

Section 03

Sustainability Initiatives

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, contributing to the development of a sustainable society. Based on our Corporate Philosophy, we will continue to expand the provision of businesses and services that contribute to the development of a rich life for people and the creation of a sustainable society in order to sustainably improve our corporate value.

Sustainability Policy

The ITOCHU ENEX Group has a mission of delivering **energy and services** as
"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

ESG-Related Societal Assessments

Details regarding ESG indices used by the GPIF

Selected for the MSCI Japan ESG Select Leaders Index

2025 CONSTITUENT MSCIジャパン
ESGセレクト・リーダース指数



The MSCI Japan ESG Select Leaders Index is an index constructed by selecting companies with excellent ESG evaluations from among the constituents of the parent index (MSCI Japan IMI Index), with a target of 50% of the market capitalization for each GICS®[1] industry classification under the parent index. The Company received the highest rank of "AAA" in MSCI's ESG ratings in December 2023 and has maintained this highest rank.

(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



The FTSE Blossom Japan Sector Relative Index is an ESG (Environment, Society, Governance) index prepared by FTSE Russell (UK), and has been selected as an index used by the Government Pension Investment Fund.

(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

KIH Outstanding Organization 2025



KENKO Investment for Health (KIH) is a system that recognizes corporations which practice particularly excellent health management based on initiatives that are in line with local health issues and health promotion efforts promoted by the Nippon Kenko Kaigi. (Ministry of Economy, Trade and Industry)

Eruboshi Certification (Stage 2)



This certifies companies that have outstanding implementation of initiatives to promote women's participation in the workforce. (Ministry of Health, Labour and Welfare) * Certified in FY2024

Kurumin Certification



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, Labour and Welfare) * Certified for the 7th time

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 priorities from an 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.

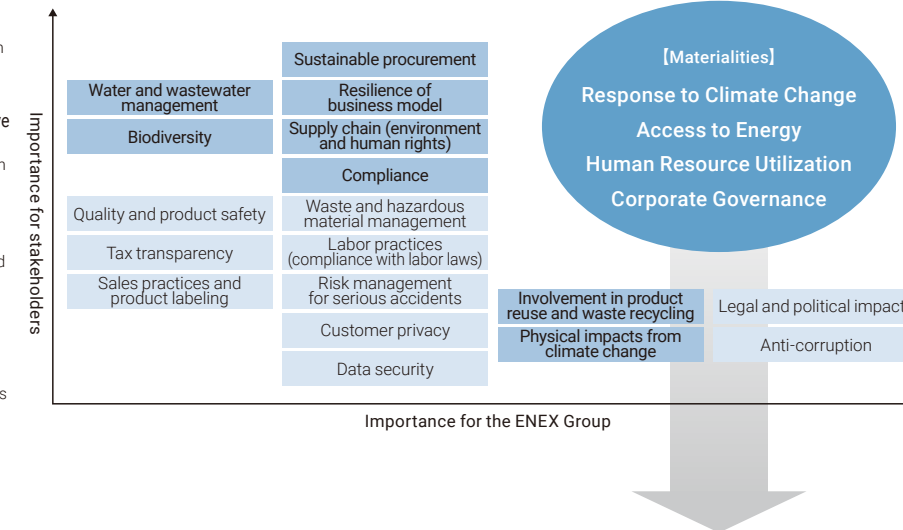
STEP3 : Setting our priorities

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

Process for Determining Materialities



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	- Expansion of the alternative fuel market and increase of sales opportunities accompanying the rising demand for alternative fuels - Creation of opportunities to construct infrastructure for hydrogen and other new energy sources - Rising demand for renewable energy and creation of new business opportunities - Expansion of markets where businesses have the potential to solve social issues, etc.	- Weakening of the existing energy businesses - Reduction of demand for fossil fuels due to the regulation of businesses' greenhouse gas emissions, etc.		- Alternative fuel - Renewable energy - Electric vehicles - Energy solutions for storage batteries / household products ▶ For details, see P.44-48
Access to Energy Offering energy to everyone	- Expansion of business supported by the trust of the local community and the entire supply chain - Provision of an environment that enables choices from a variety of energy sources, including alternative energy sources - Entry into regions where access to energy is underdeveloped - Retention and acquisition of customers by strengthening the disaster-resilient supply structure - Earning the trust of customers and the creation of new businesses through the stable supply of environmentally-friendly resources and materials	- Loss of customer base due to deteriorated relationships with local communities - Instability of business due to insufficient energy procurement, etc.		- Relationships with local communities - Access to energy - Stable supply of energy-related services - Car-life stations - Overseas expansion of LP gas sales ▶ For details, see P.49
Human Resource Utilization Human resource strategies to generate diverse value	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	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		- Diversity, equity and inclusion - Health and safety - Organizational culture - Human resource development ▶ For details, see P.50-53
Corporate Governance Clear, effective and fair decision-making	Improve the transparency of decision-making, respond appropriately to changes, and establish a foundation for stable growth by establishing a strong governance structure	Risks of business discontinuity, unexpected losses, and other risks associated with the dysfunction of Corporate Governance and internal controls		- Corporate Governance - Strengthening the functionality of Board of Directors - Increasing stakeholder engagement - Operating committees appropriately - Enhancing Group governance - Enhancing risk management ▶ For details, see P.54-63



Response to Climate Change

— Contribution to the realization of a carbon-neutral society —

Our Approach

Since the establishment of our Environmental Policy in 2000, we have continuously promoted environmental protection and improvement activities in accordance with this policy to realize a better global environment and coexistence with society by providing "energy for all applications, whether as a key component of social infrastructure or as a means of enriching people's lives" under our Corporate Philosophy of "The Best Partner for Life and Society". In addition, we are constantly revising our Environmental Policy to keep pace with the times, with the most recent revision in June 2025. In addition, we have expressed our support for the TCFD* recommendations to address climate change as stated in our Environmental Policy. 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. In addition, we will review our disclosures based on the TCFD recommendations as appropriate (most recent revision in June 2025) and will

continue to make appropriate disclosures in the future. We have also been certified under the international standard ISO 14001 since 2000, and have established a functional environmental management system under a group-wide, cross-sectional environmental management system, and are engaged in highly effective business activities to reduce our environmental impact through appropriate use of the PDCA cycle. We will continue to reduce the environmental impact of our activities and contribute to the realization of a low-carbon society as an energy trading company, and work to achieve a stable supply of energy as social infrastructure, a better global environment, and coexistence with society.

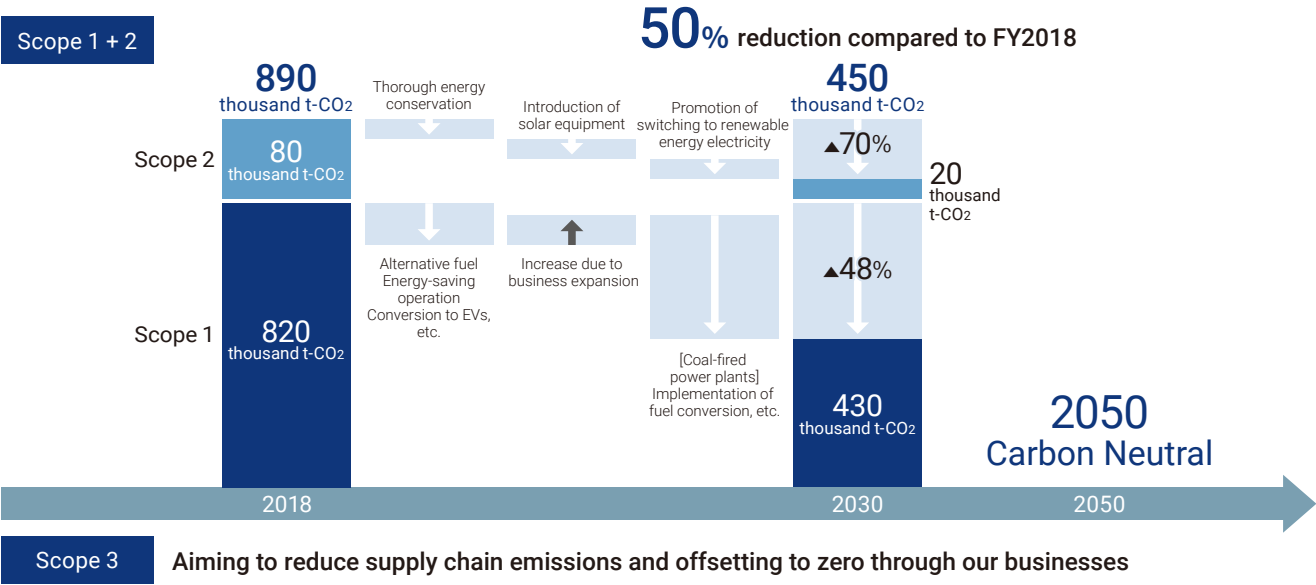


* TCFD refers to the "Task Force on Climate-related Financial Disclosures," which was established by the Financial Stability Board (FSB) in response to a request from the G20 to study how to disclose climate-related information and how financial institutions should respond.

Indicators and Targets

The Group has positioned addressing climate change as a priority management issue and is promoting information disclosure based on the TCFD recommendations. The medium- to long-term GHG emissions indicator is for managing the progress of reductions of GHG emissions in Scope 1 and 2, with the goal of a 50% reduction compared to FY2018 levels by 2030 and achieving carbon

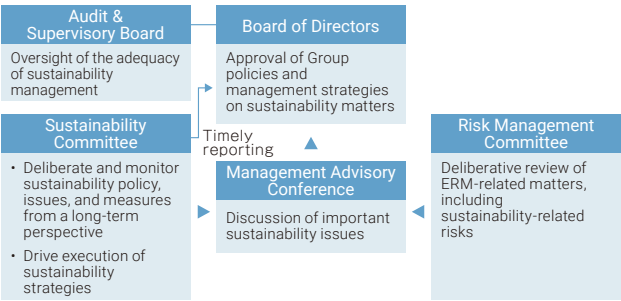
neutrality by 2050. In addition, as our contribution to Scope 3 and society as a whole, we will reduce GHG emissions throughout society through the reduction of supply chain emissions and through our businesses, aiming to offset CO₂ to zero. We will continue to ensure transparency by obtaining independent assurance and disclosing our progress.



Governance and Risk Management

The Sustainability Committee, a management advisory body within the Group, deliberates and monitors sustainability policy, issues, and measures from a long-term perspective, and implements and drives Group-wide sustainability management strategies. The Sustainability Committee is chaired by an executive officer, and important issues are mainly discussed at the Management Advisory Conference and reported to the Board of Directors as appropriate, or approved by the Board of Directors as necessary. The chair of the committee attends meetings of the Management Advisory Conference and the Risk Management Committee to ensure that sustainability perspectives are reflected in business strategies and company-wide risk management.

Main governance structure for sustainability



Sustainability Governance
<https://www.itcenex.com/en/csr/policy/governance/index.html>



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. 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	- 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 increase. - Investment 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.	- 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	- 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.	- 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 temperatures 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.

Response to Climate Change

Physical risks (4°C scenario)

		Risks	Opportunities	Term	Impact	Response Policy
Acute	Intensification of extreme weather	• Risk of damage to the Company's facilities • Increase in cost of responding to disasters • Decrease in sales due to supply disruptions and power outages • Decrease in customers due to hollowing out of disaster-prone areas	• Increase in demand for LP gas as a resilience function • Increase in opportunities to utilize disaster response car stations • Increase in demand for large storage batteries • Expansion of facilities maintenance business due to strengthening resilience	Medium	Medium	- Adaptation measures • Capital investment to comply with local government requirements and laws and regulations • Capital investment to increase resilience • Reinforcement of large-scale disaster countermeasures, risk management, and facility maintenance • Efforts toward regionally decentralized energy • Development of options for emergency response demand
Chronic	Rising temperature	• Decrease in revenue due to lower demand for electricity in winter • High procurement prices due to increased electricity demand in summer	• Increase in demand for adjustment power sources to level demand	Medium-long	Medium	- Mitigation measures • Development of new services in response to changes in winter fuel demand • Improvement of supply and logistics networks for diversification of products handled • Review of power supply portfolio • Expansion of our supply and demand trading business

Transition risks (1.5°C/less than 2°C scenario)

		Risks	Opportunities	Term	Impact	Response Policy
Policy	Regulation of CO2 emissions	• Decrease in demand for petroleum products • Levying of carbon tax • Decrease in retail network • Increase in fuel procurement costs • Regulatory changes, resource constraints, etc. • Cost increases due to fuel conversion and equipment upgrades	• Increase in demand for environmental products such as next-generation and alternative fuels and renewable energy • Increase in revenue due to capturing dealers in the aftermarket • Increase in opportunities to invest in decarbonization technologies	Medium-long	Large	- Mitigation measures • Expand sales of next-generation and alternative fuels • Improvement of supply and logistics networks for diversification of products handled • Strengthening our renewable energy business • Strengthening of storage battery-related business • Fuel conversion, etc. at coal-fired power plants • Expansion of the energy service business
	Changes to the energy mix	• Insufficient procured power supply • Increase in procurement costs • Increase in PV output suppression	• Temporary increase in demand for industrial LP gas and LNG • Expansion of the adjustment power source-related business • Expansion of the renewable energy business • Increase in business opportunities due to regional decentralization of power sources	Medium-long	Medium	
Market	Changes to energy demand	• Increase in electricity procurement prices • Increase in market procurement prices	• Increase in the number of customer homes due to industry restructuring • Increase in electricity demand • Expansion of EV-related business	Medium-long	Medium	- Mitigation measures • Maintaining and expanding the customer base • Capital investment for fuel conversion of existing infrastructure • Strengthening of infrastructure consolidation and electric power sales business • Development of new electric power options • Businesses that use reusable batteries • Strengthening of EV-related and dealer business
	Changes in customer behavior	• Increase in stockpiling facility maintenance costs • Increase in development costs, etc. for new electric power options • Brand image deterioration	• Increase in demand for facilities with high environmental performance and high-efficiency equipment • Increased opportunities for the energy service business to make proposals • Increase in demand for PV for private consumption	Medium-long	Medium	
	Advances in next-generation technologies	• Decrease in demand in the petroleum product-related maintenance domain • Decrease in retail network • Responding to a diverse energy supply • Increase in regulatory risks	• Expansion of the hydrogen-related business • Expansion of sales of ammonia fuel for ships • Increase in environmental value of biomass power plants • Decrease in cost of biomass power generation	Medium-long	Medium	- Adaptation measures • Capital investment for fuel conversion of existing infrastructure • Infrastructure consolidation • Dialogue and coexistence with local communities



Initiatives

Environmental Business & Management

Future society & living by 

	Alternative fuel	GTL fuel / renewable diesel / hydrogen value chain development / LNG for marine use / carbon-offset LP gas
	Energy saving	Heating supply / high-efficiency gas equipment / smart devices / sales of EVs / infrastructure development for EVs / EV car sharing
	Renewable energy	Hydroelectric power generation / solar power generation / biomass power generation / PPA (solar power purchase generation) / agrivoltaic generation / storage batteries
	Recycling and Other	Decarbonization management support / AdBlue® / regional revitalization business / ISO14001 environmental management system / environmental conservation activities / reduction of own environmental impact / initiatives for disaster prevention and mitigation

Business Initiative CASE1

Sustainable logistics and society realized through "renewable diesel" next-generation fuel

We sell renewable diesel (RD) as one proposal to our customers to save CO2 and energy, as part of our development and sale of next-generation energy. RD is an alternative fuel that reduces CO2 emissions by 100% compared to diesel fuel under the Act on Promotion of Global Warming Countermeasures, and is mainly used as fuel for trucks and buses. In 2024, we obtained the "Eco Mark" for this product, the first certification of a "synthetic fuel" (biodiesel) under the Eco Mark program of the Japan Environment Association. In addition to Tokyo, Kanagawa, and Aichi prefectures, where we have expanded our permanent RD refueling stations, the opening of an RD refueling station in Osaka Nanko in FY2024 has made it possible to refuel with RD in Tokyo, Nagoya, and Osaka, making it easier for RD to be adopted by trucks for long-distance transportation. As a leading example, RD which we delivered was used for road repair work for the first time in Japan, contributing to a significant reduction in CO2 emissions from road maintenance vehicles. In addition, we have begun supplying "RD40," which contains 40% RD and can be used when driving on public roads without any

special procedure such as prior application to the prefectural governor or carrying a transfer certificate, and is expected to significantly expand the scope of application, with no restrictions on travel between construction sites or refueling locations. We aim to realize a circular economy and a decarbonized society through the expansion of RD distribution.



Clear, colorless renewable diesel made from sources such as waste cooking oil

Business Initiative CASE2

Progressing decarbonization through the PPA model

In order to promote the spread of renewable energy and realize a decarbonized society, the Group utilizes a power purchase agreement (PPA) model to optimize the provision of environmentally low-impact electricity in response to customer needs. In February 2025, we signed an agreement with Air Water Inc. (and its group companies) for TERASEL Solar, an on-site PPA service. Under this project, we will install and own a solar power generation facility on the site of a plant belonging to the Air Water group in Hofu City, Yamaguchi Prefecture, and the electricity generated will be directly supplied to the customer. The introduction of this service is expected to reduce the use of grid electricity at Air Water's Hofu Plant by an average of approximately 17% per year and reduce CO2 emissions by approximately 4,000 tonnes per year. We have also begun offering an off-site PPA service that supplies renewable energy-derived electricity generated by solar power equipment installed on the rooftop of one of our distribution facilities to the No. 1 Data Center operated by I-NET Corp. This service enables the supply of electricity

from power generation facilities located far from the point of demand, making it possible for facilities in urban areas or those with limited land to flexibly consider the introduction of renewable energy. Going forward, we will continue to accelerate our efforts to reduce CO2 emissions and realize a carbon-neutral society through the provision of a variety of services, including the PPA model.



Solar power plant that supplies electricity to I-NET's No. 1 Data Center

Response to Climate Change

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	FY2024
Scope 1	Kerosene	1	1	1	0	1	1	1
	Diesel oil	2	2	2	2	2	2	2
	Gasoline	3	3	4	4	4	4	4
	Heavy oil	30	31	26	24	28	32	32
	Coal	760	716	742	664	432	411	435
	GTL	—	—	0	1	1	—	—
	LP Gas	2	2	2	2	2	6	5
	City gas	20	17	57	29	35	18	21
Scope 1 total		818	771	833	728	505	474	499☑
Scope 2	Heat	0	—	0	0	0	0	0
	Electricity	78	77	65	67	63	60	65
	Non-fossil certificate	—	—	—	△ 0	△ 0	△ 0	△ 0
	Use of in-house power generation	△ 3	△ 3	△ 2	△ 2	△ 1	△ 1	△ 1
Scope 2 total		76	75	63	65	62	59	64☑
Scope 1 and 2 total		894	846	896	793	566	533	563☑
FY2030 emissions target								447
Achievement rate for FY2030 target								74%

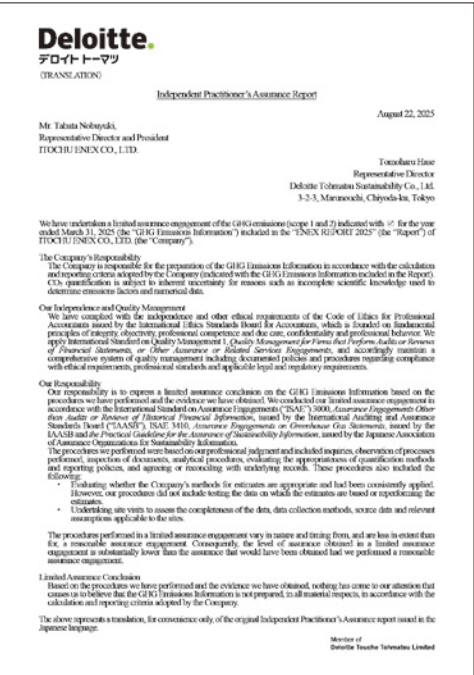
- (Notes)
1. In calculating GHG emissions, our Group refers to ITOCHU ENEX CO.,LTD. and consolidated subsidiaries (for Scope 1 and 2, companies with 10 or fewer employees are excluded).
 2. GHG emissions are calculated using the GHG protocol developed by WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development).
 3. GHG emissions are calculated based on energy-related CO2 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 the data in previous years' Integrated Reports etc. concerning FY2018 (the reference year), FY2022 and FY2023.

Scope 3 Changes in emissions by category
(Unit: thousand t-CO2e)

Category			FY2018 (Reference year)	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
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	3,237
	Category 3	CO2 emitted during the fuel procurement process for our power plants	128	113	95	76	53	27	32
	Category 4	CO2 emitted when driving our chartered trucks	107	103	99	98	103	100	97
	Category 6 and 7	CO2 emitted during business trips and commuting by employees	2	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	17,074
Scope 3 total			23,324	22,227	20,979	20,653	21,607	21,018	20,442

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

Independent Practitioner's Assurance Report



(Note) The Independent Practitioner's Assurance Report is also posted on our website.
<https://www.itcenex.com/en/csr/environment/activities/index.html>



Access to Energy

— Offering energy to everyone —

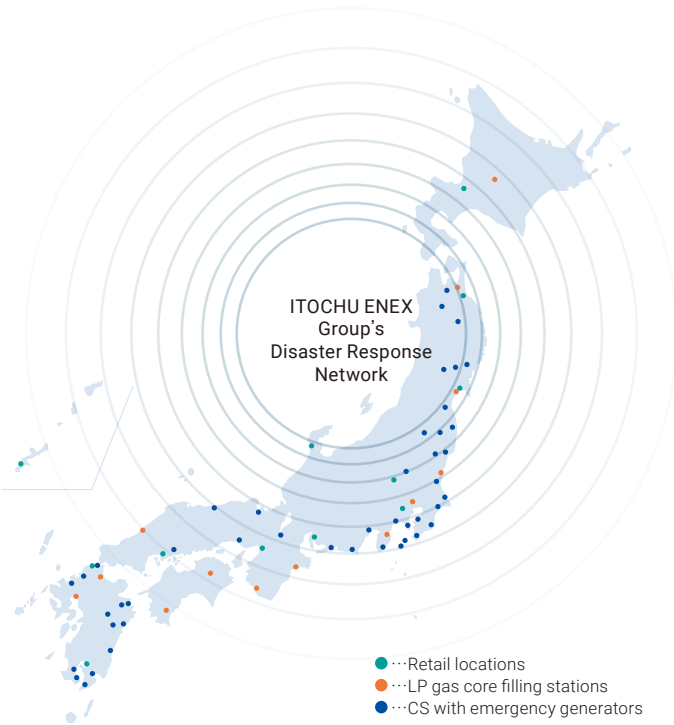
Our Approach

The Group has established a sustainable energy supply system, both in normal times and in emergencies, through the strong relationships of trust with customers that have built up by our efforts to provide a stable supply of energy nationwide.
We have a network in place to ensure a stable supply of energy even in times of disaster, including LP

gas core filling stations and disaster response stations, and we also have personnel who can respond quickly as a group, from "disaster prevention" to "restoration".
As "The Best Partner for Life and Society," we aim to realize a society in which all people have stable access to energy.

Building our disaster response network

The Group has established a stable supply system for emergencies through a nationwide network of 129 disaster response stations and 13 LP gas core filling stations. The disaster response stations are also equipped with emergency generators to maintain fuel supply function, and will be ready to contribute to the community in the event of an emergency.
We have also concluded disaster prevention agreements with seven municipalities that cover disaster prevention community development and enable prioritized supply to evacuation centers, hospitals, and emergency vehicles.
In addition, we have formulated a business continuity plan (BCP) in preparation for the occurrence of a large-scale disaster. The core organization of this plan is the BCP/Disaster Response Headquarters, which is responsible for responding to disasters, developing an appropriate system of coordination throughout the country, and conducting periodic reviews.
Through these activities, we are building a disaster response network and establishing a system that can respond quickly in the event of a disaster.



Hazardous materials engineers	LPG installation engineers	Disaster prevention specialists	LP gas core filling stations	Disaster response stations	Emergency community tanks	Disaster prevention agreements	Sales locations across the country
Approx. 2,800	Approx. 1,500	More than 200	13 locations	129 locations	8 districts	7 municipalities	12 branches

[Response to Natural Disasters and Disaster Prevention](https://www.itcenex.com/en/csr/social/customer-responsibility/index.html)
<https://www.itcenex.com/en/csr/social/customer-responsibility/index.html>



As a partner in the community

The Group's business operations are rooted in each region.
We have created new businesses through sales activities that are closely connected to the local community and that respond carefully to 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.

We will continue to deepen our relationships of trust by offering a variety of commercial products in each region through alternative energies and new business creation.



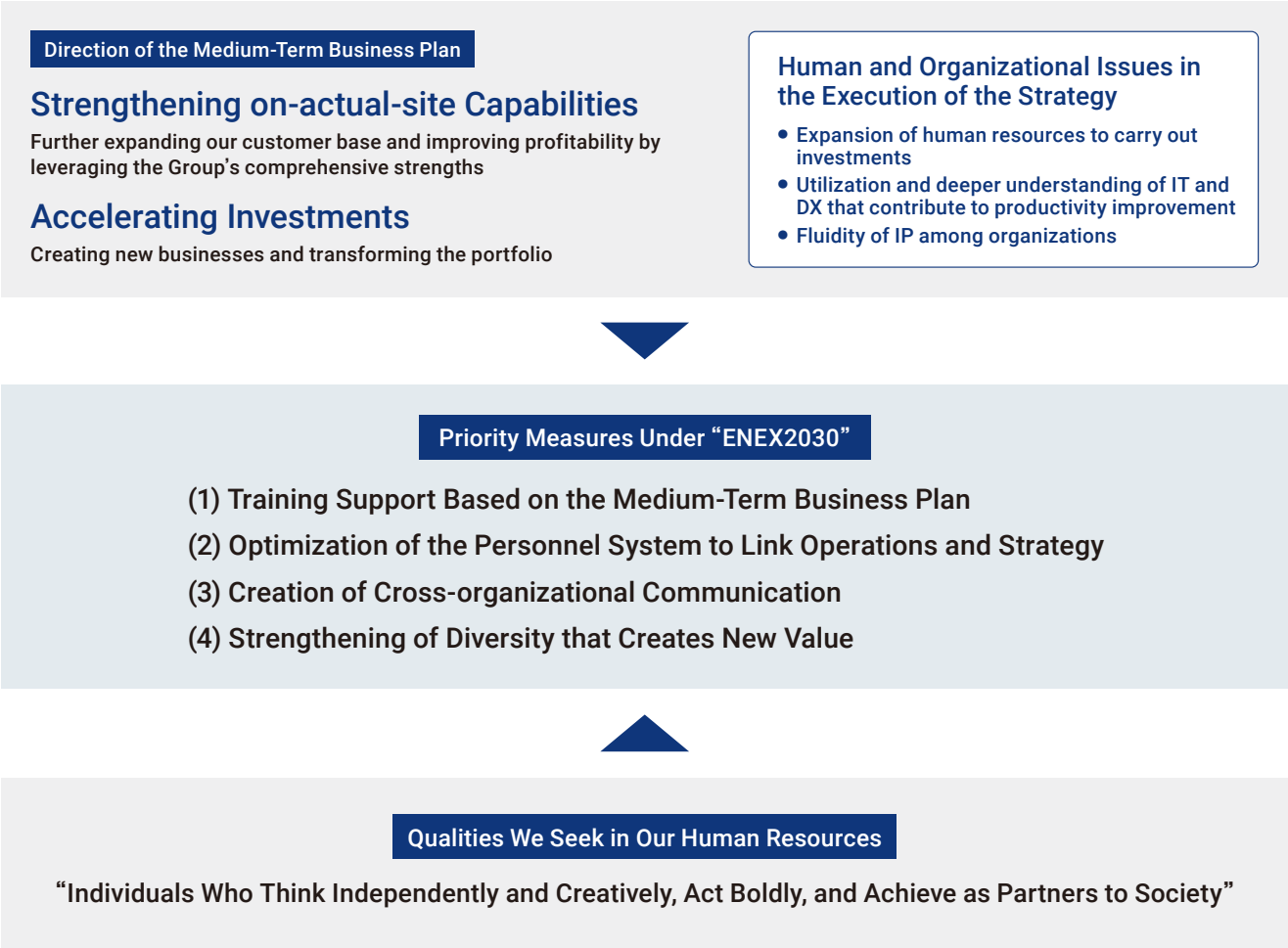
Human Resource Strategy

Our Approach

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. In line with our Corporate Philosophy of "The Best Partner for Life and Society," since 2009 we have been seeking human resources who think independently and creatively, act boldly, and achieve as partners to society. Against the backdrop of changes in the social environment, such as the accelerated shift to carbon neutrality, and the diversification of customer needs, the Group is promoting initiatives to expand our customer base, improve profitability, and create new businesses under our Medium-Term Business Plan

"ENEX2030," with "strengthening on-actual-site capabilities" and "accelerating investment " as the direction we are aiming for; for this, it is even more important to strengthen our human resources and organizations to adapt to this period of change. As a priority measure under "ENEX2030" in the utilization of human resources, we will activate new value creation by supporting training based on this business plan, optimizing the personnel system that links operations and strategies, and promoting cross-organizational communication. We aim to continuously enhance our corporate value by creating an organization in which all employees can play an active role and feel fulfilled in their work, while respecting the diverse values and autonomous careers of each employee.

Links Between Business Strategy and Priority Measures Under “ENEX2030”



(1) Training Support Based on the Medium-Term Business Plan

We place emphasis on the development of multi-skilled personnel who can demonstrate their abilities in a variety of business environments. In addition to traditional OJT, we have created an environment in which all employees can acquire a wide range of knowledge and skills, which includes the holding of study sessions led by our business staff with the aim of improving management literacy in areas such as IT, finance, and legal affairs.

In particular, as part of strategic development, we conduct finance training to strengthen employees' ability to execute investment projects and generative AI study sessions to enhance the use of DX.

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. Through these initiatives, we are strengthening our strategy-based training programs while continuously improving the base level, strengthening competencies, and supporting autonomous career building.

Finance Training

In order to realize the acceleration of investments, which is one of the directions we are aiming for under our Medium-Term Business Plan, we provide finance training programs to help employees acquire an understanding of basic finance frameworks and analytical methods, as well as to develop analytical skills in management decision making. A total of 12 classes were conducted by experts, and as of the end of FY2024, a total of around 120 employees have attended the classes. By participating this training, we are working to enhance the financial skills of our employees and evolve our framework for making investments so that more employees can execute new and strategic business investments and handle more sophisticated investment management.

IT and DX Literacy

Our Medium-Term Business Plan "ENEX2030 '25-'26" is positioned to "actively use DX for aggressive and defensive measures to support the execution of investments and the growth of investee companies," and we are utilizing AI such as ENEX-GPT and the new core system completed in January 2025, with improving operational efficiency the current main focus (see page 24-25 for details). In order to deepen our employees' understanding of generative AI, we hold generative AI study sessions and seminars by external lecturers, and a "company prompt contest" to discover effective ways to use AI-based text generation in business operations and promote the use of ENEX-GPT. We aim to improve operational efficiency, evolve sales, and even create new business through the use of IT and DX.

Other Training and Participation in Programs

Program Name	Purpose	FY2024 Participants
Hierarchy-specific Training	Develop human resources capable of assuming the role required at each level, for employees from their third year of employment to management positions.	199
Overseas On-the-job Training	Understand foreign cultures and business practices, and develop the ability to manage foreign businesses.	3
Career Design Seminars	Encourage employees in their early 50s to rediscover the role they are expected to fulfill.	30
Graduate School Program for Working Professionals	Send employees to a graduate school for working adults to develop management personnel	2
Challenge Support System	Provide subsidies to employees who attempt to acquire difficult qualifications, regardless of whether they pass or fail, to create opportunities for self-development	9

Training Contents

- <Basic (6 classes)>

 - Basic philosophy
 - Valuation of corporate value
 - Capital allocation
- <Practical (6 classes)>

 - M&A transactions
 - MBO transactions
 - Corporate acquisitions and divestitures (due diligence, structuring, negotiation, valuation, etc.)

The training is conducted by MBA instructors who are current teachers and classes are held weekly for employees selected from each department, where they work in groups on case studies that use examples of other companies' successes and failures.



Generative AI Study Sessions

The purpose of the sessions is to familiarize employees with generative AI and provide them with an opportunity to use it in their work. The study sessions provide inputs in the form of an understanding of general trends in generative AI and the functions of ENEX-GPT (our AI tool), as well as basic knowledge of generative AI. The sessions also provide opportunities for outputs related to methods for utilizing AI through practical training sessions that actually utilize ENEX-GPT and prompt writing contests aimed at improving operational efficiency and generating ideas.



Human Resource Strategy

(2) Optimization of the Personnel System to Link Operations and Strategy

We conduct personnel evaluations based on the MBO (Management by Objectives) system, which is primarily aimed at human resource development, including employee ability and career development; role evaluation, which is aimed at confirming whether employees have fulfilled their role at the expected level; and competency evaluation, which is aimed at measuring the degree to which managers and supervisors demonstrate their abilities.

In addition, since FY2014, we have held a company-wide awards program to raise the morale of Group employees and promote our Medium-Term Business Plan. In FY2023, we redesigned the selection and awards process and revised the criteria. The new system focuses on the evaluation of initiatives that contribute to the promotion of "strengthening on-actual-site capabilities," "evolving the framework for making investments," and "strengthening the organization and human resources" as set forth in the Medium-Term Business Plan, and aims to create a system in which all employees can challenge themselves fairly and be proud to receive an award.

This personnel system will create the foundation for a stronger human resource, a stronger organization, and a more rewarding company, and promote the growth of both employees and the company.

2024 Company-wide Awards Ceremony

The awards ceremony was held to honor Group organizations and employees of all generations, from young to senior, and the selection criteria were based on on-actual-site capabilities, DX, human resources (women and seniors), new and strategic business investments, social contribution, and operational improvements, which fit with the Medium-Term Business Plan "ENEX2030". With the Group's performance at record high profits, we have established award categories such as "Excellent Organization Award," "Individual Encouragement Award," and "Special Award," and selected winners based on their abilities, not on market conditions.

Excellent Organization Award: IT Planning Department

"Next Generation Core System Construction Project"

A fundamental review of the system structure was conducted in response to the emergence of operational issues, such as the black box nature of the core system. A new core system was released in January 2025 that enables enhanced security, improved operational efficiency, and data utilization. The Department was evaluated highly because, although the system is shared by 17 Group companies, has a wide range of functions and entails many operational risks, they were able to not only complete the project but also enable a certain amount of annual cost reductions through a system that contributes to operational efficiency.



(3) Creation of Cross-organizational Communication

The Group is working to enhance our overall strength by revitalizing communication among the Group's companies and divisions, and conduct rotations between divisions and secondments to Group companies and portfolio companies with the aim of maximizing the qualities and abilities of each employee. Through rotations between divisions, we aim to develop comprehensive human resources with a wide range of knowledge, perspective, and insight gained through working in multiple departments, while secondments to group companies and portfolio companies not only allow us to exchange human resources and acquire know-how, but also to contribute to the creation of new businesses.

In FY2021, we introduced "cross-functional training" with the aim of promoting cross-organizational ties, solidarity among employees, and the creation of new innovation and businesses across divisions and product lines, with Group companies also participating from FY2024. We are developing human resources capable of carrying out the "strengthening of on-actual-site capabilities" and "accelerating investments" by continuously implementing such measures to develop human resources and strengthen the organization that will contribute to the enhancement of the Group's overall strength.

FY2024 Cross-Functional Training

Employees from Group companies gather at five locations across Japan for cross-functional training that deepens connections across divisions and companies. This training program helps employees interact and improve their abilities through presentations of case studies of initiatives by employees who have achieved outstanding results, tours of related facilities engaged in eco-friendly and new businesses, and training in the logical thinking required for their work.



Fiscal Year	Issue		Sites
	Companies	Employees	
2021	ITOCHU ENEX	195 non-managers	Tokyo, Osaka
2022	〃	310 managers and non-managers	〃
2023	〃	75, selected by sales departments and the Human Resources & General Affairs Department	Hokkaido, Training Center (Karuzawa LABO), Osaka, Hiroshima, Fukuoka
2024	All Group companies	72, selected by sales departments, Group companies, and the Human Resources & General Affairs Department	〃

(4) Strengthening of Diversity that Creates New Value

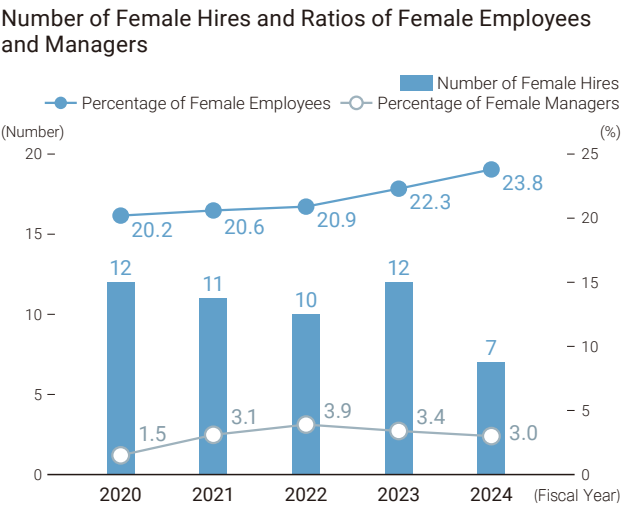
The Group has expanded and changed its business foundations in a flexible and adaptable manner in response to the changing times and external environment. We aim to respect the diversity and values of our employees and to create an organization that continues to evolve through the appointment of a diverse range of human resources, in order to achieve sustainable growth in a rapidly changing and unpredictable business environment.

In our Medium-Term Business Plan, we have set management targets for the ratio of female hires and ratio of female managers, and are promoting efforts to promote

women's participation in the workforce. In addition, with the aim of introducing internal systems that are more responsive to the work styles of employees, both male and female, as well as to childcare and nursing care, we are holding study sessions on amendments to childcare and nursing care laws and preparing a handbook summarizing our internal rules, and legal regulations. In this way, we are creating an environment and rules that will enable each employee to play an active role, as well as an organizational climate that allows them to fully demonstrate their abilities.

Diversification in Hiring

We aim to create a workplace where a wide variety of people can work with confidence for the long term, and since 2013 we have increased the number of female employees, which was far fewer than in other industries. We are also working to develop female candidates for management positions in order to achieve our FY2030 target of 10% female managers. In the future, we will consider mid-career hiring focused on young people, the development of an environment (system) in which veterans and seniors will naturally want to play an active role, and the introduction of a re-entry system for retirees, with a view to transforming into an organization in which personnel with diverse experiences and values can grow. We will promote the sustainable growth of our companies and society by respecting diverse human resources and fostering a corporate culture that supports self-realization.

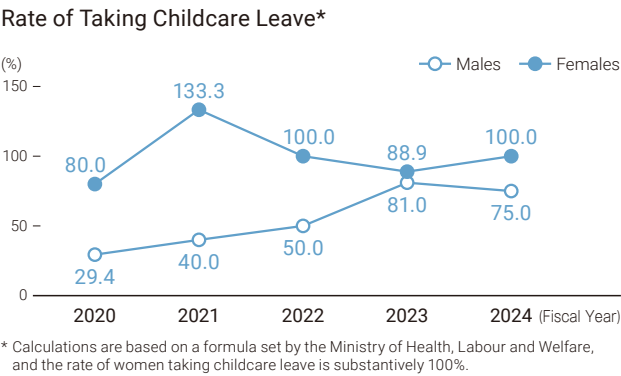


Development of Diverse Work Styles

In order to enable diverse work styles, we are striving to develop work systems, leave, and benefits related to childbirth and childcare, as well as other measures to prevent long working hours and promote employee health.

In particular, in order to deepen the understanding of the need for male employees to take childcare leave, we have prepared multiple systems to promote higher rates of taking childcare leave.

We also support a variety of employee work styles through our "Welfare Handbook," which provides an easy-to-read summary of a wide range of support systems, from asset building to study support systems and a re-employment system for employees whose spouse has been transferred; the "Health Management Handbook," which summarizes our approach to health management, health examination subsidies, leave and compensation systems, etc.; and the "Handbook on Support for Balancing Work and Family Life," which outlines various support systems for childcare and nursing care. The handbook on childcare and nursing care includes stories from employees who are parents, in order to eliminate the psychological barriers for younger employees to use the system.



Childcare and Nursing Care Workshops, Creation of Handbooks

Study sessions summarizing the latest legal amendments to the Act on Childcare Leave and Caregiver Leave are held as appropriate. In addition, we have prepared a "Handbook on Support for Balancing Work and Family Life" which is available on our internal portal site.

