

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Greetings

Shunichi Kito
Representative Director
Chairman

Noriaki Sakai
Representative Director
President

We would like to express our appreciation for your continued understanding and support of our management.

In FY2024, which was the second year of our current Medium-term Management Plan, we achieved results that significantly exceeded the initial targets, continuing from FY2023. Our efforts to further improve the capital efficiency and profitability of our existing businesses, such as strengthening the competitiveness of refineries and production bases as well as expanding the domain of functional and advanced materials, are now starting to bear fruit. In addition, regarding new businesses with an eye on the coming carbon neutrality/circular society, we have been making progress in initiatives in our 4 key areas, including solid electrolytes for next-generation batteries. Moreover, we are promoting a capital strategy aimed at both securing a strong financial foundation and improving capital efficiency. We have decided to raise the dividend to ¥36 per share and have completed treasury stock acquisitions totaling ¥175.0 billion over the two years up to FY2024. Through the steady execution of both our business and capital strategies, we are seeing improvements in ROE and substantial capital efficiency.

In FY2025, a new management structure started. Currently, resource prices are fluctuating significantly, partly due to the impact of U.S. tariff policies, and the business environment is expected to remain uncertain. It is because we are in such an environment that we are strongly promoting initiatives in both existing and new businesses as we aim to embody our visions of “Your Reliable Partner for a Brighter Future” and “Shaping Change.” Since our founding, we have practiced “People-Centered Management,” and we will successfully complete the final year of our current Medium-term Management Plan while also formulating a new Medium-term Management Plan that reflects our unique identity. We humbly ask you, our valued shareholders, for your continued support.

Yours very truly,

June 3, 2025

To the Shareholders:

NOTICE OF THE 110TH ORDINARY GENERAL MEETING
OF SHAREHOLDERS

Dear Shareholders:

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

Please note that the 110th 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> (in Japanese)

The Tokyo Stock Exchange's website (TSE Listed Company Information Service):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(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 /Informational Materials for a General Shareholders Meeting) under “縦覧書類” (Filed information available for public inspection).)

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

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., Tuesday, June 24, 2025.

Yours very truly,

Noriaki Sakai
Representative Director
President

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

Description

1. Date and hour of the meeting:

Wednesday, June 25, 2025, at 10:00 a.m.

2. Place of the meeting:

Otemachi Mitsui Hall
Otemachi One Mitsui Bussan Building 3F
2-1, Otemachi 1-chome, 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 110th fiscal year (from April 1, 2024 to March 31, 2025)
2. Report on the non-consolidated financial statements for the 110th fiscal year (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

- | | |
|--------------------|---|
| Proposition No. 1: | Election of ten (10) Directors |
| Proposition No. 2: | Election of one (1) Audit & Supervisory Board Member |
| Proposition No. 3: | Election of one (1) substitute 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 exercise the voting rights in a non-uniform manner, 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 net assets,” and “Notes to consolidated financial statements” of the consolidated financial statements
 3. “Non-consolidated statement of changes in net assets,” and “Notes to non-consolidated financial statements” of the 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: Wednesday, June 25, 2025, at 10:00 a.m.

2. Postal Voting

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

Votes must be received by: Tuesday, June 24, 2025, 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.

Voting must be completed by: Tuesday, June 24, 2025, 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 and No. 3

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: Tuesday, June 24, 2025, 5:00 p.m.

Method of voting by smartphone, 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: Wednesday, June 18, 2025, 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)

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

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:

| Candi- date No. | Name | | | Current position and duties in the Company | Term of office | Meetings attended | |
|-----------------------|-----------------|-------------------|---------|--|-------------------|----------------------|-------|
| 1 | Reelection | Shunichi Kito | | Representative Director and Chairman | 12 | 15/15 | |
| 2 | Reelection | Noriaki Sakai | | Representative Director and President | 4 | 15/15 | |
| 3 | Reelection | Atsuhiko Hirano | | Representative Director, Executive Vice President, Assistant to Chief Executive Officer (Resources, Lubricants, and LPG) | 5 | 15/15 | |
| 4 | Reelection | Masahiko Sawa | | Director, Executive Vice President, Assistant to Chief Executive Officer (Manufacturing Site Strategy, Corporate Planning, and Career Design), Head of Safety & Environmental Protection Headquarters, Head of Quality Assurance Headquarters, Head of Carbon Neutral Transformation Strategic Headquarters | 3 | 15/15 | |
| 5 | Reelection | Masakazu Idemitsu | | Director (Non-Executive) | 6 | 15/15 | |
| 6 | Reelection | Kazunari Kubohara | | Director (Non-Executive) | 6 | 15/15 | |
| 7 | Reelection | Takeo Kikkawa | Outside | Independent | Director | 8 | 15/15 |
| 8 | Reelection | Jun Suzuki | Outside | Independent | Director | 2 | 15/15 |
| 9 | Reelection | Shiori Nagata | Outside | Independent | Director | 1 | 11/11 |
| 10 | New election | Mio Kashiwamura | Outside | Independent | - | - | - |


* Ratio of Outside Directors: 40%


| Candidate No. 1 | Reelection | Shunichi Kito (April 6, 1956) | |
|---|---|---|--|
|  <p>Number of shares of the Company held 194,985 shares</p> <p>(Number of dilutive shares: 299,080 shares) * The number of dilutive shares is the number of vested points in the stock compensation plan administered through a trust.</p> | <p>Brief history and position and duties in the Company (Important concurrent office)</p> <p>Apr. 1980 Joined Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”)</p> <p>Apr. 2005 Deputy General Manager of Personnel Department, Idemitsu Kosan</p> <p>July 2008 Deputy General Manager of Accounting Department, Idemitsu Kosan</p> <p>June 2011 Executive Officer and General Manager of Accounting Department, Idemitsu Kosan</p> <p>June 2013 Director, Managing Executive Officer and General Manager of Accounting Department, Idemitsu Kosan</p> <p>June 2014 Managing Director, Idemitsu Kosan</p> <p>June 2017 Executive Vice President and Director, Idemitsu Kosan</p> <p>Apr. 2018 Representative Director & Chief Executive Officer, Idemitsu Kosan</p> <p>Apr. 2019 Representative Director, President and Chief Executive Officer, Idemitsu Kosan</p> <p>June 2022 Representative Director, President and Chief Executive Officer, Idemitsu Kosan</p> <p>Sept. 2022 President, Petroleum Association of Japan (current)</p> <p>Apr. 2025 Representative Director and Chairman, Idemitsu Kosan (current)</p> <p>(Important concurrent office) President, Petroleum Association of Japan</p> | <p>Reason for nomination as candidate for Director</p> <p>Following his tenure as head of the accounting division and Executive Vice President, Mr. Shunichi Kito has, since April 2018, led the integration of management as Representative Director and Chief Executive Officer. Since April 2025, he has been responsible for the management of the Company as Representative Director and Chairman. We believe that he is capable of contributing to Japan’s energy policy and enhancing corporate value through unerring, fair, and efficient management of the Company in the future as well.</p> | |

| Candidate No. 2 | Reelection | Noriaki Sakai (April 8, 1961) | |
|--|--|--|---|
|  <p>Number of shares of the Company held 117,312 shares</p> <p>(Number of dilutive shares: 136,365 shares) * The number of dilutive shares is the number of vested points in the stock compensation plan administered through a trust.</p> | Brief history and position and duties in the Company (Important concurrent office) | | Reason for nomination as candidate for Director |
| | Apr. 1985 | Joined Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”) | Following his tenure as head of the accounting and finance divisions and Executive Vice President, Mr. Noriaki Sakai assumed the post of Representative Director and President in April 2025. He has stepped up efforts to promote “People-Centered Management” aimed at realizing our Vision for 2050 of “Shaping Change,” and we believe that he is capable of unerring, fair, and efficient management of the Company. |
| | 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 | |
| | Apr. 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 | |
| | Apr. 2025 | Representative Director and President, Idemitsu Kosan (current) | |

| Candidate No. 3 | Reelection | Atsuhiko Hirano (August 25, 1962) | | |
|--|--|---|---|--|
|  <p>Number of shares of the Company held 44,205 shares</p> <p>(Number of dilutive shares: 133,060 shares) * The number of dilutive shares is the number of vested points in the stock compensation plan administered through a trust.</p> | Brief history and position and duties in the Company (Important concurrent office) | | Reason for nomination as candidate for Director | |
| | Apr. 1985 | Joined Showa Shell Sekiyu K.K. (“Showa Shell”) | | Mr. Atsuhiko Hirano possesses extensive experience, knowledge and expertise, having headed the fuel sales division and renewable energy division. He has been responsible for the overall management as the Representative Director and Executive 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. |
| | Sept. 2002 | General Manager, Shizuoka Area, Showa Shell | | |
| | Sept. 2004 | General Manager of Marketing Planning Division, Showa Shell | | |
| | Mar. 2005 | Executive Officer and General Manager of Marketing Planning Division, General Manager of Retail Sales Division, Showa Shell | | |
| | Mar. 2006 | Director, Showa Shell | | |
| | Mar. 2009 | Corporate Executive Officer, Showa Shell | | |
| | Mar. 2013 | Senior Corporate Executive Officer, Showa Shell | | |
| | July 2014 | Representative Director, President, Solar Frontier K.K. | | |
| | Apr. 2019 | Managing Executive Officer, Idemitsu Kosan Co., Ltd. (“Idemitsu Kosan”) | | |
| | June 2020 | Director, Managing Executive Officer, Idemitsu Kosan | | |
| | June 2022 | Director, Executive Vice President, Idemitsu Kosan | | |
| | June 2023 | Representative Director, Executive Vice President, Idemitsu Kosan (current) | | |
| Current duties: | Assistant to Chief Executive Officer (Resources, Lubricants, and LPG) | | | |

| Candidate No. 4 | Reelection | Masahiko Sawa (July 11, 1962) |
|---|---|---|
|  <p>Number of shares of the Company held 49,669 shares</p> <p>(Number of dilutive shares: 82,265 shares) * The number of dilutive shares is the number of vested points in the stock compensation plan administered through a trust.</p> | <p>Brief history and position and duties in the Company (Important concurrent office)</p> | |
| | Apr. 1990 | Joined Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”) |
| | Apr. 2013 | Deputy General Manager of Gas Business Department, Idemitsu Kosan |
| | June 2017 | General Manager of Technology & Engineering Center, Idemitsu Kosan |
| | Apr. 2019 | Executive Officer and General Manager of Hokkaido Refinery, Idemitsu Kosan |
| | June 2021 | Senior Executive Officer (in charge of Manufacturing & Technology), Idemitsu Kosan |
| | June 2022 | Director, Managing Executive Officer, Idemitsu Kosan |
| | June 2024 | Director, Executive Vice President, Idemitsu Kosan (current) |
| | Current duties: | Assistant to Chief Executive Officer (Manufacturing Site Strategy, Corporate Planning, and Career Design), Head of Safety & Environmental Protection Headquarters, Head of Quality Assurance Headquarters, Head of Carbon Neutral Transformation Strategic Headquarters |
| | | Reason for nomination as candidate for Director |
| | | Mr. Masahiko Sawa has worked as the top manager of the manufacturing and technology divisions and has accumulated wide experience, knowledge, and expertise in such fields. Responsible for overall management as Director and Executive Vice President, he has promoted business restructuring aimed at the transition to carbon neutrality as a manager with a technical background, and delivered solid results. Thus, management has judged that he will be able to execute business of the Company properly, fairly and effectively. |


| Candidate No. 5 | Reelection | Masakazu Idemitsu (October 15, 1968) | |
|--|--|--------------------------------------|--|
|  Number of shares of the Company held 100 shares | <p>Brief history and position and duties in the Company (Important concurrent office)</p> <p>Apr. 2010 Councilor, Public Interest Incorporated Foundation Idemitsu Museum of Arts (current) Councilor, Public Interest Incorporated Foundation Idemitsu Culture and Welfare Foundation</p> <p>Dec. 2015 Director and Vice President, Nissho Kosan Co., Ltd. (“Nissho Kosan”)</p> <p>Apr. 2016 Representative Director and President, Nissho Kosan (current)</p> <p>Apr. 2019 Director, Idemitsu Kosan Co.,Ltd. (current) Representative Director and President, Showa Kosan Co., Ltd. (“Showa Kosan”) (current)</p> <p>Apr. 2020 Representative Director and President, MI Power Co., Ltd. (current)</p> <p>Oct. 2020 Representative Director, General Incorporated Association Idemitsu Philosophy Laboratory (current)</p> <p>Apr. 2021 Representative Director, General Incorporated Association Idemitsu Kosan Corporate History and Philosophy Laboratory (current)</p> <p>Aug. 2024 Representative Director and President, ZEN Co., Ltd. (current)</p> <p>Aug. 2024 Representative Director and President, ENN Co., Ltd. (current)</p> <p>(Important concurrent office) Representative Director and President, Nissho Kosan Representative Director and President, Showa Kosan</p> | | <p>Reason for nomination as candidate for Director</p> <p>Mr. Masakazu Idemitsu assumed the position of Director of the Company in 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>Number of shares of the Company held - shares</p> | Brief history and position and duties in the Company (Important concurrent office) | | Reason for nomination as candidate for Director |
| | Dec. 2008 | Registered as an attorney, established Kyuhodo Law Firm (current) | 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. |
| | Apr. 2010 | Committee Member, Tokyo Local Third-Party Committee to Check Pension Records, Ministry of Internal Affairs and Communications | |
| | Apr. 2011 | Delegate, Dai-Ichi Tokyo Bar Association | |
| | Sept. 2015 | Auditor, General Incorporated Association for Realizing Prescription of Adequate Amount of Anti-Dementia Drugs | |
| | June 2016 | Outside Statutory Auditor, Class Technology Co., Ltd. | |
| | July 2017 | Auditor, Medical Corporation Hakueikai Miyake Dental Clinic (current) | |
| | Mar. 2018 | Delegate, Japan Federation of Bar Associations | |
| | Apr. 2018 | Vice Chairperson, the Legal Services Obstruction Countermeasures Committee, Dai-Ichi Tokyo Bar Association | |
| | Apr. 2019 | Director, Idemitsu Kosan Co.,Ltd. (current) | |
| | (Important concurrent office) | Attorney at law (Kyuhodo Law Firm) | |

| Candidate No. 7 | Reelection | Takeo Kikkawa (August 24, 1951) | |
|---|--|--|--|
|  <p>Number of shares of the Company held - shares</p> | Brief history and position and duties in the Company (Important concurrent office) | | Reason for nomination as candidate for Director and overview of expected roles as Outside Director |
| | Apr. 1987 | Associate Professor, Aoyama Gakuin University School of Business | <p>Since Mr. Takeo Kikkawa possesses extensive experience and wide-ranging knowledge as a university professor, as well as ample knowledge on corporate management as an expert in business administration and especially the energy industry, and satisfies the “Independence Requirements for Outside Officers” of the Company, we believe that he is capable of performing his duties as Outside Director appropriately. 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.</p> |
| | Oct. 1993 | Associate Professor, Institute of Social Science, University of Tokyo | |
| | Apr. 1996 | Professor, Institute of Social Science, University of Tokyo | |
| | Apr. 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 | |
| | Apr. 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. (current) | |
| | Apr. 2020 | Professor, Graduate School of International Management, International University of Japan | |
| | Apr. 2021 | Vice President and Professor, Graduate School of International Management, International University of Japan | |
| | Sept. 2023 | President, International University of Japan (current) | <p>Business relationship between the candidate and the Company</p> <p>The Company has invited Mr. Kikkawa to give lectures, but the remuneration paid to him in FY2024 was approximately ¥100,000, which accounts for less than 2% of the Company’s consolidated net sales. In addition, the Company has transactions with the International University of Japan regarding course fees, but the transaction amount for FY2024 was approximately ¥4.6 million, which accounts for less than 2% of the Company’s consolidated net sales.</p> |

| Candidate No. 8 | Reelection | Jun Suzuki (February 19, 1958) | |
|---|---|--|--|
|  <p>Number of shares of the Company held 12,500 shares</p> | Brief history and position and duties in the Company (Important concurrent office) | | Reason for nomination as candidate for Director and overview of expected roles as Outside Director |
| | <p>Apr. 1983 Apr. 2002</p> <p>Oct. 2003</p> <p>Apr. 2011</p> <p>Apr. 2012</p> <p>Apr. 2013</p> <p>June 2013</p> <p>Apr. 2014</p> <p>Apr. 2022</p> | <p>Joined Teijin Limited General Manager, Bio-Medical Evaluation Research Department, Pharmaceutical Discovery Research Laboratories, Teijin Limited</p> <p>General Manager, Pharmaceutical Planning Department, Teijin Pharma</p> <p>Teijin Group Chief Representative of Europe President, Teijin Holdings Netherlands B.V.</p> <p>Teijin Group Corporate Officer Chief Marketing Officer and Director for BRICs Business</p> <p>Teijin Group Executive Officer General Manager, Advanced Fibers & Composites Business Group General Manager, Carbon Fibers & Composites Business Unit President and Representative Director, Toho Tenax Co., Ltd.</p> <p>Member of the Board, Executive Officer, Teijin Limited General Manager, Advanced Fibers & Composites Business Group General Manager, Carbon Fibers & Composites Business Unit President and Representative Director, Toho Tenax Co., Ltd.</p> <p>President and CEO, Representative Director of the Board, Teijin Limited</p> <p>Chairperson, Member of the Board, Teijin Limited Executive Member of the Policy Board, Japan Business Federation (“Keidanren”) (current)</p> | <p>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 CEO as well as Representative Director of the Board 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 “Independence Requirements for 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>Business relationship between the candidate and the Company</p> <p>The Company has transactions with Teijin Limited regarding land leases, but the transaction amount for FY2024 was approximately ¥10 million, which accounts for less than 2% of the Company’s consolidated net sales.</p> |

| | |
|-------------------------------|--|
| June 2022 | Outside Director, The Midori Kai Co., Ltd. (current) Chairman, Japan-Thailand Trade and Economic Committee, Keidanren (current) |
| Jan. 2023 | Member, APEC Business Advisory Council (ABAC) (current) |
| Apr. 2023 | Vice Chairman, Executive Director, Japan Association of Corporate Executives (KEIZAI DOYUKAI) (current) |
| June 2023 | Senior Advisor, Teijin Limited (current) External Director, MS&AD Insurance Group Holdings, Inc. (current) Director, Idemitsu Kosan Co.,Ltd. (current) |
| Mar. 2025 | Executive Member of the Council for Science, Technology, and Innovation (Cabinet Office, JAPAN) (current) |
| (Important concurrent office) | External Director, MS&AD Insurance Group Holdings, Inc. |

| Candidate No. 9 | Reelection | Shiori Nagata (March 20, 1978) | |
|---|--|--|---|
|  <p>Number of shares of the Company held 372 shares</p> | Brief history and position and duties in the Company (Important concurrent office) | | Reason for nomination as candidate for Director and overview of expected roles as Outside Director |
| | Apr. 2000 | Joined Deloitte Tohmatsu Consulting, Inc. | <p>Ms. Shiori Nagata has been engaging in business consultant, management planning, and corporate acquisitions 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 “Independence Requirements for Outside Officers” of the Company.</p> <p>In addition, 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 has transactions with NEC Corporation regarding system development, maintenance, etc., but the transaction amount for FY2024 was approximately ¥200 million, which accounts for less than 2% of the Company’s consolidated net sales.</p> |
| | Jan. 2005 | General Manager of Corporate Planning, Tohato Inc. | |
| | Apr. 2006 | General Manager of Corporate Planning, Accounting, Financing and Supply Chain Management, Tohato Inc. | |
| | Jan. 2007 | Unison Capital Inc. | |
| | Jan. 2011 | Vice President, INCJ, Ltd. | |
| | Jan. 2015 | Executive Officer, General Manager of the Recreational Marine Business Unit, Yanmar Co., Ltd. | |
| | Apr. 2020 | Representative Director and President, YANMAR Marine International B.V. Director, Chief Strategy Officer, Head of the Management Strategy Division, Yanmar Holdings Co., Ltd. | |
| | Nov. 2022 | Temporary Committee Member, Industrial Structure Council, Ministry of Trade, Economy and Industry (Committee on New Direction of Economic and Industrial Policies, Manufacturing Industry Committee) (current) | |
| | May 2023 | Advisory Board member, Dutch & Japanese Trade Federation (current) | |
| | Apr. 2024 | Director, Yanmar Holdings Co., Ltd. | |
| | June 2024 | Member of the Board Member of the Audit Committee, NEC Corporation (current) Director, Idemitsu Kosan Co., Ltd. (current) | |
| | Sept. 2024 | Administrative Counsel Member of Japan External Trade Organization (current) | |
| | (Important concurrent office) | Member of the Board Member of the Audit Committee, NEC Corporation | |

| Candidate No. 10 | New election | Mio Kashiwamura (June 9, 1974) | |
|---|--|--|--|
|  <p>Number of shares of the Company held - shares</p> | Brief history and position and duties in the Company (Important concurrent office) | | Reason for nomination as candidate for Director and overview of expected roles as Outside Director |
| | Apr. 1998 | Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.) | <p>Ms. Mio Kashiwamura was involved in the matching platform business at a group company of Recruit Co., Ltd., and served as Senior Vice President of Recruit Holdings Co., Ltd. and Representative Director and President of a group company from 2015, before being appointed Executive Vice President of Recruit Co., Ltd. in April 2025. Management has judged that Ms. Mio Kashiwamura 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, public relations, and sustainability, and satisfies the “Independence Requirements for 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 has transactions with Recruit Co., Ltd., regarding personnel referrals, employee surveys, etc., but the transaction amount for FY2024 was approximately ¥50 million, which accounts for less than 2% of the Company’s consolidated net sales.</p> |
| | Apr. 2004 | Executive Director, SHANGHAI RECRUIT ADVERTISING CO., LTD. | |
| | Oct. 2011 | Sales MD Executive Manager of the 2nd MD Department, Ponpare Office, CAP Company, Recruit Co., Ltd. | |
| | Apr. 2012 | Executive Directing Manager of the Beauty Information Department, CAP Company, Recruit Co., Ltd. | |
| | Oct. 2012 | Senior Vice President, Recruit Lifestyle Co., Ltd. Executive Manager of the Beauty Information Department | |
| | Apr. 2015 | Senior Vice President, Recruit Holdings Co., Ltd. | |
| | Apr. 2016 | Representative Director and President, Recruit Staffing Co., Ltd. | |
| | Apr. 2018 | SBU Executive Officer, Recruit Global Staffing B.V. (currently RGF Staffing B.V.) | |
| | Apr. 2019 | Senior Vice President, Recruit Co., Ltd. Representative Director and President, Recruit Marketing Partners Co., Ltd. | |
| | Apr. 2020 | Senior Vice President, Recruit Holdings Co., Ltd. | |
| | Apr. 2025 | Executive Vice President, Recruit Co., Ltd. (current) | |

- (Notes)
1. Mr. Shunichi Kito serves as the President of the Petroleum Association of Japan, and the Company engages in transactions with said Association such as the payment of membership fees.
 2. Mr. Masakazu Idemitsu serves as Representative Director and President of Nissho Kosan and Showa Kosan, which are major shareholders of the Company. The Company engages in transactions with Nissho Kosan such as the leasing of real estate. The Company does not engage in any transactions with Showa Kosan. Mr. Idemitsu also serves as Representative Director of General Incorporated Association Idemitsu Kosan Corporate History and Philosophy Laboratory, and the Company engages in outsourcing transactions with said Laboratory.
 3. There is no special relationship between any candidate for Director and the Company, except for Mr. Shunichi Kito, Mr. Masakazu Idemitsu, and Mr. Takeo Kikkawa. The transactions between Mr. Takeo Kikkawa and the Company are as described on page 14.
 4. Mr. Takeo Kikkawa, Mr. Jun Suzuki, Ms. Shiori Nagata, and Ms. Mio Kashiwamura are candidates for Outside Director.
 5. 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, Mr. Jun Suzuki, and Ms. Shiori Nagata 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, Mr. Jun Suzuki, and Ms. Shiori Nagata is approved, the Company plans to continue each agreement. In addition, if Ms. Mio Kashiwamura is elected, the Company plans to enter into the same agreement with her to limit the liability for damages.
 6. 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.
 7. The Company has registered Mr. Takeo Kikkawa, Mr. Jun Suzuki, and Ms. Shiori Nagata as independent officers with the Tokyo Stock Exchange in accordance with its rules. In addition, Ms. Mio Kashiwamura 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.
 8. The number of shares of the Company held by each candidate for Director includes the candidate's interests in the Idemitsu Officer Stockholders Committee.
 9. The career summary of each Director is as of the preparation date (May 13, 2025) of these Reference Documents for the General Meeting of Shareholders.

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

The term of office of an Audit & Supervisory Board Member, Mr. Tsutomu Yoshioka, 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:

| | | | |
|---|---|---|---|
| New election | Nami Kitamura (March 13, 1965) | | |
|  <p>Number of shares of the Company held 30,085 shares</p> | Brief history and position in the Company (Important concurrent office) | | Reason for nomination as candidate for Audit & Supervisory Board Member |
| | Apr. 1990 | Joined Showa Shell Sekiyu K.K. (“Showa Shell”) | Ms. Nami Kitamura possesses wide-ranging knowledge and expertise based on her experience in research, promotion of new businesses and public relations. She is also deeply familiar with the Company’s business and the challenges it faces, having served as the head of public relations as well as of asphalt and other business divisions. Thus, we believe that she is capable of leveraging her wide-ranging knowledge for the unerring, fair, and efficient audits and supervision of the Company. |
| | Apr. 2009 | General Manager of New Business Promotion Department, Showa Shell Seconded to the Industry-Academia Collaboration Initiative Nonprofit Organization | |
| | Mar. 2012 | Head of Overseas Intellectual Property Strategy Office, Showa Shell | |
| | Oct. 2014 | General Manager of Product Development Department, Atsugi Research Center, Technology Division, Solar Frontier K.K. | |
| | Apr. 2016 | General Manager of Marketing Planning Division, Showa Shell | |
| | Apr. 2017 | General Manager of Energy Solutions Business Division, Showa Shell | |
| | Apr. 2019 | General Manager of Public Relations Department, Idemitsu Kosan Co.,Ltd. (“Idemitsu Kosan”) | |
| | July 2021 | Executive Officer, General Manager of Public Relations Department, Idemitsu Kosan | |
| | Mar. 2023 | Executive Officer, General Manager of Bitumen Department, Advanced Materials Company, Idemitsu Kosan (current) | |

- (Notes)
1. There is no special relationship between Ms. Nami Kitamura and the Company.
 2. 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 Ms. Nami Kitamura is elected and assumes office as an Audit & Supervisory Board Member, she will be insured under said insurance contract. Said insurance contract will be renewed with the same contents upon the next renewal.
 3. The number of shares of the Company held by each candidate for Audit & Supervisory Board Member includes the candidate's interests in the Idemitsu Employee Association.
 4. The career summary of the candidate for Audit & Supervisory Board Member is as of the preparation date (May 13, 2025) of these Reference Documents for the General Meeting of Shareholders.

Proposition No. 3: Election of one (1) substitute Audit & Supervisory Board Member

In order to prepare for situations where there is a deficiency in the number of Audit & Supervisory Board Members, it is hereby proposed that one (1) substitute outside Audit & Supervisory Board Member be elected.

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

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

Junko Kai (September 29, 1967)

|  Number of shares of the Company held - shares | Brief history | | Reason for nomination as candidate for substitute Audit & Supervisory Board Member |
|---|---------------|---|--|
| | Apr. 1992 | Registered as an attorney at law (Daini Tokyo Bar Association) | Ms. Junko Kai possesses extensive experience as an attorney as well as ample understanding of corporate management as an expert in corporate law, and satisfies the “Independence Requirements for Outside Officers” of the Company. Therefore, we believe that she is capable of performing her duties as outside Audit & Supervisory Board Member appropriately. |
| | Dec. 2002 | Partner, Hamani, Takahashi & Kai Law Office (current) | |
| | June 2006 | Committee Member, Disciplinary Enforcement Committee, Daini Tokyo Bar Association | |
| | Mar. 2007 | Lecturer of Criminal Defense, Legal Training and Research Institute | |
| | Apr. 2010 | Tokyo Family Court Conciliation Committee Member | Business relationship between the candidate and the Company |
| | July 2010 | Reserve Committee Member, Disciplinary Committee, The Japanese Institute of Certified Public Accountants | |
| | Oct. 2010 | Bar Examiner (Code of Criminal Procedure) Examiner for the Preliminary Bar Examination (Code of Criminal Procedure) | The Company has transactions with Narita International Airport Corporation regarding fueling facility usage fees, but the transaction amount for FY2024 was approximately ¥2.5 billion, which accounts for less than 2% of the Company’s consolidated net sales. |
| | June 2014 | Committee Member, Pension Special Account Public Procurement Committee, Ministry of Health, Labour and Welfare (current) | |
| | Oct. 2015 | Special Committee Member, Central Committee for Adjustment of Construction Work Disputes, Ministry of Land, | |

| | | |
|--|-------------------------------|---|
| | Feb. 2016 | Infrastructure, Transport and Tourism (current) Committee Member, Disciplinary Committee, Daini Tokyo Bar Association |
| | June 2019 | Outside Director, Narita International Airport Corporation (current) |
| | June 2021 | Outside Audit & Supervisory Board Member, JSR Corporation |
| | Mar. 2022 | Outside Director, THK CO., LTD. (current) |
| | (Important concurrent office) | Attorney at law, Partner, Hamani, Takahashi & Kai Law Office Outside Director, THK CO., LTD. |

- (Notes)
1. There is no special relationship between Ms. Junko Kai and the Company.
 2. Ms. Junko Kai is a candidate for substitute 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 Ms. Junko Kai to limit the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act of Japan if she 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 Ms. Junko Kai is elected and assumes office as an Audit & Supervisory Board Member, she will be insured under said insurance contract. Said insurance contract will be renewed with the same contents upon the next renewal.
 5. Ms. Junko Kai 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 if she is elected and assumes office as an Audit & Supervisory Board Member.
 6. The career summary of Ms. Junko Kai is as of the preparation date (May 13, 2025) 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 continues 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 capital 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 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 capital development / DE&I | The Officers are required to promote the development of human capital 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 capital 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 Director and Audit & Supervisory Board Member | | Corporate philosophy / business strategy | Human capital development / DE&I | Co-creation / international business | Manufacturing / research | Marketing / supply | Governance / legal affairs | Finance / accounting / tax | Company's reasons for placing  in the relevant columns indicating areas in which it expects the relevant Officer to contribute |
|--|-------------------|---|---|---|---|---|--|---|--|
| Directors | | | | | | | | | Served as Representative Director and Chief Executive Officer since 2018, leading management integration. Assumed office as Representative Director and Chairman of the Company in April 2025. The Company expects him to promote growth strategies aimed at realizing the Vision for 2050, based on his insight from his experience as a Director in charge of accounting, human capital, and fuel business. |
| | Shunichi Kito |  |  | | |  | |  | |
| | Noriaki Sakai |  |  | | | |  |  | Assumed office as Representative Director and President of the Company in April 2025. The Company expects him to lead and to strengthen management foundations aimed at 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. |
| | 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 divisions. |
| | 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 lead business structure reforms as a technical manager, in addition to providing his expertise for R&D and manufacturing and technology divisions. He also promotes the Company's DE&I, such as workstyle reforms in the 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 the Company's 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 as well as advise business structure reforms as an Outside Director, based on his insight related to energy transition trends both in and outside Japan and knowledge of related advanced technologies, and his ample knowledge related to corporate management as an expert in business administration, particularly regarding the energy industry theory. |
| Independent | | | | | | | | | |
| Outside | Jun Suzuki |  | |  |  | |  | | The Company expects him to supervise and advise the strengthening of its management foundations and the implementation of 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 |  |  |  | | |  | | Possesses a strategic perspective and expert knowledge on management planning and administration from her career experience in a wide range of industries. The Company expects her to promote DE&I, provide strategic advice, and contribute to improving the organization and the decision-making process as an Outside Director. |
| Independent | | | | | | | | | |
| Outside | Mio Kashiwamura |  |  |  | |  | | | Has held important positions at global human capital companies. The Company expects her to provide supervision and advice toward strengthening efforts in the domain of human capital and business structure reform as an Outside Director, based on her extensive experience and wide-ranging knowledge in areas such as management, human capital, public relations and liaison, and sustainability. |
| Independent | | | | | | | | | |

| | | | | | |
|-----------------------------------|-----------------|---|---|---|---|
| Audit & Supervisory Board Members | Hidefumi Kodama |  |  |  | The Company expects him to provide audits from finance, accounting, and international business perspectives based on his experience drafting medium- to long-term management strategies, serving as a person responsible for financial management, and managing international resources and the coal businesses. |
| | Nami Kitamura |  |  |   | Possesses extensive experience in such fields as research, intellectual property, promoting new businesses, and public relations, with wide-ranging knowledge and expertise. The Company expects her to provide audits from the perspectives of corporate affairs, research, and new business domains. |
| Outside | Yumiko Ichige |  |  |  | Possesses ample experience as an attorney, and has ample knowledge of corporate management as an expert in corporate law. The Company expects her to provide guidance and audits from the perspectives of business strategy, governance, etc., since she actively promotes the empowerment of women in the workplace, and is well versed in the field of intellectual property from her experience as a member of a council in the Japan Patent Office. |
| Independent | | | | | |
| Outside | Masahiko Tezuka |  |  |  | Has held key positions at major auditing firms, and served as Executive Board Member and Chairman and President of the Japanese Institute of Certified Public Accountants. The Company expects him to provide guidance and audits from the perspectives of management strategy, international business, governance, etc. as outside Audit & Supervisory Board Member, based on his extensive experience in auditing global businesses. |
| 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.

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.

BUSINESS REPORT

(April 1, 2024 to March 31, 2025)

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

(1) Business overview:

Consolidated Financial Results for FY2024 (From April 2024 to March 2025)

| | Net sales | Operating Income + Equity Income (In brackets: Excludes inventory impact) | Net Income Attributable to Owners of the Parent (In brackets: Excludes inventory impact) |
|------------------------|------------------|--|---|
| FY2024 [110th year] | ¥9,190.2 billion | ¥184.8 billion (¥214.7 billion) | ¥104.1 billion (¥124.8 billion) |
| FY2023 [109th year] | ¥8,719.2 billion | ¥363.0 billion (¥310.6 billion) | ¥228.5 billion (¥192.1 billion) |

During the fiscal year under review, the Japanese economy continued to recover gradually against a backdrop of improved employment and earning conditions. On the other hand, the situation remained unstable due to the prolonged impact of geopolitical risks such as Russia’s invasion of Ukraine and the intensifying tensions in the Middle East, as well as the policy trends of the new U.S. administration.

Oil prices continued to decline throughout the year as weak economic indicators in the United States and China raised concerns about an economic slowdown although they rose temporarily due to heightened geopolitical risks. As a result, the Dubai crude oil price fell by \$3.8/barrel from the previous fiscal year, to \$78.5/barrel.

The yen-to-dollar exchange rate began the fiscal year with the yen weakening against the dollar due to differences in monetary policy between Japan and the United States, reaching a rate close to ¥160 to the dollar in July. However, since August, the exchange rate has continued to fluctuate due to the interest rate differential between Japan and the United States, resulting in an average rate of ¥152.6 to the dollar, down ¥8 to the dollar from the previous fiscal year.

Australian thermal coal spot prices remained stable throughout the year, but due to the impact of high prices at the beginning of the previous fiscal year, the average price fell by \$38/ton from the previous fiscal year to \$134.8/ton.

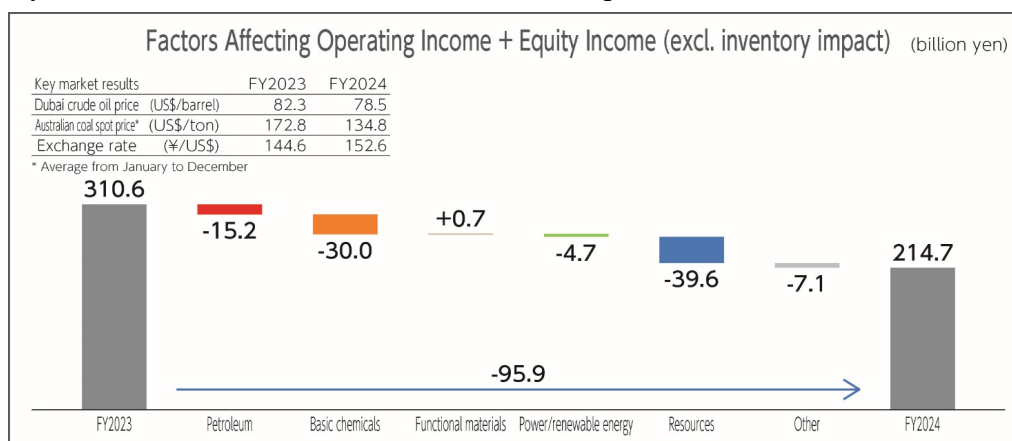
In this environment, consolidated net sales for FY2024 amounted to ¥9,190.2 billion, an increase of ¥471.0 billion from the previous fiscal year, mainly due to the weakening of the yen, despite the decline in crude oil prices and deterioration in coal market conditions.

Operating income + equity income (excluding inventory impact) decreased by ¥95.9 billion from the previous fiscal year to ¥214.7 billion, due to such factors as a decrease in income in the basic chemicals segment that was mainly attributable to the deterioration in product market conditions and a decrease in income in the resources segment that was mainly attributable to the deterioration in coal market conditions.

Net income (excluding inventory impact) was ¥124.8 billion, down by ¥67.3 billion from the previous fiscal year.

Net income including inventory impact amounted to ¥104.1 billion, down by ¥124.5

billion from the previous fiscal year, due to the above decrease in income as well as a rise in inventory valuation losses due to the fall in crude oil prices.



| | (billion yen) | | | | | | |
|--------|---------------|-----------------|----------------------|----------------------------|-----------|--------|-------|
| | Petroleum | Basic chemicals | Functional materials | Power and renewable energy | Resources | Other | Total |
| FY2024 | 152.0 | (8.0) | 28.2 | (12.3) | 77.4 | (22.7) | 214.7 |
| FY2023 | 167.2 | 22.0 | 27.6 | (7.6) | 116.9 | (15.6) | 310.6 |

■ Petroleum segment

Domestic products margins were solid for the petroleum segment, but due to the impact of refinery equipment problems and a decrease in export profits due to worsening overseas margins, the segment posted profits of ¥152.0 billion (down ¥15.2 billion from the previous fiscal year).

■ Basic chemicals segment

The basic chemicals segment posted a loss of ¥8.0 billion (down ¥30.0 billion from the previous fiscal year), due to the deterioration in product market conditions and a decrease in volume due to regular repairs and production equipment problems.

■ Functional materials segment

The functional materials segment posted profits of ¥28.2 billion (up ¥0.7 billion from the previous fiscal year) due to such factors as improvements in the sales portfolio of the lubricants business, despite a decrease in volume due to regular repairs of production facilities for functional chemicals.

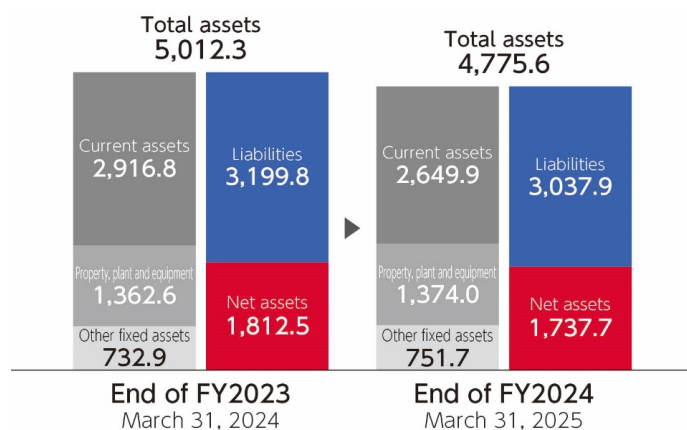
■ Power and renewable energy segment

The power and renewable energy segment posted a loss of ¥12.3 billion (down ¥4.7 billion from the previous fiscal year), due to factors such as increased procurement costs owing to problems at power stations and increased biomass raw material costs.

■ Resources segment

The oil/natural gas exploration and production business posted profits of ¥18.7 billion (down ¥0.4 billion from the previous fiscal year), due to factors such as the fall in crude oil prices. The coal business posted profits of ¥58.7 billion (down ¥39.2 billion from the previous fiscal year), due to price factors accompanying the decline in coal market prices. As a result, the total profits for the resources segment came to ¥77.4 billion (down ¥39.6 billion from the previous fiscal year).

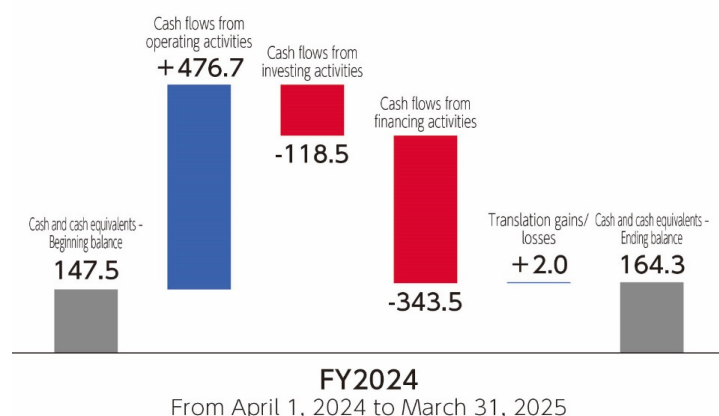
Consolidated Balance Sheet (billion yen)



Points

- Total assets as of March 31, 2025 declined by ¥236.7 billion from the previous fiscal year, mainly due to a decrease in inventory and accounts receivable caused by such factors as falling resource prices.
- The net D/E ratio declined from 0.67 to 0.62, as a decrease in interest-bearing debts exceeded the decrease in net assets, mainly due to a decrease in working capital.

Cash Flows (CFs) (billion yen)



Points

- CF from operating activities was positive, at +¥476.7 billion, due to the recording of net income and a decrease in working capital. CF from investing activities was negative, at -¥118.5 billion, due to the acquisition of fixed assets, etc., resulting in a free CF of ¥358.2 billion.
- CF from financing activities was negative, at -¥343.5 billion, due to the repayment of interest-bearing debts, shareholder returns such as dividends and share repurchases, etc.
- As a result, the end-of-period balance of cash and cash equivalents, was positive, at +¥16.8 billion.

Progress Made in the Second Year of the Medium-term Management Plan

① Business Structure Reform Initiatives: Further Improvement of Capital Efficiency and Profitability of Existing Businesses

In order to supply energy and materials stably, we believe it is extremely important to further improve the capital efficiency and profitability of our existing businesses. Under this policy, in FY2023, we pursued business structure reforms in our functional chemicals business and introduced on-site solar power generation systems. In our lubricants business, we newly developed and expanded sales of high-value-added products, such as oils for drive units of EVs and HEVs that help reduce costs and improve vehicle performance. In our resources business, we pursued initiatives such as concentrating coal production at the Boggabri Coal Mine. Furthermore, in FY2024, we accelerated our efforts to improve capital efficiency and profitability, as well as to reduce CO₂ emissions, through the following major initiatives.

<Major Initiatives in FY2024>

Strengthening the competitiveness of refineries and production bases

- Suspension of refining operations at Seibu Oil Co., Ltd., and promotion of studies aimed at the establishment of a Carbon Neutral Transformation (CNX) Center
- Capital and business alliance with Fuji Oil Co., Ltd.
- Consideration of optimizing production through the consolidation of ethylene facilities in the Chiba district with Mitsui Chemicals, Inc.

Maintaining and strengthening service station networks and improving customer experience value

- Nationwide rollout of various measures to boost profitability of service stations, aiming for “Smart Yorozuya”
- Popularization of the “Drive On” app (over 11 million downloads), which improves customer experience value, and development of new business formats (apolloONE, Type Green)

Expanding the domain of functional and advanced materials

- Expanding overseas sales channels of “Idemitsu Brand Motor Oil” lubricants in overseas markets
- Strengthening the foundation of the bio/life solutions business by turning AGRO-KANESHO CO., LTD. into a wholly owned subsidiary

Speeding up the introduction of next-generation fuels

- Commencement of sales of “Idemitsu Bio Diesel 5”
- Commencement of sales of “Idemitsu Renewable Diesel”
- Demonstration of “Idemitsu Biofuel Oil as marine fuel”

② Business Structure Reform Initiatives: Initiatives Aimed at a Carbon-Neutral/Circular Society

With an eye on the coming carbon-neutral/circular society, we are promoting the evolution of our business portfolio through the social provision of three business domains, “Energy one step ahead,” “Diverse resource conservation/circulation solutions,” and “Smart Yorozyu.” In May 2024, we designated blue ammonia, e-methanol, SAF, and lithium solid electrolytes as 4 key areas. We have also started construction of an oil-chemical recycling facility for used plastics.

<Major Initiatives in FY2024>

● Energy one step ahead

Blue Ammonia

Ammonia, which is expected to replace coal and heavy oil, can be transported and stored in the same manner as petroleum products, and allows us to utilize existing facilities and supply chains. In addition to considering the establishment of an ammonia supply base at the Tokuyama Complex as well as building infrastructure to supply companies in the Shunan Industrial Complex, the Company is working to establish a supply system with an annual capacity of more than 1 million tons by 2030, through such initiatives as participating, together with Mitsubishi Corporation, in a production project promoted by Exxon Mobil Corporation in October 2024, with a view toward joint offtake of ammonia, etc. Also, regarding research and development of next-generation ammonia production technologies, we announced, in July 2024, the achievement of the best results in the world regarding continuous electrolytic synthesis of ammonia proceeding at normal temperature and pressure.



Tokuyama Complex
(LPG tanks in which we are considering storing ammonia)

e-methanol

e-fuels (synthetic fuels), including e-methanol, can be used in internal combustion engines of cars, etc., without any modification, and early commercialization is expected. We are also working with government agencies with a view toward overseas procurement, for example by jointly investing in HIF Global, a global company that carries out projects producing synthetic fuels based on renewable energy, with the Japan Organization for Metals and Energy Security (JOGMEC).

In the Tomakomai area, where our Hokkaido Refinery is located, we are considering the establishment of a hydrogen supply chain as well as the production of e-methanol in collaboration with partner companies. We will continue to work toward establishing a supply system with an annual capacity of 280,000 tons at these domestic and overseas bases by 2030.



Hokkaido Refinery

Sustainable Aviation Fuel (SAF)

The domestic aviation industry has set a goal of replacing 10% (approximately 1.7 million KL/year) of aviation fuel with SAF by 2030, and the demand is expected to grow in the near future. We are working to establish a domestic supply system with an annual capacity of 500,000 KL by 2030, and are considering the construction of manufacturing facilities at both our Chiba and Tokuyama Complexes, aiming to start production by FY2028. Regarding our efforts overseas, in addition to collaborating with Jet Zero Australia, we are working to build a global supply chain, one such effort being the commencement of test planting of raw materials (pongamia) in Australia from January 2025 with Terviva, a US company, in order to ensure a stable supply of raw materials.



● Diverse resource conservation/circulation solutions

Solid Electrolytes for Next-Generation Batteries

We are working toward the development and mass production of solid electrolytes, the main component material of all-solid-state batteries, which are considered next-generation EV batteries and expected to deliver dramatically improved performance such as shorter recharging times and longer cruising ranges, in addition to being safe. With the aim of commercializing all-solid-state batteries in FY2027-2028, we are collaborating with TOYOTA MOTOR CORPORATION to develop technologies for mass production of solid electrolytes and for improving their performance, while also working to construct production facilities. In October 2024, we began basic design work for a large-scale pilot facility, and in February 2025, we made the decision to construct a large-scale production facility for lithium sulfide, a key component of solid electrolytes.



Solid electrolytes

Oil-Chemical Recycling of Used Plastics

We are currently constructing an oil-chemical recycling facility for used plastics (with an annual processing capacity of 20,000 tons) in an area adjacent to our Chiba Complex, with the aim of commencing commercial operations in FY2025. In March 2024, we conducted demonstration tests together with Honda Motor Co., Ltd., producing chemically recycled oil from plastics recovered from end-of-life vehicles, and confirmed their usefulness as raw material for petrochemical products.

③ Human Capital: Human Capital Strategy

We place great importance on nurturing people through our business and practicing “People-Centered Management.” Under our current Medium-term Management Plan, we are promoting various measures based on three pillars, “Embodying Management Philosophy/Vision,” “Expanding DE&I,” and “Bringing Out the Full Potential of Each Individual,” whereby we aim to nurture human capital capable of overcoming challenges no matter what the circumstances are. In FY2024, we carried out the following major initiatives.



<Major Initiatives in FY2024>

■ Embodying Management Philosophy/Vision

- Formulation of new action guidelines based on our management philosophy and alignment with evaluation criteria
- Holding company-wide town hall meetings where management and employees engage in direct dialogue; visits by Directors and other Officers to each base
- Renovation and reopening of the Idemitsu Human Gallery, where visitors learn about the Company's management philosophy and history

■ Expanding DE&I

- Chosen as a "Nadeshiko Brand" in FY2024 (only company in the petroleum industry to be selected; third consecutive year of selection)
- Implementation of a cross-mentoring program with other companies, aimed at supporting the career development of female managers



■ Bringing Out the Full Potential of Each Individual


- Establishment of the Idemitsu Employee Association, which provides a forum for discussions aimed at creating a better company and organizational culture
- Establishment of a Career Design Department to support the development of independent life and career plans
- Holding of job festivals, where each Company division introduces their duties and roles, and which promotes cross-sectional interaction between employees, in order to support independent career development
- Implementation of cross-boundary learning aimed at broadening employees' horizons through learning in different environments and fostering a mindset of innovation and challenge

④ Evolution of Business Platforms: Nurturing Digital Transformation (DX) Human Capital and Improving Productivity


At the Company, we are promoting digitalization in order to achieve business structure reforms, thereby “Shaping Change.” In response to changes in energy and industrial structures, we are working to overhaul work quality and business models by rebuilding IT infrastructure and utilizing a variety of digital tools. The key to such reforms lies in the power wielded by humans, and we believe that nurturing DX human capital is essential. Our goal is to create a world where many employees are able to utilize digital technology as a matter of course in their work. In FY2024, we carried out the following major initiatives aimed at nurturing DX human capital and improving productivity.

<Major Initiatives in FY2024>


Nurturing human capital that support DX

- 
- More than 4,000 people received DX literacy training

Utilizing AI to improve productivity and create value

- 
- Utilization of AI for land vehicle and ocean-going ship dispatch systems
 - Integration of refinery and Complex data
 - Talent-matching utilizing generative AI

Expanding the use of MI* + AI in research

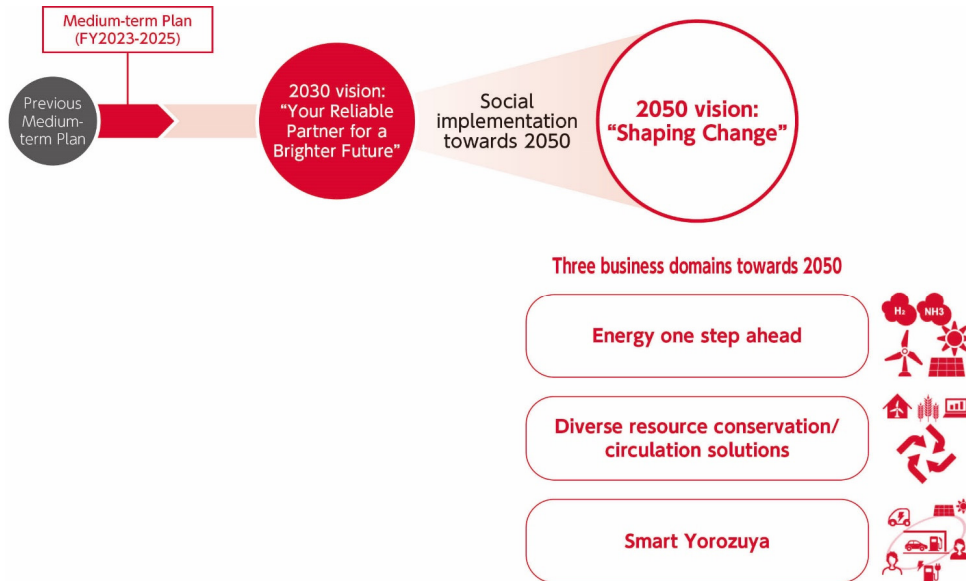
- 
- Introduction of systematic training, with 30% of researchers possessing MI skills
 - * Materials Informatics (development of materials that utilize IT)

(2) Issues to be addressed by the Idemitsu Kosan Group

① Vision for 2050 and Vision for 2030

As described above, with an eye on the carbon-neutral/circular society, the Company has determined that we should fulfill our “Responsibility to support people and their daily lives” and “Responsibility to protect the global environment now and in the future” through the social implementation of three business domains, “Energy one step ahead,” “Diverse resource conservation/circulation solutions,” and “Smart Yorozyua,” in the form of the Vision for 2050, “Shaping Change.”

Leading up to the Vision for 2030, “Your Reliable Partner for a Brighter Future,” which has been positioned as a period in which we concretely shape our efforts toward achieving a carbon-neutral/circular society, while fulfilling our responsibility of providing a stable supply of energy and materials.



② Basic Policies for 2030

Although, during the period of our current Medium-term Management Plan, we have faced major changes in the environment, such as various geopolitical risks and global trends in carbon neutrality, we will remain true to our medium- to long-term vision that we have set, and will continue to carry out our mission of providing a stable supply of energy and materials, while at the same time working to further improve the capital efficiency and profitability of our existing businesses and to prepare for a carbon-neutral/circular society. We believe that this will allow us to continue to grow sustainably, and move forward into the future together with society at large.

In addition to business structure reforms, regarding our human capital strategy, which forms the foundation of our management strategy, we are promoting the development of human capital, which serves as the source of our competitiveness, by maximizing employee growth and engagement through investments in human capital.

Accelerating our management strategy centered on business structure reforms and human capital strategy, we will also work to refine our digital transformation (DX) strategies and governance in order to evolve our business platform, thereby laying the foundation for change.

Investing in business structure reforms and in human capital to evolve the business portfolio



③ Performance Forecast (Cumulative Figures for the Period Covered by the Medium-term Management Plan, and for FY2025)

Regarding the cumulative performance forecast for the period covered by the Medium-term Management Plan (2023-2025), we expect results to exceed the initial targets set at the time of formulation of the Medium-term Management Plan (November 2022).

In light of the impact of U.S. tariff policies, we have lowered our assumptions regarding Dubai crude oil prices, Australian thermal coal market prices, etc., and as a result, in FY2025, we expect a decline in income compared to the previous year. Although the business environment remains uncertain, we will implement additional measures, such as further stabilizing the operation of our Complexes, expanding our overseas trading business, and accelerating M&As, in an effort to further improve our profitability.

Cumulative performance forecast for the period covered by the Medium-term Management Plan (2023-2025)

| | Initial target | Latest forecast | Change |
|-----------------------------------|----------------|-----------------|-----------------|
| Operating income + equity income* | ¥560 billion | ¥672.2 billion | +¥112.2 billion |
| Net income* | ¥380 billion | ¥436.9 billion | +¥56.9 billion |

* Excludes inventory impact

Consolidated Performance Forecast for FY2025

| | FY2024 results | Latest forecast | Change |
|-----------------------------------|----------------|-----------------|----------------|
| Operating income + equity income* | ¥214.7 billion | ¥147 billion | -¥67.7 billion |
| Net income* | ¥124.8 billion | ¥120 billion | -¥4.8 billion |

* Excludes inventory impact

Key market assumptions

| | FY2024 results | FY2025 forecast | Change |
|-------------------------------------|----------------|-----------------|--------|
| Dubai crude oil price (US\$/barrel) | 78.5 | 65.0 | (13.5) |
| Australian thermal coal* (US\$/ton) | 134.8 | 95.0 | (39.8) |
| Exchange rate (¥/US\$) | 152.6 | 145.0 | (7.6) |

* Average from January to December

④ Capital/Financial Strategies, Shareholder Returns and Dividends

Regarding investment allocation, we have increased strategic investments compared to the Medium-term Management Plan, promoting investment aimed at boosting the profitability of existing businesses. We are also aiming to reduce CO₂ emissions and evolve our business portfolio through carbon-neutral investments centered on our four priority businesses.

Regarding shareholder returns, we raised our annual dividend from ¥24 to ¥32 in November 2023, and further raised it from ¥32 to ¥36 in November 2024, at the same time setting this amount as the minimum dividend until FY2025. Additionally, we are making an effort to further enhance shareholder returns, by such means as promoting flexible share repurchases that take share price levels into consideration.

In addition, regarding the optimization of our financial structure, in order to further improve capital efficiency based on the premise of ensuring financial stability by maintaining our current credit rating, we decided on a policy of repurchasing ¥100 billion of our own shares, in addition to our shareholder return and dividend policy, in May 2024, and have already completed the repurchase during FY2024.

Regarding dividends for FY2025, although the business environment remains uncertain, we plan to pay an annual dividend of ¥36 per share (interim dividend of ¥18 and year-end dividend of ¥18) in accordance with our shareholder return and dividend policy.

Shareholder return and dividend policy

The Company will provide a total return to shareholders of at least 50% of net income for the cumulative three-year period from FY2023 to FY2025, excluding inventory impact.

Dividend

¥36 per share and set this as the minimum

Acquisition of treasury stock

Execute in a flexible manner while monitoring the share price

Philosophy and Policy for Ensuring Safety

The Group's philosophy for ensuring safety is "to ensure the safety of people as our highest priority by reducing and removing risks through the appropriate allocation of management resources and the maintenance and improvement of facilities, processes and work mechanisms, thereby eliminating accidents and disasters while also striving to cultivate a culture of safety." Based on this philosophy, we recognize that "ensuring safety is the result of efforts made by management, and keeping accidents and disasters down to zero is the greatest possible achievement in this field." Based on this recognition, we have established the Policy for Ensuring Safety, establishing the ensuring of safety as the most important and prioritized criterion among the various criteria for value judgment applicable to all situations and stages of all business activities, tasks, and actions in production, logistics, sales, R&D, etc.

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 a culture of safety 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.

Areas of Safety and Environment

From January to December 2024, no serious accidents such as explosions or environmental pollution capable of significantly impacting local communities occurred at our facilities.

There were 52 industrial accidents that resulted in lost work days, including one fatality (30 at the Company and 22 at partner companies). We took this accident resulting in a fatality very seriously, and promptly set up an Accident Investigation Committee chaired by an outside expert. Based on the results of the investigation into the cause of the accident and the recommendations from the Accident Investigation Committee regarding measures to prevent recurrences, etc., we are working to thoroughly implement measures to prevent recurrences, in order to prevent such an accident from ever happening again.

Our subsidiary was subjected to an administrative disposition regarding compliance with the High Pressure Gas Safety Act and rigorous safety management. In light of the seriousness of this incident, we dispatched a full-time Director and an Audit & Supervisory Board Member from the Company to strengthen governance at the subsidiary. We have also reconfirmed, in particular, that no similar incidents have occurred in safety and environmental audits of our complexes and refineries, and are working to prevent recurrences.

Basic Policy for Quality

The Group's basic approach to quality is "strive to improve customer satisfaction and protect consumers by promoting quality assurance activities that take into consideration the life cycle of the products and services we provide, from development to consumption or disposal, in order to ensure product safety and minimize the impact on people and the environment," and has established the Quality Assurance Policy as a specific measure.

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

We continued to implement educational and awareness activities aimed at improving employee awareness about quality.

Area of Quality

From January to December 2024, no quality accidents of significance occurred.

Summary of consolidated balance sheet

(Unit: ¥Billion)

| | FY ended March 2024 | FY ended March 2025 | Change |
|----------------------------------|------------------------|------------------------|--------|
| Current assets | 2,916.8 | 2,649.9 | -267.0 |
| Fixed assets | 2,095.5 | 2,125.7 | +30.3 |
| Total assets | 5,012.3 | 4,775.6 | -236.7 |
| Current liabilities | 2,192.5 | 2,097.4 | -95.1 |
| Long-term liabilities | 1,007.3 | 940.5 | -66.8 |
| Total liabilities | 3,199.8 | 3,037.9 | -161.9 |
| Total net assets | 1,812.5 | 1,737.7 | -74.8 |
| Total liabilities and net assets | 5,012.3 | 4,775.6 | -236.7 |

a) Total assets

Total assets as of March 31, 2025 were ¥4,775.6 billion (down ¥236.7 billion from the end of the previous fiscal year) due to factors such as a decrease in inventories caused by the fall in crude oil prices, etc., and a decrease in accounts receivable affected by the holidays at the end of the previous fiscal year.

b) Total liabilities

Total liabilities as of March 31, 2025 were ¥3,037.9 billion (down ¥161.9 billion from the end of the previous fiscal year) due to a decrease in interest-bearing debts and a decrease in accounts payable-other affected by the holidays at the end of the previous fiscal year.

c) Total net assets

Total net assets as of March 31, 2025 increased due to the recording of net income attributable to owners of the parent, but came to ¥1,737.7 billion (down ¥74.8 billion from the end of the previous fiscal year) due to share repurchases and dividend payments.

As a result of the above, the equity ratio improved from 35.9% at the end of the previous fiscal year to 36.0% at the end of the fiscal year under review (up 0.1 point from the end of the previous fiscal year). The Net D/E ratio as of March 31, 2025, was 0.6 (end of the previous fiscal year: 0.7).

Investment in Plants and Equipment

| Segment | Amount of investment in plants and equipment (billion yen) | Principal capital expenditures |
|----------------------------|--|--|
| Petroleum | 41.6 | Restructuring, maintenance, and renewal of refinery facilities; enhancement, maintenance, and renewal of sales facilities of service stations |
| Basic chemicals | 10.7 | Restructuring, maintenance, and renewal of production facilities |
| Functional materials | 10.1 | Restructuring, maintenance, and renewal of production facilities |
| Power and renewable energy | 13.5 | Construction, maintenance, and renewal of power stations |
| Resources | 13.5 | Development and maintenance of oil and gas fields; maintenance and renewal of coal production facilities, etc. |
| Others | 21.9 | Maintenance and renewal of research and development facilities, etc. |
| Total | 111.4 | - |

Financing

The Group's working capital needs arise from the purchase of raw materials for the manufacture of products, etc., and change in response to crude oil prices and foreign exchange rates. During the fiscal year under review, working capital decreased, mainly due to the fall in crude oil prices. Regarding investment funds, expenditures came to ¥118.5 billion during the fiscal year under review, while ¥21.5 billion that was needed was borrowed.

As a result of the above, the balance of the Group's interest-bearing debts at the end of the fiscal year under review was ¥1,237.0 billion, down ¥105.7 billion from the end of the previous fiscal year.

(3) Assets and income/loss:

| Item | 107th year April 1, 2021 - March 31, 2022 | 108th year April 1, 2022 - March 31, 2023 | 109th year April 1, 2023 - March 31, 2024 | 110th year (FY2024) April 1, 2024 - March 31, 2025 |
|---|---|---|---|---|
| Net sales (million yen) | 6,686,761 | 9,456,281 | 8,719,201 | 9,190,225 |
| Ordinary income (million yen) | 459,275 | 321,525 | 385,246 | 214,764 |
| Net income attributable to owners of the parent (million yen) | 279,498 | 253,646 | 228,518 | 104,055 |
| Net income per share (yen) | 188.03 | 170.67 | 161.32 | 77.83 |
| Total assets (million yen) | 4,601,183 | 4,865,370 | 5,012,295 | 4,775,586 |
| Net assets (million yen) | 1,436,512 | 1,629,308 | 1,812,531 | 1,737,699 |
| Net assets per share (yen) | 949.94 | 1,102.05 | 1,305.18 | 1,404.80 |

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 net income per share above are calculated assuming that the stock split was implemented at the beginning of the 107th year.

(4) Major parent company or 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 |
| 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. |
| AGRO-KANESHO CO., LTD. | ¥1,809 million | 100.0 | Manufacture and sale of products for agriculture, etc. |
| 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 and development of new businesses |

(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 rounded off to one decimal place.

(5) Major businesses (as of March 31, 2025):

| Segment | Major businesses |
|----------------------------|--|
| Petroleum | Import, refinement, transportation, storage, and sale of crude oil and petroleum products; manufacture 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 chemicals | Manufacture and sale of petrochemical raw materials and products |
| Functional materials | Manufacture and sale of lubricants; manufacture and sale of engineering plastics, adhesive base material, etc.; manufacture and sale of electronic materials; manufacture and sale of high-performance asphalt; manufacture and sale of chemical pesticides, biological pesticides, etc. |
| Power and renewable energy | Generation, supply, and sale of power; development and operation of renewable energy power; provision of solutions 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, 2025):

(i) Employees of the Group:

| Segment | Number of employees | Change from the end of the previous fiscal year |
|----------------------------|---------------------|---|
| Petroleum | 7,001 (4,170) | -185 |
| Basic chemicals | 687 (75) | -83 |
| Functional materials | 3,786 (649) | +76 |
| Power and renewable energy | 327 (38) | -68 |
| Resources | 809 (46) | +11 |
| Others; coordination | 1,204 (291) | +72 |
| Total | 13,814 (5,269) | -177 |

(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 |
|---------------------|---|----------------------|---------------------------|
| 5,060 (1,062) | +75 | 42 yrs and 0 mths | 17 yrs and 10 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, 2025):

| Lender | Debt payable |
|---|------------------|
| Japan Organization for Metals and Energy Security | ¥182,335 million |
| MUFG Bank, Ltd. | ¥110,258 million |
| Sumitomo Mitsui Banking Corporation | ¥109,069 million |
| Sumitomo Mitsui Trust Bank, Limited | ¥73,364 million |
| Mizuho Bank, Ltd. | ¥69,481 million |
| Development Bank of Japan Inc. | ¥42,948 million |
| The Norinchukin Bank | ¥25,627 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, 2025)

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

(ii) Total number of issued shares: 1,358,078,690 shares

- (Notes)
1. The Company cancelled treasury stock on March 31, 2025, reducing the total number of issued shares by 34,563,600 shares.
 2. The Company cancelled treasury stock on April 30, 2025, reducing the total number of issued shares by 69,331,300 shares, to 1,288,747,390 shares.

(iii) Number of shareholders: 109,007 persons

(iv) Major shareholders (top 10):

| Name | Number of shares (thousand shares) | Shareholding ratio |
|---|---------------------------------------|--------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 132,290 | 10.77 % |
| Nissho Kosan Co., Ltd. | 127,593 | 10.39 % |
| Aramco Overseas Company B.V. | 115,579 | 9.41 % |
| Public Interest Incorporated Foundation Idemitsu Museum of Arts | 101,962 | 8.30 % |
| Custody Bank of Japan, Ltd. (Trust Account) | 39,789 | 3.24 % |
| Showa Kosan Co., Ltd | 24,872 | 2.03 % |
| Idemitsu Employee Stockholders Committee | 23,674 | 1.93 % |
| JPMorgan Securities Japan Co., Ltd. | 20,370 | 1.66 % |
| STATE STREET BANK WEST CLIENT TREATY 505234 | 19,936 | 1.62 % |
| STATE STREET BANK AND TRUST COMPANY 505001 | 19,115 | 1.56 % |

(Notes) Shareholding ratios are calculated by excluding 130,317,550 shares of treasury stock. This number does not include 3,124,160 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 Director) | 133,000 | 1 |
| 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

(2) Share acquisition rights, etc.:

Other important matters regarding share acquisition rights, etc.

As a means of adjusting the number of shares subject to the Accelerated Share Repurchase, the Company, based on a resolution of the Board of Directors dated March 18, 2025, issued the first series of share acquisition rights (hereinafter referred to as “these Share Acquisition Rights”) through third-party allotment on April 2, 2025, with the following terms and conditions regarding the issuance.

| | |
|---|--|
| | 1st series of share acquisition rights |
| Number of share acquisition rights (units) | 1 |
| Number of own share acquisition rights among share acquisition rights (units) | — |
| Class, details, and number of shares for which share acquisition rights will be issued (shares) | (Note 1) |
| Amount to be paid in for share acquisition rights (yen) | No payment is required in exchange for the share acquisition rights. |
| Period for the exercise of share acquisition rights | From September 11, 2025 to March 16, 2026. However, if the last day of the exercise period is not a bank business day, the bank business day immediately preceding that day shall be the last day. |
| Value of assets to be contributed upon exercise of share acquisition rights | The assets to be contributed when exercising share acquisition rights shall be cash, the value of which shall be ¥1. |
| Conditions for the exercise of share acquisition rights | (Note 2) |
| Allottee | Daiwa Securities Co. Ltd. |

(Notes) 1. Class, details, and number of shares for which share acquisition rights will be issued

- (1) The class of shares to be issued upon the exercise of these Share Acquisition Rights shall be the Company’s common shares, and the number of shares shall be calculated in accordance with the following formula.

Number of shares to be issued = (i) Base number of shares - (ii) Base amount ÷ (iii) Average share price

* Shares of less than one unit shall be rounded down, and if the number of shares is less than zero, the number of shares shall be zero.

- (i) The base number of shares is 51,868,000 shares.
- (ii) The base amount is ¥59,777,870,000.
- (iii) Average share price refers to the figure obtained by adding a. below to b. below (calculated to five decimal places, with the number in the fifth decimal place rounded off). In the following, unless otherwise specified, the calculation of a period shall include the start and end dates.
 - a. Average VWAP (the arithmetic mean of the volume-weighted average price (hereinafter referred to as “VWAP”) of the Company’s common shares as published by the Tokyo Stock Exchange for each trading day during the period from March 21, 2025, to the trading day immediately preceding the date on which the request to exercise these Share Acquisition Rights is made (excluding any day that the Company and the holders of these Share Acquisition Rights (hereinafter referred to as “Holders of these Share Acquisition Rights”) have, through sincere consultation and agreement, determined that the VWAP (defined below) of which should not be used as a basis for calculating the average share price, due to trading restrictions or other circumstances affecting the Company’s common shares on such day)) multiplied by 99.4%.
 - b. The cumulative total of each dividend amount per share with the last day of rights being any day between March 21, 2025 and the trading day immediately preceding the exercise request date (regarding the year-end dividend for the fiscal year ended March 2025 and the interim dividend for the fiscal year ending March 2026, ¥18 shall be deducted) × (the number of trading days from the ex-rights date for each dividend to March 13, 2026) ÷ (the number of trading days from March 21, 2025 to March 13,

2026)

(2) Adjustment of base number of shares, etc.

- 1) If a base date (or, if no base date is set, the effective date) for a split, gratis allotment, or consolidation of the Company's common shares (hereinafter collectively referred to as "Stock Split, etc.") is set during the period from March 24, 2025 to the day two trading days after the exercise request date, (i) the base number of shares and (ii) the VWAP on each trading day prior to the last trading day with rights for the Stock Split, etc. used in calculating the average share price will be adjusted in accordance with the provisions of the issuance terms and conditions of these Share Acquisition Rights when these Share Acquisition Rights are exercised.
- 2) In the following cases, the Company shall make reasonable and necessary adjustments to the VWAP used in calculating the base number of shares and the average share price, after consulting with and obtaining the approval of the Holders of these Share Acquisition Rights.
 - (i) When an adjustment is necessary due to a company split, share exchange, share transfer, share issuance or merger;
 - (ii) When an adjustment is necessary due to the issuance of shares, share acquisition rights, or bonds with share acquisition rights (including gratis allotments), or other events that cause or may cause a change in the number of issued common shares of the Company;
 - (iii) When multiple events necessitating adjustment of these amounts occur in close proximity to each other and the effect of one event must be taken into account in making an adjustment based on the other event;
 - (iv) Any other cases in which both the Company and the Holders of these Share Acquisition Rights have determined that adjustment is necessary.

2. Conditions for the exercise of share acquisition rights

- (1) These Share Acquisition Rights cannot be exercised in part.
- (2) If a Holders of these Share Acquisition Rights notifies the Company that he/she will not exercise these Share Acquisition Rights, he/she may not exercise these Share Acquisition Rights after the date of such notification.

(3) Corporate officers:

(i) Directors and Audit & Supervisory Board Members (as of March 31, 2025):

| 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 | 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), Head of Safety & Environmental Protection Headquarters and Head of Quality Assurance Headquarters |
| Director, Executive Vice President | Masahiko Sawa | Assistant to Chief Executive Officer (Manufacturing Site Strategy, Corporate Planning, and Career Design), 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, Kyuhodo Law Firm |

| Position | Name | Duties and major concurrent office |
|--|------------------|---|
| Director | Takeo Kikkawa | |
| Director | Maki Kado | Executive Officer Head of Executive Office, Coca-Cola Bottlers Japan Holdings Inc. |
| Director | Jun Suzuki | External Director, MS&AD Insurance Group Holdings, Inc. |
| Director | Shiori Nagata | Member of the Board Member of the Audit Committee, NEC Corporation |
| Full-time Audit & Supervisory Board Member | Tsutomu Yoshioka | |
| Full-time Audit & Supervisory Board Member | Hidefumi Kodama | |
| Audit & Supervisory Board Member | Yumiko Ichige | Attorney at law, Partner, Nozomi Sogo Attorneys at Law Outside Director, ASKUL Corporation |
| Audit & Supervisory Board Member | Masahiko Tezuka | Certified Public Accountant, Masahiko Tezuka Certified Public Accountant Office |

(Notes)

1. Directors Mr. Takeo Kikkawa, Ms. Maki Kado, Mr. Jun Suzuki, and Ms. Shiori Nagata are Outside Directors.
2. Audit & Supervisory Board Members Ms. Yumiko Ichige and Mr. Masahiko Tezuka 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 has experience working in key positions in the area of accounting, and has considerable knowledge of finance and accounting.
5. Audit & Supervisory Board Member Ms. Yumiko Ichige is a licensed attorney at law, and has considerable knowledge of corporate and legal matters.
6. Audit & Supervisory Board Member Mr. Masahiko Tezuka is a certified public accountant, and has considerable knowledge of finance and accounting.
7. Directors Mr. Takeo Kikkawa, Ms. Maki Kado, Mr. Jun Suzuki, and Ms. Shiori Nagata, as well as Audit & Supervisory Board Members Ms. Yumiko Ichige and Mr. Masahiko Tezuka, are independent officers who have been registered in accordance with the rules of the Tokyo Stock Exchange.
8. 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 Mr. Masakazu Idemitsu, Mr. Kazunari Kubohara, each Outside Director and each outside Audit & Supervisory Board Member to limit the liability for damages 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.
9. 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 its domestic subsidiaries, as well as officers who are seconded to overseas subsidiaries. The outline of the insurance contract is that the insurance company will compensate the insured Officers and Directors for damages that may arise from them being held liable or being pursued for such liability in connection with the performance of their duties, and the contract is renewed annually. The insurance contract excludes any claim for damages arising from acts from which Directors and Audit & Supervisory Board Members illegally gained personal benefits, criminal acts, and acts performed with the knowledge that they violate laws and regulations, etc., with measures being taken to ensure that the appropriateness of said Directors' and other officers' execution of duties is not impaired. The insurance contract will be renewed with the same content upon the next renewal.

10. The Directors Mr. Susumu Nibuya and Ms. Yumiko Noda, as well as Audit & Supervisory Board Member Mr. Taigi Ito, retired from their positions as of June 25, 2024.
11. Mr. Masahiko Sawa was reelected as Director at the 109th Ordinary General Meeting of Shareholders held on June 25, 2024, and assumed the position of Director and Executive Vice President as of the same date.
12. Ms. Shiori Nagata assumed the position of Member of the Board Member of the Audit Committee of NEC Corporation on June 21, 2024.

(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 | ¥635 million | ¥321 million | ¥177 million | ¥135 million | 12 |
| (Outside Director) | (¥68 million) | (¥68 million) | (-) | (-) | (5) |
| Audit & Supervisory Board Member | ¥91 million | ¥91 million | - | - | 5 |
| (Outside Audit & Supervisory Board Member) | (¥29 million) | (¥29 million) | (-) | (-) | (3) |
| Total | ¥726 million | ¥412 million | ¥177 million | ¥135 million | 17 |
| (Outside Director and Outside Audit & Supervisory Board Member) | (¥97 million) | (¥97 million) | (-) | (-) | (8) |

(Note) The above table contains two Directors (one of which is an Outside Director), and one Audit & Supervisory Board Member (one of which is an Outside Audit & Supervisory Board Member) who resigned as of the conclusion of the 109th Ordinary General Meeting of Shareholders held on June 25, 2024.

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 non-Executive 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 non-Executive 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 Vision for 2030 and the Medium-term Management Plan (FY2023-2025). 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% |
| CO ₂ 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 non-Executive 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 non-Executive 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 non-Executive 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 nine times in FY2024. Among the meetings, a total of six deliberated over the compensation, the content of which is as follows:

| Meeting date | Major deliberation matters |
|--------------------|--|
| April 16, 2024 | Proposed Remuneration for Directors |
| June 25, 2024 | Deliberation scope of a meeting of the Nomination and Compensation Advisory Committee |
| July 9, 2024 | Establishment of target figures for the performance-linked indicators, Directors' activity goals |
| September 10, 2024 | Partial revisions to ratio of performance-linked indicators for titled executive officers Revisions to the compensation system for outside officers |
| January 21, 2025 | Revisions to the executive compensation plan (compensation standards for titled executive officers) |
| March 18, 2025 | 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. Maki Kado is serving as the Executive Officer Head of Executive Office of Coca-Cola Bottlers Japan Holdings Inc. The Company has no special relationship with this corporation.

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

Director Ms. Shiori Nagata is a Member of the Board Member of the Audit Committee of NEC Corporation. The Company has no special relationship with this corporation.

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.

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

- 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, the Nomination and Compensation Advisory Committee, and the Board of Audit & Supervisory Board Members:

| | | Board of Directors | | Nomination and Compensation Advisory Committee | | Board of Audit & Supervisory Board Members | |
|----------------------------------|-----------------|--------------------|--------------------|--|--------------------|--|--------------------|
| | | Meetings attended | Rate of attendance | Meetings attended | Rate of attendance | Meetings attended | Rate of attendance |
| Director | Takeo Kikkawa | 15/15 | 100% | 9/9 | 100% | - | - |
| Director | Maki Kado | 13/15 | 87% | 8/9 | 89% | - | - |
| Director | Jun Suzuki | 15/15 | 100% | 9/9 | 100% | - | - |
| Director | Shiori Nagata | 11/11 | 100% | 8/8 | 100% | - | - |
| Audit & Supervisory Board Member | Yumiko Ichige | 15/15 | 100% | - | - | 16/16 | 100% |
| Audit & Supervisory Board Member | Masahiko Tezuka | 11/11 | 100% | - | - | 11/11 | 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 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, as a member of the Nomination and Compensation Advisory Committee, she 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. Furthermore, as the chair of the Nomination and Compensation Advisory Committee, he 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. Shiori Nagata, from her career experience in a wide range of industries and her strategic perspective and expertise in corporate planning and management, 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 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 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.

Audit & Supervisory Board Member Mr. Masahiko Tezuka, principally from an account standpoint as a certified public accountant, 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.

(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, 2025, the Company has decided to pay ¥18 per share. The annual dividend is expected to be ¥36 per share. 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 (FY2023-2025)” which was published on November 12, 2024, 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 ¥36 per share, a 4-yen increase, 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, 2025)

(million yen)

ASSETS

| | |
|---|------------------|
| Current assets: | 2,649,858 |
| Cash and deposit | 165,762 |
| Notes and accounts receivable, trade | 817,349 |
| Inventories | 1,266,953 |
| Accounts receivable, other | 298,776 |
| Other | 104,644 |
| Less: Allowance for doubtful accounts | (3,628) |
| Fixed assets: | 2,125,727 |
| Tangible fixed assets | 1,374,024 |
| Buildings and structures, net | 237,092 |
| Machinery, equipment and vehicles, net | 258,139 |
| Land | 736,655 |
| Construction in progress | 55,220 |
| Other, net | 86,916 |
| Intangible fixed assets | 254,580 |
| Goodwill | 124,348 |
| Other | 130,231 |
| Investments and other assets | 497,122 |
| Investment securities | 305,764 |
| Long-term loans receivable | 56,490 |
| Assets for employees' retirement benefits | 75,182 |
| Deferred tax assets | 15,946 |
| Other | 97,869 |
| Less: Allowance for doubtful accounts | (54,130) |
| TOTAL ASSETS | 4,775,586 |

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

(million yen)

LIABILITIES**Current liabilities: 2,097,407**

| | |
|-----------------------------------|---------|
| Notes and accounts payable, trade | 824,413 |
| Short-term loans payable | 479,642 |
| Commercial paper | 166,853 |
| Current portion of bonds payable | 30,000 |
| Accounts payable, other | 426,313 |
| Income taxes payable | 9,793 |
| Provision for bonuses | 16,706 |
| Other | 143,684 |

Long-term liabilities: 940,478

| | |
|--|---------|
| Bonds payable | 110,000 |
| Long-term loans payable | 409,879 |
| Deferred tax liabilities | 53,175 |
| Deferred tax liability related to land revaluation | 92,878 |
| Liability for employees' retirement benefits | 49,064 |
| Reserve for repair work | 91,117 |
| Provision for losses related to contracts | 10,106 |
| Asset retirement obligations | 40,013 |
| Other | 84,242 |

Total liabilities 3,037,886**NET ASSETS****Shareholders' equity: 1,494,580**

| | |
|-------------------|-----------|
| Common stock | 168,351 |
| Capital surplus | 354,693 |
| Retained earnings | 1,111,225 |
| Treasury stock | (139,690) |

Accumulated other comprehensive income: 225,788

| | |
|--|---------|
| Unrealized gains (losses) on available-for-sale securities | 4,184 |
| Deferred gains (losses) on hedging activities, net | (1,014) |
| Surplus from land revaluation | 137,848 |
| Foreign currency translation adjustments | 51,873 |
| Defined retirement benefit plans | 32,896 |

Noncontrolling interests: 17,330**Total net assets 1,737,699****TOTAL LIABILITIES AND NET ASSETS 4,775,586**

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

CONSOLIDATED STATEMENT OF INCOME

(April 1, 2024 to March 31, 2025)

(million yen)

| Account Title | Amount |
|--|------------------|
| Net sales | 9,190,225 |
| Cost of sales | 8,500,812 |
| Gross profit | 689,412 |
| Selling, general and administrative expenses | 527,226 |
| Operating income | 162,185 |
| Non-operating income | 72,747 |
| Interest income | 17,085 |
| Equity in earnings of nonconsolidated subsidiaries and affiliates, net | 22,604 |
| Dividend income | 4,922 |
| Gain on foreign exchange, net | 20,120 |
| Subsidy income | 2,075 |
| Other | 5,938 |
| Non-operating expenses | 20,167 |
| Interest expense | 16,731 |
| Other | 3,436 |
| Ordinary income | 214,764 |
| Extraordinary income | 13,094 |
| Gain on sales of fixed assets | 7,664 |
| Gain on sales of investment securities | 70 |
| Gain on reversal of loss on valuation of shares of subsidiaries and affiliates | 3,239 |
| Other | 2,119 |
| Extraordinary loss | 69,498 |
| Impairment loss on fixed assets | 27,219 |
| Loss on sales of fixed assets | 3,464 |
| Loss on disposals of fixed assets | 10,292 |
| Loss on valuation of shares of subsidiaries and affiliates | 804 |
| Provision of allowance for doubtful accounts | 12,870 |
| Provision for losses related to contracts | 10,328 |
| Other | 4,516 |
| Income before income taxes | 158,361 |
| Income taxes - current | 51,234 |
| Income taxes - deferred | 5,114 |
| Net income | 102,011 |
| Net loss attributable to noncontrolling interests | (2,043) |
| Net income attributable to owners of the parent | 104,055 |

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

NON-CONSOLIDATED BALANCE SHEET

(As of March 31, 2025)

(million yen)

ASSETS

| | |
|---------------------------------------|------------------|
| Current assets: | 2,066,959 |
| Cash and deposit | 43,883 |
| Accounts receivable-trade | 644,473 |
| Merchandise and finished goods | 567,197 |
| Raw materials and supplies | 474,681 |
| Prepaid expenses | 6,051 |
| Short-term loans receivable | 169,870 |
| Other current assets | 161,024 |
| Allowance for doubtful accounts | (223) |
| Fixed assets: | 1,721,399 |
| Tangible fixed assets | 997,616 |
| Buildings | 69,574 |
| Structures | 93,802 |
| Oil tanks | 16,341 |
| Machinery and equipment | 93,740 |
| Vehicles and transportation equipment | 1,301 |
| Tools, furniture and fixtures | 12,235 |
| Land | 690,825 |
| Leased assets | 1,949 |
| Construction in progress | 17,845 |
| Intangible fixed assets | 242,539 |
| Leasehold rights | 11,878 |
| Software | 18,159 |
| Goodwill | 120,029 |
| Customer-related assets | 92,137 |
| Other | 334 |
| Investments and other assets | 481,243 |
| Investment securities | 17,342 |
| Investments in shares of affiliates | 385,528 |
| Long-term loans receivable | 58,027 |
| Prepaid pension costs | 28,879 |
| Other investments | 45,426 |
| Allowance for doubtful accounts | (53,961) |
| TOTAL ASSETS | 3,788,358 |

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

(million yen)

LIABILITIES

| | |
|---|------------------|
| Current liabilities: | 2,060,660 |
| Accounts payable, trade | 647,962 |
| Short-term borrowings | 385,293 |
| Commercial paper | 166,853 |
| Current portion of bonds payable | 30,000 |
| Accounts payable, other | 406,042 |
| Accrued expenses | 3,322 |
| Advances received | 49,766 |
| Deposit received | 355,760 |
| Allowance for bonuses | 8,846 |
| Other current liabilities | 6,814 |
| Long-term liabilities: | 746,271 |
| Bonds | 110,000 |
| Long-term debt | 369,758 |
| Deferred tax liabilities upon revaluation | 92,878 |
| Retirement allowances for employees | 39,159 |
| Reserve for repair works | 53,588 |
| Provision for losses related to contracts | 10,106 |
| Deferred tax liabilities | 17,775 |
| Other long-term liabilities | 53,003 |

| | |
|--------------------------|------------------|
| Total liabilities | 2,806,931 |
|--------------------------|------------------|

NET ASSETS

| | |
|--|------------------|
| Shareholders' equity: | 841,656 |
| Common stock | 168,351 |
| Additional paid-in capital | 358,878 |
| Capital reserve | 42,105 |
| Other capital surplus | 316,773 |
| Retained earnings | 454,116 |
| Retained earnings reserve | 1,081 |
| Other retained earnings | 453,035 |
| Reserve for deferred income tax on fixed assets | 28,264 |
| Reserve for acquisition of specific shares | 17 |
| Retained earnings carried forward | 424,753 |
| Treasury stock | (139,690) |
| Valuation and translation adjustments: | 139,770 |
| Unrealized gains (losses) on available-for-sale securities | 1,714 |
| Deferred gains (losses) on hedging activities, net | 207 |
| Surplus from land revaluation | 137,848 |

| | |
|-------------------------|----------------|
| Total net assets | 981,426 |
|-------------------------|----------------|

| | |
|---|------------------|
| TOTAL LIABILITIES AND NET ASSETS | 3,788,358 |
|---|------------------|

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

NON-CONSOLIDATED STATEMENT OF INCOME

(April 1, 2024 to March 31, 2025)

(million yen)

| Account Title | Amount |
|--|------------------|
| Net sales | 6,580,518 |
| Cost of sales | 6,162,659 |
| Gross profit | 417,858 |
| Selling, general and administrative expenses | 385,392 |
| Operating income | 32,465 |
| Non-operating income | 76,243 |
| Interest income | 2,030 |
| Dividend income | 55,131 |
| Gain on foreign exchange, net | 14,886 |
| Subsidy income | 1,954 |
| Other | 2,240 |
| Non-operating expenses | 15,097 |
| Interest expense | 12,458 |
| Other | 2,638 |
| Ordinary income | 93,612 |
| Extraordinary income | 5,356 |
| Gain on sales of fixed assets | 1,922 |
| Gain on sales of investment securities | 67 |
| Gain on liquidation of subsidiaries and affiliates | 222 |
| Gain on cancellation of tie-in shares | 3,122 |
| Other | 21 |
| Extraordinary expenses | 61,379 |
| Impairment loss on fixed assets | 10,600 |
| Loss on sales of fixed assets | 3,435 |
| Loss on disposals of fixed assets | 5,558 |
| Loss on valuation of shares of subsidiaries and affiliates | 5,234 |
| Provision of allowance for doubtful accounts | 19,300 |
| Loss on support to subsidiaries | 5,800 |
| Provision for loss on debt guarantee transferred | 553 |
| Provision for losses related to contracts | 10,328 |
| Other | 568 |
| Income before income taxes | 37,588 |
| Income taxes - current | 11,489 |
| Income taxes - deferred | (2,876) |
| Net income | 28,975 |

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

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

May 9, 2025

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

Deloitte Touche Tohmatsu LLC Tokyo Office

Gen Nagatsuka
Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant

Sogo Ito
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 net assets and the notes to consolidated financial statements of Idemitsu Kosan Co.,Ltd. (the "Company"), applicable to its consolidated fiscal year from April 1, 2024 to March 31, 2025 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 supplemental schedules. 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.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence on the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. Auditors shall be responsible for directing, supervising and inspecting the audit of consolidated financial statements. Auditors shall be solely responsible for audit opinions.

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 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 9, 2025

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

Deloitte Touche Tohmatsu LLC Tokyo Office

Gen Nagatsuka
Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant

Sogo Ito
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 net assets 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 110th fiscal year from April 1, 2024 to March 31, 2025 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 supplemental schedules.

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 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 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 110th fiscal year from April 1, 2024 to March 31, 2025, 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 their 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 net assets 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 net assets 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. Regarding the accident resulting in a fatality mentioned in the business report, we have confirmed that an Accident Investigation Committee was promptly set up to investigate the cause of the accident and consider measures to prevent recurrences. We have also confirmed that the measures to prevent recurrences based on the committee’s recommendations have been thoroughly implemented. In addition, concerning the subsidiary’s administrative disposition regarding compliance with the High Pressure Gas Safety Act, mentioned in the business report also, we have dispatched full-time officers and employees to strengthen governance at the subsidiary. We have also confirmed that efforts are being made to prevent recurrences, such as by re-inspecting other complexes, etc. to ensure that there are no similar incidents. 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 12, 2025

Audit & Supervisory Board
Idemitsu Kosan Co.,Ltd.

Tsutomu Yoshioka
Full-time Audit & Supervisory Board Member

Hidefumi Kodama
Full-time Audit & Supervisory Board Member

Yumiko Ichige
Outside Audit & Supervisory Board Member

Masahiko Tezuka
Outside Audit & Supervisory Board Member

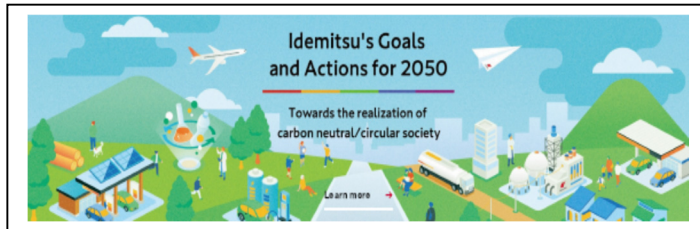
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Notice Regarding IR Information

■ Corporate Website

The latest financial results and other related materials can be found on the IR information page, as well as easy-to-understand introductions to our business activities and our Medium-term Management Plan.

<Special Website>



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

<Idemitsu in 3 minutes!>



<IR information page>

- IR news
- Financial reports (presentation materials, videos, transcripts)
- Explanatory meetings for individual investors
- General Meeting of Shareholders

■ Website for Shareholders Only, “Idemitsu Connect”

“Idemitsu Connect” is a members-only website that shareholders holding one or more share can register for. Shareholders can access exclusive content, such as benefits offered by lottery, registration for events such as Complex tours, shareholder-only articles and videos of shareholder meetings.



<https://idemitsu.premium-yutaiclub.jp/>