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Stock Code: 5017

December 5, 2025

(Measures for electronic provision commenced) November 27, 2025

To Our Shareholders

Shigeto Yamamoto
Director-President
Fuji Oil Company, Ltd.
7-29, Kitashinagawa 6-chome,
Shinagawa-ku, Tokyo, Japan

**CONVOCATION NOTICE OF
THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

(English Translation of the Japanese Original)

Dear Shareholders:

We would like to express our sincere gratitude for your continued support.

Please be informed that the Extraordinary General Meeting of Shareholders of the Company will be held as described below.

In convening this meeting, the Company has taken measures for electronic provision of the information contained in the Reference Materials for the Extraordinary General Meeting of Shareholders and others (“information subject to the electronic provision measures”) and posted it on the Company’s website.

Company’s website:

<https://www.foc.co.jp/en/ir/library/meeting.html>

The information is also posted on the website of the Tokyo Stock Exchange (TSE).

The website of the Tokyo Stock Exchange:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

To review the information, please access the above website, (1) enter “Fuji Oil Company, Ltd.” to the field of “Issue name” or “5017” to the field of “Code”, (2) select “Basic information,” and then (3) go to “Documents for public inspection/PR information.”

If you will not be attending the meeting in person, you may exercise your voting rights in advance via postal mail or the Internet. Please read the Reference Materials for the Extraordinary General Meeting of Shareholders and exercise your voting rights so that it will reach us by 5:30 p.m. on Friday, December 19, 2025 (JST).

AGENDA

1. **Date and Time:** Monday, December 22, 2025 at 10:00 a.m.
(The reception desk opens at 9:00 a.m.)
2. **Place:** Conference Rooms 101 and 102
1st floor, Garden Grace Shinagawa Gotenyama (former Garden City Shinagawa Gotenyama)
7-29, Kitashinagawa 6-chome, Shinagawa-ku, Tokyo, Japan
(Same venue as the venue for the 23rd Annual General Meeting of Shareholders held in June 2025.)
3. **Purposes of this Extraordinary General Meeting of Shareholders**

Items to be Resolved

Proposition I: Share Consolidation

Proposition II: Partial Amendments to the Articles of Incorporation

Notes:

- If there are any amendments to the information subject to the electronic provision measures, they will be posted on each of the above websites.
- Dedicated spaces are available at the venue for shareholders in wheelchairs. Staff will provide guidance upon arrival at the venue.
- Gifts will not be provided.

REFERENCE MATERIALS FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Propositions and relevant information:

Proposition I: Share Consolidation

1. Purpose and Reason for the Share Consolidation

As the Company announced in the “Notice Concerning Expression of Opinion in Support of Tender Offer for Company Shares by Idemitsu Kosan, an Other Associated Company, and Recommendation to Tender Shares” (the “Expression of Opinion Press Release”) dated September 11, 2025, the tender offeror, Idemitsu Kosan Co., Ltd. (“Tender Offeror”) conducted a tender offer (the “Tender Offer”) to acquire all Company Shares listed on the TSE Prime Market (including restricted shares of the Company (“Restricted Shares”) granted to Company directors and executive officers in the form of transfer-restricted stock compensation, but excluding Company Shares held by Tender Offeror and the Government of the Kingdom of Saudi Arabia (the “Non-Tendering Shareholder”), the Company’s shareholder, and treasury shares held by the Company). The Tender Offer was conducted as part of a series of transactions (the “Transactions”) intended to delist the Company Shares, and the tender offer period (the “Tender Offer Period”) was set at 30 business days from September 12, 2025 to October 28, 2025.

As stated in the “Notice Concerning Results of Tender Offer for the Company Shares by Idemitsu Kosan and Change in Parent Company and Other Associated Company” dated October 29, 2025, as a result of the Tender Offer, Tender Offeror came to own 57,951,478 shares of the Company Shares (ownership ratio (Note): 75.03%) as of November 5, 2025, the commencement date for settlement for the Tender Offer.

(Note) “Ownership ratio” means the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of ownership ratios) to the number of shares (77,240,335 shares; referred to as the “Reference Number of Shares”) obtained by deducting the number of treasury shares held by the Company (943,342 shares) as of June 30, 2025 as stated in the “March 2026 Term First Quarter Earnings Report (based on Japanese GAAP)” (the “Company First Quarter Earnings Report”) submitted by the Company on August 7, 2025, from the total number of issued shares of the Company as of June 30, 2025 (78,183,677 shares) as stated in the Company First Quarter Earnings Report.

Although details of the purpose and background of the Transactions, including the Tender Offer and the share consolidation (defined below), were announced in the Expression of Opinion Press Release, a summary is provided again below for reference. The descriptions below regarding Tender Offeror are based on explanations provided by Tender Offeror.

On May 13, 2025, the Company received a non-legally binding initial proposal (the “Initial Proposal”) from Tender Offeror to delist the Company by acquiring all Company Shares (excluding treasury shares held by the Company) and making the Company a wholly owned subsidiary of Tender Offeror. Upon receiving the initial proposal, to ensure the fairness of the purchase price per Company Share in the Tender Offer (the “Tender Offer Price”) and the fairness of the Transactions including the Tender Offer, in mid-May 2025, the Company engaged Mizuho Securities Co., Ltd. (“Mizuho Securities”) as a financial advisor and third-party calculation agency independent from the Company Group (the corporate group comprising the Company, consolidated subsidiaries, and affiliates; hereinafter the same applies) and the Tender Offeror Group (the corporate group comprising Tender Offeror, consolidated subsidiaries, and affiliates; hereinafter the same applies), and the success or failure of the Transactions, and engaged Iwata Godo law firm (“Iwata Godo”) as a legal advisor independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions.

In addition, in light of the fact that the Transactions will constitute an acquisition of an equity-method affiliate by a major shareholder and top Company shareholder, and the fact that there are structural conflicts of interest and information asymmetry issues between Tender Offeror and the Company or the Company's general shareholders, with the aim of exercising caution in the Company's decision-making regarding the Transactions, eliminating the risk of arbitrariness and conflicts of interest in the decision-making process of the Company's Board of Directors, and ensuring fairness, the Company established, by resolution of a meeting of its Board of Directors held on May 22, 2025, a special committee (the "Special Committee") that would be independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and that would consist of three members: Mr. Ryo Sato (outside director of the Company), Ms. Mutsumi Kanai (outside auditor of the Company and certified public accountant), and Mr. Mikiharu Mori (attorney and representative partner at Tokyo International Law Office), who was recommended by Iwata Godo for his extensive knowledge and insight as a corporate attorney (for information concerning the background to the establishment of the Special Committee, the background of its investigations, and its decisions, see "[4] Establishment by the Company of Independent Special Committee and Procurement of a Report from the Committee" in "(3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest" under "3. Reasonableness of the Provisions Regarding the Matters Set Forth in Article 180, Paragraph 2, Items (1) and (3) of the Companies Act" below). Further, the Special Committee decided on June 11, 2025 to engage Plutus Consulting ("Plutus") as the Special Committee's independent third-party calculation agency, in consideration of Plutus' expertise, track record, etc. and the fact that Plutus is independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions. In addition, as discussed below in "[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company" in "(3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest" under "3. Reasonableness of the Provisions Regarding the Matters Set Forth in Article 180, Paragraph 2, Items (1) and (3) of the Companies Act," the Company established an internal framework to consider, negotiate, and make decisions regarding the Tender Offer from a perspective independent from the Tender Offeror Group and the Company Group (including the scope of Company officers and employees who would be involved in such consideration, negotiation, and decision-making relating to the Tender Offer, and their duties), and proceeded with its examination of the Tender Offer.

Following the establishment of the above-referenced internal framework, the Special Committee, while receiving advice from Mizuho Securities and Iwata Godo, conducted discussions and negotiations regarding the terms and conditions of the Transactions including the Tender Offer Price with Tender Offeror through Mizuho Securities, the Company's financial advisor.

Specifically, on August 8, 2025, the Company and Special Committee received from Tender Offeror an initial proposal relating to the Tender Offer for Company Shares, under which, on the assumption that the Non-Tendering Shareholder and Kuwait Oil Company would remain shareholders of the Company even after the Transactions, the Tender Offer Price was set at 400 yen per share (a 25.00% premium (rounded to the nearest hundredth; the same applies hereinafter to calculation of the premium rate on share prices) over the closing price for the Company Shares on the TSE Prime Market of 320 yen at that time) and the minimum number of shares to be purchased was such that Tender Offeror's ownership ratio after the completion of the Tender Offer would be 35.05%. In response, the Special Committee comprehensively considered the proposal, because [1] with respect to the proposed price, considering (a) the results of analyses using the DCF method of the Company Share valuation by Mizuho Securities and by Plutus (including the results of multi-faceted analyses of the shares of affiliated companies and loss carryforwards for which multiple valuation methods can conceivably be used) (b) the premium levels in examples of transactions similar to the Transactions (specifically, TOBs (excluding TOBs where leaked information was reported) intended to delist a listed equity-method affiliate which were announced and successfully completed on and after June 28, 2019, the date the Guidelines on Fair Mergers and Acquisitions were released by the Ministry of Economy, Trade and Industry (the "M&A Guidelines"), (c) fluctuations in the market price of the Company Shares, and (d) the synergy effects expected to be achieved through implementation of the Transactions (including

synergy effects in doing business as well as synergy effects from the further utilization of loss carryforwards expected in a case where Tender Offeror reduces the Company's capital after the Transactions), the Special Committee believed that the increase in corporate value expected to be realized by implementation of the Transactions was at an insufficient level as a fair distribution price to the Company's general shareholders; and [2] with respect to the minimum number of shares to be purchased, from the perspective of the fairness and reasonableness of the transactional terms and conditions and the fairness of procedures, the Special Committee believed that the minimum should be set so as to satisfy what is known as the majority of minority ("MoM") level (MoM here refers to the threshold number of shares that exceed the majority (24,291,018 shares) of 48,582,035 shares, calculated by subtracting the number of Company Shares held by Tender Offeror (17,035,520 shares), the number of all Company Shares held by the Non-Tendering Shareholder ("Non-Tendered Shares") (5,811,390 shares) and the number of Company Shares held by Kuwait Oil Company (5,811,390 shares) as of September 11, 2025 from the Reference Number of Shares (77,240,335 shares)), and on August 16, 2025, the Special Committee requested that Tender Offeror reconsider the details of its proposal in relation to the Tender Offer Price and minimum number of shares to be purchased.

Then, on August 21, 2025, the Company and the Special Committee received a second proposal from Tender Offeror setting the Tender Offer Price at 425 yen per share (a premium of 29.97% over the closing price of 327 yen for the Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Oil Company would remain as shareholders of the Company after the Transactions, and to maintain the minimum number of shares to be purchased such that Tender Offeror's ownership ratio would be 35.05% after the Tender Offer was completed. Upon receiving this proposal, the Special Committee, (1) after comprehensive consideration based on (a) to (d) above, considered the proposed price to be of an insufficient level in terms of a price that would fairly distribute to the Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum number of shares to be purchased that satisfies the above MoM level be set, and again requested on August 26, 2025 that Tender Offeror reconsider the details of the proposal including the Tender Offer Price.

Later, on August 28, 2025, the Company and the Special Committee received a third proposal from Tender Offeror setting the Tender Offer Price at 450 yen per share (a premium of 33.53% over the closing price of 337 yen for the Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Oil Company would remain as shareholders of the Company after the Transactions, and to maintain the minimum number of shares to be purchased such that Tender Offeror's ownership ratio would be 35.05% after the Tender Offer was completed. Upon receiving this proposal, the Special Committee, (1) regarding the proposed price, after comprehensive consideration based on (a) to (d) above, considered the price to be an insufficient level as a price that would fairly distribute to the Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) regarding the minimum number of shares to be purchased, from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum that satisfies the above MoM level be set, and again requested on September 1, 2025 that Tender Offeror reconsider the details of the proposal including the Tender Offer Price.

Subsequently, on September 2, 2025, the Company and the Special Committee received a fourth proposal from Tender Offeror that the Tender Offer Price be set at 470 yen per share (a premium of 37.83% over the closing price of 341 yen for the Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Oil Company would remain as shareholders of the Company after the Transactions, that the minimum number of shares to be purchased would be set to make Tender Offeror's ownership ratio 48.05% after the Tender Offer was completed, and that Tender Offeror would not plan to raise the Tender Offer Price or to reduce the number of shares to be purchased going forward. Upon receiving this proposal, the Special Committee, (1) regarding the proposed price, after comprehensive consideration based on (a) to (d) above, considered the price to be an insufficient level as a price that would fairly distribute to the Company's general shareholders the increase in corporate value expected to be achieved through

implementation of the Transactions, and (2) regarding the minimum number of shares to be purchased, from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum that satisfies the above MoM level be set, and again requested on September 4, 2025 that Tender Offeror reconsider the details of the proposal including the Tender Offer Price.

Following this, on September 5, 2025, the Company and the Special Committee received the fifth proposal from Tender Offeror that the Tender Offer Price be set at 480 yen per share (a premium of 39.94% over the closing price of 343 yen for the Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder would remain as a shareholder of the Company after the Transactions (according to Tender Offeror, in early September 2025, Kuwait Oil Company indicated its intent to take the Transactions as an opportunity to sell its Company Shares, and Tender Offeror confirmed Kuwait Oil Company's intent to tender all of the Company Shares held by it (5,811,390 shares; ownership ratio: 7.52%) in the Tender Offer), that the minimum number of shares to be purchased would be set to make Tender Offeror's ownership ratio 57.91% after the Tender Offer was completed, and that Tender Offeror had no plan to make another proposal going forward, because this proposal was the result of giving maximum deference to the opinions of the Special Committee, and because Tender Offeror was accountable to its shareholders and needed to make efforts to maintain the stability of the Transactions. Upon receiving this proposal, the Special Committee, (1) believing the proposed price to be of a sufficient level as a price that would fairly distribute to the Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) believing that the minimum number of shares to be purchased would satisfy the MoM level (MoM here refers to the threshold number of shares that exceeds the majority (27,196,713 shares) of 54,393,425 shares, calculated by subtracting the number of Company Shares held by Tender Offeror (17,035,520 shares) and the number of Non-Tendered Shares (5,811,390 shares) as of September 11, 2025 from the Reference Number of Shares (77,240,335 shares)), and would also ensure the fairness and appropriateness of the transaction terms and conditions as well as procedural fairness, responded to Tender Offeror on September 7, 2025 that on the presumption that the commencement of the Tender Offer would be publicly announced on September 9, 2025, it would provide the Company's Board of Directors with opinions including to the effect that the implementation of the Transactions appeared to be fair to the Company's general shareholders.

On September 8, 2025, the Company and the Special Committee were notified by Tender Offeror to the effect that it was considering publicly announcing the commencement of the Tender Offer on September 11, 2025, and on September 10, 2025, the Special Committee gave consideration again to the content of Tender Offeror's proposal and decided to advise the Company's Board of Directors to the effect that the implementation of the Transactions appeared to be fair to the Company's general shareholders.

Furthermore, on September 11, 2025, the Company carefully discussed and considered whether the Transactions would contribute to enhancement of the Company's corporate value and whether the terms and conditions of the Transactions were appropriate, in light of the content of the September 10, 2025 share valuation report received from Mizuho Securities (the "Company Share Valuation Report (Mizuho Securities)"), the content of the September 10, 2025 share valuation report received from Plutus (the "Special Committee Share Valuation Report (Plutus)"), and legal advice concerning points of note for the decision-making with regard to the Transactions including the Tender Offer received from Special Committee legal advisor Iwata Godo, and with utmost deference to the content of the report submitted by the Special Committee on September 10, 2025 (the "Report").

As a result, the Company has concluded, from the following perspectives, that the Transactions will contribute to enhancing the Company's corporate value.

Specifically, the Company believes that the Transactions will enable it to achieve the synergies listed in (a) to (e) below, and based on this, has determined that the Transactions will contribute to enhancing the Company's corporate value.

(a) Optimization of petroleum product production structures

Currently, the Sodegaura Refinery is the only refinery owned by the Company, which makes it impossible to exchange hydrocarbon oil with other refineries, but the Company

believes that implementing the Transactions and thereby adding the Company to the Tender Offeror Group will enable rapid and efficient responses, through exchanges of hydrocarbon oil with five refineries owned by Tender Offeror in the event of any equipment problems or sudden changes in supply and demand at the Sodegaura Refinery.

- (b) Establishing a stable energy supply foundation by building production systems rooted in a long-term perspective

The Company has unique customers other than Tender Offeror, and therefore believes that Tender Offeror can expand and enhance its supply structures. At the same time, the Company believes that being able to consolidate its customers within Tender Offeror will lead to improved sales prices and productivity for the Company.

- (c) Joint management of regular maintenance work

The costs necessary for regular maintenance work, including labor costs, have increased greatly in recent years, and workstyle reforms have meant longer work periods, resulting in longer periods when refineries are unable to operate. In light of these circumstances, the Company believes that pursuing further cooperation with Tender Offeror and performing joint management initiatives such as optimization of regular maintenance work timing and personnel allocation during regular maintenance work will lead to reduced costs and shortened work periods in connection with regular maintenance.

- (d) Cost reductions for both companies through centralization of raw material and equipment procurement and expansion of both companies' existing businesses through maximally effective use of facilities including the Company's pier which is one of the largest in Japan

In addition to cost reductions achieved through the centralization of raw material and equipment procurement, it is believed that cost reductions through the centralization of subsidiary material procurement can also be expected. Also, while the Company has found it difficult in the past to compare costs with other refineries, the Company believes that by using information provided by Tender Offeror, which operates multiple refineries, it will be possible to identify the strengths and weaknesses of the Company's Sodegaura Refinery and by extension identify areas that should be strengthened and improved, enabling management decisions that contribute to further business development.

- (e) Transformation of the Company's Sodegaura Refinery and Tender Offeror's Chiba Site into low-carbon energy supply sites by implementing structural reforms from a long-term perspective

The Company's Sodegaura Refinery and Tender Offeror's Chiba Site are located close to one another, and therefore, it is believed that it is possible for one facility to continue supplying petroleum products while the other converts to a new fuel supply site. The Company also believes that the establishment of a major carbon-neutral center that connects the Company's Sodegaura Refinery, Tender Offeror's Chiba Site, and other facilities with pipelines to accommodate products and raw materials among them can be expected.

Furthermore, with respect to the Tender Offer Price, based on the discussions and negotiations described above as well as the points discussed below in (i) to (ix), the Special Committee concluded that the Tender Offer Price is appropriate and that the Company's shareholders are provided a reasonable opportunity to sell their shares.

- (i) According to the results of the share valuation of the Company Shares set forth in the Company Share Valuation Report (Mizuho Securities) prepared by Mizuho Securities as described in "[2] Obtaining Stock Valuation Report from Independent Third-Party Calculation Agency by the Company" in "(3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest" under "3. Reasonableness of the Provisions Regarding the Matters Set Forth in Article 180, Paragraph 2, Items (1) and (3) of the Companies Act" below, the Tender Offer Price exceeds the upper limit of the market price method calculation results, falls within the range of the DCF method calculation results, and represents an amount that exceeds the median value;
- (ii) According to the results of the share valuation of the Company Shares set forth in the Special Committee Share Valuation Report (Plutus) prepared by Plutus as

described in “[3] Obtaining Stock Valuation Report and Fairness Opinion from Independent Third-Party Calculation Agency by the Special Committee” in “(3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest” under “3. Reasonableness of the Provisions Regarding the Matters Set Forth in Article 180, Paragraph 2, Items (1) and (3) of the Companies Act” below, the Tender Offer Price exceeds the upper limit of the market price method calculation results, falls within the range of the DCF method calculation results, and represents an amount that exceeds the median value, and further, the Fairness Opinion described in “[3] Obtaining Stock Valuation Report and Fairness Opinion from Independent Third-Party Calculation Agency by the Special Committee” in “(3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest” under “3. Reasonableness of the Provisions Regarding the Matters Set Forth in Article 180, Paragraph 2, Items (1) and (3) of the Companies Act” below expresses the opinion that the Tender Offer Price of 480 yen per share is a fair from a financial standpoint to the Company’s general shareholders in light of the valuation results of the Company Shares;

- (iii) The Tender Offer Price represents a price that adds the following premiums over the closing price of the Company Shares on the TSE Prime Market on September 10, 2025, the business day preceding the date of announcement of implementation of the Tender Offer, and on the simple averages of past closing prices, and the levels of such premiums are considered reasonable in comparison with the average premium level in comparable cases of other companies (specifically, the average values of premium levels and median values between 45.42% and 59.37% for 21 cases of TOBs (excluding TOBs where leaked information was reported) for delisting a listed equity-method affiliate announced and successfully completed from June 28, 2019, when the M&A Guidelines were released by the Ministry of Economy, Trade and Industry, to August 22, 2025 (the average values of premium levels of the above 21 cases: 54.48% over the share price on the business day preceding the date of announcement, 57.06% over the simple average closing price for the one month up to the business day preceding the date of announcement, 59.37% over the simple average closing price for the three months up to the business day preceding the date of announcement, and 58.55% over the simple average closing price for the six months up to the business day preceding the date of announcement; and the median values of premium levels of the above 21 cases: 45.42% over the share price on the business day preceding the date of announcement, 50.64% over the simple average closing price for the one month up to the business day preceding the date of announcement, 53.19% over the simple average closing price for the three months up to the business day preceding the date of announcement, and 54.32% over the simple average closing price for the six months up to the business day preceding the date of announcement);

(Valuation Reference Date: September 10, 2025)

	Reference Closing Price	Simple Average of Closing Prices		
		Past 1 Month	Past 3 Months	Past 6 Months
Market Price	332 yen	334 yen	320 yen	305 yen
Premium	44.58%	43.71%	50.00%	57.38%

- (iv) The Tender Offer Price is an amount that (a) exceeds the share acquisition price of 330 yen per share when Tender Offeror acquired all Company Shares that were held by Sumitomo Chemical Co. Ltd. (5,051,600 shares, 6.46% of the total number of issued shares at the time) through an off-market transaction on March 26, 2024 and (b) exceeds the share acquisition price of 360 yen per share when Tender Offeror acquired all Company Shares held by K.K. JERA (6,839,920 shares, 8.75% of the total number of issued shares at the time) through an off-market transaction on August 1, 2024;
- (v) Kuwait Oil Company, the Company’s third-largest shareholder, is believed to be independent from Tender Offeror, and the fact that Kuwait Oil Company, from such a standpoint, has indicated an intent to tender all of the Company Shares that it holds (5,811,390 shares; ownership ratio: 7.52%) in the Tender Offer can be said to

- be a factor supporting the fairness of the Tender Offer Price;
- (vi) It is recognized that consideration has been given to the interests of the Company's general shareholders by setting the minimum number of shares to be purchased at a level that satisfies the MoM and through other means, as described in "(3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest" under "3. Reasonableness of the Provisions Regarding the Matters Set Forth in Article 180, Paragraph 2, Items (1) and (3) of the Companies Act" below;
 - (vii) The Special Committee conducted continuous discussions and negotiations with Tender Offeror through Mizuho Securities, in view of the share valuation results for the Company Shares obtained from the analyses conducted by Mizuho Securities and Plutus and legal advice etc. received from Iwata Godo, and the Tender Offer Price was raised to a level at which Tender Offeror asserted multiple times that it has no plans to further increase the price;
 - (viii) The Special Committee expressed an opinion regarding the terms and conditions of the Transactions other than the Tender Offer Price, including the minimum and maximum number of shares to be purchased, conditions for withdrawal etc., and matters relating to the two-step acquisition, to the effect that the terms and conditions do not lack consideration for preventing coercion, are not otherwise disadvantageous to general shareholders, and are appropriate; and
 - (ix) Although the Tender Offer Price is lower than the consolidated book value of net assets per share (882.62 yen) (the Tender Offer Price is equivalent to 54.38% of the consolidated book value of net assets per share at that time), given that the consolidated book value of net assets represents the expected value that would be realized in the case where a company is dissolved and liquidated at the present time (the "Liquidation Value") and is considered equivalent to the amount in the case where it is assumed that all assets and liabilities held by a company could be sold at book value, (a) the Company as a going concern, it is planned that the Company will continue business activities within the Tender Offeror Group after implementation of the Transactions, and it is not anticipated that the Company will be dissolved and liquidated after the Transactions, and additionally, the Company has received confirmation from Tender Offeror on multiple occasions that it has no plans to dissolve and liquidate the Company after the Transactions, and therefore, valuation based on an assumption of liquidation of the Company would not be reasonable, and further, (b) when the Company performed calculations regarding the Liquidation Value using multiple hypotheses for the sole purpose of considering the reasonableness of the terms and conditions of the Transactions, among the assets and liabilities held by the Company, tangible fixed assets and intangible fixed assets (excluding land) are based on the Company's proprietary specifications, particularly machinery and equipment, making it difficult to sell them at book value and also, regarding land, the Liquidation Value per share was roughly calculated to be below the Tender Offer Price because it is difficult to sell at book value in light of market value information.

As set forth in "Notice of Revision of Earnings Forecast" ("Downward Revision Disclosure (1)") dated August 9, 2024, the Company revised downward its consolidated earnings forecast for the cumulative second quarter and full year of the March 2025 term. Please note that this downward revision was due to such factors as a temporary equipment suspension and a production plan revision following a lightning strike in late July 2024, as well as a loss on the sale of all shares of Tokyo Sekiyu Kogyo K.K., a consolidated subsidiary of the Company at the time. It is not that the Company intentionally formulated and announced the downward revision for the purpose of lowering the Company's share price. Additionally, as set forth in "Notice of Revision of Earnings Forecast" ("Downward Revision Disclosure (2)") dated November 8, 2024, the Company again revised downward its consolidated earnings forecast for the March 2025 term. This downward revision was due to such factors as the recording of an inventory asset valuation loss at the end of the first half of the March 2025 term, as well as the reductions in Dubai crude oil prices based on market trends at the time and a revision of the foreign exchange rate to reflect the yen's expected appreciation. The Company did not intentionally formulate and announce the downward revision for the purpose of lowering the Company's share price.

Based on the above, the Company concluded that the Transactions including the Tender Offer will contribute to enhancing the Company's corporate value and that the terms and conditions relating to the Transactions including the Tender Offer will contribute to the common interests of shareholders including general shareholders, and therefore, at a Board of Directors meeting held on September 11, 2025, the Company resolved to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

For details of the above Board of Directors resolution, please refer to "[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company" in "(3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest" under "3. Reasonableness of the Provisions Regarding the Matters Set Forth in Article 180, Paragraph 2, Items (1) and (3) of the Companies Act" below.

Subsequently, as described above, the Tender Offer was completed; however, Tender Offeror did not come to hold all Company Shares (including Restricted Shares but excluding Company Shares held by Tender Offeror and the Non-Tendering Shareholder, and treasury shares held by the Company). Accordingly, as stated in the Expression of Opinion Press Release, at the request of Tender Offeror, the Company's Board of Directors, at its meeting held on November 10, 2025, resolved to submit a proposal to the Extraordinary General Meeting of Shareholders to implement a share consolidation (the "Share Consolidation"), in which 5,811,390 shares of Company Shares will be consolidated into one share, as described in "(1) Consolidation Ratio" under "2. Contents of the Matters Listed in Each Item of Article 180, Paragraph 2 of the Companies Act" below. This proposal is subject to the approval of shareholders at the Extraordinary General Meeting of Shareholders and is intended to make Tender Offeror and the Non-Tendering Shareholder the sole shareholders of the Company.

As a result of the Share Consolidation, the number of shares held by shareholders other than Tender Offeror and the Non-Tendering Shareholder will become fractional shares of less than one share.

2. Contents of the Matters Listed in Each Item of Article 180, Paragraph 2 of the Companies Act

(1) Consolidation Ratio

Company Shares will be consolidated at a ratio of 5,811,390 shares to one share.

(2) Date That the Share Consolidation Takes Effect (Effective Date)

January 22, 2026

(3) Total Number of Authorized Shares as of the Effective Date

34 shares

3. Reasonableness of the Provisions Regarding the Matters Set Forth in Article 180, Paragraph 2, Items (1) and (3) of the Companies Act

Company Shares will be consolidated at a consolidation ratio of 5,811,390 shares to one share in the Share Consolidation. As stated in "1. Purpose and Reason for the Share Consolidation" above, the Share Consolidation is being conducted for the purpose of making Tender Offeror and the Non-Tendering Shareholder the sole shareholders of the Company. Taking into account the circumstances described in "1. Purpose and Reason for the Share Consolidation" above, and based on the fact that the Tender Offer conducted as part of the Transactions has been completed, as well as the matters set out below, the Company has determined that the consolidation ratio in the Share Consolidation is reasonable.

(1) Considerations in Cases Where a Parent Company, etc. Exists to Avoid Harming the Interests of Shareholders Other than the Parent Company

As part of the Transactions, the Share Consolidation is being conducted as the second step of the so-called two-step acquisition procedure following the Tender Offer. As of September 11, 2025, the date of announcement of the Tender Offer, the Company was not a subsidiary of Tender Offeror, and the Tender Offer did not constitute a transaction, etc. with a controlling shareholder. However, as of September 11, 2025, Tender Offeror

was a major shareholder and the largest shareholder of the Company, owning 17,035,520 Company Shares (ownership ratio: 22.06%), and the Company was an equity-method affiliate of Tender Offeror. In addition, since Tender Offeror aims to delist the Company, and some of the Company's officers and employees are former employees of, or on secondment from, Tender Offeror, both Tender Offeror and the Company have implemented the measures described in "(3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest" below in the Transactions including the Tender Offer. These measures are intended to ensure the fairness of the Transactions from the Tender Offer stage, eliminate arbitrariness in the Company's decision-making on the Transactions, secure fairness, transparency, and objectivity in the decision-making process, and avoid any appearance of conflicts of interest.

- (2) Method of Treatment of Fractions Less than One Share, If Any, as Well as Amount of Money Expected to Be Delivered to Shareholders as a Result of Such Treatment, and Reasonableness of Such Amount

- [1] Whether the Company plans to conduct the treatment pursuant to Article 235, Paragraph 1 or Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act, and the reasons therefor

As described in "1. Purpose and Reason for the Share Consolidation" above, as a result of the Share Consolidation, the number of Company Shares held by shareholders other than Tender Offeror and the Non-Tendering Shareholder will become fractional shares of less than one share.

Any fractional shares of less than one share resulting from this Share Consolidation will be aggregated, and if the total includes a fraction of less than one whole share, such fraction will be rounded down in accordance with Article 235, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; the same shall apply hereinafter). The Company will sell a number of Company Shares equivalent to the total number of such aggregated fractional shares in accordance with Article 235 of the Companies Act and other applicable laws and regulations, and will distribute the proceeds from such sale to shareholders who hold fractional shares in proportion to the number of fractional shares attributable to each shareholder. With respect to such sale, the Company plans to sell the shares to Tender Offeror (Idemitsu Kosan Co., Ltd.), with the permission of the court, pursuant to Article 234, Paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act. This is because the Share Consolidation is part of the Transactions, the purpose of which is to make Tender Offeror and the Non-Tendering Shareholder the sole shareholders of the Company, and since the Company Shares are scheduled to be delisted on January 20, 2026 and will therefore have no market price, it is considered unlikely that a purchaser will emerge through an auction.

If the necessary court approval is obtained as scheduled, the sale price will be set at a level that will enable the Company to deliver to shareholders listed or recorded in the Company's final register of shareholders as of January 21, 2026, the day before the effective date of the Share Consolidation, a cash amount equal to 480 yen, which is the same amount as the Tender Offer Price, multiplied by the number of Company Shares held by each shareholder. However, the amount actually delivered may differ from the above amount if court approval cannot be obtained or if an adjustment for rounding is required in the calculation.

- [2] Name or denomination of the party expected to be the purchaser of the shares involved in the sale

Tender Offeror (Idemitsu Kosan Co., Ltd.)

- [3] Method by which the prospective purchaser of the shares involved in the sale will secure funds to pay the purchase price and the reasonableness of such method

Tender Offeror intends to fund the acquisition of Company Shares equivalent to the total number of fractional shares arising from the Share Consolidation using funds from its checking account. In the course of procedures for implementing the Transactions, the Company confirmed that Tender Offeror had secured the necessary funds by reviewing the tender offer registration statement and the certificate of deposit

balance attached thereto, which were filed by Tender Offeror on September 12, 2025. According to Tender Offeror, since that date, no events have occurred that could hinder payment of the proceeds of the sale of Company Shares equivalent to the total number of fractional shares of less than one share arising from the Share Consolidation, nor is Tender Offeror aware of any possibility of such events occurring in the future.

Therefore, the Company has determined that the method by which Tender Offeror will secure funds to pay for the purchase of Company Shares equivalent to the total number of fractional shares of less than one share arising from the Share Consolidation is reasonable.

- [4] Timing of the sale and estimated timing of delivery of proceeds from the sale to shareholders

After the Share Consolidation takes effect, the Company plans to file a petition with the court in early February 2026, pursuant to Article 234, Paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, seeking permission to sell to Tender Offeror Company Shares equivalent to the total number of fractional shares of less than one share arising from the Share Consolidation. The timing of obtaining such court permission may vary depending on the circumstances of the court. However, after obtaining the court's permission, the Company expects to sell Company Shares to Tender Offeror in early March 2026 and, after making the necessary preparations to deliver the proceeds to shareholders, expects to distribute the sale proceeds to shareholders in late April 2026.

Considering the time required for the series of procedures related to the sale from the effective date of the Share Consolidation, the Company has determined that Company Shares equivalent to the total number of fractional shares of less than one share resulting from the Share Consolidation will be sold and the proceeds of such sale will be delivered to shareholders at the respective times described above.

- [5] Amount of money expected to be delivered to shareholders as a result of treatment of fractional shares and the reasonableness of such amount

As described in "[1] Whether the Company plans to conduct the treatment pursuant to Article 235, Paragraph 1 or Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act, and the reasons therefor" under "(2) Method of Treatment of Fractions Less than One Share, If Any, as Well as Amount of Money Expected to Be Delivered to Shareholders as a Result of Such Treatment, and Reasonableness of Such Amount," the amount of money expected to be delivered to shareholders as a result of treatment of fractional shares will be calculated by multiplying 480 yen, which is the same amount as the Tender Offer Price, by the number of Company Shares held by the shareholders listed or recorded in the Company's final register of shareholders as of January 21, 2026, the day before the effective date of the Share Consolidation.

As stated in "1. Purpose and Reason for the Share Consolidation" above, the Company has determined that the Tender Offer Price of 480 yen is reasonable and provides shareholders with a fair opportunity to sell their shares.

In addition, the Company has confirmed that no material changes occurred in the conditions forming the basis of the Company's determination of the Tender Offer Price during the period from the resolution of the Board of Directors on September 11, 2025, at which it expressed its opinion in favor of the Tender Offer and resolved to recommend that the Company's shareholders tender their shares, through to the Board of Directors' resolution on November 10, 2025 to convene the Extraordinary General Meeting of Shareholders.

Based on the above, the Company has determined that the amount of money expected to be delivered to shareholders as a result of treatment of fractional shares is appropriate.

- (3) Measures for Ensuring the Fairness of the Transactions and Measures for Avoiding Conflicts of Interest

As of September 11, 2025, the Company is not a subsidiary of Tender Offeror, and the Tender Offer does not fall under a transaction etc. with a controlling shareholder. Furthermore, given that Tender Offeror is the Company's other associated company

holding 17,035,520 Company Shares (ownership ratio: 22.06%) and the Company is an equity-method affiliate, that of the Company's 11 directors, one (Mr. Hiroshi Maezawa) was a managing executive officer of Tender Offeror, one (Mr. Junzo Yamamoto) concurrently serves as a managing executive officer of Tender Offeror, one (Mr. Mohammed Alshubrumi; resigned from the Company's director on October 3, 2025) has been seconded from the Non-Tendering Shareholder, and one (Mr. Khaled Al-Sabah) has been seconded from the shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, that some Company employees used to work for Tender Offeror or have been seconded from Tender Offeror, and other factors, in the Transactions including the Tender Offer, Tender Offeror and the Company have implemented the following measures to ensure that the fairness of the Transactions and to avoid conflicts of interest from perspectives of ensuring the fairness of the Tender Offer from the Tender Offer stage, eliminating arbitrariness in the Company's decision-making regarding the Transactions, ensuring fairness, transparency, and objectivity in the decision-making process, and avoiding any suspicion of conflicts of interest. Also, of the following measures, those measures implemented by Tender Offeror are based on explanations received from Tender Offeror.

Tender Offeror has set 27,693,547 Company Shares (ownership ratio: 35.85%) as the minimum number of shares to be purchased in the Tender Offer, satisfying the so-called MoM level, that is, a majority of the number of Company Shares held by Company shareholders without interests in Tender Offeror (determined by subtracting from the Reference Number of Shares (77,240,335 shares) the number of Company Shares held by Tender Offeror as of September 11, 2025, 17,035,520 shares and the number of Non-Tendered Shares, 5,811,390 shares, resulting in 27,196,713 shares, which corresponds to a majority of 54,393,425 shares).

[1] Obtaining Stock Valuation Report from Independent Third-Party Calculation Agency by Tender Offeror

To ensure the fairness of the Tender Offer Price, Tender Offeror requested that JPMorgan Securities Japan Co., Ltd. ("JPMorgan Securities"), which is Tender Offeror's financial advisor, calculate the share value of the Company Shares as a third-party calculation agency independent from the Tender Offeror Group and the Company Group.

As a result of examining methods of valuating the Company Shares from among multiple methods for valuating shares, JPMorgan Securities calculated the value of the Company Shares using the average market price method, which takes into account trends of the Company's market share price, and the DCF method, which reflects the circumstances of the Company's future business activities in the valuation. Tender Offeror received a share valuation report (the "Tender Offeror Valuation Report") from JPMorgan Securities on September 10, 2025. JPMorgan Securities is not a related party of Tender Offeror or the Company and does not have any material interests in the Transactions including the Tender Offer. Also, Tender Offeror determined and decided the Tender Offer Price through comprehensive consideration of the various elements discussed in "[2] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy" in "(2) Basis and Reasons for the Opinion" under "3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof" in the Expression of Opinion Press Release and through discussions and negotiations with the Company and the Special Committee, and therefore, did not obtain an evaluation concerning the fairness of the Tender Offer Price (a fairness opinion) from JPMorgan Securities.

According to the Tender Offeror Valuation Report, the adopted methods and the ranges of the per-share valuations of the Company Shares calculated using those methods are as follows:

Market price method:	305 yen to 334 yen
DCF method :	335 yen to 617 yen

Using the market price method, on the basis of publicly available information, JPMorgan Securities analyzed the range of per-share value of the Company Shares to

be 305 yen to 334 yen, which was calculated based on the closing prices for Company Shares quoted on the TSE Prime Market with September 10, 2025 as the reference date: 332 yen, the closing price of Company Shares on the reference date; 334 yen, the simple average closing price over the past one-month period up to that date; 320 yen, the simple average closing price over the past three-month period up to that date; and 305 yen, the simple average closing price over the past six-month period up to that date.

Using the DCF method, JPMorgan Securities analyzed the range of per-share value of the Company Shares to be 335 yen to 617 yen by calculating the share value by discounting free cash flows expected to be generated by the Company from the second quarter of the March 2026 term onward to present value at discount rates in a certain range, based on various factors including the Company's business plan and financial results for the March 2026 term to the March 2031 term that Tender Offeror approved for JPMorgan Securities to use, revenue and investment plans in the Company's business plan, the results of interviews and due diligence conducted on Tender Offeror and the Company, and other publicly available information.

The Company business plan and financial forecasts that JPMorgan Securities used as premises for the analysis using DCF method include fiscal years in which substantial year-on-year fluctuations in profit and free cash flows are expected. Specifically, periodic repair will be performed in the March 2026 term, the March 2028 term, and the March 2030 term, and consequently, temporary suspensions of refinery operation for certain periods are planned and substantial decreases in operating profit and free cash flow are expected; operating profit is projected to be -17,021 million yen, 1,945 million yen (a year-on-year decrease of 82.8%), and -5,904 million yen (a year-on-year decrease of 146.9%), respectively, in the March 2026 term, the March 2028 term, and the March 2030 term, and free cash flow is projected to be -10,912 million yen (a year-on-year decrease of 150.2%), and -5,208 million yen (a year-on-year decrease of 151.5%), respectively, in the March 2026 term and the March 2030 term. Also, the Company's business plan and financial forecasts used as premises when JPMorgan Securities performed calculations using the DCF method assume that the Transactions will be implemented and project synergy effects expected from the implementation of the Transactions. Supplementary explanations regarding the Tender Offeror Valuation Report and the assumptions for calculation of the share value of the Company Shares, matters considered, and limitations on the consideration that form the basis of the Tender Offeror Valuation Report are set forth in Note.

(Note) In calculating the share value of the Company Shares that is the basis for the Tender Offeror Valuation Report, publicly available information, information received from Tender Offeror or the Company, or information discussed with Tender Offeror or the Company, and all other information reviewed by or for JPMorgan Securities was assumed to be accurate and complete, and JPMorgan Securities did not independently verify the accuracy and completeness of that information (and assumes no obligation to verify the accuracy and completeness of that information). JPMorgan Securities did not evaluate or assess any of the assets and liabilities of Tender Offeror or the Company and did not receive any such evaluation or assessment, and further, JPMorgan Securities did not evaluate the creditworthiness of Tender Offeror or the Company under applicable laws and regulations relating to insolvency, suspension of payments, or any other similar matter. When relying on financial analyses and forecasts submitted by Tender Offeror and the Company or calculated based on them, JPMorgan Securities assumes that they were reasonably prepared based on the best estimates and judgments of Tender Offeror and the Company's management as of the date of the Tender Offeror Valuation Report with respect to the future performance and financial condition of Tender Offeror and the Company in relation to such analyses or forecasts. JPMorgan Securities does not express any opinion regarding such analyses or forecasts or the assumptions on which they are based. Also, JPMorgan Securities assumes that other transactions contemplated by Tender Offeror including the Tender Offer will be implemented as intended and that all effects explained in the materials received from Tender Offeror will occur. JPMorgan Securities is not an expert in legal matters, regulation by the

authorities, tax matters, accounting, or other such matters and relied on the judgments of Tender Offeror's advisors with respect to those matters. Furthermore, JPMorgan Securities assumes that all material consents or permits and approvals from governments, regulatory authorities, and other parties necessary for implementation of the Tender Offer will be obtained without adversely affecting Tender Offeror, the Company, or the benefits expected from implementation of the Tender Offer. The Tender Offeror Valuation Report and the underlying share valuation results of the Company Shares are inevitably based on the information available to JPMorgan Securities as of the date of the Tender Offeror Valuation Report and on the economic, market, and other conditions as they existed on that date. Events occurring after that date might affect the Tender Offeror Valuation Report and the underlying share valuation results of the Company Shares, but JPMorgan Securities assumes no obligation to update, revise, or reaffirm its analyses or opinions. The Tender Offeror Valuation Report and the underlying share valuation results of the Company Shares do not recommend to Tender Offeror or its Board of Directors any specific tender offer price and are not a recommendation that any particular purchase price is the only appropriate purchase price. JPMorgan Securities is the financial advisor of Tender Offeror in relation to the Tender Offer and expects to receive a fee from Tender Offeror as consideration for its services as financial advisor, but a certain portion of that fee will be payable only if the Tender Offer is implemented. Further, Tender Offeror has agreed to indemnify JPMorgan Securities for certain liabilities that might arise out of its services. During the two years preceding the date of the Tender Offeror Valuation Report, JPMorgan Securities and its affiliates did not conduct any material financial advisory, commercial banking, or investment banking business with Tender Offeror or the Company. Also, JPMorgan Securities and its affiliates hold less than 1% of the issued shares of Tender Offeror and the Company, respectively, on their own account. JPMorgan Securities and its affiliates conduct trading of bonds or shares issued by Tender Offeror or the Company on its own account or the accounts of customers in the ordinary course of business, and therefore, JPMorgan Securities and its affiliates may hold long or short positions in those securities from time to time. The financial forecasts of the Company (the "Financial Forecasts") assumed by JPMorgan Securities when analyzing the share value of the Company Shares have been approved by Tender Offeror for use by JPMorgan Securities. It should be noted that the Financial Forecasts have not been publicly disclosed by Tender Offeror and were not prepared for the purpose of public disclosure. The Financial Forecasts are inherently uncertain and depend on numerous variables and assumptions beyond the control of Tender Offeror and the Company's management (including but not limited to factors related to general economic conditions, competitive conditions, and prevailing interest rates). Therefore, actual performance might differ significantly from the Financial Forecasts. The above statements regarding the results of the calculation of the share value of the Company Shares that is the basis of the Tender Offeror Valuation Report and the summary of the calculation methods do not include all analyses conducted or data referenced by JPMorgan Securities. The Tender Offeror Valuation Report was prepared after going through a complex process, so any partial or summarized description of the analysis results in those documents does not necessarily accurately represent the entirety of the analysis. The results of the analysis by JPMorgan Securities must be considered as a whole, and relying on only a part or a summary of those results without considering the analysis results in their entirety may result in an incorrect understanding of the processes underlying the analysis by JPMorgan Securities. In performing those analyses, JPMorgan Securities considered each analysis and factor holistically and comprehensively, without assigning undue weight to any specific analysis or factor, and JPMorgan Securities does not express an opinion on whether any particular analysis or factor was the primary basis for its opinion or the extent to which any individual analysis or factor contributed to its opinion.

In light of the calculation details and results set forth in the Tender Offeror Valuation Report received from JPMorgan Securities and giving comprehensive consideration to the results of due diligence of the Company conducted from mid-June to early September, 2025, whether the Company's Board of Directors will support the Tender Offer, market price trends of the Company Shares over the past year (highest closing price: 382 yen; lowest closing price: 242 yen), future prospects for domestic and overseas business including the Company's earnings forecasts, and the outlook for tendering of shares in the Tender Offer, and based on the results of discussions and negotiations with the Company and the Special Committee, on September 11, 2025, Tender Offeror decided to set the Tender Offer Price at 480 yen per share, which is within the range of the DCF method.

The Tender Offer Price of 480 yen per share represents a premium of 44.58% over the closing price of 332 yen for Company Shares on the TSE Prime Market on September 10, 2025, the business day preceding the date of announcement of the Tender Offer, 43.71% over the simple average of closing prices of 334 yen for the past one month up to that date, 50.00% over the simple average of closing prices of 320 yen for the past three months up to that date, and 57.38% over the simple average of closing prices of 305 yen for the past six months up to that date.

- [2] Obtaining Stock Valuation Report from Independent Third-Party Calculation Agency by the Company

The Company requested Mizuho Securities, as a third-party calculation agency independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, to calculate the share value of the Company Shares and received the Company Share Valuation Report (Mizuho Securities) on September 10, 2025.

For details of the Company Share Valuation Report (Mizuho Securities) received from Mizuho Securities, please also refer to the Expression of Opinion Press Release.

- [3] Obtaining Stock Valuation Report and Fairness Opinion from Independent Third-Party Calculation Agency by the Special Committee

The Special Committee engaged Plutus as a third-party calculation agency independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and requested Plutus to calculate the share value of the Company Shares and received the Special Committee Share Valuation Report (Plutus) and a fairness opinion (the "Fairness Opinion") on September 10, 2025.

For details of the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion received from Plutus, please also refer to the Expression of Opinion Press Release.

- [4] Establishment by the Company of Independent Special Committee and Procurement of a Report from the Committee

In order to exercise great care in its decision-making concerning the Transactions, eliminate arbitrariness and the risk of conflicts of interest in decision-making by the Company's Board of Directors, and ensure the fairness of such decision-making, pursuant to a resolution of the Board of Directors adopted at a meeting held on May 22, 2025, the Company established a Special Committee independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and comprising three members: Mr. Ryo Sato (an outside director of the Company), who has extensive experience and insight as a corporate manager, Ms. Mutsumi Kanai (an outside auditor of the Company), who has extensive experience and insight as a certified public accountant, and Mr. Mikiharu Mori (attorney and representative partner at Tokyo International Law Office), who was recommended by Iwata Godo, has extensive knowledge and insight as a corporate legal affairs attorney, and was selected as an outside expert, whose appointment in addition to outside officers in order to supplement the expertise relating to M&A (specialized knowledge regarding procedural fairness and corporate valuation) is not denied by the M&A Guidelines. Among the Company's outside directors, Mr. Junzo Yamamoto, who concurrently serves as senior executive officer of Tender Offeror, Mr. Hiroshi Maezawa, who formerly

worked for Tender Offeror, Mr. Mohammed Alshubrumi who is a related party of the Non-Tendering Shareholder, and Mr. Khaled Al-Sabah, who is a related party of the shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, were not selected as members of the Special Committee in order to eliminate the possibility of being affected by structural conflicts of interest in the Transactions. Further, a contingency fee was not adopted as remuneration for the members of the Special Committee. The Special Committee elected Mr. Mikiharu Mori as committee chairperson through a mutual vote among committee members. The Company selected these three individuals as members of the Special Committee at the time of its establishment, and no changes to the committee's membership have been made.

When it decided to establish the Special Committee, the Company's Board of Directors referred the following matters to the Special Committee: (i) the legitimacy and appropriateness of the objectives of the Transactions (including whether the Transactions contribute to enhancing the Company's corporate value), (ii) the fairness and appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price in the Tender Offer, (iii) the fairness of the procedures relating to the Transactions, (iv) whether conducting the Transactions can be considered to be disadvantageous to the Company's minority shareholders (Note), and (v) based on (i) to (iv) above and other matters, whether the Company's Board of Directors should decide to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer (the "Consultation Matters"). Further, the Company's Board of Directors resolved that when making decisions regarding the Transactions, it would give maximum deference to the opinions of the Special Committee, and if the Special Committee determined that the terms and conditions of the Transactions are not appropriate, that the Board of Directors would not make a decision to implement the Transactions (including expressing an opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer).

(Note) A partial revision (revision of compliance matters relating to MBO, etc.; referred to as the "Listing Regulations Revision") of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. ("TSE") came into effect on July 22, 2025, and since the Transactions correspond to a "tender offer ... where the tender offeror is ... an other associated company" (Securities Listing Regulations, Article 441, Paragraph 1, Item (2)) decided after the effective date of the Listing Regulations Revision, the Transactions are subject to application of the Listing Regulations Revision. Under the Listing Regulations Revision, the provision on a "tender offer ... where the tender offeror is ... an other associated company" requires that an opinion be obtained regarding the matter of fairness to general shareholders. Referral Matter (4) inquires as to whether the implementation of the Transactions can be considered disadvantageous to the Company's minority shareholders, but the issues of the Referral Matters were dated May 22, 2025, before the public release of the Listing Regulations Revision, and were based on the TSE Listing Regulations at the time. Given the foregoing, it is expected that the Company's Board of Directors will provide a response that takes into account the Listing Regulations Revision. Therefore, in light of the Listing Regulations Revision, the Special Committee will respond to Referral Matter (4) by indicating whether it believes that the Transactions are fair to the Company's general shareholders.

Additionally, the Company's Board of Directors granted the following authority to the Special Committee: (i) the authority to conduct investigations relating to the Transactions at the Company's expense (including the ability to question Company officers or employees involved in the Transactions or the Company's advisors relating to the Transactions on matters necessary for consideration of the Consultation Matters and to seek explanations or advice), (ii) the authority to request that the Company (a) convey the Special Committee's proposals, other opinions, or questions to Tender Offeror and (b) arrange opportunities for the Special Committee itself to discuss and negotiate with Tender Offeror (including Tender Offeror's advisors relating to the

Transactions), and even if the Special Committee does not request such arrangements, when the Company conducts discussions and negotiations with Tender Offeror, the Company shall promptly report the details to the Special Committee, and the Special Committee may, based on those details, express opinions to the Company regarding the policy on discussions and negotiations with Tender Offeror and provide necessary instructions and requests, and (iii) the authority to appoint the Special Committee's own attorneys, calculation agencies, certified public accountants, and other advisors at the Company's expense when determined to be necessary. In response, the Special Committee confirmed that Mizuho Securities, the Company's third-party calculation agency and financial advisor, and Iwata Godo, the Company's legal advisor pose no issues with respect to independence and expertise, and therefore, approved each as the Company's third-party calculation agency and financial advisor and legal advisor, respectively, and the Special Committee confirmed that it may obtain professional advice from them as necessary.

The Special Committee met a total of 18 times from May 29, 2025 to September 10, 2025 and conducted careful discussions and consideration of the Consultation Matters. Specifically, the Special Committee (i) conducted interviews with Tender Offeror regarding the background and circumstances leading to the proposal for the Transactions, synergies to be generated from implementation of the Transactions, Tender Offeror's managerial policy after the Transactions, and the conditions and anticipated structure etc. of the Transactions, (ii) conducted interviews with the Company's project team members regarding the status of evaluation and consideration of the details of the proposal from Tender Offeror by the Company's management (limited to those independent from the Tender Offeror Group, the Non-Tendering Shareholder, and the shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer), the details of discussions with Tender Offeror, and the details and methods of preparation of the Business Plan that served as the basis for the share valuation of the Company Shares by Mizuho Securities and Plutus (the business plan for the March 2026 term to the March 2031 term prepared by the Company as the period that can reasonably be predicted at present; hereinafter the same applies), (iii) conducted interviews with Mizuho Securities regarding the details and progress etc. of the Transactions and the details and methods etc. of the valuation of the Company Shares; (iv) obtained the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion from Plutus and conducted interviews etc. of Plutus regarding the details and methods etc. of the valuation of the Company Shares, and (v) conducted interviews etc. of Iwata Godo regarding legal advice, including advice on measures to be taken to ensure procedural fairness in the Transactions, various procedures for the Transactions, methods for the Special Committee's deliberations regarding the Transactions, and negotiations etc. with Tender Offeror regarding the Tender Offer Price and other terms and conditions.

As a result of careful discussion and consideration of the Consultation Matters under the circumstances described above, the Special Committee unanimously submitted the Report concerning the Consultation Matters as outlined below to the Company's Board of Directors on September 10, 2025.

(i) Details of Response

- i. The Transactions will contribute to enhancing the Company's corporate value, and the objectives of the Transactions are recognized to be legitimate and appropriate.
- ii. The Special Committee believes that fairness and appropriateness are ensured in the terms and conditions of the Transactions including the Tender Offer Price in the Tender Offer.
- iii. The Special Committee believes the fairness of the procedures relating to the Transactions is ensured.
- iv. The Special Committee believes that implementation of the Transactions ensures fairness for the Company's general shareholders.
- v. Based on i to iv above and other matters, the Special Committee believes that the Company's Board of Directors should decide to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their

shares in the Tender Offer.

(ii) Reasons for the Response

i. Legitimacy and Appropriateness of the Objectives of the Transactions

(Course of events leading Tender Offeror to investigate the Transactions and Tender Offeror's Objectives of the Transactions)

- The Tender Offeror acquired 10,195,600 Company Shares (representing 13.04% of the total issued shares as of that date) on March 26, 2024, thereby becoming the Company's largest shareholder and principal shareholder. On April 16, 2024, the Tender Offeror and the Company entered into a capital and business alliance agreement. The Tender Offeror subsequently acquired 17,035,520 shares (representing 21.79% of the total issued shares as of that date), making the Company an equity-method affiliate.
- The Tender Offeror began examining the anticipated environmental conditions for petroleum products and the corresponding supply structure from late March 2025. Through this process, it concluded that strengthening the petroleum product supply structure is crucial to fulfill its social responsibility of ensuring a stable energy supply in the future.
- Around mid-April 2025, the Tender Offeror determined that under the current structure, where the Company operates independently as a listed company under an equity method investment arrangement, both companies, each operating under separate management policies, cannot sufficiently leverage shared business foundations (such as refining facilities) and resources (such as personnel and information). This creates inherent limitations in generating synergies. Therefore, the Tender Offeror concluded that taking the Company private and by conducting business activities under a unified corporate structure and management policy, a deeper collaborative framework can be realized, enabling more flexible and rapid decision-making. Compared to maintaining the Company as an equity-method affiliate, this approach is expected to further develop both companies' existing fuel oil businesses by pursuing enhanced synergies in: (a) optimizing petroleum product production systems, (b) establishing a stable energy supply foundation with a long-term perspective, (c) strengthening cost competitiveness through mutual utilization and centralization of both companies' functions and infrastructure, and (d) establishing a low-carbon energy supply system. Accordingly, on May 13, 2025, Tender Offeror submitted to the Company the Initial Proposal.

(Management Issues and Objectives of the Transactions Recognized by the Company)

- According to the Company, (i) building a system capable of stably supplying petroleum products amidst various anticipated changes, such as the gradual decline in domestic fuel oil demand, increased demand for jet fuel, steady demand trends overseas (particularly in the Asia Pacific region), and decreasing demand for gasoline and kerosene, (ii) reducing the costs required for periodic refinery maintenance work, which are trending upwards due to rising personnel costs and extended maintenance periods caused by reformed work practices at a time when equipment problems at the refinery are increasing due to aging, (iii) reducing procurement costs for raw materials and equipment caused by inflationary pressures on raw materials and equipment, and (iv) adopting a long-term perspective in responding to carbon neutrality are all considered to be essential goals (hereinafter, (i) to (iv) are collectively referred to as the "Management Issues Recognized by the Company"),
- According to the Company, by joining the Tender Offeror Group through the Transactions, the Company will achieve: (a) optimization of petroleum product production systems, (b) establishment of a stable energy supply foundation with a long-term perspective, (c) joint management of scheduled maintenance work, (d) cost reduction for both companies through centralized procurement of raw materials and equipment, and development of both companies' existing businesses through maximizing utilization of facilities such as the Company's large-scale wharf, one of the largest in Japan, and (e) realization of synergy by implementing structural reforms with a long-term perspective in an integrated manner at the Company's Sodegaura Refinery and the Tender Offeror's Chiba Site,

thereby achieving conversion into low-carbon energy supply bases. The Company believes this will lead to improvements in the Management Issues Recognized by the Company.

- Based on the above, there are no discrepancies between the Tender Offeror's objectives of the Transactions and the objectives of the Transactions recognized by the Company, and in light of the Tender Offeror's objectives of the Transactions, it would seem reasonable to believe that the Transactions can be expected to improve the Management Issues Recognized by the Company.

(Disadvantages of the Transactions to the Company)

- Potential disadvantages for the Company arising from the Transactions include impacts on funding or capital raising, social credibility, and recruitment capabilities associated with delisting.
- According to the Company, it primarily utilizes loans from financial institutions as a means of raising business funds. If this is the case, it can be considered that the Company is currently not fully benefiting from the advantages of being a listed company, such as access to capital markets.
- According to the Tender Offeror, following the Transactions, it is anticipated that the Company will be able to utilize the Tender Offeror's funding capabilities and financial foundation through systems such as the Tender Offeror's cash management system. The ability for the Company to raise appropriate amounts of funds at interest rates reflecting the Tender Offeror's creditworthiness in a timely manner is considered to be a benefit for the Company's business operations.
- Given that the Tender Offeror is a listed company with high social credibility and recognition, it is conceivable that even if the Company were to be delisted as a result of the Transactions, its social credibility and recruitment capabilities could be further maintained or even enhanced.
- Therefore, even if disadvantages to the Company exist as a result of the Transactions, they are assessed as not constituting a particular impediment to the execution of the Transactions.

(Impact on the Company Group's Employees from the Transactions)

- The Tender Offeror has appropriate policies regarding the treatment of the Company Group's employees from the perspective of maintaining and enhancing its corporate value. As long as these policies are implemented after the Transactions, the Transactions can be evaluated as contributing to the maintenance and enhancement of the Company's corporate value.

(Existence of Alternative Means Other than the Transactions)

- Regarding whether alternative means other than the Transactions exist, possible alternatives include strengthening the capital and business alliance with the Tender Offeror while keeping the Company listed or receiving further investment from the Tender Offeror. However, these alternatives are not considered desirable options from the perspective of maximizing the benefits of a partnership with the Tender Offeror. This is due to the need for the Company to operate as an independent listed company, taking into account the interests of general shareholders, and the existence of certain constraints on sharing information regarding the refineries held by the Tender Offeror, as well as other management resources, know-how, and trade secrets.
- It is not considered that any alternative means other than the Transactions could be expected to produce effects similar to those of the Transactions.

(Conclusion)

- Based on the above, the Special Committee recognizes that the Transactions will contribute to enhancing the Company's corporate value and that the objectives of the Transactions are legitimate and appropriate.

ii. Fairness and Appropriateness of the Terms and Conditions of the Transactions

(Acquisition of Share Valuation Report from the Company's Third-Party Calculation Agency)

- In expressing its opinion with regard to the Tender Offer, to ensure fairness in the decision making process concerning the Tender Offer Price proposed by Tender Offeror, the Company requested Mizuho Securities, a financial advisor and third-party calculation agency independent of the Company Group, the Tender Offeror

Group, and the success/failure of the Transactions, to calculate the share value of the Company Shares, and received the Company Share Valuation Report (Mizuho Securities) on September 10, 2025.

- Regarding the reliability of the Company Share Valuation Report (Mizuho Securities) as a prerequisite for the fairness and appropriateness of the Tender Offer Price, Mizuho Securities calculated the value of our shares using the market price method and the DCF method. Both valuation methods are recognized as standard valuation methods. Furthermore, the combination of the market price method, which uses market prices as a benchmark, and the DCF method, which incorporates the present value of future cash flows into the valuation, is a reasonable approach aligned with standard corporate valuation practices. No unreasonable aspects were identified in Mizuho Securities' adoption of these respective valuation methods. The calculation results based on these methods were determined by Mizuho Securities, an experienced third-party valuation institution, and no unreasonable aspects were identified in the calculation results for the per-share equity value of the Company. Furthermore, no unreasonable aspects were identified in the financial forecasts, assumptions, or other premises underlying the above calculation methods and their results. Furthermore, the Business Plan was prepared by a team composed of the Company's employees independent of the Tender Offeror Group for the purpose of examining the appropriateness of the transaction terms of the Transactions. There is no fact that the Tender Offeror Group (including persons originating from the Tender Offeror or seconded from the Tender Offeror) was involved in the preparation process. Furthermore, the Special Committee, in connection with the Company's preparation of the Business Plan for the Transactions, conducted a Q&A session regarding the content of the draft Business Plan and its key assumptions, and confirmed the reasonableness of the final Business Plan's content, key assumptions, and preparation process, thereby approving it. Based on the above, the Company Share Valuation Report (Mizuho Securities) can be evaluated as having recognized reliability.
- The Tender Offer Price of ¥480 per share exceeds the upper limit of the range calculated using the market price method in the Company Share Valuation Report (Mizuho Securities) and also exceeds the midpoint of the range calculated using the DCF method in the Company Share Valuation Report (Mizuho Securities). Therefore, the Tender Offer Price can be evaluated as being within a reasonable range in relation to the share valuation results in the Company Share Valuation Report (Mizuho Securities).

(Acquisition of Share Valuation Report and Fairness Opinion from the Special Committee's Third-Party Calculation Agency)

- When investigating the Consultation Matters, to ensure the appropriateness of the transactional terms and conditions concerning the Tender Offer Price proposed by Tender Offeror, the Special Committee requested Plutus, a third-party calculation agency independent of the Company Group, the Tender Offeror Group, and the success/failure of the Transactions, to calculate the share value of the Company Shares and express an opinion concerning the fairness of the Tender Offer Price (a fairness opinion). On September 10, 2025, the Special Committee received the Committee Share Valuation Report (Plutus) and the Fairness Opinion, the latter of which indicated that the Tender Offer Price is fair to the Company's general shareholders from a financial standpoint.
- Regarding the reliability of the Committee Share Valuation Report (Plutus) as a premise for the fairness and appropriateness of the Tender Offer Price, Plutus calculated the share value of the Company's stock using both the market price method and the DCF method. Both valuation methods are recognized as generally accepted valuation methods. Furthermore, the combination of valuation techniques, the market price method based on market share prices and the DCF method incorporating the present value of future cash flows, is a reasonable approach consistent with the standard approaches to corporate valuation. No unreasonable aspects were identified in Plutus's reasons for adopting each valuation method. The valuation results based on these methods were calculated by Plutus, an experienced third-party valuation institution, and no unreasonable

aspects are identified in the resulting per-share equity value calculation. Furthermore, no unreasonable aspects are identified in the financial forecasts, assumptions, or other premises underlying the above valuation methods and their results. Furthermore, the Business Plan was prepared by a team composed of the Company's employees independent of the Tender Offeror Group for the purpose of examining the appropriateness of the transaction terms of the Transactions. There is no fact that the Tender Offeror Group (including persons originating from the Tender Offeror or seconded from the Tender Offeror) was involved in the preparation process. Furthermore, the Special Committee, in connection with the Company's preparation of the Business Plan for the Transactions, conducted a Q&A session regarding the content of the draft Business Plan and its key assumptions, and confirmed the reasonableness of the final Business Plan's content, key assumptions, and preparation process, thereby approving it. Based on the foregoing, the Committee Share Valuation Report (Plutus) can be evaluated as reliable.

- The Fairness Opinion expresses Plutus's opinion that, based on the results of the share valuation performed by Plutus using the Business Plan prepared by the Company, the Tender Offer Price of ¥480 per share is fair to the general shareholders of the Company from a financial point of view. The Fairness Opinion is based on Plutus's assessment of the Company's stock value, conducted after receiving disclosure from the Company regarding the current state of its business and the Business Plan, along with explanations concerning these matters. It also incorporates Plutus's review of the outline of the Tender Offer, background, and purpose of the Tender Offer, Plutus's review of the Company's business environment, economic, market, and financial conditions to the extent deemed necessary by Plutus, and a review process conducted by a review committee independent of Plutus's engagement team. No unreasonable aspects were identified in the issuance process or content of the Fairness Opinion. Therefore, the Fairness Opinion is deemed reliable.
- The Tender Offer Price of ¥480 per share exceeds the upper limit of the range calculated using the market price method in the Committee Share Valuation Report (Plutus) and also exceeds the midpoint of the range calculated using the DCF method in the Committee Share Valuation Report (Plutus). Therefore, the Tender Offer Price can be evaluated as being within a reasonable range in relation to the share valuation results in the Committee Share Valuation Report (Plutus). Furthermore, the Fairness Opinion states that the Tender Offer Price is fair to the Company's general shareholders from a financial point of view, which also supports the fairness and appropriateness of the Tender Offer Price.

(Securing a Premium)

- According to Mizuho Securities, the premium level of the Tender Offer Price falls within the average and median range of 45.42% to 59.37% observed in comparable industry cases (specifically, 21 tender offer cases announced and completed between June 28, 2019, when the Ministry of Economy, Trade and Industry published its M&A Guidelines, and August 22, 2025, involving listed companies that are equity-method affiliates and where the tender offer aimed to delist the company (excluding cases where leaks occurred prior to announcement)). The average and median premium levels ranged from 45.42% to 59.37% (Average premium level for these 21 cases: 54.48% relative to the stock price on the business day prior to the announcement date, 57.06% relative to the simple average closing price over the past month up to the business day prior to the announcement date, 59.37% relative to the simple average closing price over the three months preceding the business day before the announcement date, and 58.55% relative to the simple average closing price over the six months preceding the business day before the announcement date. The median premium levels for these 21 cases: 45.42% relative to the stock price on the business day prior to the announcement date, 50.64% relative to the simple average closing price over the past month up to the business day prior to the announcement date, 53.19% relative to the simple average closing price over the past three months up to the business day prior to the announcement date, and 54.32% relative to the simple average closing price over the past six months up to the business day prior to the announcement date).

announcement date.)). Compared to these levels, the premium is considered to be comparable. Given that such a premium level has been secured, the Tender Offer Price can be evaluated as substantially reflecting the share value realized for the Company through the execution of the Transactions.

(Downward Revision Disclosures)

- It is reasonable to consider that Downward Revision Disclosure (1) and Downward Revision Disclosure (2) were not made with the intent to deliberately lower the Company's stock price. Therefore, it is considered acceptable to include the Company's stock price following Downward Revision Disclosure (1) and Downward Revision Disclosure (2) in the calculations of the market price method by Mizuho Securities and Plutus, as well as in the determination of the premium level.

(Negotiations with Tender Offeror)

- Regarding the Tender Offer Price, starting on August 8, 2025, the Special Committee conducted multiple discussions and negotiations with Tender Offeror through Mizuho Securities, the Company's highly-specialized financial advisor, under a policy of negotiating until a fair and appropriate price and the minimum set based on MoM levels etc. were agreed upon (that is, a policy of seeking to have all of the Company Shares held by the Non-Tendering Shareholder and Kuwait Oil Company tendered in the Tender Offer and, if the Non-Tendering Shareholder and Kuwait Oil Company were to remain as Company shareholders even after the Transactions, taking such point into account when negotiating the price and setting the minimum), taking into consideration (a) the valuations of the Company Shares using the DCF method (including the results of multifaceted analyses of losses carried forward and shares of associated companies, for which multiple valuation methods were conceivable) by Mizuho Securities, the Company's financial advisor and third party calculation agency, and by Plutus, the Special Committee's third-party calculation agency; (b) the premium levels in examples of transactions similar to the Transactions (specifically, TOBs intended to delist a listed equity-method affiliate which had been announced and completed since June 28, 2019, the date the M&A Guidelines were released by the Ministry of Economy, Trade and Industry (excluding cases where leaks occurred prior to announcement)); (c) fluctuations in the market price of the Company Shares; and (d) the synergy effects that can be expected to be achieved through implementation of the Transactions (including, in addition to business-related synergy effects, synergy effects through further utilization of losses carried forward, which are anticipated in the case where Tender Offeror reduces the Company's capital after the Transactions). As a result, the Special Committee and Tender Offeror agreed upon the tender offer price (480 yen per share) and other terms and conditions, on the assumption that the Company's official decision would be approved by a resolution of the Company's Board of Directors.
- No circumstances can be found in the course of the above negotiations concerning the Transactions which would raise doubts about transparency or fairness, the Tender Offer Price and other terms and conditions were agreed upon as a result of multiple rounds of discussions and negotiations between the Special Committee and Tender Offeror through Mizuho Securities, the Company's highly-specialized financial advisor and the Tender Offer Price of 480 yen per share represents a substantial increase from Tender Offeror's first proposal (400 yen per share), and hence can be regarded as a price that was determined through sincere negotiations (comparison of the Tender Offer Price and the consolidated net asset book value per share).
- According to the Company: (a) the Company plans to continue business operations even after the Transactions within the Tender Offeror Group, does not anticipate dissolution or liquidation after the Transactions, and has confirmed multiple times with Tender Offeror that there are no plans to dissolve or liquidate the Company after the Transactions, and accordingly believes that it is not reasonable to emphasize the consolidated net asset book value per share when calculating the share value of the Company, which is a going concern; and (b) the liquidation value was estimated by the Company using a number of postulates, for the sole purpose of considering the appropriateness of the terms and conditions of the

Transactions, and estimates were obtained in which the per-share liquidation value was lower than the Tender Offer Price, because, of the assets and liabilities held by the Company, it was found that the tangible fixed assets and intangible fixed assets (other than land), including machinery and devices, would be difficult to sell at book value because they were made according to Company-specific standards, and that the land would be difficult to sell at book value in light of information related to its current market price.

- No unreasonable points are recognized in the Company's explanations described above, and the fact that Tender Offer Price of 480 yen per share is less than the consolidated net asset book value per share as calculated based on the consolidated net asset book value per share as of the end of June 2025 (882.62 yen) is not a reason to deny the fairness and appropriateness of the Tender Offer Price.

(Past Acquisition Price of Company Shares by Tender Offeror)

- On March 26, 2024, Tender Offeror made an off-market acquisition, at a price of 330 yen, of 5,051,600 Company Shares (6.46% of the total number of issued shares at the time), which was all Company Shares held by Sumitomo Chemical K.K.; and subsequently, on August 1, 2024, as part of the capital and business alliance, Tender Offeror made an off-market acquisition, at a price of 360 yen, of all of the 6,839,920 Company Shares held by K.K. JERA (8.75% of the total number of shares issued at the time). The per-share acquisition prices (330 yen and 360 yen) paid when Tender Offeror acquired Company Shares in the past are substantially lower than the Tender Offer Price of 480 yen per share, and on this point as well there is nothing unreasonable about the Tender Offer Price.

(Kuwait Oil Company's Desire to Tender in the Tender Offer)

- The fact that Kuwait Oil Company, which is independent from the Tender Offeror Group, has expressed its intention to tender its shares in the Tender Offer further supports the fairness and appropriateness of the transaction terms, including the Tender Offer Price.

(Transactional Terms and Conditions of the Transactions Other Than the Tender Offer Price)

- The other terms and conditions of the Transactions other than the Tender Offer Price cannot be considered unreasonable in comparison to the terms and conditions of other transactions of the same type and scale, and the transactional terms and conditions thus cannot be regarded as lacking in fairness or appropriateness.

(Conclusion)

- Based on the above, the Special Committee believes that the fairness and appropriateness of the transactional terms and conditions of the Transactions, including the Tender Offer Price for the Tender Offer, are ensured.

iii. Fairness of the Procedures Relating to the Transactions

(Establishment and Deliberations of the Special Committee)

- The Special Committee was composed of qualified individuals serving as special committee members, designed to enable appropriate decision-making. Opportunities for substantive involvement in the Company's decision-making regarding the Transactions were secured. Furthermore, deliberations within the Special Committee were conducted with due care and appropriateness. Furthermore, the Company itself negotiated the transaction terms with the Tender Offeror through its highly specialized financial advisor. Therefore, the establishment and deliberations of the Special Committee ensure the fairness of the procedures related to this transaction and can be evaluated as effectively functioning as a fairness guarantee measure.

(Deliberations within the Company)

- It can be said that the Company established a framework for considering, negotiating, and making decisions relating to the Transactions from a perspective independent from Tender Offeror, the Non-Tendering Shareholder and Kuwait Oil Company, and it can be evaluated that such framework ensures the fairness of the procedures relating to the Transactions and functions effectively as a measure for ensuring fairness.

(Advice from Independent Outside Professional Advisors)

- Mizuho Securities has been appointed as the Company's financial advisor and third-party valuation institution, Plutus has been appointed as the Special Committee's independent third-party valuation institution, and Iwata Godo has been appointed as the Company's legal advisor. The appointment of these advisors and their advice ensure the fairness of the procedures related to the Transactions and can be evaluated as effectively functioning as fairness safeguards.

(Measures to Ensure Purchase Opportunities by Other Purchasers (Market Check))

- Considering that the Tender Offeror has set the tender offer period at 30 business days, despite the minimum period stipulated by law being 20 business days, and that the Tender Offeror and the Company have not entered into any agreement restricting other acquisition proposers from contacting the Company, it can be said that opportunities for competing offers are secured. Therefore, the indirect market check in the Transactions can be evaluated as functioning appropriately.

(Appropriate Provision of Information to the Company's General Shareholders)

- It is recognized that in the Transactions, appropriate information as planned to be provided to the Company's general shareholders so that they can evaluate and make decisions regarding the Transactions, and such information provision ensures the fairness of the procedures relating to the Transactions and can be evaluated as functioning effectively as a measure for ensuring fairness.

(Setting a Minimum Number of Shares to be Purchased Greater than the MoM)

- The Tender Offeror has set a minimum tender quantity of 27,693,547 shares (ownership ratio: 35.85%) for the Tender Offer (hereinafter referred to as the "Minimum Setting"). Since meeting this lower limit would effectively mean that a majority of shares held by shareholders who do not share a significant interest with the Tender Offeror, namely general shareholders, have been tendered, the setting of this lower limit can be evaluated as effectively functioning as a fairness measure to ensure the fairness of the procedures related to the Transactions, as it is set at a lower limit for the number of shares to be purchased that is effectively equivalent to the MoM.

(Elimination of Coerciveness)

- (a) In the Transactions, the squeeze-out procedure following the Tender Offer is planned to be conducted through the Share Consolidation. (b) (i) The Minimum Setting increases the likelihood that the proposal for the Share Consolidation will be approved, and (ii) according to the Tender Offeror, even if the proposal for the Share Consolidation is not approved, the Tender Offeror intends to acquire additional shares of the Company through purchases in the market or private negotiations, taking into account the tender results of the Tender Offer, the ownership status and attributes of the Company's shareholders at that time, and market share price trends, to acquire additional shares of the Company through purchases in the market or private negotiations, aiming to delist the Company's shares, until the level where the proposal for the Share Consolidation is realistically approved at the Company's shareholders' meeting. Therefore, in substance, a scheme that does not secure a share purchase request right or a price determination request right for shareholders opposing the Transactions is not being adopted. (c) Considering that disclosure materials are expected to clarify that (i) a squeeze-out procedure is planned to be promptly conducted upon completion of the Tender Offer, and (ii) the price during the squeeze-out procedure will be based on the same price as the Tender Offer Price, it can be said that consideration has been given to ensure that general shareholders, when deciding whether to tender their shares in the Tender Offer, will not be placed in a situation where they are expected to be treated disadvantageously if they choose not to tender. Hence, it is recognized that the Transactions incorporate considerations to avoid creating coercive pressure on general shareholders.

(Conclusion)

- The measures for ensuring fairness have been taken in the Transactions, and the Special Committee believes that fairness is ensured in the procedures relating to the Transactions.

iv. Whether the Implementation of the Transactions can be Considered to be Fair to

the Company's General Shareholders

As stated above, (i) it is recognized that the Transactions will contribute to enhancing the Company's corporate value and the objectives thereof have legitimacy and appropriateness, (ii) it is believed that fairness and appropriateness are ensured in the transaction terms and conditions of the Transactions including the Tender Offer Price in the Tender Offer, and (iii) it is believed that fairness has been ensured in the procedures relating to the Transactions, and therefore, the Special Committee believes that implementation of the Transactions is fair to the Company's general shareholders.

v. Whether the Company's Board of Directors should Decide to Express an Opinion in Support of the Tender Offer and Recommend That the Company's Shareholders Tender Their Shares in the Tender Offer

As stated above, considering that (i) it is recognized that the Transactions will contribute to enhancing the Company's corporate value and the objectives thereof have legitimacy and appropriateness, (ii) it is believed that fairness and appropriateness are ensured in the transaction terms and conditions of the Transactions including the Tender Offer Price in the Tender Offer, (iii) it is believed that fairness has been ensured in the procedures relating to the Transactions, and (iv) it is believed that implementation of the Transactions is fair to the Company's general shareholders, the Special Committee believes that it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

[5] Advice from an Independent Law Firm Obtained by the Company

To ensure the fairness and appropriateness of decision-making by the Company's Board of Directors, the Company engaged Iwata Godo as its legal advisor independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and received legal advice including advice on measures that should be taken to ensure the fairness of procedures in the Transactions, the various procedures of the Transactions, methods of deliberation by the Special Committee relating to the Transactions, and negotiations with Tender Offeror concerning the Tender Offer Price and other terms and conditions.

Iwata Godo is not a related party of the Company Group or the Tender Offeror Group and does not have any material interests relating to the Transactions. Iwata Godo is the Company's legal advisor, but the amount paid by the Company to Iwata Godo as consideration for legal advice is less than the Company's standard for the independence of outside officers and is not an amount that would give rise to any doubts concerning the fairness of Iwata Godo's legal advice regarding the Transactions, and the fees paid to Iwata Godo do not include contingency fees to be paid contingent on the successful completion etc. of the Transactions. Also, Iwata Godo is an external law firm that provides legal services to multiple clients not limited to the Company, and as one of Iwata Godo's clients, the Company continuously requests legal advice regarding business and management decisions, taking into account Iwata Godo's areas of expertise and specialization, and has entered into a legal advisory agreement with Iwata Godo for the receipt of legal advice from an outside legal expert, and the Company has concluded that the execution of such a legal advisory agreement does not impair Iwata Godo's independence from the Company.

[6] Establishment of an Independent Consideration Framework at the Company

As discussed above in "1. Purpose and Reason for the Share Consolidation" in mid-May 2025, based on the legal advice received from Iwata Godo, including advice on measures that should be taken to ensure the fairness of procedures in the Transactions, the various procedures of the Transactions, methods of deliberation by the Special Committee relating to the Transactions, and negotiations with Tender Offeror concerning the Tender Offer Price and other terms and conditions, the Company began establishing a framework to consider, negotiate, and make decisions concerning the Transactions from a standpoint independent from Tender Offeror and from the perspectives of enhancing the Company's corporate value and protecting the common interests of the Company's shareholders.

Specifically, under instructions from the Special Committee, for the Company to

consider, negotiate, and make decisions regarding the Transactions, including responding to due diligence on the Company by Tender Offer, consideration and preparation of the Business Plan, and consideration of the Company's managerial policy after the Transactions, the Company established a project team comprising 11 members in total: Senior Managing Executive Officer Takahiko Yamamoto, Executive Officer and Planning Dept. General Manager Masahiro Hirano, Executive Officer and General Affairs Dept. General Manager Motohiro Nakayama, General Affairs Dept. Section Manager Takashi Hikita, and seven other Company employees. When selecting the members, care was taken to establish a framework that did not include any Company officers and employees who concurrently serve or previously served as officers or employees of the Tender Offeror Group (excluding the Company) including Tender Offeror. In particular, in relation to preparation of the Business Plan that serves as the basis for the share valuation of the Company Shares, the Special Committee received advice from Mizuho Securities, the Company's financial advisor, conducted multiple question and answer sessions with Mizuho Securities and Plutus, and confirmed the fairness of the preparation process, including the independence of the officers and employees involved in its preparation, with confirmation from Iwata Godo, the Company's legal advisor, and the Special Committee.

Also, based on the reasons set forth below in "[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company," Mr. Hiroshi Maezawa, Mr. Junzo Yamamoto, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah were excluded from the framework, and this treatment has continued as of September 11, 2025. Further, none of Mr. Hiroshi Maezawa, Mr. Junzo Yamamoto, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah issued any instructions etc. to the framework regarding consideration, negotiation, and decision-making concerning the Transactions. (However, after completion of the settlement of the Tender Offer, Kuwait Oil Company will no longer be a shareholder of the Company, and because there is little need to exclude Mr. Khaled Al-Sabah, who has been dispatched from Kuwait Oil Company, from the Company's decision-making process concerning the Transactions, he has been permitted to participate in the deliberations of the Board of Directors on matters related to the consideration of the Transactions after the completion of the settlement of the Tender Offer.)

Including the handling of these matters, the framework for considering the Transactions at the Company (including the scope and roles of Company officers and employees involved in the consideration, negotiation, and decision-making concerning the Transactions) was established with advice from Iwata Goto and was approved by the Special Committee as presenting no issues from the perspectives of independence and fairness.

[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company

The Company's Board of Directors conducted careful deliberations and consideration of the Transactions from the perspective of enhancing the Company's corporate value and the appropriateness of the terms and conditions relating to the Transactions based on legal advice received from Iwata Goto and the content of the Company Share Valuation Report (Mizuho Securities), the Special Committee Share Valuation Report (Plutus), and the Fairness Opinion while giving maximum deference to the content of the Report submitted by the Special Committee.

As a result, as discussed in "1. Purpose and Reason for the Share Consolidation," the Company determined that the Transactions including the Tender Offer will contribute to enhancing the Company Group's corporate value and that the Tender Offer Price is appropriate and provides a reasonable opportunity for the Company's shareholders to sell their shares, and at a meeting held on September 11, 2025, the Company's Board of Directors resolved to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

Also, seven of the Company's 11 directors excluding Mr. Hiroshi Maezawa, Mr. Junzo Yamamoto, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah attended the deliberations and resolutions, and the resolutions were adopted by all directors in attendance. All four of the Company's corporate auditors attended the above Board of

Directors meeting and all of the corporate auditors in attendance expressed opinions to the effect that they had no objection to the above resolution. From the perspective of preventing the suspicion of conflicts of interests and ensuring the fairness of the Transactions, among the Company's directors, Mr. Junzo Yamamoto, who concurrently serves as senior executive officer of Tender Offeror, Mr. Hiroshi Maezawa, who formerly worked for Tender Offeror, Mr. Mohammed Alshubrumi, who is a related party of the Non-Tendering Shareholder, and Mr. Khaled Al-Sabah, who is a related party of the shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, did not participate at all in the deliberations on proposals relating to consideration of the Transactions at the Company's Board of Directors meetings and did not participate at all in consideration of the Transactions from the Company's standpoint or in discussions and negotiations with Tender Offers regarding the Transactions. (However, after completion of the settlement of the Tender Offer, Kuwait Oil Company will no longer be a shareholder of the Company, and because there is little need to exclude Mr. Khaled Al-Sabah, who has been dispatched from Kuwait Oil Company, from the Company's decision-making process concerning the Transactions, he has been permitted to participate in the deliberations of the Board of Directors on matters related to the consideration of the Transactions after the completion of the settlement of the Tender Offer.)

[8] Measures for Ensuring that Other Purchasers Have an Opportunity to Purchase

Tender Offeror and the Company have not entered into any agreements etc. that include transaction protection clauses prohibiting the Company from having contact with persons who make counterproposals ("Persons Making Counterproposals") other than Tender Offeror or any agreements with terms that would restrict such Persons Making Counterproposals from having contact with the Company. By not impeding opportunities for competing purchases, consideration has been given to the fairness of the Tender Offer.

Also, while the minimum period for purchases relating to a tender offer is set at 20 business days by laws and regulations, Tender Offeror has set a tender offer period relating to the Tender Offer of 30 business days. Tender Offeror considers that setting a relatively long tender offer period that is longer than the statutory minimum period ensures that Company shareholders have an opportunity to make appropriate decisions regarding tendering their shares in the Tender Offer and ensures purchase opportunities for Persons Making Counterproposals.

[9] Consideration to Prevent Coerciveness

As described in "(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)" in "3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof" in the Expression of Opinion Press Release, Tender Offeror (i) plans to request that the Company hold an Extraordinary General Meeting of Shareholders that includes proposals concerning implementation of the Share Consolidation promptly after the completion of settlement of the Tender Offer and amendment of the Company's Articles of Incorporation to abolish provisions on the number of shares per unit, subject to the Share Consolidation taking effect, and will not adopt methods that do not secure Company shareholders' share buyback request right or price determination request right, and (ii) has clarified that when implementing the Share Consolidation, it plans to request that the Company file a petition with the court for approval of a voluntary sale, with the amount of cash to be delivered as consideration to Company shareholders (excluding Tender Offeror, the Non-Tendering Shareholder, and the Company) set to be equal to the price calculated by multiplying the Tender Offer Price by the number of Company Shares held by the respective shareholder, and therefore, Tender Offeror has given consideration to ensuring that Company shareholders have an appropriate opportunity to make decisions regarding whether to tender their shares in the Tender Offer, and to preventing coerciveness from arising regarding the measures in (i) and (ii) above.

4. Details of Disposition of Material Assets, Assumption of Material Liabilities, or Other Events Materially Affecting the Status of the Company's Assets That Occur After the Last Day of the Final Fiscal Year of the Company

(1) Tender Offer

As stated in "1. Purpose and Reason for the Share Consolidation" above, Tender Offeror conducted the Tender Offer for the Tender Offer Period of 30 business days from September 12, 2025 to October 28, 2025. As a result of the Tender Offer, as of November 5, 2025 (the commencement date for settlement of the Tender Offer), Tender Offeror holds 57,951,478 Company Shares (ownership ratio: 75.03%).

(2) Cancellation of Treasury Shares

At a meeting of the Company's Board of Directors held on November 10, 2025, the Company resolved to cancel 788,475 treasury shares (equivalent to all of the treasury shares directly owned by the Company as of October 31, 2025) effective January 21, 2026. The cancellation of such treasury shares is subject to the approval of this proposal as originally proposed at the Extraordinary General Meeting of Shareholders, and following the cancellation, the total number of issued shares of the Company will be 77,395,202 shares.

Proposition II: Partial Amendments to the Articles of Incorporation

1. Reason for the Proposal

- (1) If Proposition I “Share Consolidation” is approved and passed as originally proposed and the Share Consolidation takes effect, the total number of authorized shares of the Company will be reduced to 34 shares in accordance with Article 182, Paragraph 2 of the Companies Act. To clarify this point, Article 5 (Total Number of Authorized Shares) of the current Articles of Incorporation will be amended, conditional upon the Share Consolidation taking effect.
- (2) If Proposition I “Share Consolidation” is approved and passed as originally proposed and the Share Consolidation takes effect, the total number of issued shares of the Company will be 13 shares, and it will no longer be necessary to stipulate the number of shares per unit. Therefore, conditional upon the Share Consolidation taking effect, in order to abolish the provision on the number of shares per unit, which is currently 100 shares per unit, the entire text of Article 6 (Number of Shares per Unit) of the current Articles of Incorporation will be deleted, and the numbering of subsequent articles will be adjusted accordingly.
- (3) If Proposition I “Share Consolidation” is approved and passed as originally proposed and the Share Consolidation takes effect, Tender Offeror and the Non-Tendering Shareholder will be the sole holders of one or more Company Shares, and thus, the provisions regarding the record date for the Annual General Meeting of Shareholders will no longer be necessary. Therefore, conditional upon the Share Consolidation taking effect, the entire text of Article 7 (Record Date) of the current Articles of Incorporation will be deleted, and the numbering of subsequent articles will be adjusted accordingly.
- (4) If Proposition I “Share Consolidation” is approved and passed as originally proposed and the Share Consolidation takes effect, Tender Offeror and the Non-Tendering Shareholder will be the sole holders of one or more Company Shares. In addition, since the Company Shares will be delisted following the implementation of the Share Consolidation, the provisions regarding the system for electronic provision of materials for general meetings of shareholders will no longer be necessary. Therefore, conditional upon the Share Consolidation taking effect, the entire text of Article 12 (Measures for Electronic Provision, etc.) of the current Articles of Incorporation will be deleted, and the numbering of subsequent articles will be adjusted accordingly.

2. Details of Amendments

Details of the amendments are shown below. The amendments to the Articles of Incorporation will take effect on January 22, 2026, the effective date of the Share Consolidation, on the condition that Proposition I “Share Consolidation” is approved and passed as originally proposed at the Extraordinary General Meeting of Shareholders and the Share Consolidation takes effect.

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed Amendments
Article 1 to Article 4 (Omitted)	Article 1 to Article 4 (Unchanged)
Article 5 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>200 million</u> .	Article 5 (Total Number of Authorized Shares) The total number of shares authorized to be issued by the Company shall be <u>34</u> .
<u>Article 6 (Number of Shares per Unit)</u> <u>The number of shares per unit of the Company shall be 100.</u>	(Deleted)
<u>Article 7 (Record Date)</u> <u>(1) The Company shall deem that shareholders with voting rights</u>	(Deleted)

recorded in the final shareholders' register on March 31 of each year shall be the shareholders who may exercise their voting rights at the Annual General Meeting of Shareholders relating to that fiscal year.

- (2) In addition to the preceding paragraph, when necessary, the Company may, by resolution of the Board of Directors, designate a temporary record date after publicly announcing it in advance.

Article 8 to Article 11 (Omitted)

Article 12 (Measures for Electronic Provision, etc.)

- (1) When convening a general meeting of shareholders, the Company shall take measures for providing information that constitutes the content of reference materials for the general meeting of shareholders, etc. in an electronic format.
- (2) Among items for which the measures for providing information in an electronic format will be taken, the Company may exclude all or part of those items designated by the Order of the Ministry of Justice from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.

Article 13 to Article 44 (Omitted)

Article 6 to Article 9 (Unchanged)

(Deleted)

Article 10 to Article 41 (Unchanged)