

Management Team (As of June 14, 2023)

Note 1: Shares of the Company's common stock owned as of May 18, 2023
 Note 2: [Independent] Independent indicates a Board Member registered with the Tokyo Stock Exchange as an independent officer
 Note 3: Board of Directors meeting attendance denotes number of times attended/number of times held during FY2022
 (For Mr. Yoshida, Mr. Imazawa, and Mr. Morikawa, attendance refers to the regular general meetings of shareholders in and after June 2022, the number of meetings is eight.)

Directors

Representative Director and Chairman
Kenji Okada



Kenji Okada has worked mainly in Finance, Insurance, Logistics, and Realty areas at ITOCHU Corporation. After serving as Representative Director of TOCHU Corporation, he was appointed as Chief Executive Officer of ITOCHU ENEX CO., LTD. in June 2012. He was appointed as Representative Director and Chairman of the company in April 2023. He is seeking to grow the Company and improve productivity by both leveraging the existing management structure and advancing new initiatives, including renovation of business structures and internal systems, and expansion into new business areas.

- Shares of the Company owned: 176,709
- Board of Directors meeting attendance: 11/11
- Significant concurrent positions outside the Company: None

Representative Director, President and Chief Executive Officer
Tomofumi Yoshida



Tomofumi Yoshida has worked mainly in areas such as lifestyle materials, construction, logistics, information, finance, and insurance at ITOCHU Corporation. After serving as Representative Director, he was appointed as Representative Director and Executive Vice President of ITOCHU ENEX CO., LTD. in June 2022, and Representative Director, President and Chief Executive Officer in April 2023. He has excellent management skills cultivated through a wealth of business experience and broad insight into global business management.

- Shares of the Company owned: 48,150
- Board of Directors meeting attendance: 8/8
- Significant concurrent positions outside the Company: Director of Nagatanien Holdings Co., Ltd.

Director and Senior Managing Officer
Kyosuke Wakamatsu



Kyosuke Wakamatsu has worked mainly in the LP gas business since joining the Group. His past posts include Representative Director at Group company ITOCHU ENEX HOME-LIFE TOHOKU CO., LTD. and Chief Operating Officer for Corporate Administration Division II. Endowed with extensive business experience across the Company and Group companies and wide expertise in business management, he currently holds the post of Chief Operating Officer of the Home-Life Division, ITOCHU ENEX CO., LTD.

- Shares of the Company owned: 45,122
- Board of Directors meeting attendance: 11/11
- Significant concurrent positions outside the Company: Director of ECORE CO., LTD.

Director and Managing Officer
Tsukasa Motegi



Tsukasa Motegi has worked mainly in our petroleum-related businesses since joining the Group. He previously held the post of Representative Director in Group company ENEX FLEET CO., LTD. He currently serves as Chief Operating Officer of the Car-Life Division at ITOCHU ENEX CO., LTD., utilizing his extensive business experience across the Company and Group companies and broad expertise in business management.

- Shares of the Company owned: 16,220
- Board of Directors meeting attendance: N/A
- Significant concurrent positions outside the Company: Director of OSAKA CAR LIFE GROUP CO., LTD. Director of NISSAN OSAKA SALES CO., LTD. Director of ENEX FLEET CO., LTD.

Audit & Supervisory Board Member

Standing Audit & Supervisory Board Member
Isao Kubo



Outside

Isao Kubo has many years of experience in management planning and operations related to auditing at ITOCHU Corporation. After working as a Managing Executive Officer and General Manager of the Internal Audit Division, he became a Director, Senior Managing Executive Officer, CSO, and General Manager of Corporate Planning Division at FamilyMart Co., Ltd. He has extensive knowledge of business management and has been appointed as an Audit & Supervisory Board Member of the Company.

- Shares of the Company owned: 2,106
- Board of Directors meeting attendance: 11/11
- Significant concurrent positions outside the Company: Outside Director, Pan Pacific International Holdings Corporation Audit & Supervisory Board Member, Tokyo Toshi Service CO., LTD.

Standing Audit & Supervisory Board Member
Shuji Katsurayama



Since joining the Company, Shuji Katsurayama worked mainly in LP gas and heat supply businesses, and held the post of Representative Director of a Group company. Having extensive business experience in the Company and Group companies, as well as rich expertise in business management, he was appointed as an Audit & Supervisory Board Member in June 2022.

- Shares of the Company owned: 16,610
- Board of Directors meeting attendance: 11/11
- Significant concurrent positions outside the Company: Auditor, Enex Asset Management Co., Ltd.

Director and Executive Officer
Yasuhiro Imazawa



Yasuhiro Imazawa has worked for ITOCHU Corporation for many years, mainly in Finance, Accounting, Risk Management, and Audit areas. Possessing a wealth of business experience and broad expertise in management, he was appointed as a new Director of ITOCHU ENEX CO., LTD. in June 2022, and holds the post of Chief Operating Officer for Corporate Administration Division I.

- Shares of the Company owned: 9,641
- Board of Directors meeting attendance: 8/8
- Significant concurrent positions outside the Company: None

Director
Ichiro Saeki



Outside
Independent

Ichiro Saeki has specialized knowledge in his capacity as an attorney and a university professor, and extensive experience with corporate legal affairs. He also acquired broad knowledge of banking and finance during his tenure at the The Nippon Credit Bank (currently, Aozora Bank, Ltd.). Based on this broad knowledge, he provides advice for the management of the Company as well as proper oversight of the execution of the Company's businesses from an objective and expert perspective.

- Shares of the Company owned: 23,204
- Board of Directors meeting attendance: 11/11
- Significant concurrent positions outside the Company: Representative Attorney, Shi-Go-Roku Law Office Auditor, The Shinkumi Federation Bank Emeritus Professor, Aoyama Gakuin University

Director
Motoyo Yamane



Outside
Independent

Motoyo Yamane worked in the broadcasting industry for many years, where she was involved in the operation of organizations and the development of human resources. She also has sat on various expert committees related to social contribution and cultural activities and has advanced insight into society and culture in general acquired through these activities. She has been appointed as a director of the Company based on this knowledge and diverse perspectives she has developed throughout her career.

- Shares of the Company owned: 16,823
- Board of Directors meeting attendance: 10/11
- Significant concurrent positions outside the Company: Board Member, Characters Culture Promotion Organization (Public Interest Incorporated Foundation) Director, Junshin Hiroo Gakuen Director, Picture Book Culture Promotion Association (Incorporated Nonprofit Organization)

Director
Takuya Morikawa



Outside
Independent

Takuya Morikawa has long engaged in a wide range of business activities in the stationery and office equipment industry, including business strategy, overseas business, and the launch of new businesses. Through these activities, he has gained business experience and a wealth of knowledge on business management. He was appointed as a Director in June 2022 and provides advice for the management of the Company as well as proper oversight of the execution of the Company's businesses.

- Shares of the Company owned: 919
- Board of Directors meeting attendance: 8/8
- Significant concurrent positions outside the Company: Outside Director, Asanuma Corporation Representative Director, President and Chief Executive Officer, Wakiprintpia Co., Ltd. Advisor, Netsquare Co., Ltd.

Audit & Supervisory Board Member
Shozo Tokuda



Outside
Independent

In addition to Shozo Tokuda's expertise as a certified public accountant and his extensive experience in corporate accounting, he has profound knowledge gained at auditing firms. Based on this knowledge, from an objective and expert perspective, he has been appointed as an Audit & Supervisory Board Member and provides advice for the management of the Company as well as proper oversight of the execution of the Company's businesses.

- Shares of the Company owned: None
- Board of Directors meeting attendance: 11/11
- Significant concurrent positions outside the Company: None

Audit & Supervisory Board Member
Masako Iwamoto



Outside
Independent

As an attorney, Masako Iwamoto has specialized knowledge and extensive experience in corporate legal affairs. She has also acquired deep insight during her tenure as an outside officer at Achilles Corporation. Based on this knowledge, from an objective and expert perspective, she has been appointed as an Audit & Supervisory Board Member and provides advice for the management of the Company as well as proper oversight of the execution of the Company's businesses.

- Shares of the Company owned: None
- Board of Directors meeting attendance: 11/11
- Significant concurrent positions outside the Company: Representative Attorney, Iwamoto Law Office Outside Director, Member of Audit and Supervisory Committee, ACHILLES CORPORATION

Skills Matrix of Directors and Audit & Supervisory Board

| | Directors | | | | | Outside Directors | | | Audit & Supervisory Board Member | Outside Audit & Supervisory Board Members | | |
|-------------------------------|---|--|---|---|--|--------------------------|---------------------------|-----------------------------|--|--|--|--|
| | Representative Director and Chairman Kenji Okada | Representative Director, President and Chief Executive Officer Tomofumi Yoshida | Director and Senior Managing Officer Kyosuke Wakamatsu | Director and Managing Officer Tsukasa Motegi | Director and Executive Officer Yasuhiro Imazawa | Director Ichiro Saeki | Director Motoyo Yamane | Director Takuya Morikawa | Standing Audit & Supervisory Board Member Shuji Katsurayama | Standing Audit & Supervisory Board Member Isao Kubo | Audit & Supervisory Board Member Shozo Tokuda | Audit & Supervisory Board Member Masako Iwamoto |
| Business management | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Sales and marketing | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| ESG SDGs | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Finance and accounting | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Legal and compliance | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Human resources and labor | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| International mindset | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Knowledge of other industries | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |

Initiatives for outside officers

We run a variety of activities designed to increase outside officers' understanding of the Group, with the aim of boosting the effectiveness of management oversight functions, thereby leading to more energetic discussion by the Board of Directors and a transparent governance system.



Visiting operating sites

Since FY2017, we have been conducting visits of operating sites across the country for the purpose of facilitating understanding the businesses of the Group and interacting with on-site employees. In FY2023, the first visit was conducted in the Osaka area in June. On-site visits are an important opportunity for outside officers to deepen their understanding of the Group's businesses by directly experiencing the business circumstances and opinions of employees.

Photo 1 Visit to NISSAN OSAKA SALES CO., LTD. a Group company
Photo 2 Company presentation at ENEX FLEET CO., LTD., a Group company

Briefings for outside officers

Outside officers are briefed on the agenda of each Board of Directors' meeting two business days in advance so that they will be able to take part in the discussions with a better understanding of the issues. During these sessions, the project owner for each agenda item gives a briefing and responds to various questions from the outside officers.

Participation in Group Directors' meetings

Outside officers also participate in the Group Directors' meetings, where the presidents of our major Group companies come together to discuss the initiatives of each company, exchange opinions and interact. In FY2022, the meeting was held in-person for the first time in two years. Videos related to the initiatives of Group companies were shown, and questions and opinions were raised by outside officers, making for a lively discussion.

Photo 3 Audit & Supervisory Board Member Iwamoto giving her opinion at the FY2022 Group Directors' meeting

Participation in financial results presentations

Financial results presentations are a valuable opportunity to directly hear the opinions of investors, the media, and other stakeholders and as such, outside officers also attend (virtual participation).

Photo 4 Financial results presentation held in May 2023

Participation in management policy presentations

Outside directors also attend the semi-annual management policy presentations, where management policies for the entire Company and each Division are announced and shared. At the presentation in April 2023, as the COVID-19 situation had stabilized, the number of participants at the Kasumigaseki headquarters was significantly increased to 100 people, and with the participation of staff stationed overseas who joined virtually, there were about 150 participants.

Photo 5 Management policy presentation held in April 2023

Independent officers' meetings

We hold independent officers' meetings made up of independent officers. These regular meetings bring the independent officers together to discuss their independent views and opinions.

Participation in the Medium-Term Business Plan formulation

For the purpose of deepening discussions on medium- to long-term strategies, we report on the status of studies and exchange opinions on the Medium-Term Business Plan, thereby providing opportunities for outside officers to participate in its formulation.



Aiming for Both Social Value and Economic Value Toward 2030

Outside Director Takuya Morikawa

■ Corporate Governance

From the perspective of raising the level of governance, I feel that the Group is working very seriously. Going forward, I would like to deepen discussions on governance as of 2030. The combination of a backcasting approach, asking such questions as, "What are the challenges in achieving our ideals," and a forecasting approach that continues to improve based on the annual evaluation of the effectiveness by the Board of Directors enables the pursuit of our unique governance style. We hope to decide on milestones every two years, set KPIs, and run the PDCA cycle to get closer to our ideals for 2030.

■ My role

My own role is to assess whether the necessary materials for judgment and judgment criteria are clearly specified, whether there is a Plan B or an exit plan, and whether the timing is appropriate when members of executive management make decisions. I also focus on supervisory functions, such as whether there is a system in place for the first report of important information to be promptly shared, and whether information related to compliance in particular is promptly shared with the members of the Board of Directors.

■ New Medium-Term Business Plan ENEX2030

I feel that it was very good that we formulated a plan with a slightly longer span for the first time this time. The first point that we are paying close attention to is expectations for growth investments, specifically what business areas we will invest in, and when and how much to invest, in order to accelerate business growth. The second point is to create a foundation of human resources that support the growth of the business.

In making ENEX2030 a reality, how will we generate the diversity and leadership that are essential for improving corporate value? We recognize that it is important to foster awareness that we are creating the next era's ENEX while balancing the pursuit of social value (solving social issues) and economic value (economic rationality).

■ Expectations (our reasons for existing)

As "The Best Partner for Life and Society," our Group's mission is to pursue customer value centered on energy, but at the same time it is incumbent upon us to seriously attempt to find solutions to social issues. By supplying the energy that is essential to enriching society and life, and whether it is B2B or B2C, expanding our customer base while exploring new forms of energy and new uses, I hope that we can become an unrivalled and indispensable presence for society and people's lives.



Further empowerment of women in line with changes in the business environment

Outside Director Motoyo Yamane

We are at a crossroads now. Humankind's fate in terms of what kind of energy it will use and how it will use it to survive in the future will be determined by the choices we make now. At our Group,

which is an energy trading firm, we naturally feel a strong sense of crisis. However, precisely because we have a sense of crisis, we also have high expectations for new business development opportunities, and we are working out growth strategies for the future.

At times like this, I am conscious of revitalizing the organization so that we can fully draw out the free ideas, motivation, and abilities of each employee. I believe that the key to the future of the Group, which has a relatively democratic corporate culture, is to further

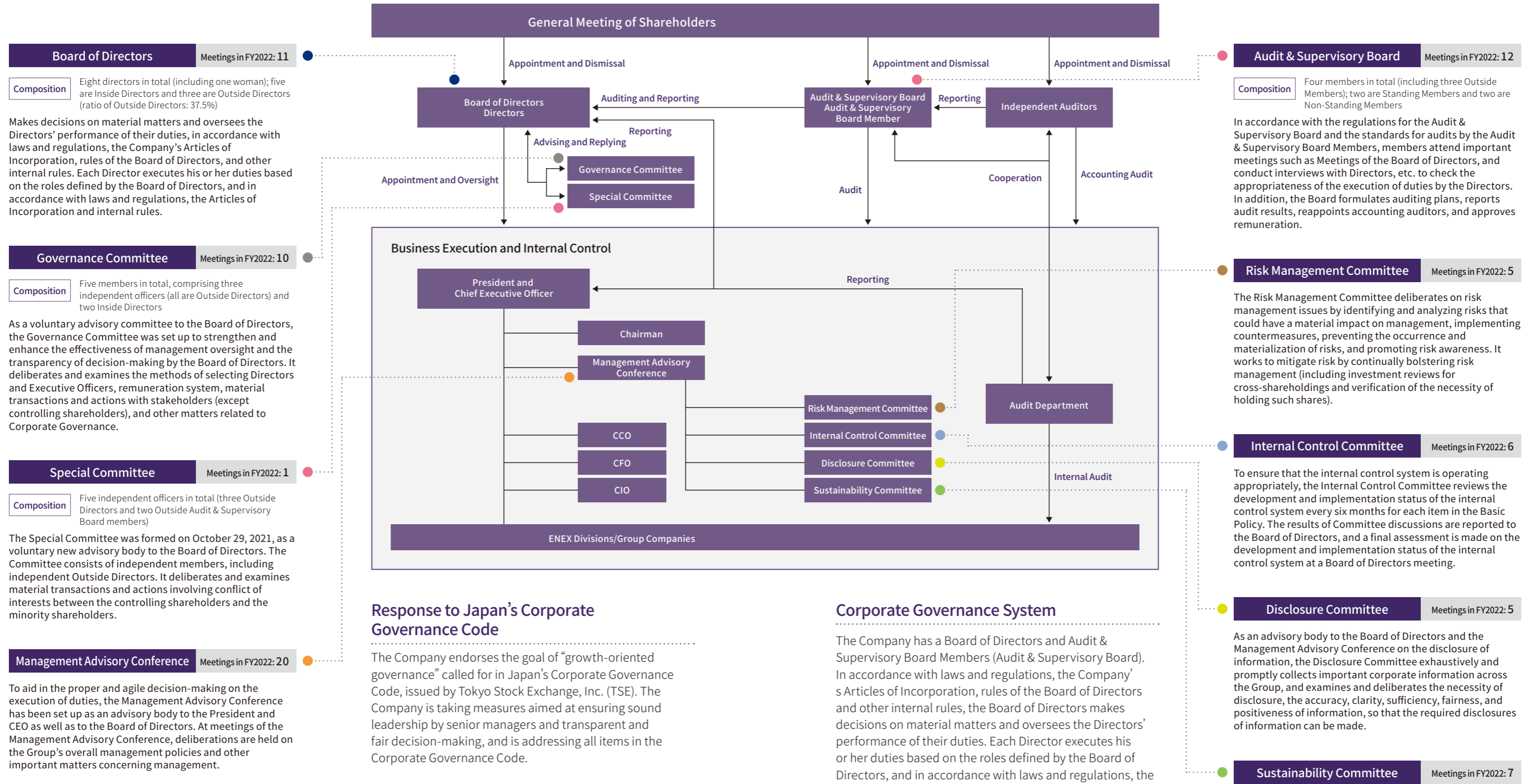
empower women. From the standpoint of being the first woman outside director, I would like to contribute to the creation of a work environment that is comfortable for women. Occasionally, I have the opportunity to talk with women leaders, and I am impressed by the fact that there are women who are truly strong and active in work environments that I thought were dominated by men.

However, the ratio of women in managerial positions is currently low, at just 4%. We are aiming for 10% by 2030, but this will not be achieved through the efforts of women alone. It is necessary to encourage male employees, especially management, to change their mindsets. This year, there is a training facility in Karuizawa where you can stay overnight. I believe that the ability of individuals to deepen their thinking and grow as human beings amid a rich communication environment will be the strength that the Group needs to overcome difficult times.

Corporate Governance

Corporate Governance System* (As of June 14, 2023)

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



Response to Japan's Corporate Governance Code

The Company endorses the goal of "growth-oriented governance" called for in Japan's Corporate Governance Code, issued by Tokyo Stock Exchange, Inc. (TSE). The Company is taking measures aimed at ensuring sound leadership by senior managers and transparent and fair decision-making, and is addressing all items in the Corporate Governance Code.

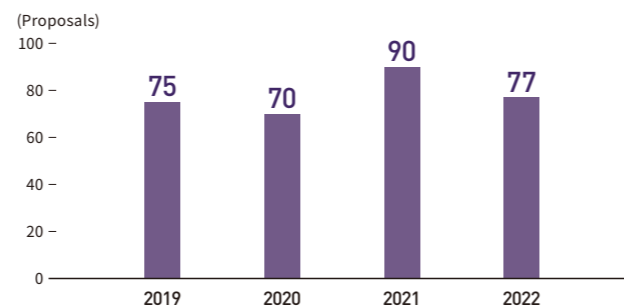
Corporate Governance System

The Company has a Board of Directors and Audit & Supervisory Board Members (Audit & Supervisory Board). In accordance with laws and regulations, the Company's Articles of Incorporation, rules of the Board of Directors and other internal rules, the Board of Directors makes decisions on material matters and oversees the Directors' performance of their duties. Each Director executes his or her duties based on the roles defined by the Board of Directors, and in accordance with laws and regulations, the Articles of Incorporation and internal rules. To strengthen the Board of Directors' decision-making and oversight functions and increase the efficiency of business execution, the Company has adopted an executive officer system. As delegated by the Board of Directors and Representative Directors, Executive Officers execute the duties assigned to them based on decisions made by the Board of Directors.

Status of Efforts by the Board of Directors

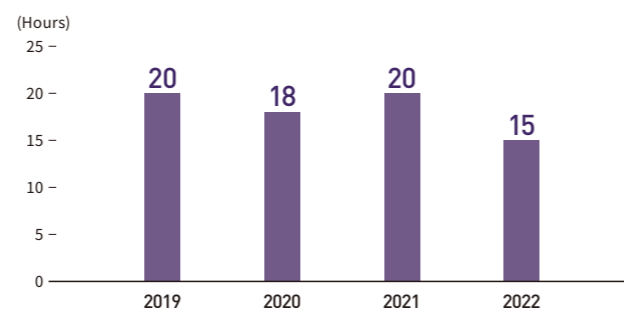
Number of proposals

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



Deliberation time (annual general meeting time)

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



Major issues discussed in the Board of Directors' meetings in FY2022

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

Effectiveness Evaluation

Evaluation of the effectiveness of the Board of Directors

The Company asked all Directors and Audit & Supervisory Board Members to give their opinions based on their own evaluation of the effectiveness of the Board of Directors as a whole in FY2022, including the composition, operation status, and support structure of the Board.

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

| | |
|---------------------------|---|
| Evaluation method | Questionnaire |
| Subject of evaluation | Meetings of the Board of Directors held between April 2022 and March 2023 (a total of 11 meetings) |
| Evaluators | All members of the Board of Directors and Audit & Supervisory Board as of March 2023 |
| Outline of implementation | Questions and free-form questionnaires (anonymous to ensure transparency) related to "Board of Directors' operations (7 items)," "Board of Directors' discussions (5 items)," "Monitoring functions (4 items)," and "Other (7 items)" were implemented. |
| Evaluation results | Each item generally suggests a high standard, meaning that the operations of the Board of Directors of the Company as a whole are judged to be appropriate. |
| Issues | Deepen discussions on medium- to long-term management strategies and policies, improve management systems to encourage discussions, etc. |

Appointment of Outside Officers

The Company seeks to enhance its corporate value by selecting individuals who have knowledge in specialized fields such as management, law, accounting and energy, and who can be expected to contribute to the Company's management and oversight of business execution from various perspectives.

Reasons for Appointment of Outside Officers

| | Name | FY2022 Board of Directors Meeting Attendance | | Reasons for Appointment |
|--|-----------------|--|---------------------------|---|
| | | Board of Directors | Audit & Supervisory Board | |
| Outside Directors | Ichiro Saeki | 11 / 11 | | Ichiro Saeki has specialized knowledge in his capacity as an attorney and a university professor, and extensive experience with corporate legal affairs. He also acquired broad knowledge of banking and finance during his tenure at the The Nippon Credit Bank (currently, Aozora Bank, Ltd.). Based on this broad knowledge, he was appointed because it was deemed he could provide advice for the management of the Company as well as proper oversight of the execution of the Company's businesses from an objective and expert perspective. The Company believes that he meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company. |
| | Motoyo Yamane | 10 / 11 | | Motoyo Yamane worked in the broadcasting industry for many years, where she was involved in the operation of organizations and the development of human resources. She also has sat on various expert committees related to social contribution and cultural activities and has advanced insight into society and culture in general acquired through these activities. Based on this knowledge and the diverse perspectives cultivated through her career, it was determined that she would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that she meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company. |
| | Takuya Morikawa | 8 / 8 | | Takuya Morikawa has long engaged in a wide range of business activities in the stationery and office equipment industry, including business strategy, overseas business, and the launch of new businesses. Through these activities, he has gained business experience and a wealth of knowledge on business management. Based on this, it was determined that he would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that he meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company. |
| Outside Audit & Supervisory Board Member | Isao Kubo | 11 / 11 | 12 / 12 | Isao Kubo has many years of experience in management planning and operations related to auditing at ITOCHU Corporation. After working as a Managing Executive Officer and General Manager of Internal Audit Division, he became a Director, Senior Managing Executive Officer, CSO, and General Manager of Corporate Planning Division at FamilyMart Co., Ltd. He has extensive knowledge of business management. Based on this, it was determined that he would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. Because he does not meet the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company, he has not been designated as an Independent Audit & Supervisory Board Member. |
| | Shozo Tokuda | 11 / 11 | 12 / 12 | In addition to Shozo Tokuda's expertise as a certified public accountant and his extensive experience in corporate accounting, he has profound knowledge gained at auditing firms. Based on this knowledge, from an objective and expert perspective, it was determined that he would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that he meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company. |
| | Masako Iwamoto | 11 / 11 | 12 / 12 | As an attorney, Masako Iwamoto has specialized knowledge and extensive experience in corporate legal affairs. She has also acquired deep insight during her tenure as an outside officer at Achilles Corporation. Based on this knowledge, from an objective and expert perspective, it was determined that she would be able to contribute advice regarding the Company's management and appropriate oversight of business execution. The Company believes that she meets the Standards for Independence stipulated by the Financial Instruments Exchange and by the Company. |

Relationship with the parent company

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

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

transactions are with general companies and consumers.

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

Policies and Procedures on Determination of Remuneration for Directors

Basic Policy

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

Remuneration System for Directors

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

Composition of Remuneration for Executive Directors (FY2023-)

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

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

Composition of Director Remuneration (for Executive Directors)

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

Note: Of the above remuneration, for the bonuses and stock remuneration, which are linked to the Company's business performance, net profit (consolidated) attributable to the Company's shareholders has been adopted as the indicator for evaluating the overall business performance of the Company. It was adopted to ensure the simplicity of the indicator, consistency with the numerical targets related to the Company's business management (or with the quantitative targets set in the medium-term business plan, which apply to the performance-linked stock remuneration), and in light of the trends of other companies. Net profit in FY2022 is 13,832 million yen.

Policy, Etc. for Determining the Remuneration of Individuals

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


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

Risk Management and Internal Control

Risk Management

Risk Management Committee

Amid an increase in various risks, the Risk Management Committee plays the central role in risk mitigation, as it deliberates on risk management issues, including the identification and analysis of risks that could have a material impact on the Group's operation, as well as countermeasures, prevention of the occurrence and materialization of risks, and awareness-raising, while continually bolstering risk management.

 Risks related to businesses (annual securities report; in Japanese)
https://www.itcenex.com/ja/ir/doc/security_report/



Systems for Handling Emergencies

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

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



Internal Control

We have constructed, operate, and continuously improve on an internal control system to ensure that its operations are conducted properly and in compliance with laws, regulations, and the Articles of Incorporation. Our Group's

internal control system is outlined in the Basic Policy on Internal Control System, which was revised on May 18, 2023.

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



Fire and Disaster Prevention/Business Continuity Plan (BCP)

The Company has formulated a business continuity plan (BCP) as a precaution against possible major natural disasters. The BCP and Disaster Response Headquarters, which is the core organization of this plan, consists of the CEO (Director of the Disaster Response Headquarters), heads of departments, and general managers. In the event of a large-scale disaster, the Headquarters leads Group-wide activities to respond to the situation based on a plan that lays out the people in the chain of command and how to respond to specific circumstances. In addition, the Company has in place a backup system to transfer the head office functions to Fukuoka and Hiroshima. In FY2022, in addition to conducting first-aid training at the head office and different areas, we are working to improve the effectiveness of our BCP, including training linked to our alternative centers of operation and training for personnel in charge of continuing and promoting BCM (Business Continuity Management) operations.

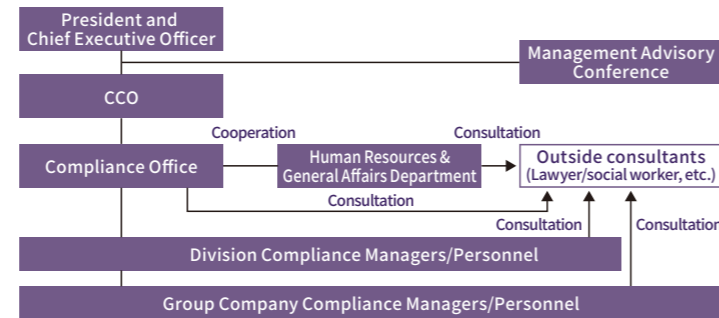


Emergency rescue drills conducted at the head office and different areas

Compliance

Promotion structure

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



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

Education in Compliance

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

Promoting Awareness of Compliance

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

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

ENEX Group Awareness Survey

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

Whistleblowing and Consulting Contact Points

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

Additionally, the Group has made available an outside consulting contact point for any employee or family member associated with the Group. This consulting contact point can also respond to issues concerning harassment, mental health, physical health and living circumstances. A system for providing care for mental health and consultation on other issues is maintained by specialists such as clinical psychologists, public health nurses and consumer affairs advisors.

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

IR Activities

IR Basic Policy
<https://www.itocnex.com/en/ir/policy/basicpolicy/>



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

General Meeting of Shareholders

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



| | FY2020 Results | FY2021 Results | FY2022 Results |
|------------|----------------|----------------|----------------|
| Dates | June 16, 2021 | June 21, 2022 | June 14, 2023 |
| Attendance | 13 | 22 | 34 |

Main IR activities

Financial results presentations

We hold semiannual financial results presentations for institutional investors, analysts, and the media in May and November. Since FY2022, we have held presentations in a hybrid format of on-site and online sessions, and the questions and answers received at the presentations are made available on our website. (Speakers have included seven Directors in addition to the President & CEO)



Presentations for individual investors

Starting in FY2021, we have been holding online presentations for individual investor. Most recently, in July 2023, we released a new video that includes an explanation of the new medium-term business plan. (Speaker: CFO)



| | FY2020 Results | FY2021 Results | FY2022 Results |
|---|----------------------------|----------------------------|----------------------------|
| Meetings with investors, etc.* | 33 times | 38 times | 37 times |
| Financial results presentations for institutional investors, etc. | Twice yearly (94 in total) | Twice yearly (87 in total) | Twice yearly (86 in total) |
| Presentations for individual investors | 0 times | Once (1,559 viewers) | Once (1,592 viewers) |

* Persons dealing with investors: CFO, aide to the CFO, members of the Investor Relations & Planning Section

JCR (Japan Credit Rating Agency, Ltd.) Rating

In 2022, our JCR long-term issuer rating was upgraded from A+ (stable) to AA- (stable), and our domestic CP rating was upgraded from J-1 to J-1 plus. These ratings stayed the same in 2023.

As of August 22, 2023

| Issue | Rating | Outlook |
|-------------------------|-------------|---------|
| Long-term issuer rating | AA- | Stable |
| Issue | Maximum | Rating |
| Commercial paper | ¥30 billion | J-1+ |

JPX-Nikkei Index 400 and Mid and Small Cap Index

Both JPX-Nikkei Index 400 and Mid and Small Cap Index, jointly compiled by JPX Market Innovation & Research, Inc. and Nikkei Inc., are stock price indexes indicating attractive companies for investment. These are indexes that select companies engaged in management marked by the efficient use of capital and consciousness of investors.

The Company was selected as a constituent of the 2023 JPX-Nikkei Index 400 for the first time in FY2023, and was selected as a constituent of the JPX-Nikkei Mid and Small Cap Index for the sixth consecutive year.

Nikko Investor Relations' Corporate Website Rankings

The All Japanese Listed Companies' Website Ranking, provided by Nikko Investor Relations Co., Ltd., ranks the websites of all 3,926 listed Japanese companies. This assessment of IR sites is based on 169 objective evaluation items that measure how well each website informs stakeholders in terms of understandability, user convenience, and amount of information. Our website has received the highest rating, AAA, for four consecutive years since 2019.



GOMEZ IR Site Ranking 2022

BroadBand Security, Inc. provides GOMEZ IR Site Ranking for the corporate websites of 3,797 listed Japanese companies, based on 241 evaluation items under the categories of usability and proactiveness and foresight in disclosure, among others. We received a Silver Award again, after our first in FY2021.

