

(Translation)

## Greeting

We would like to express our appreciation for your continued understanding and support of our management. Notice of Convocation is hereby given to hold the 109<sup>th</sup> Ordinary General Meeting of Shareholders on Tuesday, June 25, 2024.

In FY2023, which was the first year of our Medium-term Management Plan, we steadily moved forward with our efforts to realize a carbon neutral and circular society such as by cooperation across industries in new business areas, including in the solid electrolyte business —where cooperation with Toyota Motor was announced— and ammonia and synthetic fuel. We also earnestly promoted structural reforms of our existing business. With respect to further improvement of our corporate value and share value, we raised the ROE target for FY2025 from 8% to “10% or more” to increase the capital efficiency and expanded shareholder returns such as by increasing dividends per share from 24 yen to 32 yen, establishing a lower limit on dividends, and implementing flexible treasury stock acquisitions.

We will continue to make efforts to have fulfilling communication with you and strongly move forward with our efforts to realize our visions, “Your Reliable Partner for a Brighter Future” and “Shaping Change.” We humbly ask you, our valued shareholders, for your continued support.

Yours very truly,

Shunichi Kito  
Representative Director  
President  
Idemitsu Kosan Co.,Ltd.  
June 3, 2024

June 3, 2024

To the Shareholders:

NOTICE OF THE 109TH ORDINARY GENERAL MEETING  
OF SHAREHOLDERS

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Dear Shareholders:

We would like to express our appreciation for your continued support.

Please note that the 109th Ordinary General Meeting of Shareholders of the Company will be held as described below.

We are convening this Ordinary General Meeting of Shareholders in accordance with measures to provide information in electronic format, such as information contained in the Reference Documents for the General Meeting of Shareholders, etc. (information to be provided in electronic format), as posted on the Internet websites below. Please access and refer to the relevant websites.

Our website: <https://www.idemitsu.com/jp/ir/stock/meeting/index.html>



The Tokyo Stock Exchange's website (TSE Listed Company Information Service):  
<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



(Please access the TSE website above and enter either “出光興産” (Idemitsu Kosan) in the “銘柄名(会社名)” (Issue name (company name)) field or our securities code “5019” in the “コード” (Code) field, and press the “検索” (search) button. Thereafter, please first select “基本情報” (Basic information) followed by “縦覧書類/PR情報” (Documents for public inspection/PR information). The information can be accessed from the section titled “株主総会招集通知/株主総会資料” (Notice of General Shareholders Meeting /Information Materials for a General Shareholders Meeting) under “縦覧書類” (Documents for public inspection).)

Website at which materials for general meetings of shareholders are available: <https://www.soukai-portal.net>

\* Please either scan the QR Code provided on the voting form or enter the ID and password stated on the voting form.

QR Code is provided on the voting form.

If you do not attend the Ordinary General Meeting of Shareholders in person, you may exercise your voting rights either in writing (by post) or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m., Monday, June 24, 2024.

Yours very truly,

Shunichi Kito  
Representative Director  
President

Idemitsu Kosan Co.,Ltd.  
2-1, Otemachi 1-chome  
Chiyoda-ku, Tokyo, Japan

## Description

1. Date and hour of the meeting:

Tuesday, June 25, 2024, at 10:00 a.m.

2. Place of the meeting:

Otemachi Mitsui Hall  
Otemachi One Mitsui Bussan Building 3F  
1-2-1, Otemachi, Chiyoda-ku, Tokyo, Japan

3. Matters forming the objects of the meeting:

Matters to be reported:

1. Report on the business report, the consolidated financial statements and the results of audit of the consolidated financial statements by the accounting auditors and the Audit & Supervisory Board for the 109th fiscal year (from April 1, 2023 to March 31, 2024)
2. Report on the non-consolidated financial statements for the 109th fiscal year (from April 1, 2023 to March 31, 2024)

Matters to be resolved:

Proposition No. 1: Election of ten (10) Directors

Proposition No. 2: Election of one (1) Audit & Supervisory Board Member

4. Matters regarding exercise of voting rights:

1. If you expect to be present by proxy, please make a document evidencing his/her power of attorney presented to a receptionist at the place of the meeting, together with the voting form. (Such proxy must be another shareholder (being one (1) person) of the Company entitled to vote.)
2. If any institutional investor or any other shareholder who holds shares on behalf of third parties desires to diversely exercise voting rights, please give notice to that effect and of the reason therefor to the Company no later than three (3) days prior to the date of this Ordinary General Meeting of Shareholders.
3. All fees payable to Internet service providers and telecommunication carriers (such as phone line charges) in accessing the website for the exercise of voting rights must be borne by the shareholders.

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- The reception of this meeting will begin at 9:00 a.m. on the date of this Ordinary General Meeting of Shareholders.
  - If you exercise your voting rights in writing (by post) and do not indicate your approval or disapproval with respect to any proposition in your voting form, you will be deemed to have indicated your approval.
  - If there are any corrections to information provided in electronic format, we will post a notice on the relevant Internet websites set forth in the preceding page, together with the information before and after the correction.
  - We will send documents containing information provided in electronic format to the shareholders who request delivery of such documents. Please note that the information listed below is not included in those documents in accordance with the applicable laws and ordinances and Article 15 of the Articles of Incorporation of the Company.
    1. “Major business offices and plants,” “Accounting auditors,” and “Systems to secure the properness of business activities (so called “internal control systems”) and the summary of the status of the operation of the systems” of the Business Report
    2. “Consolidated statement of changes in shareholders’ equity, etc.”, and “Notes to consolidated financial statements”
    3. “Non-consolidated statement of changes in shareholders’ equity, etc.”, and “Notes to non-consolidated financial statements”

As such, the business report, the consolidated financial statements, and the non-consolidated financial statements included in those documents are part of the documents that have been audited by the accounting auditors in preparing their accounting auditors’ report and by the Audit & Supervisory Board Members in preparing their audit report, respectively.

## Instructions for Exercising Voting Rights

The following methods are available for voting at the General Meeting of Shareholders. As a measure to allow shareholders who do not attend the meeting physically to participate in the meeting, the Company will (1) provide a live stream of the meeting and (2) accept questions in advance. We ask all shareholders to please make use of them.

**1. Voting by Attendance at the General Meeting of Shareholders**

Please present the enclosed voting form to the reception desk if you are present at the meeting.

Date and hour of the meeting:        Tuesday, June 25, 2024, at 10:00 a.m.

**2. Postal Voting**

Please indicate “Approve” or “Disapprove” with respect to each proposition on the enclosed voting form and submit the form.

Votes must be received by:        Monday, June 24, 2024, 5:00 p.m.

**3. Electronic Voting via the Internet, etc.**

Please input “Approve” or “Disapprove” in conformance with the guidance on the next page.

Votes must be completed by:        Monday, June 24, 2024, 5:00 p.m.

<Instructions for filling out the voting form>

Please indicate approval or disapproval with respect to each proposition.

**Proposition No. 1**

Approval of all candidates:        Mark  in the box labelled “贊”

Disapproval of all candidates:    Mark  in the box labelled “否”

Disapproval of certain candidates: Mark  in the box labelled “贊” and indicate the number of each candidate you wish to disapprove.

**Proposition No. 2**

Approval:        Mark  in the box labelled “贊”

Disapproval:    Mark  in the box labelled “否”

If you vote both by post and via the Internet, etc., only the vote exercised via the Internet, etc. will be treated as valid.

If you vote more than once via the Internet, etc., only the most recent vote will be treated as valid.

<Information on methods of electronic voting via the Internet, etc.>

Deadline for Internet voting: Monday, June 24, 2024, 5:00 p.m.

Method of voting by smart phone, etc.

1. Please scan the QR Code® located on the voting form.  
\* “QR Code” is a registered trademark of Denso Wave Incorporated.
2. On the top page of 株主総会ポータル® (General Shareholders Meeting Portal), please tap the “議決権行使へ” (exercise voting rights) button.
3. The top page of スマート行使® (Smart Exercise) will be displayed. Please input “Approve” or “Disapprove” in conformance with the instructions on the display.

Method of voting by PC, etc.

At the following URL, please input the log-in ID and password stated on the voting form for access. After logging in, please input “Approve” or “Disapprove” in conformance with the instructions on the display.

株主総会ポータル (General Shareholders Meeting Portal) URL: <https://www.soukai-portal.net>  
The voting website can also be used: <https://www.web54.net>

Information on acceptance of questions in advance

Deadline for acceptance of questions in advance: Tuesday, June 18, 2024, 5:00 p.m.

For this meeting, we will accept questions in advance about our propositions, details of business, etc. from shareholders through the 株主総会ポータル (General Shareholders Meeting Portal). From among the questions that we receive, we will address those that we consider to be of high interest for shareholders at the meeting. Please access the 株主総会ポータル (General Shareholders Meeting Portal) in the same way as the method of voting described above and tap/click on “事前質問へ” (submit questions in advance) on the top page. Once the “事前質問のご入力” (input questions in advance) screen is displayed, please input questions in conformance with the instructions on the display.

\* Please note that we will not individually answer each question received.

Notes:

- If you change your votes after the casting thereof, you need to input the “議決権行使コード” (voting code) and “パスワード” (password) stated on the voting form.
- If you vote both via the Internet and by post, only the vote exercised via the Internet will be treated as valid. If you vote more than once via the Internet, only the most recent vote will be treated as valid.

For inquiries:

Sumitomo Mitsui Trust Bank, Limited

Stock Transfer Web Support

Phone No. 0120-652-031 (9:00 a.m. to 9:00 p.m.) (JST)

Q&As are also available.



Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

# Financial Results Highlights

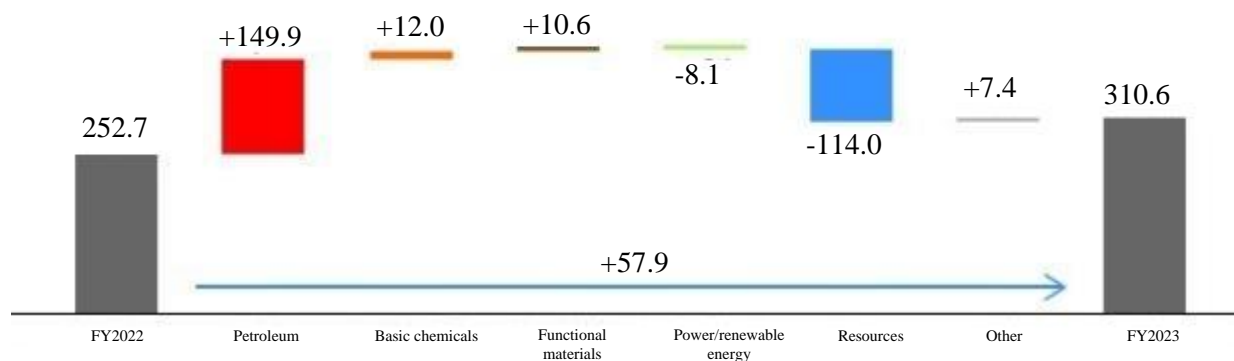
Consolidated Financial Results for FY2023 (From April 2023 to March 2024)

	Net Sales	Operating Income + Equity Income (In brackets: Excludes inventory impact)	Net Income Attributable to Owners of the Parent (In brackets: Excludes inventory impact)
FY2022 [108th year]	9,456.3 billion yen	308.4 billion yen (252.7 billion yen)	253.6 billion yen (215.0 billion yen)
<b>FY2023 [109th year]</b>	<b>8,719.2 billion yen</b>	<b>363.0 billion yen (310.6 billion yen)</b>	<b>228.5 billion yen (192.1 billion yen)</b>

## Factors Affecting Operating Income + Equity Income (excl. inventory impact)

Key market results		FY2022	FY2023	
Dubai crude oil price	(US\$/barrel)	92.5	82.3	(billion yen)
Australian coal spot price*	(US\$/ton)	360.2	172.8	
Exchange rate	(¥/US\$)	135.5	144.6	

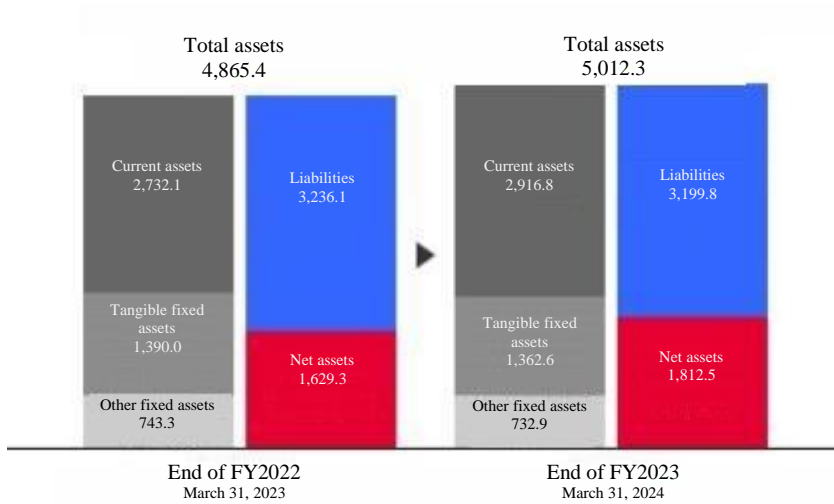
\* Average from January to December



### Points

- In FY2023, while income in the resources segment decreased mainly due to repercussions from coal market prices that surged in the previous fiscal year and downsizing of mines, the overall results increased from the previous fiscal year due to contributions from improved margins mainly resulting from the time-lag effect in the petroleum segment, increased income in the overseas trading business, etc.
- As a result, the operating income + equity income excluding inventory impact increased 57.9 billion yen from the previous fiscal year.

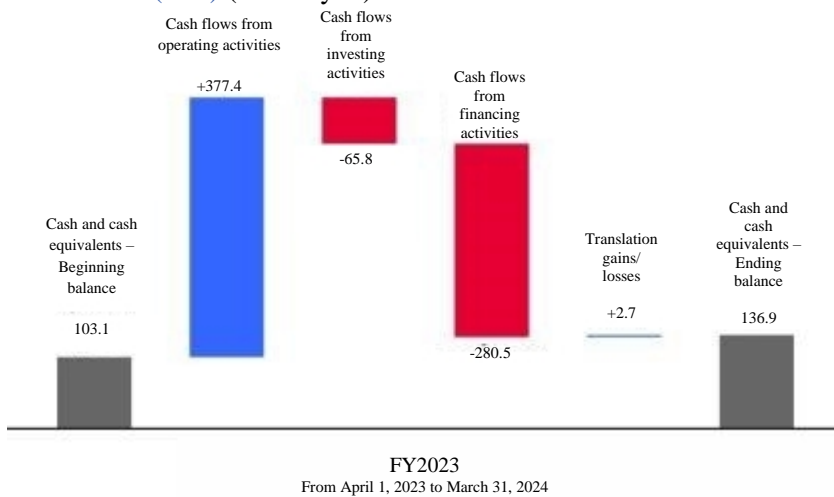
## Consolidated Balance Sheet (billion yen)



### Points

- Total assets for FY2023 were approximately 5,000 billion yen as a result of increases in inventory and accounts receivable mainly due to the yen depreciation.
- In addition to net assets having been increased as a result of recording of the net income, interest-bearing debts decreased. Consequently, the net D/E ratio improved from 0.87 to 0.67.

## Cash Flows (CFs) (billion yen)



### Points

- CFs from operating activities were approximately +370 billion yen as a result of recording of the net income. CFs from investing activities were approximately -¥65 billion, resulting in free CFs at approximately 310 billion yen.
- CFs from financing activities were approximately -280 billion yen as a result of repayment of interest-bearing debts and shareholder returns, such as dividends and treasury stock acquisitions.



## Reference Documents for the General Meeting of Shareholders

### Proposition No. 1: Election of ten (10) Directors

The term of office of all of the Directors will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that ten (10) Directors be elected.

The candidates for Director are as follows:

Candidate No.		Name			Current position and duties in the Company	Term of office	Meetings attended
1	Reelection	Shunichi Kito			Representative Director, President and Chief Executive Officer	11	15/15
2	Reelection	Atsuhiko Hirano			Representative Director, Executive Vice President Assistant to Chief Executive Officer (Resources, Lubricants and LPG)	4	15/15
3	Reelection	Noriaki Sakai			Representative Director, Executive Vice President Assistant to Chief Executive Officer (Chief Financial Officer, Procurement, Public Relations, and JPCA), Head of Safety & Environmental Protection Headquarters, Head of Quality Assurance Headquarters, and Head of Procurement Headquarters	3	15/15
4	Reelection	Masahiko Sawa			Director, Managing Executive Officer Assistant to Chief Executive Officer (Manufacturing & Technology, Basic Chemicals and Carbon Neutral Transformation), and Head of Carbon Neutral Transformation Strategic Headquarters	2	15/15
5	Reelection	Masakazu Idemitsu			Director (part-time)	5	15/15
6	Reelection	Kazunari Kubohara			Director (part-time)	5	15/15
7	Reelection	Takeo Kikkawa	Outside	Independent	Director	7	15/15
8	Reelection	Maki Kado	Outside	Independent	Director	3	14/15
9	Reelection	Jun Suzuki	Outside	Independent	Director	1	11/11
10	New election	Shiori Nagata	Outside	Independent	-	-	-


\* Ratio of Outside Directors: 40%


Candidate No. 1	Reelection	Shunichi Kito (April 6, 1956)	
 Number of shares of the Company held 185,356 shares	Brief history and position and duties in the Company		Reason for nomination as candidate for Director
	April 1980 April 2005 July 2008 June 2011 June 2013 June 2014 June 2017 April 2018 April 2019 June 2022 Sep. 2022 (Important concurrent office)	Joined Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”) Deputy General Manager of Personnel Department, Idemitsu Kosan Deputy General Manager of Accounting Department, Idemitsu Kosan Executive Officer and General Manager of Accounting Department, Idemitsu Kosan Director, Managing Executive Officer and General Manager of Accounting Department, Idemitsu Kosan Managing Director, Idemitsu Kosan Executive Vice President and Director, Idemitsu Kosan Representative Director & Chief Executive Officer, Idemitsu Kosan Representative Director, President and Chief Executive Officer, Idemitsu Kosan Representative Director, President and Chief Executive Officer, Idemitsu Kosan (to date) President, Petroleum Association of Japan (to date) President, Petroleum Association of Japan	Mr. Shunichi Kito has worked as the top manager in the accounting division, has served as the Executive Vice President, and has assumed the position of Representative Director and Chief Executive Officer as of April 2018. Since April 2019, as the President of the New Integrated Company, he has demonstrated his leadership abilities to realize internal harmonization, to maximize the synergy effect of integration, and also to formulate a growth strategy for the realization of the Vision for 2050. Thus, management has judged that he will be able to execute business of the Group properly, fairly and effectively.

Candidate No. 2	Reelection	Atsuhiko Hirano (August 25, 1962)	
 <p data-bbox="193 904 405 1025">Number of shares of the Company held 38,415 shares</p>	<p data-bbox="440 277 951 338">Brief history and position and duties in the Company</p> <p data-bbox="440 353 978 414">April 1985      Joined Showa Shell Sekiyu K.K. (“Showa Shell”)</p> <p data-bbox="440 427 911 521">Sep. 2002      General Manager, Shizuoka Area, Showa Shell</p> <p data-bbox="440 535 911 629">Sep. 2004      General Manager, Marketing Planning Division, Showa Shell</p> <p data-bbox="440 642 911 871">March 2005    Executive Officer and General Manager, Marketing Planning Division, concurrently serving as General Manager, Retail Sales Division, Showa Shell</p> <p data-bbox="440 884 911 920">March 2006    Director, Showa Shell</p> <p data-bbox="440 934 911 969">March 2009    Corporate Executive Officer, Showa Shell</p> <p data-bbox="440 983 951 1077">March 2013    Senior Corporate Executive Officer, Showa Shell</p> <p data-bbox="440 1090 951 1184">July 2014      Representative Director, President, Solar Frontier K.K.</p> <p data-bbox="440 1198 951 1323">April 2019    Managing Executive Officer, Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”)</p> <p data-bbox="440 1337 951 1431">June 2020    Director, Managing Executive Officer, Idemitsu Kosan</p> <p data-bbox="440 1444 951 1498">June 2022    Director, Executive Vice President, Idemitsu Kosan</p> <p data-bbox="440 1512 951 1606">June 2023    Representative Director, Executive Vice President, Idemitsu Kosan (to date)</p> <p data-bbox="440 1619 951 1744">Current duties: Assistant to Chief Executive Officer (Resources, Lubricants and LPG)</p>	<p data-bbox="999 277 1302 338">Reason for nomination as candidate for Director</p> <p data-bbox="999 353 1398 1025">Mr. Atsuhiko Hirano has worked as the top manager in the fuel sales division and renewable energy division. He formulated the first medium-term management plan for the New Integrated Company and has gained wide experience, knowledge and expertise. He has been responsible for the overall management as the Representative Director and Vice President; promoted restructuring of the functional materials and resources business of the Group, and delivered solid results. Thus, management has judged that he will be able to execute business of the Company properly, fairly and effectively.</p>	

Candidate No. 3	Reelection	Noriaki Sakai (April 8, 1961)	
 <p data-bbox="193 956 405 1084">Number of shares of the Company held 105,853 shares</p>	Brief history and position and duties in the Company		Reason for nomination as candidate for Director
	April 1985	Joined Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”)	<p data-bbox="991 351 1417 891">Mr. Noriaki Sakai has engaged in sales, human resource, manufacturing, accounting, and finance, and accumulated wide experience, knowledge, and expertise. In addition, he has worked as the top manager in the accounting division and finance division. As CFO, he has promoted reinforcement of management foundations and delivered solid results. Thus, management has judged that he will be able to execute business of the Company properly, fairly and effectively.</p>
	July 2010	Deputy General Manager of Tokuyama Refinery and Deputy General Manager Of Tokuyama Plant, Idemitsu Kosan	
	July 2012	Deputy General Manager of Human Resource Department, Health Insurance Union President and Corporate Pension Fund President, Idemitsu Kosan	
	July 2015	Deputy General Manager of Accounting Department, Idemitsu Kosan	
	June 2017	General Manager of Accounting Department, Idemitsu Kosan	
	July 2018	Executive Officer and General Manager of Accounting Department, Idemitsu Kosan	
	April 2019	Executive Officer and General Manager of Finance Department, Idemitsu Kosan	
	July 2020	Senior Executive Officer Chief Financial Officer, Idemitsu Kosan	
	June 2021	Director, Managing Executive Officer, CFO, Idemitsu Kosan	
	June 2022	Director, Executive Vice President, Idemitsu Kosan	
	June 2023	Representative Director, Executive Vice President, Idemitsu Kosan (to date)	

Current duties: Assistant to Chief Executive Officer (Chief Financial Officer, Procurement, Public Relations, and JPCA), and Head of Safety & Environmental Protection Headquarters, Head of Quality Assurance Headquarters, and Head of Procurement Headquarters

Candidate No. 4	Reelection	Masahiko Sawa (July 11, 1962)	
 <p data-bbox="209 707 389 835">Number of shares of the Company held 43,507 shares</p>	<p data-bbox="443 275 948 338">Brief history and position and duties in the Company</p> <p data-bbox="443 353 576 387">April 1990</p> <p data-bbox="443 456 576 490">April 2013</p> <p data-bbox="443 591 564 624">June 2017</p> <p data-bbox="443 694 576 728">April 2019</p> <p data-bbox="443 828 564 862">June 2021</p> <p data-bbox="443 963 564 996">June 2022</p> <p data-bbox="443 1066 624 1099">Current duties:</p>	<p data-bbox="651 353 922 450">Joined Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”)</p> <p data-bbox="651 456 951 584">Deputy General Manager of Gas Business Department, Idemitsu Kosan</p> <p data-bbox="651 591 970 687">General Manager of Technology &amp; Engineering Center, Idemitsu Kosan</p> <p data-bbox="651 694 906 822">Executive Officer and General Manager of Hokkaido Refinery, Idemitsu Kosan</p> <p data-bbox="651 828 983 956">Senior Executive Officer (in charge of Manufacturing &amp; Technology), Idemitsu Kosan</p> <p data-bbox="651 963 979 1059">Director, Managing Executive Officer, Idemitsu Kosan (to date)</p> <p data-bbox="651 1066 948 1359">Assistant to Chief Executive Officer (Manufacturing &amp; Technology, Basic Chemicals and Carbon Neutral Transformation), Head of Carbon Neutral Transformation Strategic Headquarters</p>	<p data-bbox="1002 275 1305 338">Reason for nomination as candidate for Director</p> <p data-bbox="1002 353 1398 857">Mr. Masahiko Sawa has worked as the top manager of the Manufacturing &amp; Technology Department and has accumulated wide experience, knowledge, and expertise in such fields. In addition, as a technical manager he has promoted business restructuring aimed at carbon neutral transition and has steadily achieved results. Thus, management has judged that he will be able to execute business of the Company properly, fairly and effectively.</p>

Candidate No. 5	Reelection	Masakazu Idemitsu (October 15, 1968)	
 <p>Number of shares of the Company held 4,500,000 shares</p>	<p>Brief history and position and duties in the Company</p>	<p>April 2010 Councilor, Public Interest Incorporated Foundation Idemitsu Museum of Arts (to date)</p> <p>Dec. 2015 Councilor, Public Interest Incorporated Foundation Idemitsu Culture and Welfare Foundation</p> <p>Director and Vice President, Nissho Kosan Co., Ltd. (“Nissho Kosan”)</p> <p>April 2016 Representative Director and President, Nissho Kosan (to date)</p> <p>April 2019 Director, Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”) (to date)</p> <p>Representative Director and President, Showa Kosan Co.,Ltd.(“Showa Kosan”) (to date)</p> <p>May 2020 Representative Director and President, MI Power Co.,Ltd. (to date)</p> <p>Oct. 2020 Representative Director, General Incorporated Association Idemitsu Philosophy Laboratory (to date)</p> <p>April 2021 Representative Director, General Incorporated Association Idemitsu Kosan Corporate History and Philosophy Laboratory (to date)</p> <p>(Important concurrent office) Representative Director and President, Nissho Kosan</p> <p>Representative Director and President, Showa Kosan</p>	<p>Reason for nomination as candidate for Director</p> <p>Mr. Masakazu Idemitsu has assumed the position of Director of the Company as of April 2019. He has an essential understanding of the details of the Company’s business, and the origin of its management, “respect for human beings,” as a grandson of Mr. Sazo Idemitsu, the founder of the Company. Thus, management has judged that, from the long-term perspective, he will be able to perform his duties as Director properly.</p>

Candidate No. 6	Reelection	Kazunari Kubohara (July 16, 1967)	
 <p data-bbox="193 936 405 1064">Number of shares of the Company held - shares</p>	<p data-bbox="443 264 949 331">Brief history and position and duties in the Company</p> <p data-bbox="443 365 571 398">Dec. 2008</p> <p data-bbox="443 465 571 499">April 2010</p> <p data-bbox="443 701 571 734">April 2011</p> <p data-bbox="443 768 571 801">Sep. 2015</p> <p data-bbox="443 936 571 969">June 2016</p> <p data-bbox="443 1037 571 1070">July 2017</p> <p data-bbox="443 1171 571 1205">March 2018</p> <p data-bbox="443 1272 571 1305">April 2018</p> <p data-bbox="443 1473 571 1507">April 2019</p> <p data-bbox="443 1541 571 1635">(Important concurrent office)</p>	<p data-bbox="651 365 949 465">Registered as an attorney, established Kyuhodo Law Firm (to date)</p> <p data-bbox="651 465 949 768">Committee Member, Tokyo Local Third-Party Committee to Check Pension Records, Ministry of Internal Affairs and Communications Delegate, Dai-Ichi Tokyo Bar Association</p> <p data-bbox="651 768 949 936">Auditor, General Incorporated Association for Realizing Prescription of Adequate Amount of Anti-Dementia Drugs</p> <p data-bbox="651 936 949 1037">Outside Statutory Auditor, Class Technology Co., Ltd.</p> <p data-bbox="651 1037 949 1171">Auditor, Medical Corporation Hakueikai Miyake Dental Clinic (to date)</p> <p data-bbox="651 1171 949 1272">Delegate, Japan Federation of Bar Associations</p> <p data-bbox="651 1272 949 1473">Vice Chairperson of the Legal Services Obstruction Countermeasures Committee, Dai-Ichi Tokyo Bar Association</p> <p data-bbox="651 1473 949 1608">Director, Idemitsu Kosan Co.,Ltd. (to date) Attorney, Kyuhodo Law Firm</p>	<p data-bbox="986 275 1284 342">Reason for nomination as candidate for Director</p> <p data-bbox="986 365 1388 734">Mr. Kazunari Kubohara has an experience working in a corporate environment before he registered as an attorney, is familiar with corporate legal affairs as an attorney, and has extensive knowledge of corporate management. Thus, management has judged that he will be able to perform his duties as Director properly.</p>



Candidate No. 7	Reelection	Takeo Kikkawa (August 24, 1951)	
 <p data-bbox="193 1025 405 1155">Number of shares of the Company held - shares</p>	Brief history and position and duties in the Company		Reason for nomination as candidate for Director and Overview of Expected Roles as Outside Director
	April 1987	Associate Professor, Aoyama Gakuin University School of Business	Mr. Takeo Kikkawa has long experience and wide knowledge as a university professor, and has full knowledge about corporate management as an expert in business administration studies and especially in energy industry theory. He has not engaged in corporate management in any manner other than serving as an Outside Officer. However, management has judged that he will be able to perform his duties as an Outside Director properly as he satisfies the “Requirements for Independence of Outside Officers” of the Company and for the above reasons. In addition, when he is elected as an Outside Director, he will operate the Board of Directors properly as the chairman thereof, and will engage in selecting candidates for officers of the Company and deciding the officers’ compensation from an objective and neutral position as a committee member of the Nomination and Compensation Advisory Committee.
	Oct. 1993	Associate Professor, Institute of Social Science, University of Tokyo	
	April 1996	Professor, Institute of Social Science, University of Tokyo	
	April 2007	Professor, Hitotsubashi University Graduate School of Commerce and Management	
	Jan. 2013	President, Business History Society of Japan	
	June 2013	Outside Director, Mitsubishi Chemical Holdings Corporation	
	April 2015	Professor, Graduate School of Innovation Studies, Tokyo University of Science (currently, Graduate School of Management, Tokyo University of Science)	
	June 2017	Director, Idemitsu Kosan Co.,Ltd. (to date)	
	April 2020	Professor, Graduate School of International Management, International University of Japan	
April 2021	Vice President, and Professor, Graduate School of International Management, International University of Japan	Business relationship between the candidate and the Company	
September 2023	President, International University of Japan (to date)	The Company has asked him to hold seminars in the past. His fees for fiscal year 2023 amounted to approximately ¥100 thousand.	

Candidate No. 8	Reelection	Maki Kado (February 16, 1969)	
 <p data-bbox="193 1173 405 1294">Number of shares of the Company held - shares</p>	Brief history and position and duties in the Company		Reason for nomination as candidate for Director and Overview of Expected Roles as Outside Director
	April 1992 April 1996	Joined NEC Corporation Joined United Feature Syndicate Inc. JapanBranch	<p>Ms. Maki Kado has been engaged in system development and marketing inside and outside of Japan, served as a Representative Director and President of Coca-Cola Business Sourcing Co., Ltd., served as an Executive Officer of Coca-Cola Bottlers Japan., etc., and assumed the position of Executive Officer of Coca Cola Bottlers Japan Holdings in 2020 and Representative Director and President of Coca-Cola Customer Marketing, in 2023. Management has judged that Ms. Maki Kado will be able to perform her duties as an Outside Director properly as she has insight, long experience and wide knowledge in the fields of international business, retail marketing, DX and D&amp;I and satisfies the “Requirements for Independence of Outside Officers” of the Company. In addition, when she is elected as an Outside Director, she will engage in selecting candidates for officers of the Company and deciding the officers’ compensation from an objective and neutral position as a committee member of the Nomination and Compensation Advisory Committee.</p> <p>Business relationship between the candidate and the Company</p> <p>The Company engages in transactions related to vending machine commissions with Coca-Cola Bottlers Japan. The transaction amount for fiscal year 2023 was approximately ¥500 thousand.</p>
	May 2000	Joined Microsoft Product Development Inc. (currently, Microsoft Japan Co., Ltd.)	
	April 2004	Joined Microsoft Corporation Inc. (US) Headquarters	
	July 2013	General Manager of Purchasing, salesforce.com Co., Ltd.	
	April 2014	Business Manager, Coca-Cola East Japan Co., Ltd.	
	Dec. 2014	Director, Coca-Cola Business Services Company, Limited (“Coca-Cola Business Service”)	
	Jan. 2015	Operating Committee member (Officer), Coca-Cola Cross Enterprise Procurement Group	
	March 2015	Representative Director and President, Coca-Cola Business Service	
	August 2015	Representative Director and President, Coca-Cola Business Sourcing Co., Ltd.	
	June 2016	Budget Committee Chair (Chief Financial Officer), Coca-Cola Cross Enterprise Procurement Group	
	April 2017	Executive Officer, Head of Procurement, Coca-Cola Bottlers Japan Inc. (“Coca-Cola Bottlers Japan”)	
	Feb. 2019	Executive Officer, Head of Procurement, Coca-Cola Bottlers Japan	

June 2019	Executive Officer, Head of Procurement and Head of Executive Business Management, Coca-Cola Bottlers Japan
Nov. 2019	Executive Officer, Head of Business Transformation and Head of Procurement, Coca-Cola Bottlers Japan
Jan. 2020	Executive Officer, Head of Business Transformation, Coca-Cola Bottlers Japan
April 2020	Executive Officer, Executive Business Manager, Coca-Cola Bottlers Japan Holdings Inc. (“Coca-Cola Bottlers Japan Holdings”) (to date)
June 2021	Director, Idemitsu Kosan Co.,Ltd. (to date)
Jan. 2022	Executive Officer, Chief Transformation Officer, Coca-Cola Bottlers Japan
Jan. 2023	Executive Officer and Chief Business Management & Sustainability Officer, Coca-Cola Bottlers Japan Representative Director and Vice President, Coca-Cola Customer Marketing Company, Limited. (“Coca-Cola Customer Marketing”)
April 2023	Representative Director and President, Coca-Cola Customer Marketing (to date)
January 2024	Executive Officer, Chief Business Strategy Officer, and President of Food Service Company of Coca-Cola Bottlers Japan (to date)

(Important  
concurrent  
office)

Executive Officer,  
Executive Business  
Manager, Coca-Cola  
Bottlers Japan Holdings

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Candidate No. 9	Reelection	Jun Suzuki (February 19, 1958)	
 <p data-bbox="193 992 413 1122">Number of shares of the Company held 12,500 shares</p>	<p data-bbox="443 264 948 331">Brief history and position and duties in the Company</p> <p data-bbox="443 398 979 495">April 1983      Joined Teijin Limited April 2011      President, Teijin Holdings Netherlands B.V.</p> <p data-bbox="443 499 948 555">April 2012      Corporate Officer, Teijin Limited</p> <p data-bbox="443 560 948 616">April 2013      Executive Officer, Teijin Limited</p> <p data-bbox="443 620 979 748">April 2014      President and Representative Director CEO (Chief Executive Officer), Teijin Limited</p> <p data-bbox="443 752 979 943">April 2022      Chairperson, Member of the Board, Teijin Limited Executive Member of the Policy Board, Japan Business Federation (to date)</p> <p data-bbox="443 947 979 1167">June 2022      Chair, Japan-Thailand Trade and Economic Committee of the Japan Business Federation (to date) Outside Director, The Midori Kai Co., Ltd. (to date)</p> <p data-bbox="443 1171 979 1267">Jan. 2023      ABAC Member (Japan), APEC Business Advisory Council (ABAC) (to date)</p> <p data-bbox="443 1272 979 1491">April 2023      Senior Advisor, Member of the Board, Teijin Limited (to date) Vice Chairman, Executive Director, Japan Association of Corporate Executives (to date)</p> <p data-bbox="443 1637 979 1951">June 2023      Senior Advisor, Teijin Limited (to date) Outside Director, MS&amp;AD Insurance Group Holdings, Inc. (to date) Director, Idemitsu Kosan Co.,Ltd. (to date) (Important concurrent office)      Outside Director, MS&amp;AD Insurance Group Holdings, Inc.</p>	<p data-bbox="1002 264 1378 394">Reason for nomination as candidate for Director and Overview of Expected Roles as Outside Director</p> <p data-bbox="1002 398 1401 1368">Mr. Jun Suzuki has been engaged in the high performance fibers and composite materials business and the pharmaceuticals business at Teijin Limited, and since 2014, he has served as President and Representative Director, CEO, and Chairperson at Teijin Limited. Management has judged that Mr. Jun Suzuki will be able to perform his duties as an Outside Director properly as he has a deep understanding of technical fields and a wealth of experience and broad knowledge in the management of a company, and satisfies the “Requirements for Independence of Outside Officers” of the Company. In addition, when he is elected as an Outside Director, he will engage in selecting candidates for officers of the Company and deciding the officers’ compensation from an objective and neutral position as the chair of the Nomination and Compensation Advisory Committee.</p> <p data-bbox="1002 1435 1369 1503">Business relationship between the candidate and the Company</p> <p data-bbox="1002 1536 1390 1637">There is no business relationship between the candidate and the Company.</p>	

Candidate No. 10	New election	Shiori Nagata (March 20, 1978)	
 Number of shares of the Company held – shares	Brief history and position and duties in the Company	<p>April 2000      Joined Deloitte Tohmatsu Consulting, Inc.</p> <p>January 2005    General Manager of Corporate Planning, Tohato Inc.</p> <p>April 2006      General Manager of Corporate Planning, Accounting, Financing and Supply Chain Management, Tohato Inc.</p> <p>January 2007    Unison Capital Inc</p> <p>January 2011    Vice President, INCJ, Ltd.</p> <p>January 2015    Executive Officer, General Manager of the Recreational Marine Business Unit, Yanmar Co., Ltd.</p> <p>April 2020      Representative Director and President, YANMAR Marine International B.V. Director, Chief Strategy Officer, and Head of the Management Strategy Division, Yanmar Holdings Co., Ltd.</p> <p>November 2022 Temporary Committee Member of Industrial Structure Council, Ministry of Trade, Economy and Industry (Committee on New Direction of Economic and Industrial Policies, Manufacturing Industry Committee) (to date)</p> <p>May 2023        Advisory Board member of Dutch &amp; Japanese Trade Federation (to date)</p> <p>April 2024      Director, Yanmar Holdings Co., Ltd. (to date)</p>	<p>Reason for nomination as candidate for Director and Overview of Expected Roles as Outside Director</p> <p>Ms. Shiori Nagata has been engaging in business consultant, management planning, and investment associate businesses in wide-ranging industries, and in 2015, she assumed the office of an Executive Officer of Yanmar Co., Ltd., and in 2020, she assumed the office of a Director of Yanmar Holdings Co., Ltd., and has played a role in the management of Yanmar Holdings Co., Ltd. Management has judged that Ms. Shiori Nagata will be able to perform her duties as an Outside Director properly as she is able to provide a strategic perspective as a manager, has expertise in management planning and administration of a company, and satisfies the “Requirements for Independence of Outside Officers” of the Company.</p> <p>In addition, when she is elected as an Outside Director, she will engage in selecting candidates for officers of the Company and deciding the officers’ compensation from an objective and neutral position as a committee member of the Nomination and Compensation Advisory Committee.</p> <p>Business relationship between the candidate and the Company</p> <p>There is no business relationship between the candidate and the Company.</p>

- (Notes) 1. Mr. Masakazu Idemitsu is Representative Director and President of Nissho Kosan and Showa Kosan, which are major shareholders of the Company. The Company conducts real estate lease transactions with Nissho Kosan, the transaction amount of which was approximately ¥90 million in fiscal year 2023. The Company does not engage in any transactions with Showa Kosan.

There is no special relationship between any candidate for Director except Mr. Masakazu Idemitsu and the Company.

2. Mr. Takeo Kikkawa, Ms. Maki Kado, Mr. Jun Suzuki, and Ms. Shiori Nagata are candidates for Outside Director.
3. Under Article 427, Paragraph 1 of the Companies Act of Japan, the Company has entered into agreements with each of Mr. Masakazu Idemitsu, Mr. Kazunari Kubohara, Mr. Takeo Kikkawa, Ms. Maki Kado, and Mr. Jun Suzuki to limit the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act of Japan. Under the agreement, the liability is limited to the amount provided for under law. If the reelection of Mr. Masakazu Idemitsu, Mr. Kazunari Kubohara, Mr. Takeo Kikkawa, Ms. Maki Kado, and Mr. Jun Suzuki is approved, the Company plans to continue each agreement. In addition, if Ms. Shiori Nagata is elected, the Company plans to enter into the same agreement with her to limit the liability for damages.
4. The Company has entered into a liability insurance contract for Directors and Audit & Supervisory Board Members with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act of Japan. Under said insurance contract, the insurance company shall compensate for damages that may result from the insured persons (including the Directors of the Company) assuming responsibility in connection with the execution of their duties or receiving claims related to the pursuit of such responsibility. In the event that each candidate is elected and assumes office as a Director of the Company, he/she will be insured under said insurance contract. Said insurance contract will be renewed with the same contents upon the next renewal.
5. The Company has registered Mr. Takeo Kikkawa, Ms. Maki Kado, and Mr. Jun Suzuki as independent officers with the Tokyo Stock Exchange in accordance with its rules. In addition, Ms. Shiori Nagata satisfies the requirements for independent officers set by the Tokyo Stock Exchange, and the Company plans to register her as an independent officer with the Tokyo Stock Exchange.
6. The number of shares of the Company held by each candidate for Director includes the candidate's interests in the Idemitsu Officer Stockholders Committee.
7. The brief history of each Director is as of the preparation date (May 14, 2024) of these Reference Documents for the General Meeting of Shareholders.

Proposition No. 2: Election of one (1) auditor

The term of office of an Audit & Supervisory Board Member, Mr. Taigi Ito, will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that one (1) Audit & Supervisory Board Member be newly elected.

The Audit & Supervisory Board has given their consent for this proposition.

The candidate for Audit & Supervisory Board Member is as follows:

<p><b>New election</b></p>	<p><b>Masahiko Tezuka (August 18, 1961)</b></p>	
 <p>Number of shares of the Company held - shares</p>	<p>Brief history and position in the Company</p> <p>October 1986    Joined Chuo Audit Corporation</p> <p>March 1990    Registered as a Certified Public Accountant</p> <p>July 2002      Representative, ChuoAoyama Audit Corporation</p> <p>October 2005   Executive board member, ChuoAoyama Audit Corporation</p> <p>May 2006      COO, ChuoAoyama Audit Corporation</p> <p>October 2007   Partner, Executive board member, Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC)</p> <p>July 2016      Executive board member, The Japanese Institute of Certified Public Accountants (JICPA)</p> <p>July 2019      Chairmen , JICPA CEO, Japan Foundation for Accounting Education and Learning (to date)</p> <p>May 2022      Auditor, Japan Association of Corporate Directors (to date)</p> <p>July 2022      Advisor, JICPA (to date) Chair of Councilors, Financial Accounting Standards Foundation (to date)</p>	<p>Reason for nomination as candidate for Audit &amp; Supervisory Board Member</p> <p>Mr. Masahiko Tezuka has sufficient experience as a certified public accountant, has served as an Advisor of the Japanese Institute of Certified Public Accountants (JICPA) since 2022, and an Outside Director and Audit &amp; Supervisory Committee Member of Mizuho Bank, Ltd. since 2023, and has in depth expert knowledge of corporate governance, mainly regarding corporate auditing and accounting and tax affairs.</p> <p>He has not engaged in corporate management in any manner other than serving as an Outside Officer. However, management has judged that he will be able to perform his duties as an Outside Audit &amp; Supervisory Board Member properly as he satisfies the “Requirements for Independence of Outside Officers” of the Company and for the above reasons.</p> <p>Business relationship between the candidate and the Company There is no business relationship between the candidate and the Company.</p>



June 2023	Outside Director (and Audit & Supervisory Committee Member), Mizuho Bank, Ltd. (to date)
September 2023	Outside Auditor, Kagayaki Holdings, Inc. (to date)

- (Notes)
1. There is no special relationship between the candidate for Audit & Supervisory Board Member and the Company.
  2. Mr. Masahiko Tezuka is a candidate for Outside Audit & Supervisory Board Member.
  3. Under Article 427, Paragraph 1 of the Companies Act of Japan, the Company plans to enter into an agreement with Mr. Masahiko Tezuka to limit the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act of Japan if he is elected and assumes office as an Audit & Supervisory Board Member of the Company. Under the agreement, the liability shall be limited to the amount provided for under law.
  4. The Company has entered into a liability insurance contract for Directors and Audit & Supervisory Board Members with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act of Japan. Under said insurance contract, the insurance company shall compensate for damages that may result from the insured (including the Audit & Supervisory Board Members of the Company) assuming responsibility in connection with the execution of their duties or receiving claims related to the pursuit of such responsibility. In the event that Mr. Masahiko Tezuka is elected and assumes office of an Audit & Supervisory Board Member, he will be insured under said insurance contract. Said insurance contract will be renewed with the same contents upon the next renewal.
  5. Mr. Masahiko Tezuka satisfies the requirements for independent officers set by the Tokyo Stock Exchange, and the Company plans to register him as an independent officer with the Tokyo Stock Exchange.
  6. The brief history of the candidate for Audit & Supervisory Board Member is as of the as of the preparation date (May 14, 2024) of these Reference Documents for the General Meeting of Shareholders.

(Reference) Skills career matrix of Directors and Audit & Supervisory Board Members (in case where each of the candidates is elected in this shareholders meeting)




































While fulfilling its social mission of providing a stable energy supply, the Company wishes to contribute to the realization of a carbon neutral society in 2050, and to utilize this as a business opportunity and improve to become a corporate entity that continue to grow sustainably. To this end, it is very important for Directors and Audit & Supervisory Board Members, who have various knowledge and experience, to actively discuss matters at the Board of Directors meetings, and enhance the quality of discussions regarding overall management strategies including human resources strategies.












After preparing and disclosing the skills career matrix concerning Directors in 2020, the Company continued to review it as necessary in light of the management issues it is facing.


In 2023, the Company reviewed the areas in which contribution of Directors and Audit & Supervisory Board Members (the “Officers”) are expected based on the Medium-term Management Plan (FY2023-2025), and selected the areas listed in the table below. The Company elected Officers who have skills, such as knowledge and experience in those areas, while also paying attention to diversity.

For the areas that the Board of Directors members do not have sufficient skills (issues concerning economic security or other areas for which high expertise is required), the Company supplements them by inviting outside experts to Advisory Board meetings and Officer training sessions.

Perspective	Areas of expected contribution	Reason for selection of areas of expected contribution
To lead change	Corporate philosophy / business strategy	The Officers are required to deeply understand and implement the Company’s business objectives and the purpose of its existence, and lead the management to realize the Vision for 2050 based on perspectives such as economic security, SDGs, and DX in the context of a discontinuous management environment.
	Human resources development / DE&I	The Officers are required to promote the development of human resources and increase DE&I in order to realize “A strong and flexible team that can shape the future, no matter what the future has in store,” which the Company aims to incorporate in its human resources strategy.
	Co-creation / international business	The Officers are required to build a co-creation relationship with diverse partners based on an international perspective in order to enhance its social implementation capabilities toward the realization of the Vision for 2050.
To support business management	Manufacturing / research	The Officers are required to have knowledge of safety in manufacturing and technology, knowledge of trends in innovative advanced technologies, and knowledge of research areas.
	Marketing / supply	The Officers are required to have knowledge of marketing and sales in each field of business, knowledge of retail marketing, and knowledge of procurement and supply.
	Governance / legal affairs	The Officers are required to have knowledge of governance from a shareholder’s perspective, knowledge of risk management related to business operations, and knowledge of legal affairs.
	Finance / accounting / tax	The Officers are required to have knowledge of finance, accounting, and tax affairs that contribute to ensuring capital efficiency and profitability.

		Knowledge, Experience								Company's reasons for placing  in the relevant columns indicating areas in which it expects the relevant Officer to contribute
		Director and Audit & Supervisory Board Member	Corporate philosophy / business strategy	Human resources development / D&I	Co-creation / international business	Manufacturing / research	Marketing / supply	Governance / legal affairs	Finance / accounting / tax	
Directors										The Company expects him to lead the establishment and implementation of growth strategies for the realization of the Vision for 2050 based on his record of leading the management integration as President of the Company and his insights from his experience as Director in charge of Accounting, Human Resources, and Fuel Business.
	Shunichi Kito									
	Atsuhiko Hirano									The Company expects him to promote business structure reforms, including establishment of a co-creation relationship based on his experience as president of an operating company, his insight from being an officer in charge of corporate planning, and his extensive international business experience in key positions in the solar and petroleum departments. In addition, as a DE&I Promotion Committee member, he leads the Company's activities for diversity promotion.
	Noriaki Sakai									The Company expects him to promote strengthening of the management foundation for its sustainable development, including business structure reforms and human capital investment based on his deep knowledge and expertise from past positions in accounting, finance and personnel affairs and his insight regarding governance mainly involving safe environment and quality assurance.
	Masahiko Sawa									The Company expects him to promote drafting of medium-to-long term management strategies and company-wide carbon neutral transformation as Head of Carbon Neutral Transformation Strategic Headquarters, and to promote business structure reforms as a technical manager, in addition to providing his expertise for R&D and manufacturing and technology divisions. In addition, he leads workstyle reforms and DE&I in manufacturing and technology divisions.
	Masakazu Idemitsu									The Company expects him to strengthen its sustainable development and management foundation in accordance with its Management Philosophy based on his deep understanding of The Origin of Management and the purpose of its existence as a member of the founding family and his long-term perspective on governance as a major shareholder.
	Kazunari Kubohara									The Company expects him to strengthen its management foundations from a multifaceted governance perspective based on his expertise related to corporate law and social problems as an attorney and his familiarity with the real estate business.
Outside	Takeo Kikkawa									The Company expects him to strengthen its management foundations and supervise business structure reforms as an Outside Director based on his insight related to energy transition trends both in and outside Japan and related advanced technologies and his sufficient insight related to corporate management as an expert in business administration, particularly energy industry theory.
Independent										
Outside	Maki Kado									The Company expects her to provide supervision for strengthening its human capital investments and implementing business structure reforms as an Outside Director based on her management experience and broad-based insight in DE&I and retail marketing from her past key positions at global beverage companies.
Independent										
Outside	Jun Suzuki									The Company expects him to provide supervision for strengthening its management foundations and implementing business structure reforms as an Outside Director based on his knowledge of corporate management and governance from his experience as president and chairperson of a global chemical company, and his knowledge of a wide range of businesses, such as chemicals and pharmaceuticals and related technologies.
Independent										
Outside	Shiori Nagata									The Company expects her to provide strategic advice, expert knowledge, and supervision for improving the organization and the decision-making process as an Outside Director, based on her strategic perspective and expert knowledge on management planning and administration from her career experience in wide-ranging industries.
Independent										

Audit & Supervisory Board members	Tsutomu Yoshioka					The Company expects him to provide review in the areas of management foundation and DX to support its strategies based on his experience as president of an operating company, Audit & Supervisory Board Member at a listed company, business execution in the Information Systems Department, and as a person responsible in the Sales Department.
	Hidefumi Kodama					
Outside	Yumiko Ichige					The Company expects her to provide review in the areas of management foundation to support its strategies as an Outside Audit & Supervisory Board Member based on her familiarity with governance of a listed company as an attorney, her familiarity with proactive promotion of women's empowerment, her familiarity with intellectual property, and her experience as a member of a council in the Japan Patent Office.
Independent						
Outside	Masahiko Tezuka					The Company expects him to provide review in the areas of management foundation to support its strategies and from the perspective of international business as an Outside Audit & Supervisory Board Member, based on his experience assuming important offices in major auditing firms and then serving as the chair of the JICPA, his international insight in the area of governance mainly concerning accounting and tax affairs, and his wide experience in auditing global business.
Independent						

 indicates areas to which the Company particularly expects the relevant Director or Audit & Supervisory Board Member to contribute and does not represent all of his/her skill and experience.

(Reference)

### **Independence Requirements for Outside Officers**

Independent Outside Officers must not fall under any of the following:

1. A person who has become an executive officer of the Company or its subsidiaries in the present or in the past.
2. A person who is a major shareholder or currently affiliated with an organization that is a major shareholder with a 10% or higher share ratio in the Company's latest shareholder list.
3. A person who is currently affiliated with the Company's business partners with a total annual transaction amount of 2% or more of consolidated net sales in the three most recent business years or their consolidated subsidiaries.
4. A person who is a consultant, accounting professional, legal expert, accounting auditor, or contractor (if they are corporations, associations, or other organizations, those who actually belong to these organizations) who receives money or other properties of ¥10 million or more per annum from the Company other than remuneration for a Director or for an Audit & Supervisory Board Member in the three most recent fiscal years.
5. A person who is currently affiliated with non-profit organizations that have received 2% or more of their gross or ordinary income from the Company in the three most recent fiscal years.
6. In the case where a person has belonged to any of the organizations or business partners described in "2." to "5." above, three years have not elapsed since (s)he left the organization or business partner.
7. A person who is the spouse or relative within the third degree of kinship of an officer(excluding those that are not important) of the Company or a specified associated company of the Company.

(Attached document)

## BUSINESS REPORT

(April 1, 2023 to March 31, 2024)

### **1. Current status of Idemitsu Group (the “Group”)**

#### (1) Business overview:

In order to further increase corporate value and achieve a P/B ratio of over 1x as soon as possible, the Company has revised upward its ROE target for FY2025 from 8% to 10% or more. To achieve this goal, the Group is working on “further improvement of profitability and capital efficiency of existing businesses” and “business portfolio transformation and GHG reduction through expansion of new businesses” as its business strategy, and “promotion of financial strategy to enhance return on capital” as its financial strategy. The Group believes that while ensuring a high return on capital while fulfilling the stable supply of existing energy and materials, steadily advancing social implementation toward carbon neutrality and shifting its portfolio to three business domains (“Energy One Step Ahead,” “Diverse Resource Conservation and Recycling Solutions,” and “Smart Yorozyua”) is the way to realize its 2030 Vision of “Your Reliable Partner for a Brighter Future” and 2050 Vision of “Shaping Change.”

With respect to the existing businesses, the Group has promoted the restructuring of group refineries in the petroleum segment and also begun to consider the optimization of production through the consolidation of ethylene facilities in the basic chemicals segment. In the coal business, while the Group aggregated mining interests in Australia, it acquired interest in rare metal mines; thus, the Group has continued to promote its efforts toward the continual restructuring and strengthening of its competitiveness.

In the “Energy One Step Ahead” domain, the Group has actively promoted collaboration with domestic and overseas companies with the aim of building a global supply chain and realizing supply of diverse and earth-conscious next-generation fuels, such as SAF, ammonia, and synthetic fuels. In the “Diverse Resource Conservation and Recycling Solutions” domain, the Group has advanced collaboration concerning procurement and sales with domestic and overseas companies with the aim of building a supply chain for biomass plastic and establishing a resource recycling system through the used plastics recycling. With respect to lithium solid electrolyte, which is a material for next-generation batteries, the Group has accelerated its efforts toward mass production and also announced the commencement of its collaboration with Toyota Motor. In the “Smart Yorozyua” domain, the Drive On smartphone application, which serves as the basis for DX at the Group’s service stations, has been downloaded by 8 million users, and a new type of service station, “apolloONE,” which specializes in car services, has been launched.

Net sales of the consolidated financial results for fiscal year 2023 amounted to ¥8,719.2 billion, down by ¥737.1 billion year-on-year. Operating income plus equity income (excluding inventory impact) was ¥310.6 billion, a year-on-year increase of ¥57.9 billion, as a result of the following: while income in the resources segment decreased mainly due to repercussions from coal market prices that surged in the previous fiscal year and the downsizing of mines, such decrease in income was overcome by improved margins mainly resulting from the time-lag effect in the petroleum business and increased income in the overseas trading business, among other factors. Current net income

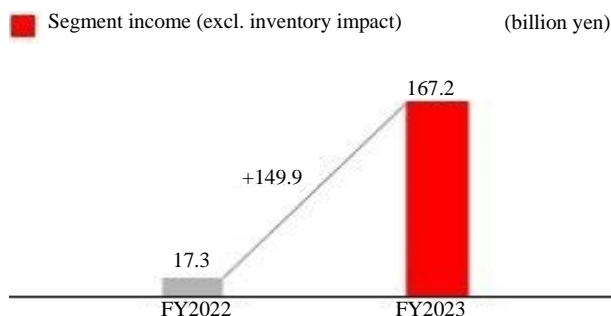
(excluding inventory impact) was ¥192.1 billion, down by ¥22.9 billion year-on-year.  
 Current net income including inventory impact was ¥228.5 billion, down by ¥25.1 billion year-on-year.

FY 2023 Consolidated Financial Results			(billion yen)	Key market results		
	FY2022	FY2023	Change		FY2022	FY2023
Net sales	9,456.3	8,719.2	-737.1	Dubai crude oil price (US\$/barrel)	92.5	82.3
Operating income + equity income	308.4	363.0	+54.6	Australian thermal coal spot price* (US\$/ton)	360.2	172.8
(excl. inventory impact)	(252.7)	(310.6)	(+57.9)	Exchange rate (¥/US\$)	135.5	144.6
Current net income	253.6	228.5	-25.1			
(excl. inventory impact)	(215.0)	(192.1)	(-22.9)			

\* Average from January to December

## Petroleum segment

Income increased year-on-year mainly as a result of improvement in domestic margins of primary fuels (such as gasoline, diesel oil, kerosene, and heavy oil A) due to the effect of time-lag among other factors, a decrease in in-house fuel costs, and an increase in income from overseas trading business.



### Action

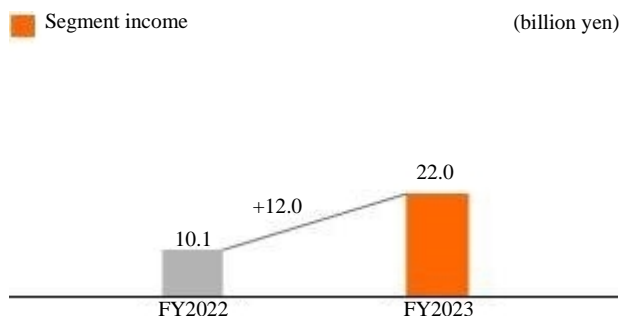
With respect to manufacturing and supply, the refining function of the Yamaguchi Refinery of Seibu Oil Company was shut down in March 2024. The Yamaguchi Refinery will be operated under public-private collaboration as a base for supply and technology development of carbon-free energy. With Fuji Oil, which the Group aims to turn into an equity method affiliate, the Group will further deepen collaboration, including collaboration in procurement of crude oil and freight allocation operations, etc. and promote efforts toward future decarbonization. With respect to sales, the Group has launched a new type of service station, “apolloONE,” which specializes in car services, such as car coating and car sales and purchases.



Image of an apolloONE station

## Basic chemicals segment

Income increased year-on-year as a result of an improvement in product margins in addition to an increase in production volume due to repercussions from periodical repairs implemented in the previous fiscal year and the startup of paraxylene facilities at the Aichi Complex.



### Action

With the aim of increasing income through the startup of new facilities by taking advantage of integrated operations with petroleum refinery, and also with the aim of optimizing production in the Chiba district and promoting the low-carbon use of chemical raw materials, the Group has begun discussions with Mitsui Chemicals on the consolidation of ethylene facilities by FY2027. The Group has decided to invest in a commercial production facility to achieve the recycling of used plastics using the oil chemical recycling technology. With the aim of starting commercial operation in FY2025, the Group has been working on demonstration experiments with companies across industries, such as the construction and automobile industries.

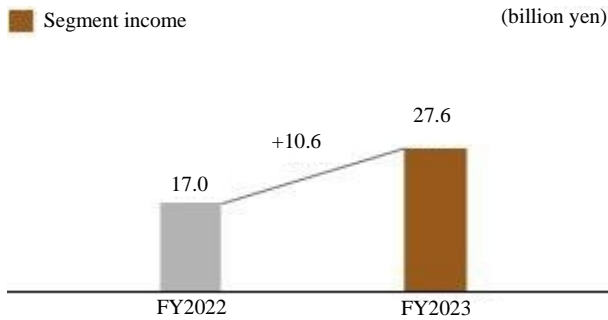


Image of an oil chemical recycling facility that is planned to be constructed in an area adjacent to the Chiba Complex



## Functional materials segment

Income increased year-on-year as a result of the elimination of the negative time-lag effect from the previous fiscal year in the lubricants business and withdrawal from unprofitable businesses in the functional chemicals business.



### Action

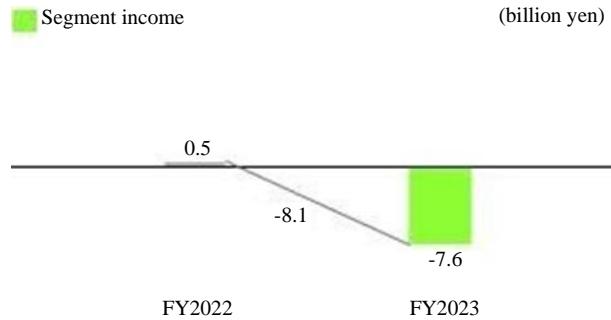
With respect to functional chemicals business, while the Group constructed the second manufacturing facility in Malaysia and started its commercial operation with the aim of expanding sales of Syndiotactic Polystyrene (SPS) in Asia, it decided to withdraw from the Bisphenol A business, whose competition environment had been deteriorating due to excess supply. Thus, the Group has worked on business restructuring and strengthening of earning power. In the lubricants business, the Group has expanded sales of Idemitsu brand products overseas and worked on new development and sales expansion of high-value-added products that would contribute to lower costs and higher performance of vehicles, such as oil for drive units of EVs and HEVs, which are becoming widespread.



Second SPS facility that started commercial operation

## Power and renewable energy segment

Whereas the solar business improved from the previous year due to cost reductions from structural reforms and progress in sales of solar power generation systems that utilize EPC functions, income decreased in the electric power business year-on-year due to the impact of lower sales prices and increased procurement for equipment problems.



### Action

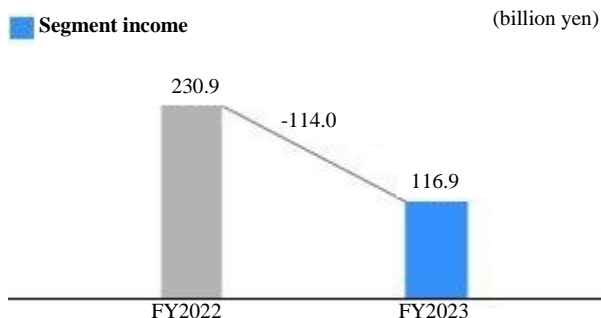
While utilizing a wide range of power sources such as solar power, wind power, and biomass, the Group has worked on establishment of a revenue base by proceeding with reconstruction of its sales structure. In addition, the Group has also promoted the verification and development of its solutions business that utilizes renewable energy sources and storage batteries; specifically, the Group decided to enter the grid-scale storage battery business that utilizes its former site of refinery plant in Hyogo prefecture; further, the Group started operation of its solar carport with a generating capacity of 3.8MW at the University of Miyazaki, which is one of the largest solar carports established on a campus in Japan.



Solar carports established on the Kiyotake Campus of the University of Miyazaki

## Resources segment

Income decreased in the oil exploration and production business mainly due to a fall in crude oil prices and increased costs. Income also fell year-on-year in the coal business mainly due to repercussions from coal market prices that surged in the previous year as well as a decrease in production volume following the downsizing of mines.



### Action

In the oil exploration and production business, the Company has continued stable operation of offshore natural gas fields in Vietnam and oil fields in Europe of its equity method affiliate. In the geothermal energy business, the Group has started construction of a new power plant “Katatsumuri Yama Power Plant” in Akita Prefecture. In the coal business, the Group has been promoting structural reform of its business by concentrating its production activities at Boggabri Coal Mine in Australia, etc., while proceeding with investment and entry in the rare metal mining business, specifically, for rare metals such as vanadium and lithium.



Mt. Ida in Australia, where Delta Lithium Limited, in which the Group has invested, advances exploration and development studies of lithium mines

### Topics

Establishment of an integrated research center named “Innovation Center (tentative name)”

The Group will establish a new integrated research center named “Innovation Center (tentative name)” within its Chiba Complex. The total investment amount is approximately 50 billion yen and the construction is scheduled to be completed in fiscal year 2027. By consolidating research laboratories which are currently spread across multiple locations, the Group aims to establish a one-stop from R&D to process engineering and commercial production, and to further strengthen its internal and external collaboration. The new research center will also enable immediate verification of research results by utilizing the manufacturing plant located within the Chiba Complex. The Group aims at creation and early social implementation of new business that contributes to the realization of a carbon neutral/circulatory society.



Image of office exterior



One-room office



Co-creation street (location for intra-company exchange)

## Forecasts for FY 2024 Consolidated Financial Results (from April 2024 to March 2025)

- Regarding the consolidated financial results in fiscal year 2024, it is expected that both operating income + equity income and current net income will decrease year-on-year due to (i) the time-lag effect in the petroleum segment due to the upward trend in Dubai crude oil price through the end of the previous fiscal year and (ii) a decline in the market and the effect of a decrease in production volume resulting from the downsizing of mines in the coal business.

### Key market assumptions

		FY2023	FY2024
Dubai crude oil price	(US\$/barrel)	82.3	85.0
Australian thermal coal spot price*	(US\$/ton)	172.8	125.0
Exchange rate	(¥/US\$)	144.6	145.0

\* Average from January to December

### Forecasts for FY 2024 consolidated financial results

(¥billion)

	FY2023	FY2024	Change
Net sales	8,719.2	8,700.0	-19.2
Operating income + equity income	363.0	185.0	-178.0
(excl. inventory impact)	(310.6)	(185.0)	(-125.6)
Net income attributable to owners of the parent	228.5	125.0	-103.5
(excl. inventory impact)	(192.1)	(125.0)	(-67.1)

### Forecasts for operating income + equity income by segment

	FY2023	FY2024	Change
Petroleum	219.7	102.0	-117.7
Petroleum (excl. inventory impact)	(167.2)	(102.0)	(-65.2)
Basic chemicals	22.0	26.0	+3.9
Functional materials	27.6	31.0	+3.4
Electricity and renewable energy	-7.6	-3.0	+4.6
Resources	116.9	57.0	-59.9
Other	-15.6	-28.0	-12.4
<b>Total</b>	<b>363.0</b>	<b>185.0</b>	<b>-178.0</b>
<b>Total (excl. inventory impact)</b>	<b>(310.6)</b>	<b>(185.0)</b>	<b>(-125.6)</b>

## Financial position:

### Summary of consolidated balance sheet

(Unit: ¥Billion)

	FY ending March 2023	FY ending March 2024	Change
Current assets	2,732.1	2,916.8	+184.8
Fixed assets	2,133.3	2,095.5	-37.8
Total assets	4,865.4	5,012.3	+146.9
Current liabilities	2,164.0	2,192.5	+28.5
Non-current liabilities	1,072.1	1,007.3	-64.8
Total liabilities	3,236.1	3,199.8	-36.3
Total net assets	1,629.3	1,812.5	+183.2
Total liabilities and net assets	4,865.4	5,012.3	+146.9

#### a) Total assets

Total assets as of March 31, 2024 were ¥5,012.3 billion, an increase of ¥146.9 billion from the end of the previous fiscal year, mainly due to an increase in inventories resulting from the impact of the depreciation of the yen and other factors, and an increase in accounts receivable-trade due to the impact of holidays at the end of fiscal year 2023.

#### b) Total liabilities

Total liabilities as of March 31, 2024 were ¥3,199.8 billion, a decrease of ¥36.3 billion from the end of the previous fiscal year, mainly due to a decrease in interest-bearing debt, despite an increase in accounts payable-trade due to the impact of the depreciation of the yen and other factors, and an increase in accounts payable-other due to the impact of holidays at the end of fiscal year 2023.

#### c) Total net assets

Total net assets as of March 31, 2024 were ¥1,812.5 billion, an increase of ¥183.2 billion from the end of the previous fiscal year, mainly due to the recording of net income attributable to owners of the parent and an increase in foreign currency translation adjustments due to the depreciation of the yen, despite the purchase of treasury stock and dividend payments.

As a result, the equity ratio improved from 33.2% at the end of the previous fiscal year to 35.9%, up 2.7 points. The Net D/E ratio as of March 31, 2024, was 0.7 (end of the previous fiscal year: 0.9).

## Investment in plant and equipment:

Segment	Amount of investment in plant and equipment (billion yen)	Principal capital expenditures
Petroleum	27.7	Restructuring, maintenance, and renewal of facilities of the refineries; enhancement, maintenance, and renewal of the sales facilities of service stations
Basic chemicals	11.6	Restructuring, maintenance, and renewal of production facilities
Functional materials	13.1	Restructuring, maintenance and renewal of production facilities
Power and renewable energy	3.3	Construction, maintenance, and renewal of power stations
Resources	5.7	Development and maintenance of oil and gas fields, maintenance and renewal of coal production facilities, etc.
Others	6.8	Maintenance and renewal of research and development facilities, etc.
Total	68.1	-

## Financing:

The Group's working capital requirements were derived mainly from the purchase of raw materials for the manufacture of products and fluctuated in response to crude oil prices and foreign exchange rates. In fiscal year 2023, funds for both of the increase in working capital due to further depreciation of the yen and 68.1 billion yen of investment in plant and equipment were appropriated from the Group's own funds.

As a result of the foregoing, the Group's interest-bearing debt balance as of the end of fiscal year 2023 was ¥1,342.7 billion, a decrease of ¥160.7 billion compared to the end of the previous fiscal year.

(2) Assets and income/loss:

Item	106th year April 1, 2020 - March 31, 2021	107th year April 1, 2021 - March 31, 2022	108th year April 1, 2022 - March 31, 2023	109th year (FY 2023) April 1, 2023 - March 31, 2024
Net sales (million yen)	4,556,620	6,686,761	9,456,281	8,719,201
Ordinary income (million yen)	108,372	459,275	321,525	385,246
Net income attributable to owners of the parent (million yen)	34,920	279,498	253,646	228,518
Current net income per share (yen)	23.49	188.03	170.67	161.32
Total assets (million yen)	3,954,443	4,601,183	4,865,370	5,012,295
Net assets (million yen)	1,215,136	1,436,512	1,629,308	1,812,531
Net assets per share (yen)	774.34	949.94	1,102.05	1,305.18

The Company conducted a 1:5 stock split on its common shares with an effective date of January 1, 2024. The net assets per share and current net income per share above are calculated assuming that the stock split was implemented at the beginning of the 106<sup>th</sup> year.

(3) Major parent company and subsidiaries:

(i) Relationship with the parent company:

Not applicable.

(ii) Major subsidiaries:

Name	Capital	Ratio of voting rights of the Company (%)	Main business
Idemitsu Tanker Co., Ltd.	¥1,000 million	100.0	Transportation of crude oil and petroleum products
SHOWA YOKKAICHI SEKIYU CO., LTD.	¥4,000 million	75.0	Petroleum refining
TOA Oil Co., Ltd.	¥8,415 million	100.0	Petroleum refining and power generation
Seibu Oil Co., Ltd.	¥12,000 million	100.0	Storage and inventory management of petroleum and other products
Idemitsu Retail Marketing Co., Ltd.	¥80 million	100.0	Sale of petroleum and other products
Idemitsu Supervising Co., Ltd.	¥10 million	100.0	Sale of petroleum and other products
Idemitsu Energy Solutions Co., Ltd.	¥100 million	100.0	Sale of petroleum and other products
IDEMITSU INTERNATIONAL (ASIA) PTE. LTD.	US\$45,156 thousand	100.0	Import, export, and trading of crude oil, petroleum products, etc.
IDEMITSU APOLLO CORPORATION	US\$165 thousand	100.0	Import, export, and sale of petroleum products, etc.
Idemitsu Unitech Co., Ltd.	¥2,600 million	100.0	Manufacture and sale of plastic products
SDS Biotech K.K.	¥810 million	100.0	Manufacture, import, and sale of agricultural chemicals, etc.
RS Renewables K.K.	¥100 million	100.0	Development and maintenance of solar power plants, and sale of electricity
Idemitsu Gas Production (Vietnam) Co., Ltd.	¥1 million	100.0	Development of gas fields in Vietnam, and production and sale of gas
IDEMITSU AUSTRALIA PTY LTD	A\$106,698 thousand	100.0	Production, procurement, and sale of coal
IDEMITSU COAL MARKETING AUSTRALIA PTY LTD	A\$20,500 thousand	100.0	Sale and trading of coal
IDEMITSU ASIA PACIFIC PTE. LTD.	US\$157,937 thousand	100.0	Overseas administration functions

Idemitsu Americas Holdings Corporation	US\$1,500 thousand	100.0	Overseas administration functions
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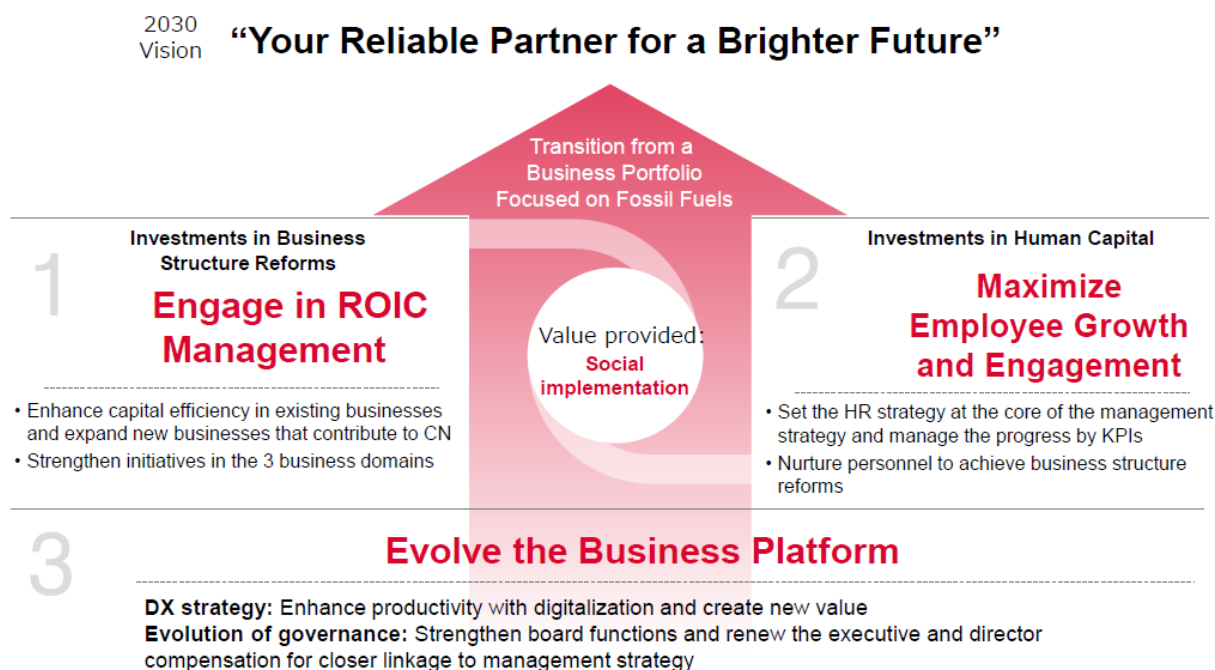
- (Notes) 1. The “Ratio of voting rights of the Company” is shown by including those held indirectly through its subsidiaries.
2. The “Ratio of voting rights of the Company” is shown by calculating down to the second decimal place and thereafter rounding upward or downward to the nearest first decimal place, as the case may be.



(4) Issues to be addressed by Idemitsu Kosan Group – Medium-term Management Plan

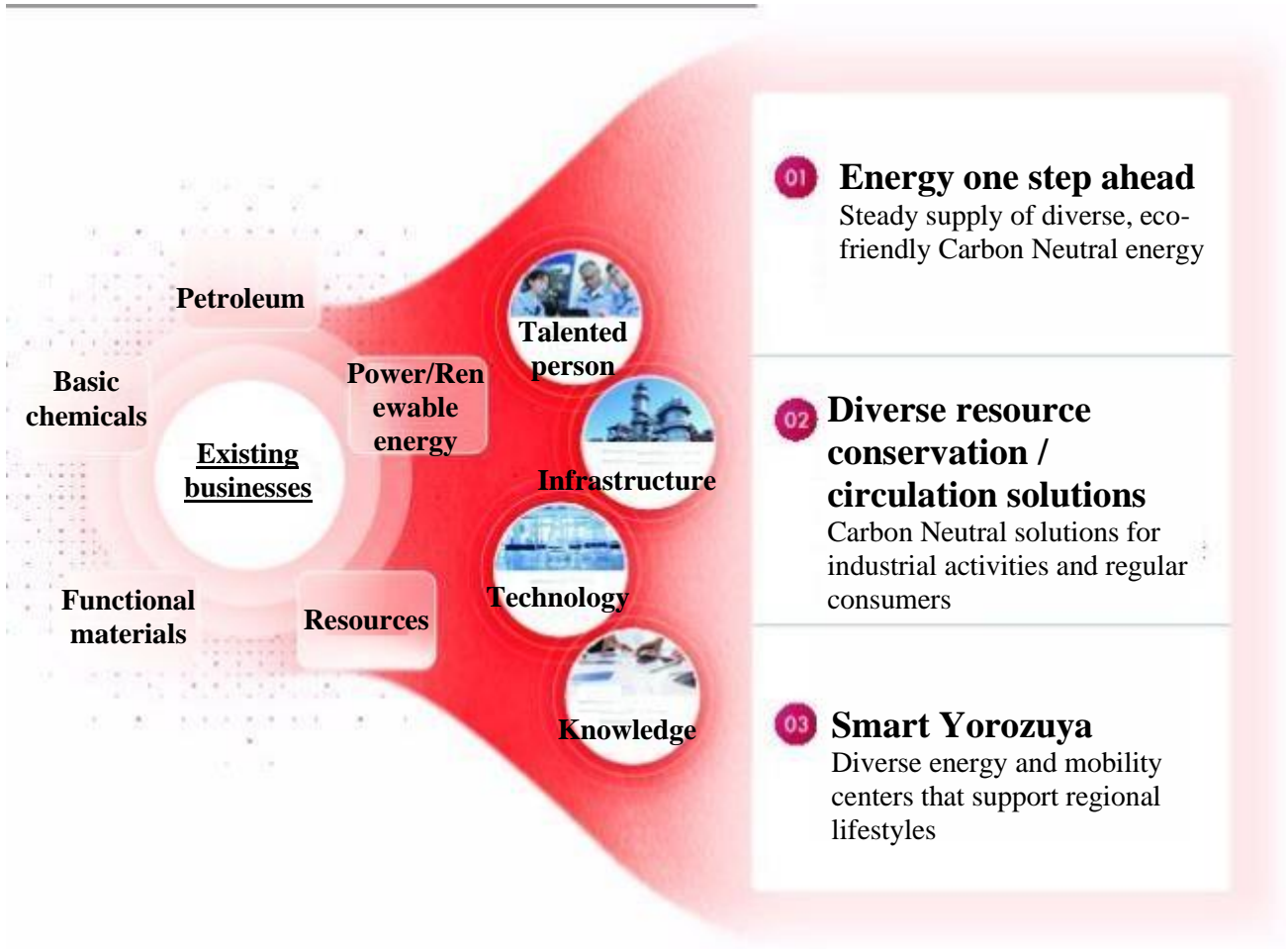
• The Company determined that it should consider the future of energy in 2050 and beyond, and also its ideals from a long-term perspective, and thus, it formulated “**Vision for 2050 – Shaping Change.**”

• The Company positions 2030 to be a transitional period during which part of the transition toward Carbon Neutral in 2050 will be realized. In realizing its **corporate vision for 2030 to become a “Your Reliable Partner for a Brighter Future,”** the Company will invest in business structure reforms to “Engage in ROIC Management” and in human capital to “Maximize Employee Growth and Engagement,” and “Evolve the Business Platform” to support these two initiatives through social implementation of various measures, whereby it will promote a transition away from its current business portfolio which is focused on fossil fuels.



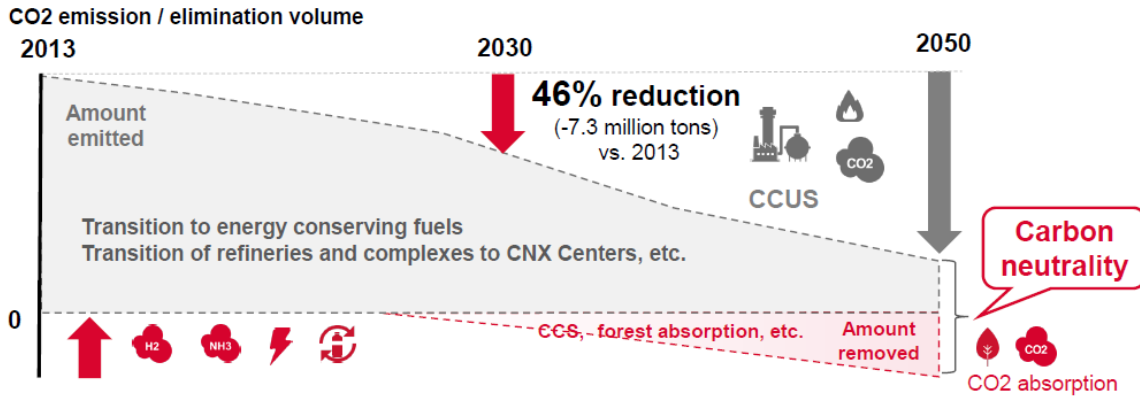
## Business Domains towards Evolution of the Business Portfolio

- The Company aims to become a “main player in energy and carbon neutral solutions” by restructuring its business domains, including its existing domains, into the following 3 business domains, and treating its new social implementation theme as its core business and will fulfill its “responsibility to support people and their daily lives” and “responsibility to protect the global environment now and in the future”:



## Roadmap to Carbon Neutral in 2050

- The Company will achieve Carbon Neutral (=net zero CO2 emissions) for its own operations (Scope1+2) and pursue carbon neutrality for the entire supply chain (Scope 3) by providing solutions to businesses and consumers.
- The Company will realize the roadmap by setting a 46% reduction (- 7.3 million tons) vs 2013 as an interim target for 2030.



- The Company newly set a target value using “Carbon Intensity,” as an indicator related to Scope 3 as that aims to reduce emissions in the entire supply chain by evolution of the business portfolio.

[Formula]

$$\text{Carbon Intensity} = \frac{\text{CO2 emission (Scope 1+2+3)*}}{\text{amount of supplied energy}}$$

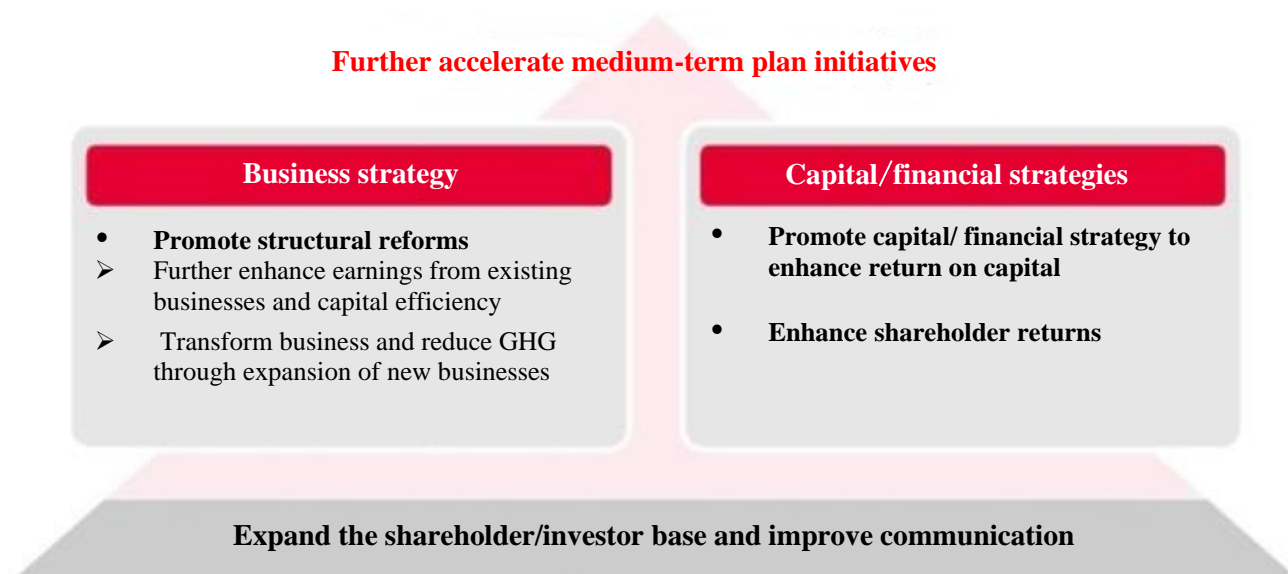
[Target value-vs 2020]

$$\begin{aligned} &2030: - 10\% \\ &2040: - 50\% \end{aligned}$$

\* The target of Scope 3 refers to category 11 (emissions from use of products sold), and includes offset due to negative emissions.

## Enhancement of Corporate and Shareholder Value

- The Company will enhance corporate and shareholder value by further accelerating the initiatives of the Medium-term Management Plan from the perspectives of both “business strategy” and “capital and financial strategies,” and aim to rapidly achieve over 1x PBR.
- In FY2023, the Company reviewed its financial targets for FY2025 and revised its **ROE target** upward from 8% to **10% or more**, and has also decided in relation to **shareholder returns** to **increase dividend by 8 yen** from 24 yen to 32 yen per share, **setting this level as the lower limit**.



## Shareholder Returns

Total payout ratio of at least 50% of cumulative net income excluding inventory impact in FY23-25

**Dividends** 32 yen per share and set this as the minimum

**Acquisition of treasury shares** Execute in a flexible manner while monitoring the stock price

## Initiatives toward social implementation of the 3 business domains

### E-methanol

Initiatives towards establishment of the production and supply systems

**E-fuel (synthetic fuel), including e-methanol, is a liquid fuel produced by synthesizing CO<sub>2</sub> recovered from the atmosphere and hydrogen produced using electricity derived from renewable energy. E-fuel can be used for internal combustion engines of cars, ships, and aircraft without any modification and greatly contributes to lowering carbon emissions throughout the product life cycle. Therefore, early commercialization is expected. In particular, e-methanol can be used directly as a marine fuel, and it is possible to selectively produce e-SAF and e-chemicals from e-methanol.**

#### ■ Commencement of joint consideration towards procurement from and business development with HIF

In March 2024, the Company agreed upon joint development of a supply chain for e-fuel/e-methanol, including marine transport of CO<sub>2</sub> together with HIF USA and HIF Asia Pacific, which are subsidiaries of HIF Global (a leading global company promoting projects to transform hydrogen produced using renewable energy into a liquid synthetic fuel), and Mitsui O.S.K. Lines. In addition to production, transport, and supply, in order to address issues with commercialization, such as stable securement of CO<sub>2</sub> which is raw material, the Company will establish the supply chain to transport e-fuel/e-methanol from HIF's overseas production plants to Japan, investigate the feasibility of marine transport of CO<sub>2</sub> from Japan to HIF's overseas plants and consider efficient marine transport.



E-fuel produced by HIF

#### ■ E-fuel to be locally produced and locally consumed utilizing green hydrogen

In the Tomakomai area where the Hokkaido Refinery of the Company is located, the Company has considered establishing a green hydrogen supply chain at the maximum possible scale in Japan by utilizing affluent renewable energy, together with ENEOS and Hokkaido Electric Power.

The Company has made efforts to achieve local production and local consumption of e-fuel by producing e-methanol by utilizing green hydrogen and supplying it as a fuel and a raw material for chemicals.



Hokkaido Refinery

## Blue Ammonia

### Initiatives towards establishment of supply chain

To realize a decarbonized society, ammonia that does not emit CO<sub>2</sub> when burned has attracted attention as a new fuel for energy carriers, electricity generation, and industrial boilers, and the Japanese government has also promoted initiatives towards future introduction thereof. The Company has proceeded with initiatives, such as consideration of utilizing its existing facilities, including its complexes and refineries, development of ammonia production technologies, and joint consideration with domestic and foreign companies.

### ■ Consideration of setting up an ammonia base at the Tokuyama Complex

The Company has set up an ammonia import base that utilizes the existing infrastructure at the Tokuyama Complex, and will commence supplying ammonia to complexes in the broad surrounding area, including the Shunan Industrial Complex. The Company aims to supply over 1 million tons of ammonia by 2030. During FY2023, the Company received a reply from the Japan Fair Trade Commission to the effect that “there are no issues under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade” regarding the joint initiatives that are aimed at realizing Carbon Neutral at the Shunan Industrial Complex. This has enabled the Company to engage in more expeditious and effective consideration with the companies in the Shunan Industrial Complex.

The Company has jointly considered developing ammonia combustion technologies with IHI, which has a high level of knowledge in this area, and in February 2024, the Company successfully completed a combustion experiment in which over 20% of the existing fuel was switched to ammonia for a commercial naphtha cracking furnace within the Tokuyama Complex.

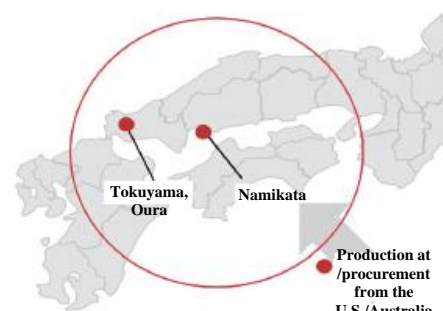


LPG tanks at the Tokumaya Complex

### ■ Promotion of collaboration in global production and procurement of ammonia

The Company has implemented collaboration with domestic and foreign companies in the process of producing and supplying ammonia to domestic demand areas. In February 2024, the Company agreed to participate in the clean ammonia production project at Lake Charles, U.S. which is a joint project of Mitsubishi Corporation, which also aims to establish domestic ammonia supply sites, and Proman of Switzerland.

Domestic demands for ammonia are expected to be 3 million tons per year in 2030 and 30 million tons per year in 2050. Through this project, the Company aims to supply 1.15 million tons per year in 2030 to the West Japan Area from its sites in Tokuyama, Oura, and Namikata.



## SAF (Sustainable Aviation Fuel)

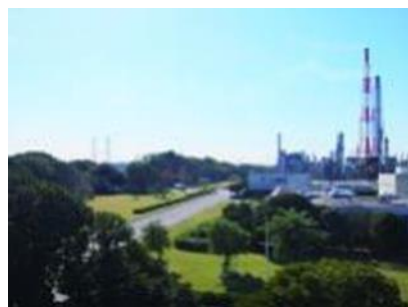
Initiatives for establishment of domestic production capacity and stable procurement of raw materials

**SAF is an aviation fuel produced from biomass and waste cooking oil, which has the potential to greatly reduce the emission of greenhouse gases compared to traditional aviation fuels. The Japanese government and domestic aviation industry have set a goal of replacing 10% (approximately 1.7 million KL/year) of aviation fuel with SAF by 2030.**

### ■ Initiatives for establishment of domestic SAF supply systems

The Company's manufacturing processes, knowledge, storage facilities, and networks in its petroleum and petrochemical businesses can be utilized for manufacturing, transporting, storing, and supplying SAF.

At the Chiba Complex of the Company, the basic design of SAF production equipment (100,000 KL/year) using ATJ (Alcohol to Jet: a technology for producing SAF from ethanol) has been underway. In addition, the Company is considering constructing production equipment (250,000 KL/year) using HEFA (Hydroprocessed Esters and Fatty Acids: a technology for producing SAF by hydrotreating used cooking oil and other fats and oils) in the Tokuyama Complex. The equipment is scheduled to commence operations in 2028 in order to establish a domestic supply system of 500,000 KL per year by 2030.



Chiba Complex

### ■ Initiatives for stable procurement of raw materials of SAF

To meet growing demand for SAF, it is necessary to establish production technologies and flexible raw material procurement systems.

Regarding ATJ, the Company has invested in Jet Zero Australia, which has promoted SAF production in Australia, and has collaborated with it to stably secure raw materials and establish a supply chain.

To secure raw materials for HEFA, the Company has collaborated with Zen-Noh Grain, which operates on a scale comparable to major grain companies in the U.S., to verify the use of vegetable oils, such as soybean oil. In addition, the Company has proceeded with initiatives towards stable raw material procurement with LOPS, which is a trading company specializing in oils and fats and has a share of 50% or more in the export of waste cooking oil in Japan.



## Solid-state electrolytes for next-generation batteries

Further acceleration of development through collaboration and reinforcement of facilities

Electric vehicles (EVs) are expected to become more popular as a clean means of transportation with less environmental impact. Amidst the desire for technological innovations of BEVs (battery vehicles) that affect the performance of EVs, “all-solid-state batteries,” which are considered to be next-generation batteries, have the benefits of reducing weight, charging time, ignition risk, etc., and early practical application of them for EVs is expected. The company will accelerate to improve material performance and develop mass production technologies.

It aims to realize mass production of solid-state electrolytes that can be used widely around the world.

### ■ Increase of capacity and new launch of small pilot facilities

Regarding small pilot facilities, the Company decided to increase the capacity of Plant 1 in June 2023 (planned completion date: within FY2024), and commenced operation of Plant 2 in July. In pursuit of the next validation of the mass production process using large pilot devices, the Company will promote quick development of appropriate material specifications while understanding the needs of automobile and battery manufacturers.

### ■ Commencement of collaboration towards mass production of all-solid-state batteries for EVs with Toyota Motor Corporation

In October 2023, the Company announced the commencement of a collaboration with Toyota Motor Corporation to develop of mass production technology for solid-state electrolytes and improve productivity.

The Company can utilize “sulfur components” obtained in the petroleum refining process as a raw material and has knowledge obtained from approximately 30 years of studies. Together with Toyota Motor, which possesses world-leading battery technology and material development technology for all-solid-state batteries, the Company aims for early practical application and market launch.



Solid electrolytes



Photo at the time of joint press conference (Left: President Sato of Toyota Motor Corporation, right: President Kito of Idemitsu)

	2023 <sup>←</sup>	2030 <sup>←</sup>			
<b>Business progress<sup>←</sup></b>					
<b>Major initiatives<sup>←</sup></b>	<b>Validate mass production process with small pilot facilities<sup>←</sup></b> ● Plant 1 launched November 2021 <sup>←</sup> ● Plant 2 launched July 2023 <sup>←</sup>		<b>Validate mass production process with large pilot facilities<sup>←</sup></b>		<b>Commercial production<sup>←</sup></b>



## ESG in general



## Promotion of Women's Advancement



## Disclosure



## Promotion of Health



\* The Company was selected for inclusion in the FTSE indices, MSCI index, and Nadeshiko Brand for the first time in 2022.  
 \* The FTSE Blossom Japan Index is used as an ESG index by Japan's Government Pension Investment Fund (GPIF), and the FTSE Blossom Japan Sector Relative Index is used as a benchmark for passive management of ESG indices by GPIF.

The latest information regarding the status of inclusion in the ESG index and the status of other external certifications is available on the Company's Sustainability Website.



<https://www.idemitsu.com/jp/sustainability/evaluation/index.html>

## Philosophy and Policy for Ensuring Safety

The Group strives to reduce and eliminate risks and eliminate accidents and disasters through the appropriate allocation of management resources and the maintenance, management, and improvement of equipment, processes, and work systems, in order to ensure the safety of people as our top priority. Its philosophy for ensuring safety is “We strive to foster a culture of safety.” Ensuring safety based on this philosophy is the result of management efforts, and zero accidents and disasters is the greatest achievement in this field. Based on this recognition, the Group places the utmost importance and priority on ensuring safety in all business activities such as production, logistics, sales, research and development, all business operations, and various value judgment standards in each scene and stage of every action. The Group has established the “Policy for Ensuring Safety.”

### Policy for Ensuring Safety

- (1) Ensure the safety of people
- (2) Ensure the safety assurance of facilities and processes
- (3) Ensure safety in work mechanisms and procedures
- (4) Properly allocate and utilize management resources
- (5) Cultivate safety culture and promote safety management

## Efforts to Ensure Safety

The Group comprehensively assessed operational risks that may have an impact on local communities and the environment and made efforts to appropriately manage the identified risks.

## Results in the Safety and Environmental Areas

From January to December 2023, no serious accidents occurred that may have a material impact on local communities, such as an explosion or environmental pollution. The number of accidents resulting in lost work days was 17 for the Company and 22 for its partner companies (including the number of accidents resulting in death, which was zero for the Company and one for its partner companies).

## Basic Policy for Quality

The Group’s basic approach to quality is “In order to ensure product safety and minimize the impact on people and the environment, we adhere to the life cycle of the products and services we provide, from development to consumption or disposal.” The Group shall promote quality assurance activities that take into consideration the quality of its products and strive to improve customer satisfaction and protect consumers. Specifically, the Group has established the “Quality Assurance Policy.”

### Quality Assurance Policy

- (1) We provide products and services of appropriate quality from the customer’s perspective.
- (2) We realize environmentally conscious production activities and products.
- (3) We provide safe and secure products.
- (4) We fulfill our social responsibilities by ensuring thorough compliance at all times.

## Efforts to Ensure Quality

Following the inappropriate product testing incident at the Company’s subsidiary announced in May 2022, the Group conducted educational and awareness-raising activities with the aim of raising its employees’ awareness of quality to prevent the recurrence of any similar incidents.

## Results in the Quality Area

From January to December 2023, no material quality accidents occurred.

(5) Major businesses (as of March 31, 2024):

Segment	Major businesses
Petroleum	Import, refinement, transportation, storage and sale of crude oil and petroleum products; production and sale of petroleum-related products; sale of service station related products; import, purchase and sale of LPG; design and construction of petroleum-related facilities, etc.; credit card services
Basic chemical products	Production and sale of petrochemical raw material and products
Functional materials	Production and sale of lubricants; production and sale of engineering plastics, adhesive base material, etc.; production and sale of electronic materials; production and sale of high performance asphalt; production and sale of chemical pesticides, biological pesticides, etc.
Power and renewable energy	Power generation, supply and sale of power; development and operation of renewable energy power; provision of solutions through overall lifecycle of solar power stations
Resources	Investigation, exploration, development and sale of oil, natural gas, and geothermal resources; production, procurement, and sale of coal
Others; coordination	Overseas administration functions; insurance agency services

(6) Employees (as of March 31, 2024):

(i) Employees of the Group:

Segment	Number of employees	Change from the end of the previous fiscal year
Petroleum	7,186 (4,102)	+10
Basic chemical products	770 (56)	+15
Functional materials	3,710 (619)	-49
Power and renewable energy	395 (53)	-103
Resources	798 (48)	-256
Others; reconciliation	1,132 (282)	+11
Total	13,991 (5,160)	-372

(Note) The number of employees represents the number of those actually at work: the number of temporary workers is shown in the parentheses separately.

(ii) Employees of the Company:

Number of employees	Change from the end of the previous fiscal year	Average years of age	Average length of service
4,985 (1,060)	-104	42 yrs and 4 mths	18 yrs and 4 mths

(Note) The number of employees represents the number of those actually at work: the number of temporary workers is shown in the parentheses separately.

(7) Major lenders (as of March 31, 2024):

Lender	Debt payable
Japan Organization for Metals and Energy Security	¥220,107 million
MUFG Bank, Ltd.	¥114,835 million
Sumitomo Mitsui Banking Corporation	¥109,116 million
Sumitomo Mitsui Trust Bank, Limited	¥79,977 million
Mizuho Bank, Ltd.	¥74,949 million
Development Bank of Japan Inc.	¥45,859 million
The Norinchukin Bank	¥25,546 million
Japan Bank for International Cooperation	¥19,107 million

(8) Other important matters concerning the current state of the Group:  
Not applicable.

## 2. Current state of the Company

(1) Shares (as of March 31, 2024):

(i) Total number of authorized shares: 2,180,000,000 shares

(ii) Total number of issued shares: 1,392,642,290 shares

(iii) Number of shareholders: 113,305 persons

(iv) Major shareholders (top 10):

Name	Number of shares (thousand shares)	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (Trust account)	194,979	14.10 %
Nissho Kosan Co., Ltd.	135,599	9.80 %
Aramco Overseas Company B.V.	115,579	8.36 %
Public Interest Incorporated Foundation Idemitsu Museum of Arts	101,962	7.37 %
Custody Bank of Japan, Ltd. (Trust Account)	77,436	5.60 %
Showa Kosan Co.,Ltd	24,872	1.79 %
Idemitsu Employee Stockholders Committee	24,174	1.74 %
JPMorgan Securities Japan Co., Ltd.	22,706	1.64 %
STATE STREET BANK WEST CLIENT TREATY 505234	20,632	1.49 %
Sumitomo Mitsui Trust Bank, Limited	15,428	1.11 %

(Notes)

- In connection with the share split implemented as of January 1, 2024 (splitting one share of common stock into five shares), the total number of authorized shares has been increased by 1,744,000,000 shares.
- In connection with the share split implemented as of January 1, 2024 (splitting one share of common stock into five shares) and the cancellation of treasury stock implemented as of March 29 of the same year, the total number of issued shares has been increased by 1,094,777,572 shares.
- Shareholding ratios are calculated by excluding 10,272,065 shares of treasury stock. This number does not include 3,330,245 shares of the Company, which are owned by The Master Trust Bank of Japan, Ltd. (Board Incentive Plan Trust Account).

(v) Shares issued to the Company's officers as compensation for the execution of duties during the fiscal year under review:

	Number of shares	Number of persons issued to
Director (except Outside Directors)	—	—
Outside Director	—	—
Audit & Supervisory Board Member	—	—

(Notes)

1. The details of the Company's stock-based compensation are stated in "(3) Corporate Officers, (ii) Total amount of compensation, etc. payable to corporate officers."
2. The Company does not grant the stock-based compensation described above to Outside Directors or Audit & Supervisory Board Members.
3. Not applicable during FY2023.

(2) Stock acquisition rights, etc.:  
Not applicable

(3) Corporate officers:

(i) Directors and Audit & Supervisory Board Members (as of March 31, 2024):

Position	Name	Duties and major concurrent office
Representative Director, President and Chief Executive Officer	Shunichi Kito	President, Petroleum Association of Japan
Representative Director, Executive Vice President and Chief Operating Officer	Susumu Nibuya	Vietnam Project and Internal Communication Department
Representative Director, Executive Vice President	Atsuhiko Hirano	Assistant to Chief Executive Officer (Resources, Lubricants and LPG)
Representative Director, Executive Vice President	Noriaki Sakai	Assistant to Chief Executive Officer (Chief Financial Officer, Procurement, Public Relations, and JPCA), Head of Safety & Environmental Protection Headquarters and Head of Quality Assurance Headquarters
Director, Managing Executive Officer	Masahiko Sawa	Assistant to Chief Executive Officer (Manufacturing & Technology, Basic Chemicals and Carbon Neutral Transformation), Head of Carbon Neutral Transformation Strategic Headquarters
Director	Masakazu Idemitsu	Representative Director and President, Nissho Kosan Co., Ltd. Representative Director and President, Showa Kosan Co., Ltd
Director	Kazunari Kubohara	Attorney at law (Kyuholdo Law Firm)
Director	Takeo Kikkawa	
Director	Yumiko Noda	Outside Director, Benesse Holdings, Inc. Outside Director, Mizuho Financial Group, Inc.
Director	Maki Kado	Executive Officer and Executive Business Manager, Coca-Cola Bottlers Japan Holdings
Director	Jun Suzuki	Outside Director, MS&AD Insurance Group Holdings, Inc.
Full-time Audit & Supervisory Board Member	Tsutomu Yoshioka	

Position	Name	Duties and major concurrent office
Full-time Audit & Supervisory Board Member	Hidefumi Kodama	
Audit & Supervisory Board Member	Taigi Ito	Certified Public Accountant (Ito Taigi Office)
Audit & Supervisory Board Member	Yumiko Ichige	Partner, Nozomi Sogo Attorneys at Law Outside Director, ASKUL Corporation

(Notes)

1. Directors Mr. Takeo Kikkawa, Ms. Yumiko Noda, Ms. Maki Kado, and Mr. Jun Suzuki are Outside Directors.
2. Audit & Supervisory Board Members Messrs. Taigi Ito and Yumiko Ichige are Outside Audit & Supervisory Board Members.
3. Audit & Supervisory Board Member Mr. Tsutomu Yoshioka, who has had experience as an Executive Officer in charge of Accounting, Finance, and Credit Management of Showa Shell Sekiyu K.K. (which conducted a business integration with the Company on April 1, 2019), has considerable knowledge of finance and accounting.
4. Audit & Supervisory Board Member Mr. Hidefumi Kodama, who has experience working in key positions in the area of accounting, has considerable knowledge of finance and accounting.
5. Audit & Supervisory Board Member Mr. Taigi Ito, who has had experience as a certified public accountant and a university professor, has considerable knowledge of finance and accounting.
6. Directors Mr. Takeo Kikkawa, Ms. Yumiko Noda, Ms. Maki Kado, and Mr. Jun Suzuki, and Audit & Supervisory Board Members Messrs. Taigi Ito and Yumiko Ichige are independent officers who have been registered in accordance with the rules of the Tokyo Stock Exchange.
7. In accordance with Article 427, paragraph 1 of the Companies Act of Japan and the Articles of Incorporation, the Company has entered into an agreement with Directors Messrs. Masakazu Idemitsu and Kazunari Kubohara, and each Outside Director and each Outside Audit & Supervisory Board Member to limit the liability for any damage as provided for in Article 423, paragraph 1 of the said act. The maximum liability amount under such agreement is an amount as provided for in laws or ordinances.
8. The Company has entered into a liability insurance contract for Directors and Audit & Supervisory Board Members under Article 430-3, paragraph 1 of the Companies Act of Japan with an insurance company, and all the premiums are borne by the Company. The scope of the insured persons under the insurance contract includes Directors, Audit & Supervisory Board Members, and important employees including executive officers, of the Company and domestic subsidiaries, as well as officers who are seconded to overseas subsidiaries. An overview is that under the insurance contract, the insurance company shall compensate for any damage that may result from the insured Directors and Audit & Supervisory Board Members, who are the insured persons, assuming responsibility in connection with the execution of their duties or receiving claims related to the pursuit of such responsibility; and the contract shall be renewed annually. The insurance contract has a disclaimer where a claim for damages arising out of any act from which Directors and Audit & Supervisory Board Members illegally gained private benefits, any criminal act, any act that they committed with recognition of the violation of laws and ordinances, etc. is excluded; and measures are taken so as not to impair the appropriateness of the

execution of their duties. The insurance contract will be renewed with the same content upon the next renewal.

9. Director Mr. Mitsunobu Koshiba retired as of June 22, 2023, during the fiscal year 2023.
10. Mr. Atsuhiko Hirano and Mr. Noriaki Sakai were reelected as Directors in the 108th Ordinary General Meeting of Shareholders held on June 22, 2023, and each became Representative Director and the Executive Vice President as of the same date.
11. Director Mr. Masahiko Sawa assumed the office of the Head of the Carbon Neutral Transformation Strategic Headquarters as of December 1, 2023.



(ii) Total amount of compensation, etc. payable to corporate officers:

a) Total amount of compensation, etc. for the fiscal year under review:

Category	Total amount of compensation, etc.	Fixed compensation	Performance-linked compensation		Number
			Cash compensation	Stock-based compensation	
Director	¥664 million	¥352 million	¥176 million	¥135 million	12
(Outside Director)	(¥64 million)	(¥64 million)	(-)	(-)	(5)
Audit & Supervisory Board Member	¥91 million	¥91 million	-	-	4
(Outside Audit & Supervisory Board Member)	(¥29 million)	(¥29 million)	(-)	(-)	(2)
Total	¥755 million	¥443 million	¥176 million	¥135 million	16
(Outside Director and Outside Audit & Supervisory Board Member)	(¥93 million)	(¥93 million)	(-)	(-)	(7)

(Note) The above table contains one Director (one of which is an Outside Director), who resigned as of the conclusion of the 108th Ordinary General Meeting of Shareholders held on June 22, 2023.

b) Matters concerning the policy on the determination of the amount of compensation, etc. of officers and the method of calculation thereof:

(Basic Policy on Executive Compensation)

The Company's basic policies regarding compensation for its Directors and Executive Officers (at Senior Executive Officer level or above) ("Directors, etc.") are: a) to increase corporate performance and corporate value over the medium-to-long term in order to realize the Group's management vision; and b) to establish a compensation system and decision-making process that is transparent, rational and fair so that the Company can fulfill its accountability to customers, society, the environment, shareholders, business partners, employees, and other stakeholders. Based on this policy, the Company has made a resolution regarding the policy to determine the details of the compensation, etc. for each individual Director, etc. as described below. The Nomination and Compensation Advisory Committee has conducted a multi-faceted review of the original draft concerning the determination of the details of compensation, etc. for each individual Director, etc., including whether such draft is consistent with the determination policy, and the Board of Directors respects the recommendation of the Nomination and Compensation Advisory Committee. The Company believes the determination is consistent with the determination policy.

(Compensation Standard)

Compensation levels for Directors, etc. shall be reviewed as appropriate in light of changes in the business environment and external survey data.

## (Compensation Structure)

The compensation system for the Company's Directors (excluding part-time Directors and Outside Directors) and Executive Officers (at Senior Executive Officer level or above) is based on business portfolio rearrangement, enhancement of capital efficiency, and development of the environment, society and governance-related efforts, which in turn will lead to further improvement of corporate value, toward the achievement of the medium-to-long-term management vision. To this end, and in order to appropriately assess the management efforts to improve the corporate value over the medium-to-long term by putting focus on the link with the performance both on the short-term and the medium-to-long term timelines, the system consists of (1) fixed compensation, (2) performance-linked bonuses, and (3) performance-linked stock compensation. The ratios of the respective compensation at the time of standard payment are set at approximately (i) 50%, (ii) 25%, and (iii) 25%. Compensation for part-time Directors and Outside Directors consists solely of fixed compensation from the perspective of ensuring appropriate supervisory functions for assessing the appropriateness of business execution from an objective standpoint.

Fixed compensation shall be paid on a monthly basis in an amount determined according to the role and duties.

Performance-linked bonuses are designed to fluctuate within a range of 0 - 200% according to the degree of achievement of the Company's major financial indicators (current net income attributable to shareholders of the parent company, excluding inventory impact ("current net income"), consolidated operating income plus equity in earnings (losses) of affiliates, excluding inventory impact ("operating income plus equity in earnings (losses) of affiliates")) and non-financial indicators (human capital-related indicators proposed in the Medium-term Management Plan, etc.), and the degree of achievement of Directors' "activity goals" set by respective management members taking into account their roles and duties (important strategic tasks toward structural reforms) and the "goals for the responsible area" of Executive Officers (at Senior Executive Officer level or above). Performance-linked bonuses will be granted in June every year.

From the perspective of sharing value with shareholders and continued improvement of corporate value, performance-linked stock compensation places a particular emphasis on the link with the 2030 vision and the Medium-term Management Plan (FY 2023-2025). Specifically, performance-linked stock compensation is designed to fluctuate within the range of 0 - 200% in accordance with the degree of achievement concerning such financial indicators related to business portfolio rearrangement as ROIC, ROE, and fossil fuel business return rate, and such non-financial indicators determined in accordance with materiality to the Company as indicators for measuring CO2 reduction essential for the realization of carbon neutrality and a circular society, and those for measuring engagement of employees to evaluate efforts toward maximization of employees' growth and fulfillments.

Indicator	Performance-linked bonuses	Performance-linked stock compensation
Profitability indicators (current net income attributable to shareholders of the parent company and operating income plus equity in earnings (losses) of affiliates, excluding inventory impact)	40%	–
Capital efficiency indicators (ROIC, ROE)	–	40%
Fossil fuel business return rate	–	20%
CO2 reduction	–	20%
Engagement of employees	–	20%
Human capital-related indicator	20%	–
Activity goals (Directors)/ goals for the responsible area (Executive Officers (at Senior Executive Officer level or above))	40%	–

Performance-linked compensation for the fiscal year under review was calculated in reference to the goal value set at the beginning of the fiscal year under review and was determined after discussions by the Nomination and Compensation Advisory Committee.

(The Date of Resolution at the Shareholders General Meeting Concerning Compensation, etc. for Executives and the Details of Such Resolution)

At the 91st Ordinary General Meeting of Shareholders held on June 27, 2006, the amount of compensation for Directors and Audit & Supervisory Board Members was set at ¥1.2 billion or less per year for Directors and ¥120 million or less per year for Audit & Supervisory Board Members. At the time of the resolution, there were 12 Directors and five Audit & Supervisory Board Members.

At the 104th Ordinary General Meeting of Shareholders held on June 27, 2019, it was resolved that in addition to the above compensation limits, the Company would contribute up to ¥1.9 billion (provided, however, that in the case of a trust that has already commenced in FY2018, the total amount of ¥2.3 billion shall be calculated for the four business years from FY2018 to FY2021.) in total to a trust that would be covered by the performance-linked stock compensation plan (“the Plan”) for Directors, etc. during the three consecutive fiscal years. At the time of resolution, the number of Directors (excluding part-time Directors and Outside Directors) was six and the number of Executive Officers who do not concurrently

serve as Directors was 31.

At the 107th Ordinary General Meeting of Shareholders held on June 23, 2022, a resolution was made to partially revise the Plan, in order to further strengthen motivation toward achieving the targets of the medium-term management plans by matching the duration subject to the Plan with the duration subject to the Company's medium-term management plan. At the time of the resolution, the number of Directors (excluding part-time Directors and Outside Directors) was five and the number of Executive Officers who do not concurrently serve as Directors was eight. In addition, at the 108th Ordinary General Meeting of Shareholders held on June 22, 2023, a resolution was made to revise the Plan to reduce fixed compensation ratio and to link the indicators for the performance-linked compensation to the enhancement of the business portfolio rearrangement, the capital efficiency and ESG-related efforts, in order to enhance the link between the Medium-term Management Plan, etc. and compensations of Directors, etc. At the time of the resolution, the number of Directors (excluding part-time Directors and Outside Directors) was five and the number of Executive Officers who do not concurrently serve as Directors was five.

Individual compensation for Directors is determined by the Board of Directors based on the recommendations of the Nomination and Compensation Advisory Committee, which is composed of Independent Outside Directors. Individual compensation for Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members. The Nomination and Compensation Advisory Committee meetings were held a total of seven times in FY2023. Among the meetings, a total of six deliberated over the compensation, the content of which is as follows:

Meeting date	Major deliberation matters
April 18, 2023	Evaluation and compensation of Directors; and change of the "Policy for Determining Details of Compensation, etc. for Each Individual Director, etc."
June 22, 2023	Deliberation scope of a meeting of the Nomination and Compensation Advisory Committee
July 11, 2023	Establishment of target figures for the performance-linked indicators, Directors' activity goals, revision of Share Delivery Rules, and additional contributions to trust for stock-based compensation
November 14, 2023	Executive compensation plan (confirmation of compensation standards)
January 16, 2024	Revisions to the executive compensation plan (compensation standards for Outside Directors)
March 19, 2024	Evaluation of Directors

(iii) Matters concerning outside officers:

- a) Outside officers' major concurrent offices of other corporations and the Company's relationships with such other corporations:

Director Ms. Yumiko Noda is serving as an Outside Director of Benesse Holdings, Inc., and an Outside Director of Mizuho Financial Group, Inc. The Company has no special relationship with these corporations.

Director Ms. Maki Kado is serving as an Executive Officer and the of Coca-Cola Bottlers Japan Holdings Inc. The Company has no special relationship with this corporation.

Director Mr. Jun Suzuki is an Outside Director of MS&AD Insurance Group Holdings. The Company has no special relationship with this corporation.

Audit & Supervisory Board Member Mr. Taigi Ito is a certified public accountant of Certified Public Accountant Ito Taigi Office. The Company has no special relationship with this office.

Audit & Supervisory Board Member Ms. Yumiko Ichige is a Partner of Nozomi Sogo Attorneys at Law, and an Outside Director of ASKUL Corporation. The Company has no special relationship with these corporations.

- b) Major activities during the fiscal year under review and outline of duties performed in relation to the expected roles of Outside Directors:

Attendance at the meetings of the Board of Directors and the Board of Audit & Supervisory Board Members:

		Board of Directors		Board of Audit & Supervisory Board Members	
		Meetings attended	Rate of attendance	Meetings attended	Rate of attendance
Director	Takeo Kikkawa	15/15	100%	-	-
Director	Yumiko Noda	15/15	100%	-	-
Director	Maki Kado	14/15	93%	-	-
Director	Jun Suzuki	11/11	100%	-	-
Audit & Supervisory Board Member	Taigi Ito	15/15	100%	16/16	100%
Audit & Supervisory Board Member	Yumiko Ichige	15/15	100%	16/16	100%

Director Mr. Takeo Kikkawa, principally from the standpoint of a specialist in the theory of energy industry as a university professor, has expressed his opinions and provided advice and recommendations to secure reasonable and proper decision-making by the Board of Directors. Furthermore, as the Chair of the Board of Directors, he managed the proceedings properly, and as a member of the Nomination and Compensation Advisory Committee, he has attended all seven meetings of the Committee held in the fiscal year under review, and takes part in the supervisory function for the decision-making process for appointment of the Company's officer candidates, executive compensation, etc., from an objective and neutral position.

Director Ms. Yumiko Noda, from wide experience and broad insights regarding finance, global management, and regional revitalization and as a corporate manager, has expressed her opinions and provided advice and recommendations to secure reasonable and proper decision-making by the Board of Directors. Furthermore, as a member of the Nomination and Compensation Advisory Committee, she has attended five out of seven meetings of the Committee held in the fiscal year under review, and takes part in the supervisory function for the decision-making process for appointment of the Company's officer candidates, executive compensation, etc., from an objective and neutral position.

Director Ms. Maki Kado, from knowledge, wide experience, and broad insights regarding international business, retail marketing, and DX, has expressed her opinions and provided advice and recommendations to secure reasonable and proper decision-making by the Board of Directors. Furthermore, she has participated in the DE&I Promotion Committee as an advisor; and as a member of the Nomination and Compensation Advisory Committee, she has attended six out of seven meetings of the Committee held in the fiscal year under review, and takes part in the supervisory

function for the decision-making process for appointment of the Company's officer candidates, executive compensation, etc., from an objective and neutral position.

Director Mr. Jun Suzuki, who has obtained a Medical PhD, is an expert in the chemical and medical areas, and with his in depth experience and broad insights as a corporate manager based on his career as the president or chair of the global chemical company, he has expressed his opinions and provided advice and recommendations to secure reasonable and proper decision-making by the Board of Directors. As the chair of the Nomination and Compensation Advisory Committee, he has attended all five meetings of the Committee held after he assumed the office, and takes part in the supervisory function for the decision-making process for appointment of the Company's officer candidates, executive compensation, etc., from an objective and neutral position.

Audit & Supervisory Board Member Mr. Taigi Ito, principally from the standpoint of accounting with wide experience as a certified public accountant and a university professor, has expressed his opinions and provided advice and recommendations to secure reasonable and proper decision-making by the Board of Directors at the meetings of the Board of Directors and the Board of Audit & Supervisory Board Members.

Audit & Supervisory Board Member Ms. Yumiko Ichige, principally from a legal standpoint as an attorney at law, has expressed her opinions and provided advice and recommendations to secure reasonable and proper decision-making by the Board of Directors at the meetings of the Board of Directors and the Board of Audit & Supervisory Board Members.

(4) Policy on the determination of distribution of retained earnings, etc.:

With respect to the payment of the year-end dividends for the fiscal year ended March 31, 2024, the Company has decided to pay ¥16 per share. The Company implemented a share split effective as of January 1, 2024, whereby one share of common stock is split into five shares. While annual dividends cannot be aggregated simply because of the implementation of the share split, the amount is expected to be ¥160 per share based on the criteria before the share split, and ¥32 per share based on the criteria after the split.

With the understanding that shareholder returns are positioned as a key management priority, based on the policy shown in the “(Change of Disclosure Matters) Announcement on the Revision of the Medium-term Management Plan (Fiscal Years 2023-2025)” which was published on November 14, 2023, the Company will make a total payout ratio of 50% or more on three-year cumulative net income, excluding inventory impact from FY2023-2025, with the minimum amount of dividends setting at ¥32 per share and through agile acquisition of treasury stock while paying attention to the share price level.

(5) Fundamental policy on corporate control:

The Company has exerted its efforts to attain constant and sustainable growth to secure and enhance the corporate value of the Group and the common interests of its shareholders.

Hence, in the event that any party engages in any large purchase action with regard to the shares of the Company and consequently, it threatens to prejudice the corporate value of the Group and the common interests of its shareholders, it is the Company's fundamental policy to take any appropriate measure to the extent permitted by laws or ordinances and the Articles of Incorporation.



**CONSOLIDATED BALANCE SHEET**

(As of March 31, 2024)

(million yen)

**ASSETS**

<b>Current assets:</b>	<b>2,916,843</b>
Cash and deposit	139,325
Notes and accounts receivable-trade	919,011
Inventories	1,377,865
Accounts receivable, other	308,130
Other current assets	179,105
Allowance for doubtful accounts	(6,595)
<b>Fixed assets:</b>	<b>2,095,452</b>
<b>Tangible fixed assets</b>	<b>1,362,581</b>
Buildings and structures	239,549
Machinery, equipment and vehicles	260,317
Land	751,345
Construction in progress	23,150
Other tangible fixed assets	88,217
<b>Intangible fixed assets</b>	<b>272,027</b>
Goodwill	131,228
Other intangible fixed assets	140,798
<b>Investment and other assets</b>	<b>460,844</b>
Investment securities	266,315
Long-term loans receivable	43,524
Assets for employees' retirement benefits	61,904
Deferred tax assets	14,410
Other investments	109,923
Allowance for doubtful accounts	(35,234)
<b>TOTAL ASSETS</b>	<b>5,012,295</b>

(Note) Figures are indicated by discarding fractions less than one million yen.

(million yen)

<b>LIABILITIES</b>	
<b>Current liabilities:</b>	<b>2,192,498</b>
Notes and accounts payable-trade	793,760
Short-term borrowings	443,415
Commercial paper	225,971
Current portion of bonds payable	10,000
Accounts payable, other	479,783
Accrued income taxes	56,942
Allowance for bonuses	16,677
Other current liabilities	165,948
<b>Long-term liabilities:</b>	<b>1,007,265</b>
Bonds	140,000
Long-term debt	479,056
Deferred tax liabilities	39,412
Deferred tax liabilities upon revaluation	84,840
Liability for employees' retirement benefits	51,793
Reserve for repair works	81,997
Asset retirement obligations	26,815
Other long-term liabilities	103,348
<b>Total liabilities</b>	<b>3,199,763</b>
<b>NET ASSETS</b>	
<b>Shareholders' equity:</b>	<b>1,585,403</b>
Common stock	168,351
Additional paid-in capital	390,341
Retained earnings	1,037,716
Treasury stocks	(11,006)
<b>Accumulated other comprehensive income:</b>	<b>214,492</b>
Unrealized holding gains on other securities	5,918
Deferred gains (loss) on hedges	(4,255)
Revaluation difference of land	155,282
Translation adjustments	31,652
Retirement benefit liability adjustment	25,895
<b>Noncontrolling interests:</b>	<b>12,636</b>
<b>Total net assets</b>	<b>1,812,531</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>5,012,295</b>

(Note) Figures are indicated by discarding fractions less than one million yen.

**CONSOLIDATED STATEMENT OF INCOME**

(April 1, 2023 to March 31, 2024)

(million yen)

Account Title	Amount
<b>Net sales</b>	<b>8,719,201</b>
<b>Cost of sales</b>	<b>7,872,080</b>
<b>Gross profit</b>	<b>847,121</b>
<b>Selling, general and administrative expenses</b>	<b>500,804</b>
<b>Operating income</b>	<b>346,316</b>
<b>Non-operating income</b>	<b>63,522</b>
Interest income	16,032
Equity in earnings of nonconsolidated subsidiaries and affiliates, net	16,720
Dividend income	4,233
Gain on foreign exchange, net	17,019
Subsidy income	2,156
Others	7,359
<b>Non-operating expenses</b>	<b>24,592</b>
Interest expense	20,253
Others	4,338
<b>Ordinary income</b>	<b>385,246</b>
<b>Extraordinary income</b>	<b>15,424</b>
Gain on sales of fixed assets	7,655
Gain on sales of investment securities	3,746
Others	4,023
<b>Extraordinary expenses</b>	<b>73,916</b>
Impairment loss on fixed assets	10,619
Loss on sales of fixed assets	514
Loss on disposal of fixed assets	6,842
Loss on valuation of subsidiaries and affiliates	3,285
Loss on transfer of business	4,818
Provision of allowance for doubtful accounts	41,095
Others	6,741
<b>Income before income taxes</b>	<b>326,754</b>
Income taxes - current	102,420
Income taxes - deferred	(2,509)
<b>Net income</b>	<b>226,843</b>
Net income (loss) attributable to noncontrolling interests	(1,675)
<b>Net income attributable to owners of the parent</b>	<b>228,518</b>

(Note) Figures are indicated by discarding fractions less than one million yen.

**NON-CONSOLIDATED BALANCE**  
**SHEET**

(As of March 31, 2024)

(million yen)

**ASSETS**

<b>Current assets:</b>	<b>2,228,962</b>
Cash and deposit	29,233
Notes receivable-trade	64
Accounts receivable-trade	800,047
Merchandise and finished goods	562,848
Raw materials and supplies	568,242
Prepaid expenses	5,487
Short-term loans receivable	98,463
Other current assets	164,879
Allowance for doubtful accounts	(304)
<b>Fixed assets:</b>	<b>1,716,050</b>
<b>Tangible fixed assets</b>	<b>1,017,383</b>
Buildings	69,750
Structures	98,084
Oil tanks	18,039
Machinery and equipment	99,976
Vehicles and transportation equipment	1,434
Tools, furniture and fixtures	12,064
Land	707,786
Leased assets	1,014
Construction in progress	9,232
<b>Intangible fixed assets</b>	<b>262,232</b>
Leasehold rights	11,885
Software	17,600
Goodwill	128,899
Customer-related assets	98,718
Others	5,128
<b>Investments and other assets</b>	<b>436,435</b>
Investment securities	21,249
Investments in shares of affiliates	340,196
Long-term loans receivable	36,840
Prepaid pension costs	25,813
Other investments	47,433
Allowance for doubtful accounts	(35,098)
<b>TOTAL ASSETS</b>	<b>3,945,013</b>

(Note) Figures are indicated by discarding fractions less than one million yen.

(million yen)

**LIABILITIES****Current liabilities: 1,944,326**

Accounts payable, trade 711,593

Short-term borrowings 351,164

Commercial paper 225,971

Current portion of bonds payable 10,000

Accounts payable, other 432,469

Accrued expenses 3,433

Income taxes payable 32,373

Advances received 49,018

Deposit received 115,563

Allowance for bonuses 8,885

Other current liabilities 3,852

**Long-term liabilities: 823,786**

Bonds 140,000

Long-term debt 421,586

Deferred tax liabilities upon revaluation 84,840

Retirement allowances for employees 39,894

Reserve for repair works 57,504

Deferred tax liabilities 18,207

Other long-term liabilities 61,753

**Total liabilities 2,768,113****NET ASSETS****Shareholders' equity: 1,017,486****Common stock 168,351****Additional paid-in capital 395,378**

Capital reserve 42,105

Other capital surplus 353,273

**Retained earnings 464,763**

Retained earnings reserve 1,081

Other retained earnings 463,682

Reserve for deferred income tax on fixed assets 30,258

Retained earnings carried forward 433,423

**Treasury stocks (11,006)****Valuation and translation adjustments: 159,413**

Unrealized holding gains on other securities 3,473

Deferred gains (loss) on hedges 657

Revaluation difference of land 155,282

**Total net assets 1,176,899****TOTAL LIABILITIES AND NET ASSETS 3,945,013**

(Note) Figures are indicated by discarding fractions less than one million yen.

**NON-CONSOLIDATED STATEMENT OF INCOME**

(April 1, 2023 to March 31, 2024)

(million yen)

Account Title	Amount
<b>Net sales</b>	<b>6,645,093</b>
<b>Cost of sales</b>	<b>6,120,723</b>
<b>Gross profit</b>	<b>524,370</b>
<b>Selling, general and administrative expenses</b>	<b>359,593</b>
<b>Operating income</b>	<b>164,776</b>
<b>Non-operating income</b>	<b>56,642</b>
Interest income	4,829
Dividend income	34,370
Gain on foreign exchange, net	11,964
Subsidy income	2,086
Others	3,391
<b>Non-operating expenses</b>	<b>14,460</b>
Interest expenses	11,499
Others	2,960
<b>Ordinary income</b>	<b>206,957</b>
<b>Extraordinary income</b>	<b>7,542</b>
Gain on sales of fixed assets	3,401
Gain on sales of investment securities	2,526
Gain on liquidation of subsidiaries and affiliates	187
Gain on cancellation of tie-in shares	184
Others	1,243
<b>Extraordinary expenses</b>	<b>54,973</b>
Impairment loss on fixed assets	3,975
Loss on sale of fixed assets	473
Loss on disposal of fixed assets	5,745
Loss on revaluation of affiliate stock	542
Loss on liquidation of subsidiaries and affiliates	106
Provision for loan loss transferred	35,051
Loss on support to subsidiaries	8,000
Provision for loss on debt guarantee transferred	345
Others	734
<b>Income before income taxes</b>	<b>159,527</b>
Income taxes - current	46,991
Income taxes - deferred	428
<b>Net income</b>	<b>112,107</b>

(Note) Figures are indicated by discarding fractions less than one million yen.

# AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

May 10, 2024

To: The Board of Directors  
Idemitsu Kosan Co.,Ltd.

Deloitte Touche Tohmatsu LLC Tokyo Office

Dai Yamamoto  
Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

Minoru Takashima  
Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

Takuya Kawamura  
Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

### Audit Opinion

We have audited the consolidated financial statements, namely, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, etc. and the notes to consolidated financial statements of Idemitsu Kosan Co.,Ltd. (the "Company"), applicable to its consolidated fiscal year from April 1, 2023 to March 31, 2024 pursuant to Article 444, paragraph 4 of the Companies Act of Japan.

We are of the opinion that the above consolidated financial statements present properly the financial position and profit and loss of the corporate group comprised of Idemitsu Kosan Co.,Ltd. and its consolidated subsidiaries for the period related to the consolidated financial statements in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

### Basis for Audit Opinion

We conducted our audit in conformity with the audit standards generally accepted in Japan. Our responsibilities under the audit standards are stated in the "Auditors' Responsibility for Audit of Consolidated Financial Statements." We are independent from the Company and its consolidated subsidiaries pursuant to the relevant ethical requirements in Japan and fulfill other ethical responsibilities as Auditors. We believe that our audit obtained sufficient and appropriate

audit evidence forming a basis for our opinion.

#### Content of Other Statements

Content of other statements includes the Business Report and its annexed detailed statement. The responsibility of the Company's management is to prepare and disclose the content of other statements. In addition, the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board is to audit the execution of directors' duties in maintaining and improving the reporting process concerning the content of other statements.

Our audit opinion on the consolidated financial statements does not cover the content of other statements; therefore, we do not express any opinion regarding the content of other statements.

Our responsibility in auditing the consolidated financial statements is to read through the content of other statements and consider, in the course of such reading, whether there is any material discrepancy between the content of other statements and the consolidated financial statements or the knowledge that we obtained in the course of audit, and to pay attention to whether there is any indication of a material error in the content of other statements, other than such material discrepancy.

If we determine, based on our work, that there is a material error in the content of other statements, we are required to submit a report concerning that.

There are no matters regarding which we should submit a report in relation to the content of other statements.

#### Management's and Audit & Supervisory Board Members' and Audit & Supervisory Board's Responsibility for Consolidated Financial Statements

The responsibility of the Company's management is to prepare and present properly these consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes maintaining and improving internal control considered necessary by management to prepare and present properly these consolidated financial statements free of material misstatement by fraud or error.

In preparing consolidated financial statements, management is responsible for evaluating whether preparation of consolidated financial statements based on the going concern assumption is appropriate and for disclosing matters concerning the going concern if disclosure thereof is necessary pursuant to corporate accounting standards generally accepted in Japan.

The responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to audit the execution of directors' duties in maintaining and improving the financial reporting process.

#### Auditors' Responsibility for Audit of Consolidated Financial Statements

Auditors are responsible for expressing in the audit report an opinion on consolidated financial statements from an independent standpoint, based on an audit conducted by Auditors, after obtaining reasonable assurance as to whether there are any material misstatements in the consolidated financial statements in general by fraud or error. Misstatements may occur due to fraud or error, and will be considered material if they are reasonably expected to affect the decision making of users of consolidated financial statements individually or in the aggregate.



Auditors shall make professional judgements and conduct the following maintaining professional skepticism throughout the course of an audit in accordance with auditing standards generally accepted in Japan.

- Auditors shall identify and evaluate the risk of material misstatements by fraud or error. Auditors shall also plan and conduct audit procedures adapting to the risk of material misstatements. Selection and application of audit procedures shall be determined by Auditors. Further, Auditors shall obtain sufficient and appropriate audit evidence forming a basis for Auditors' opinion.
- An audit of consolidated financial statements is not contemplated to express an opinion on the effectiveness of internal control. However, in assessing risk, Auditors assess internal control related to the audit to form a plan for adequate audit procedures according to conditions.
- Auditors shall evaluate the appropriateness of accounting standards adopted by management and the application method thereof, the reasonableness of accounting estimates made by management and the appropriateness of relevant notes.
- Auditors shall conclude whether it is appropriate for management to prepare consolidated financial statements based on the going concern assumption and whether there are material uncertainties regarding events or conditions which may give rise to material doubts about the going concern assumption based on audit evidence obtained. In case of material uncertainty about the going concern assumption, it is necessary to call attention to the notes to the consolidated financial statements in the audit report or to express a modified opinion on the consolidated financial statements if the notes to the consolidated financial statements on material uncertainty are not appropriate. The Auditors' conclusions are based on audit evidence obtained by the date of the audit report; however, companies may not be able to continue to exist as a going concern depending on future events and conditions.
- Auditors shall evaluate, in addition to whether the presented matters and notes to consolidated financial statements are in accordance with auditing standards generally accepted in Japan, whether the presentation, structure and details of consolidated financial statements, including relevant notes, and the transactions and accounting events forming a basis for consolidated financial statements are properly presented.
- In order to express opinions on consolidated financial statements, sufficient and appropriate audit evidence on the financial information of the Company and its consolidated subsidiaries shall be obtained. Auditors shall be responsible for directing, supervising and conducting the audit of consolidated financial statements. Auditors shall be solely responsible for audit opinions.

Auditors shall report to the Audit & Supervisory Board Members and Audit & Supervisory Board on the scope and planned timing of audits, material audit findings, including material inadequacies in internal control identified in the course of the audit process, and other matters required pursuant to the audit standards.

Auditors shall report to the Audit & Supervisory Board Members and Audit & Supervisory Board their compliance with the relevant ethical requirements in Japan regarding independence, as well as matters reasonably considered to affect the independence of Auditors, and the details of the measures to remove obstructive factors or the details of safeguards to

mitigate obstructive factors to an acceptable level, if implemented.

#### Interest

Our firm and the engagement partners do not have any interest in the Company or its consolidated subsidiaries which should be disclosed under the provisions of the Certified Public Accountant Act of Japan.

- END -

AUDITORS' REPORT ON THE NON-CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

May 10, 2024

To: The Board of Directors  
Idemitsu Kosan Co.,Ltd.

Deloitte Touche Tohmatsu LLC Tokyo  
Office

Dai Yamamoto  
Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

Minoru Takashima  
Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

Takuya Kawamura  
Designated Limited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

Audit Opinion

We have audited the non-consolidated financial statements, namely, the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements, and the accompanying supplemental schedules (the "Financial Statements") of Idemitsu Kosan Co.,Ltd. (the "Company"), applicable to its 109th fiscal year from April 1, 2023 to March 31, 2024 pursuant to Article 436, paragraph 2, item 1 of the Companies Act of Japan.

We are of the opinion that the Financial Statements above present properly the financial position and profit and loss for the period related to the Financial Statements in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in conformity with the audit standards generally accepted in Japan. Our responsibilities under the audit standards are stated in the "Auditors' Responsibility for Audit of the Financial Statements." We are independent from the Company pursuant to the relevant ethical requirements in Japan and fulfill other ethical responsibilities as Auditors. We believe that our audit obtained sufficient and appropriate audit evidence forming a basis for our opinion.

## Content of Other Statements

Content of other statements includes the Business Report and its annexed detailed statement. The responsibility of the Company's management is to prepare and disclose the content of other statements. In addition, the responsibility of the Audit & Supervisory Board Members and the Audit & Supervisory Board is to audit the execution of directors' duties in maintaining and improving the reporting process concerning the content of other statements.

Our audit opinion on the non-consolidated financial statements does not cover the content of other statements; therefore, we do not express any opinion regarding the content of other statements.

Our responsibility in auditing the non-consolidated financial statements is to read through the content of other statements and consider, in the course of such reading, whether there is any material discrepancy between the content of other statements and the non-consolidated financial statements or the knowledge that we obtained in the course of audit, and to pay attention to whether there is any indication of a material error in the content of other statements, other than such material discrepancy.

If we determine, based on our work, that there is a material error in the content of other statements, we are required to submit a report concerning that.

There are no matters regarding which we should submit a report in relation to the content of other statements.

## Management's and Audit & Supervisory Board Members' and Audit & Supervisory Board's Responsibility for the Financial Statements

The responsibility of the Company's management is to prepare and present properly the Financial Statements in accordance with corporate accounting standards generally accepted in Japan. This includes maintaining and improving internal control considered necessary by management to prepare and present properly the Financial Statements free of material misstatement by fraud or error.

In preparing the Financial Statements, management is responsible for evaluating whether preparation of the Financial Statements based on the going concern assumption is appropriate and for disclosing matters concerning going concern if disclosure thereof is necessary pursuant to corporate accounting standards generally accepted in Japan.

The responsibility of Audit & Supervisory Board Members and Audit & Supervisory Board is to audit the execution of directors' duties in maintaining and improving the financial reporting process.

## Auditors' Responsibility for Audit of the Financial Statements

Auditors are responsible for expressing in the audit report an opinion on the Financial Statements from an independent standpoint, based on an audit conducted by Auditors, after obtaining reasonable assurance as to whether there are any material misstatements in the Financial Statements in general by fraud or error. Misstatements may occur due to fraud or error, and will be considered material if they are reasonably expected to affect the decision making of users of the Financial Statements individually or in the aggregate.

Auditors shall make professional judgements and conduct the following maintaining professional skepticism throughout the course of an audit in accordance with auditing standards

generally accepted in Japan.

- Auditors shall identify and evaluate the risk of material misstatements by fraud or error. Auditors shall also plan and conduct audit procedures adapting to the risk of material misstatements. Selection and application of audit procedures shall be determined by Auditors. Further, Auditors shall obtain sufficient and appropriate audit evidence forming a basis for Auditors' opinion.
- An audit of the Financial Statements is not contemplated to express an opinion on the effectiveness of internal control. However, in assessing risk, Auditors assess internal control related to the audit to form a plan for adequate audit procedures according to conditions.
- Auditors shall evaluate the appropriateness of accounting standards adopted by management and the application method thereof, the reasonableness of accounting estimates made by management and the appropriateness of relevant notes.
- Auditors shall conclude whether it is appropriate for management to prepare the Financial Statements on the going concern assumption and whether there are material uncertainties regarding events or conditions which may give rise to material doubts about the going concern assumption based on audit evidence obtained. In case of material uncertainty about the going concern assumption, it is necessary to call attention to the notes to the Financial Statements in the audit report or to express a modified opinion on the Financial Statements if the notes to the Financial Statements on material uncertainty are not appropriate. The Auditors' conclusions are based on audit evidence obtained by the date of the audit report, however, companies may not be able to continue to exist as a going concern depending on future events and conditions.
- Auditors shall evaluate, in addition to whether the presented matters and notes to the Financial Statements are in accordance with auditing standards generally accepted in Japan, whether the presentation, structure and details of the Financial Statements, including relevant notes, and the transactions and accounting events forming a basis for the Financial Statements are properly presented.

Auditors shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board on the scope and planned timing of audits, material audit findings, including material inadequacies in internal control identified in the course of the audit process, and other matters required pursuant to the audit standards.

Auditors shall report to the Audit & Supervisory Board Members and the Audit & Supervisory Board their compliance with the relevant ethical requirements in Japan regarding independence, as well as matters reasonably considered to affect the independence of Auditors, and the details of the measures to remove obstructive factors or the details of safeguards to mitigate obstructive factors to an acceptable level, if implemented.

#### Interest

Our firm and the engagement partners do not have any interest in the Company which should be disclosed under the provisions of the Certified Public Accountant Act of Japan.

- END -

## THE AUDIT AND SUPERVISORY BOARD'S AUDIT REPORT

### AUDIT REPORT

We, the Audit & Supervisory Board of the Company, based on the audit report prepared by each Audit & Supervisory Board Member on the performance by the Directors of their duties during the 109th fiscal year from April 1, 2023 to March 31, 2024, have prepared this audit report upon deliberation and hereby report as follows:

1. Method of audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board and the particulars thereof:
  - (1) The Audit & Supervisory Board determined the audit policy, assignment of duties among them, etc., received from each Audit & Supervisory Board Member reports on the state of his performance of audits and the results thereof, and also received from the Directors, etc. and the accounting auditors Deloitte Touche Tohmatsu LLC (the "Accounting Auditors") reports on the state of performance of their duties and demanded their explanations whenever necessary.
  - (2) Each Audit & Supervisory Board Member, pursuant to the rules of audits by the Audit & Supervisory Board Members determined by the Audit & Supervisory Board and in accordance with the audit policy, assignment of duties among them, etc., maintained constant communication with the Directors, the Internal Audit Office and other employees, etc. in an effort to collect information and improve the environment for auditing and conducted our audits in the following methods:
    - (a) We attended meetings of the Board of Directors and other important meetings, received from the Directors and employees, etc. reports on the state of performance of their duties, demanded their explanations whenever necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company. With regard to its subsidiaries, we maintained constant communication and exchanged information with the directors, statutory auditors, etc. thereof and required the subsidiaries to render reports on their business operations whenever necessary.
    - (b) With regard to the details of the resolutions of the Board of Directors for establishing systems to secure that the performance by the Directors of their duties will comply with laws or ordinances and the Articles of Incorporation as described in the business report and such other systems provided for in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as necessary to secure the adequacy of business of a corporate group comprising a joint-stock corporation and its subsidiaries, as well as the systems (internal control systems) established pursuant to such resolutions, we received from the Directors, employees, etc. reports on a regular basis, demanded their explanations whenever necessary, and expressed our opinions, on the status of the formulation and operation of the systems. With regard to internal control over financial reporting, we received from the Directors, etc. and the Accounting Auditors reports on the state of evaluation and audits of the internal control and demanded explanations whenever necessary.
    - (c) With regard to the fundamental policy under Article 118, paragraph 3, item (a) of the Ordinance for Enforcement of the Companies Act of Japan as described in the business report, we, taking into consideration the deliberations thereof, etc. by the

Board of Directors or otherwise, investigated the content thereof.

- (d) We also monitored and verified whether the Accounting Auditors had maintained an independent position and conducted adequate audits, and received from the Accounting Auditors reports on the state of performance of their duties and demanded their explanations whenever necessary. In addition, we received from the Accounting Auditors a notice that “systems to secure adequate performance of duties” (as listed in the items of Article 131 of the Rules of Corporate Accounting) had been established in accordance with the “Standard for Quality Control Concerning Audits” (the Accounting Standards Board of Japan, November 19, 2021) and demanded their explanations whenever necessary.

In accordance with such methods, we investigated the business report and its supplemental schedules, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, etc. and the notes to non-consolidated financial statements) and their accompanying supplemental schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, etc. and the notes to consolidated financial statements), for the fiscal year under review.

## 2. Results of audit:

### (1) Results of audit of the business report, etc.:

We are of the opinion:

- (a) That the business report and its supplemental schedules present fairly the state of the Company in accordance with laws or ordinances and the Articles of Incorporation;
- (b) That in connection with the performance by the Directors of their duties, no dishonest act or material fact of violation of laws or ordinances or the Articles of Incorporation exists;
- (c) That the details of the resolutions of the Board of Directors on internal control systems are proper and that the descriptions in the business report and the performance by the Directors of their duties concerning such internal control systems contain nothing to be pointed out. With regard to internal control over financial reporting, we have received from the Directors, etc. and the Accounting Auditors reports that there exists no material inadequacy to be disclosed at the time of preparing this audit report; and
- (d) That the fundamental policy on the ideal of the persons who shall control the determination of financial and business policies of the Company as described in the business report contains nothing to be pointed out.

### (2) Results of audit of the non-consolidated financial statements and their accompanying supplemental schedules:

We are of the opinion that the method and results of the audit made by the Accounting Auditors are proper.

### (3) Results of audit of the consolidated financial statements:

We are of the opinion that the method and results of the audit made by the Accounting Auditors are proper.

May 13, 2024

Audit & Supervisory Board  
Idemitsu Kosan Co.,Ltd.

Tsutomu Yoshioka  
Full-time Audit & Supervisory Board Member

Hidefumi Kodama  
Full-time Audit & Supervisory Board Member

Taigi Ito  
Outside Audit & Supervisory Board Member

Yumiko Ichige  
Outside Audit & Supervisory Board Member

- END -

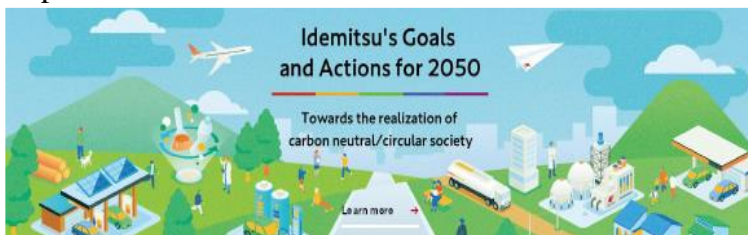


# Notice Regarding IR Information

## ■ Corporate Website

We renewed our corporate website in March 2024. The website introduces you to information in an easy-to-understand manner, including details of our business and the Medium-term Management Plan. We welcome your visit to our website.

<Special Website>



<https://www.idemitsu.com/en/index.html>

<Idemitsu in 3 minutes!>



<Interview with Idemitsu Employees>



Protecting people's lives  
by providing a stable supply of  
petroleum products every day.

Chiba Chemical Refinery Section 1  
M.YOSHIMURA

Idemitsu Chiba Complex, located in Ichihara City, Chiba Prefecture, is Complex Integrated Refinery and petrochemical plant with a total site of 1,150,000 square meters. Refinery was completed in 1963

## ■ Website for Shareholders Only, “Idemitsu Connect”

“Idemitsu Connect” is a members-only website that shareholders can register for and use. Shareholders can access information on benefits provided by lottery or members-only events such as business site tours and apply for them, or watch videos of shareholder meetings via this website.



<https://idemitsu.premium-yutaiclub.jp/>  
(Japanese only)