for the future in an easy-to-understand manner, and as in the previous stage, we are determined to achieve our net profit and ROE targets.

New and strategic business investments are critical to achieving our goals, and we plan to make new and strategic business investments totaling ¥50 billion over the next two years. Substantive operating cash flows are planned to be ¥38 billion, exceeding the previous plan of ¥35 billion yen for each fiscal year, and there is sufficient capacity for investment in terms of funding. Following on from our investment in WECARS Co., Ltd. in FY2024, we intend to work on restructuring our mobility-related business and our core businesses of gas, gasoline, diesel and other petroleum products, electric power, asphalt-related businesses, and LP gas wholesaling and retailing, as well as pursuing further investments in businesses peripheral to these. As in the previous plan, we will be selective in our approach to projects. In addition to strengthening risk management, we consider efficiency to be an important factor and intend to monitor the risk-return and efficiency of our assets and, if necessary, consider the replacement of assets. We will accelerate the transformation of our business portfolio to achieve growth.

As for shareholder returns, which is another important measure, continuing on from the previous stage, we will continue our "progressive dividends" policy of not reducing dividends from the previous fiscal year, with a strong awareness of maintaining a consolidated payout ratio of 40% or more. In FY2024, we revised the annual dividend per share to ¥62, up by ¥6 from the initial plan of ¥56, and

exceeded the planned payout ratio of 40% with a result of 40.9%. In FY2025, we plan to pay ¥62 per share for the year. We will maintain our shareholder return policy of paying stable dividends, including on an actual amount basis, while steadily building up profits. We will respond to the heightened trust and expectations of the stock market through the implementation of these measures and the achievement of our goals.

DX Initiatives and Utilization

We have high expectations for DX through the use of the new ERP system and generative AI in order to strengthen our on-actual-site capabilities as well as to promote the execution of new and strategic business investments and the sophistication of investment management. Having cultivated a downstream customer base, we have a vast amount of data. We believe that if such data is utilized across the entire Group, it will not only improve operational efficiency but also create new business models. We will aggressively promote operational efficiency and pursue the possibility of creating new businesses.

ESG Initiatives

We have identified "response to climate change," "access to energy," "utilization of human resources," and "corporate governance" as key issues, and have set KPIs to promote ESG-related initiatives. Our basic philosophy towards ESG is to accurately grasp current global trends and respond to external requests while thoroughly considering "what we should be" in order to enhance ITOCHU ENEX's corporate value over the medium to long term.

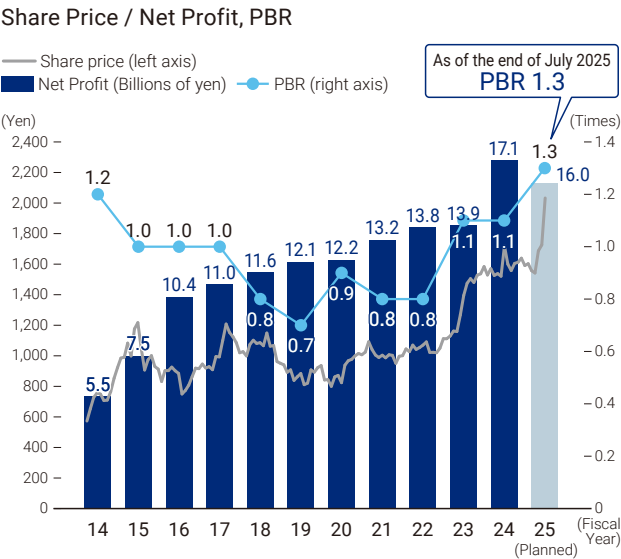
In particular, as a company that handles fossil fuels, we

recognize that climate change countermeasures are an extremely important factor for the sustainable enhancement of the Group's corporate value. We have set a target of reducing GHG emissions by at least 50% in FY2030 compared to FY2018. While we have made progress in reducing our emissions by 37% in FY2024, we must also accelerate the transformation of our business model to reduce the business risks associated with climate change. The diversification of human resources is another important theme. Not only the Company, but the industry in which we operate has traditionally had a male-dominated workforce. However, as new responsibilities will be required in various aspects from now on, it is essential to have diverse perspectives, including those of women, and diversity will be important in terms of strengthening human resources. We have received high evaluations from external parties, such as being selected as a constituent of the ESG index "FTSE Blossom Japan Sector Relative Index" and in the "MSCI Japan ESG Select Leaders Index," and we will continue to respond to the market's requests as transparently as possible and promote initiatives to enhance corporate value by further improving the links between ESG and business strategies.

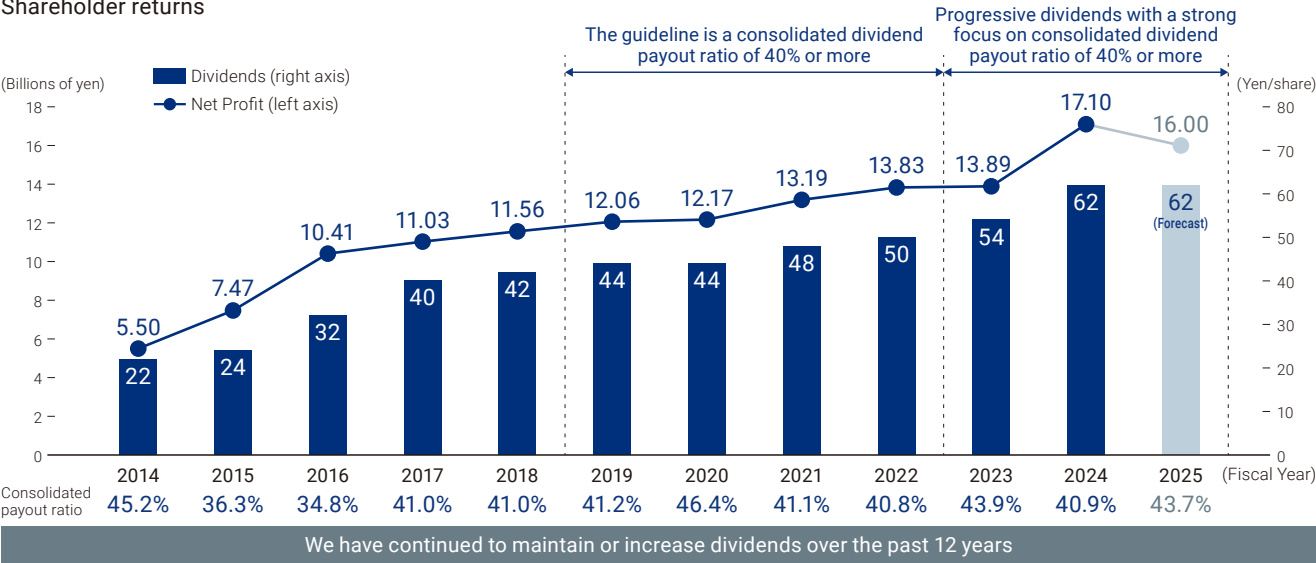
Sustainable Growth in Corporate Value Through Dialogue with the Market

We are determined to achieve our performance targets by steadily implementing the measures set forth in the second stage of ENEX2030, improving the business infrastructure

that supports our strategies, enhancing our methods of analyzing various data and information, and further improving the Group's governance. We will reflect the views of the market in our management through active dialogue with the market, including a wide range of investors and expanding its themes to various areas. We will continue to pursue sustainable enhancement of corporate value through such dialogue, the implementation of shareholder returns, and formation of an appropriate share price level, and I look forward to your continued support.



Shareholder returns



*In FY2020, a commemorative dividend of ¥6 was paid separately (the consolidated dividend payout ratio includes the commemorative dividend).

