

New President Appointment Large Meeting: Summary of Proceedings

Date : July 3, 2025(Thu.) 14:00 to 14:50

Presenters :

Representative Director and President	Nobuyuki Tabata
Director; Executive Officer, CFO and Chief Compliance Officer, Corporate Administration Division	Satoshi Watanabe
Deputy Chief Financial Officer; General Manager, Corporate Planning Department	Keisuke Hioki

Term : HL = Home-Life, CS = Car-Life Station (multi-service refueling station)

1.Greetings from Tabata and self-introduction

【Self-introduction】

I was born in Tochigi in 1968, majored in polymers in the Department of Applied Chemistry, Faculty of Engineering, Tohoku University, and joined ITOCHU Corporation after graduation in 1990, a rarity among science majors at the time. Four years after being assigned to the Polyolefins Department, I acquired 100% of a business company called Plastribution. At that time, I worked for ITOHCU Europe in the U.K. and then in Long Beach, U.S.A., for seven years in an environment where I was the only Japanese among 95 employees. Then in New York as General Manager of Energy Chemicals at ITOCHU International Inc, working under Chairman & CEO Yoshida, now at WECARS Inc, and with CFO Watanabe. returned to Japan in 2018, after serving as General Manager of Plastics, General Manager of Chemicals Division, and Executive Officer of Chemicals Division, I joined ITOCHU Enex as an advisor in April 2025 and was appointed President and Representative Director on June 18, 2025. My hobbies include reading, jogging, golf, and muscle training. I eat out every night but has one day off a week. My personality is cheerful, fun, and patient, but I tend to make quick decisions because I spent a long time at ITOCHU Corporation buying and selling general-purpose resin at all hours of the day. I am sometimes asked for aphorisms, but I try not to use such difficult words.

【Actual situation, Actual place, Actual goods】

What I found to be a good fit for my career upon arrival at the company was its “actual situation, actual place, actual goods” attitude. The company has branches and sales offices in each region and area, and the way of working is like that of a company at the end of the line, where people first move their bodies rather than expressing opinions from a high place. Since my arrival in April, I have been emphasizing the importance of being physically active and going into the field, such as by taking orders at CS and refueling large trucks, and I intend to continue to emphasize this attitude.

【Policy statement】

This is a summary of what I discussed with our executive officers after the general meeting of shareholders on June 18, 2025, and I would like to emphasize the following five points in managing our company. As mentioned above, (1) “to place importance on the ‘actual’ the actual situation, the actual place, and the actual goods” and (2) “to be conscious of the shareholders' viewpoint,” which I learned from Chairman Okafuji, CEO of ITOCHU Corporation, and which I believe is the duty of the president of a listed company, I encourage our officers and employees to join the stock ownership plan and always consider what is right from the perspective of shareholders. I would like to always think about what is right from the shareholder's perspective. (4) We will not only earn money, but also work humbly to cut costs and prevent losses, as ITOCHU Corporation has also adopted the slogan “Kakefu”. We will train and polish our skills, as we believe there are still many issues to be addressed. We believe that good management is possible only when the mind, body, and spirit are in harmony, and we would like to manage our business in such a way as to train our bodies and keep our minds healthy.

2. Questions from the secretariat to President Tabata

Q : What was your impression of our company and its culture?

A : My impression of the Company is that its employees are engaged in work where their strengths lie in their “hands-on” skills. With more than 1,500 CS locations, including group companies, and approximately 570,000 direct LP gas customers, the Company has built a nationwide base that serves as a platform for its business. This foundation has been built up over the more than 60 years since the Company's establishment and is considered extremely valuable. I also have the impression that the Company's employees are not slouching, but working as a team, and I felt a strong sense of responsibility to cultivate their own fields under any circumstances, just like an agrarian tribe. However, if they continue to cultivate their fields in the same environment, there is a possibility that the fields may wither and die depending on changes in the environment, so in the future, as “fighting farmers,” we would like to combine the strength to respond flexibly to changes in the environment.

Q : What are your thoughts on the business environment and existing businesses?

A : The Company's foundational businesses include oil, gas, electricity, and mobility, and all of these business bases are rooted in Japan. Although we have some overseas business bases, these businesses do not have a significant impact on our business performance, and almost all our profits are domestic. Japan's population is declining year by year, and the company believes that it will be difficult to grow earnings in the same way in the future. While the population decline has not been rapid, this situation of continuing to record the highest profits every year makes it difficult to notice the shrinkage of the entire earnings base, and we recognize that this is a major issue. Although we have built a large business base, the market share of each of our products is only a few percent, so there is room for us to aggressively expand our business base and develop new businesses as a “fighting farmer. However, we have a negative view of developing new businesses without know-how and would like to expand our business base by leveraging our core industry knowledge in existing and peripheral businesses where we have know-how.

Q : What are the key priorities in your medium-term business plan?

A : In the previous medium-term business plan ENEX2030 '23-'24, led by former President and CEO Yoshida, we laid the groundwork for the next step by reorganizing the organization, creating guidelines, and spinning off the HL business. At the same time, we believe that there are many gaps in our existing businesses that need to be filled to expand into peripheral businesses, and we will step up our investments to fill these gaps, building on the groundwork laid in the previous medium-term business plan. In addition, the energy industry needs restructuring due to the impact of population decline and other factors.

Q : What are your thoughts on our organization and human resources?

A : ENEX2030 '23-'24 clarified organizational functions and established a new department to manage and develop group companies, and we believe these are working well. On the other hand, the energy industry itself is an old industry, and I have the impression that our organization has a strong stove-piped culture, and I feel that it is a shame that we are not taking advantage of the connections that exist on the same business platform. While it is important to create an organization with professionals in the oil and gas business, etc., we believe that we can be even more useful to our customers by creating an organization with personnel who can develop commercial products from different businesses for the customers of each business. Regarding human resources, many employees are diligent in their work, and we feel that they have high practical skills. However, I feel that there is a strong tendency for the executives to carry out business operations on their own, so I would like each of them to focus on management and exercise leadership, with the awareness that they will work with me to think about things and build the company.

3.Q&A with participants

Q : In your revenue portfolio for FY2030, the HL business is 4 billion yen, but how do you aim to increase

profits?

A : The HL business supplies LP gas to approximately 1.5 million households, including end consumers of wholesale customers. Leveraging this customer base, the company will focus on ancillary sales such as LP gas equipment sales and repairs. In addition, the LP gas industry is an inefficient business environment due to complex capital relationships between the primary and wholesale distributors and multiple businesses distributing LP gas in the same area, and the company believes that it is worthwhile to reorganize the industry. We believe that businesses in this industry are aware of similar issues and would like to work together to grow together while leveraging each other's customer bases.

Q : I would like to know the current situation of WECARS, and its prospects toward FY2030, as well as the concept of the equity ratio.

A : The company is in the red in FY2024 and expects to be in the red again in FY2025. The goal is not simply to return to profitability, but to improve to the same level as past performance and peers. The first issue is the low level of awareness of the company, and the company aims to improve awareness through new TV commercials and other advertisements starting in June 2025. However, the company expects that it will take more time to raise awareness, and it aims to return to profitability within three years, as initially planned. Another issue is the shortage of personnel. The company has suspended hiring activities to give priority to reforming its corporate culture and establishing internal controls, so it will have no choice but to steadily secure human resources going forward. On the other hand, in terms of collaboration, the company sells cars and car accessories at about 1,500 car dealerships, and is currently working with WECARS, to strengthen efforts to utilize their sales networks. We are not able to explain our future approach to the equity ratio externally at this time but will make the revitalization of WECARS a priority issue.

Q : What are your expectations and direction for the future of the CS business?

A : Although margins in the oil business are small and there are some challenging aspects such as declining domestic demand and the entry of inexpensive foreign operators, the Group's dealers are focusing on commercial efforts through non-oil sources such as tire sales, auto repair, and used car business. They can do so because of their strong local networks and community-based business operations, and we believe it is important to further leverage such customer bases. What dealers look for from us is the provision of added value, which we intend to further enhance. In addition, the industry as a whole is often troubled by generational change among CS operators, and we recognize that one of our roles is to nurture the next generation.

Q : Given President Tabata's long history of overseas experience, will you expand overseas operations in the future?

A : As I was posted overseas for a long time, there is no doubt that I am personally interested in overseas business, but I believe that a longer period of preparation is needed before we can expand our business overseas. To succeed in overseas business, one of the prerequisites is to have the basic resources, such as language and tolerance for different cultures.

Q : In the petroleum business, what is your future business strategy in light of changes in the external environment?

A : We would like to expand our business base through M&A, etc. and contribute to the efficiency of the industry as a whole.

Q : I have the impression that your company has become more aggressive in its investments since the appointment of former President & CEO Yoshida. What is your approach to investing?

A : There has been no change in the aggressive investment stance of former President & CEO Yoshida and myself. In the extreme, if we could reach our target of 20 billion yen in net income through organic growth alone, there would be no need to take the investment route, but we need to take the highly reliable investment route to achieve our goal, and that means investing mainly in areas surrounding existing

businesses, not enclaves.

Q : Recently, there has been increasing pressure from the market for capital policy. What are your thoughts on capital policy, such as capital efficiency and shareholder returns?

A : In ENEX2030 '25-'26, we announced our ROE to be “around 9.0% for each fiscal year” and our dividend policy to be “a progressive dividend with a strong awareness of a consolidated payout ratio of 40% or more. The Company's management is under considerable pressure to continue to grow. The recent market capitalization of the Company has exceeded 200 billion yen, and the share price has remained at the 1,700-yen level, and we believe that our shareholders have a certain level of confidence in the Company.