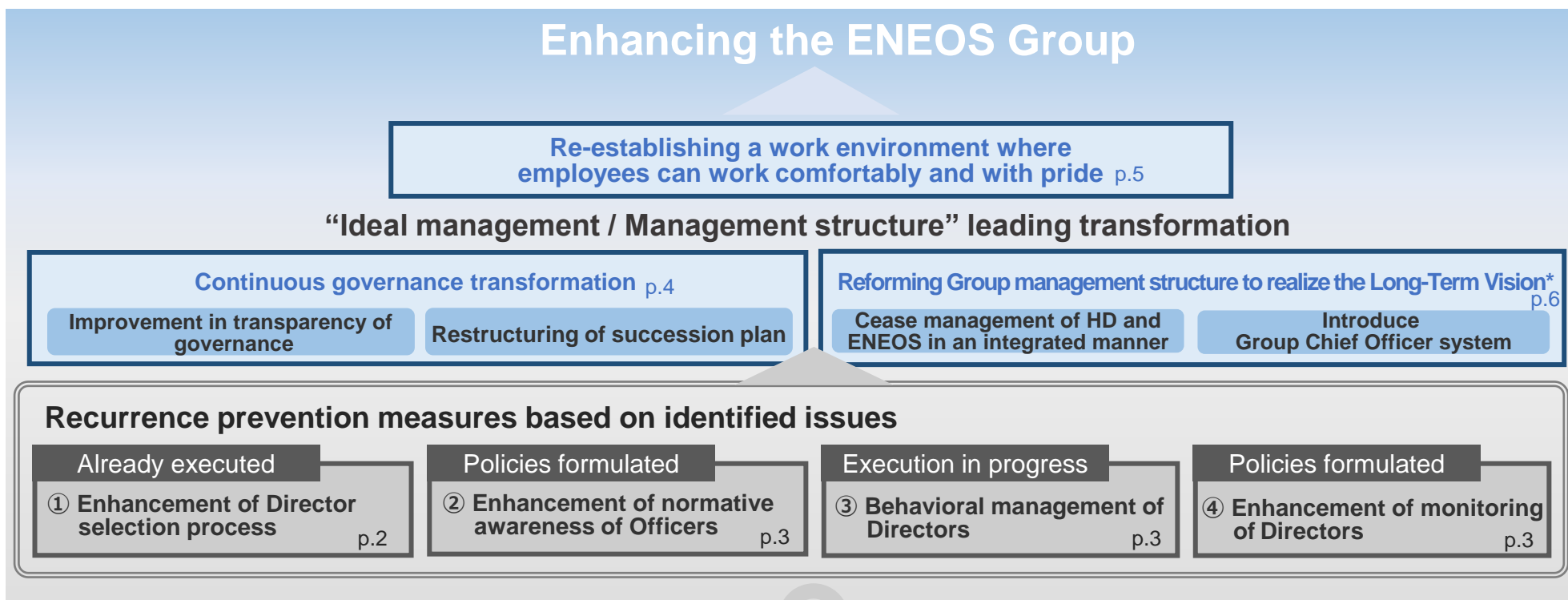




ENEOS Group Initiatives for Strengthening Governance

March 11, 2024

- In response to a situation in which inappropriate behavior by Representative Directors occurred in two consecutive years, we comprehensively evaluated recurrence prevention measures announced previously and existing compliance measures with outside experts, and identified issues.
- Based on the issues identified, we formulated “recurrence prevention measures” to deal with factors of inappropriate behavior.
- In addition to “recurrence prevention measures,” we launched “continuous governance transformation” and “re-establishing a work environment where employees can work comfortably and with pride” as advanced initiatives for the enhancement of the ENEOS Group.



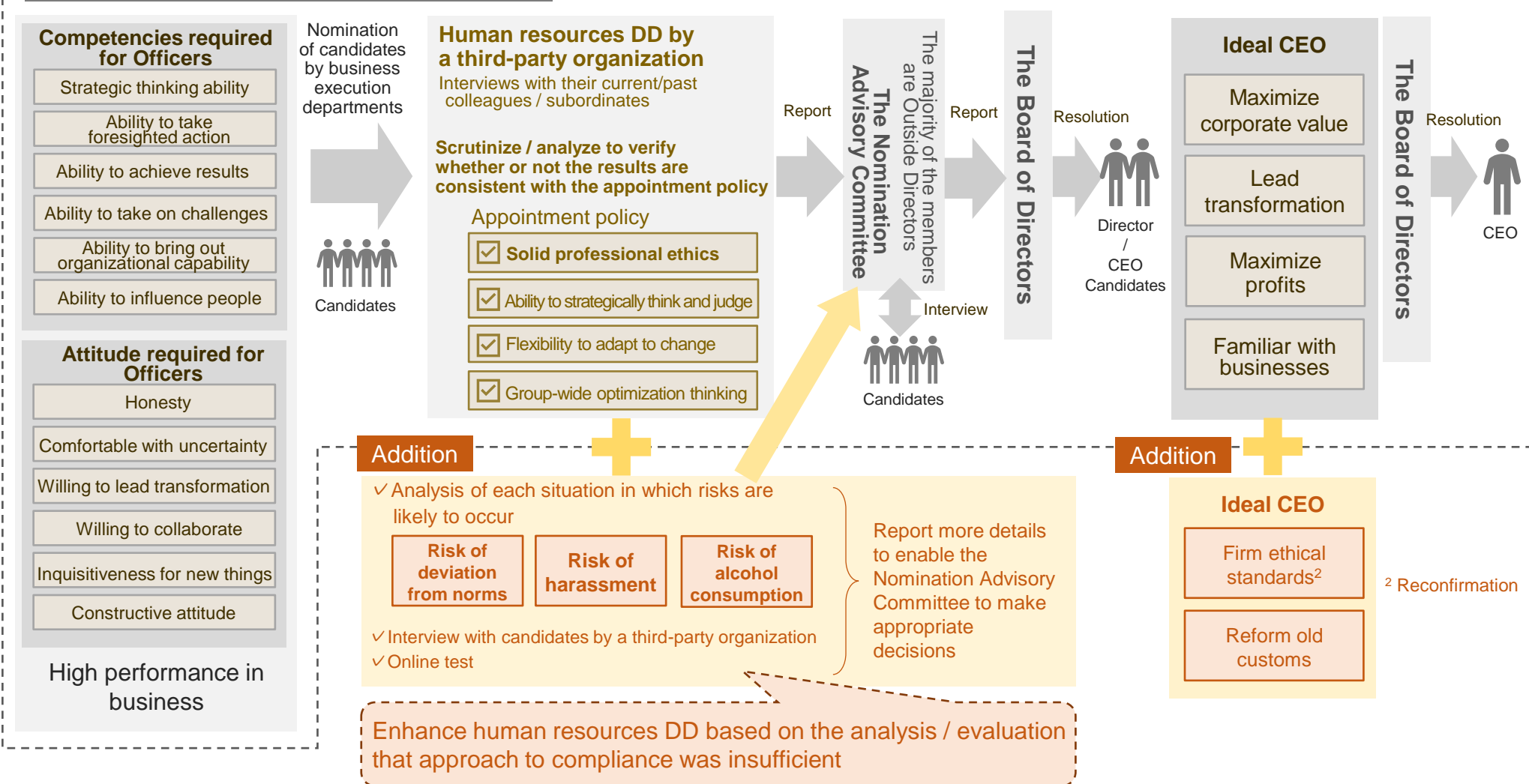
Continuation / updating and visualization of initiatives (utilizing our website, intranet, etc.)

*Please see “Reforming the ENEOS Group Management Structure,” disclosed February 28, 2024.

① Enhancement of Director selection process HD ¹ Executed for the HD CEO and the ENEOS President this time

Re-establish the process that enables the Nomination Advisory Committee to more objectively confirm whether or not a person is capable of acting appropriately in the role of Director in addition to the thinking and behavioral characteristics that support skills required for decision-making and management supervision¹

Conventional Director / CEO selection process



② Enhancement of normative awareness of Officers

ENEOS Group

Conventional measures

- Execute compliance training

Enhancement of measures

- Update training
(Increase frequency, enhance content, ensure incidents are not forgotten)
- "Declaration of compliance with respect for human rights, Group philosophy and Code of Conduct" by Officers
(HD and ENEOS will be the first to begin this measure)

③ Behavioral management of Directors

ENEOS Group

Formulation of rules

Formulate and implement the following rules

- Rules for Directors attending social gatherings
- Rules for others attending and those accompanying Directors

(HD and ENEOS will be the first to begin this measure)

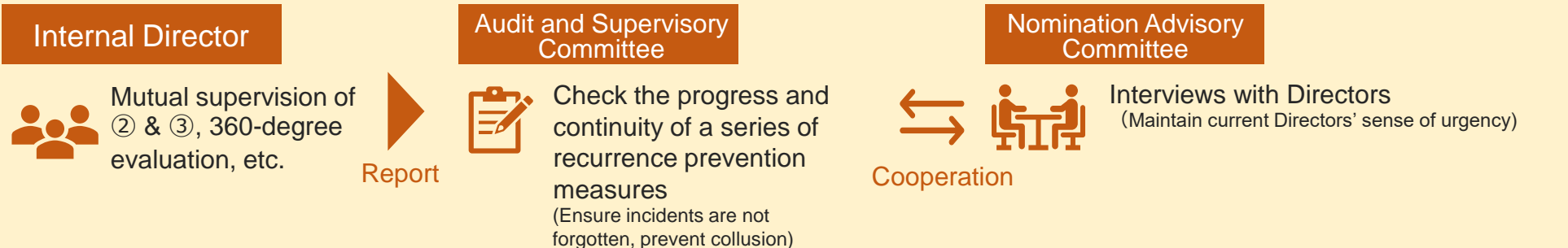
④ Enhancement of monitoring of Directors

HD

Conventional monitoring

Director	Supervision of the status of business execution by other Directors
Audit and Supervisory Committee	Effective and efficient audits based on audit plans
Nomination Advisory Committee	Scrutinize and analyze conformity with the appointment policy

Additional monitoring



Improvement in transparency of governance

HD

From June 2024

Ratio of Outside Directors exceeds 50%

✓ Eliminate proceedings based on internal logic and pursue further transparency and a sense of urgency

Appoint Outside Director as Chair of the Board

✓ Ensure further objectivity by incorporating outside perspectives in the selection of agendas

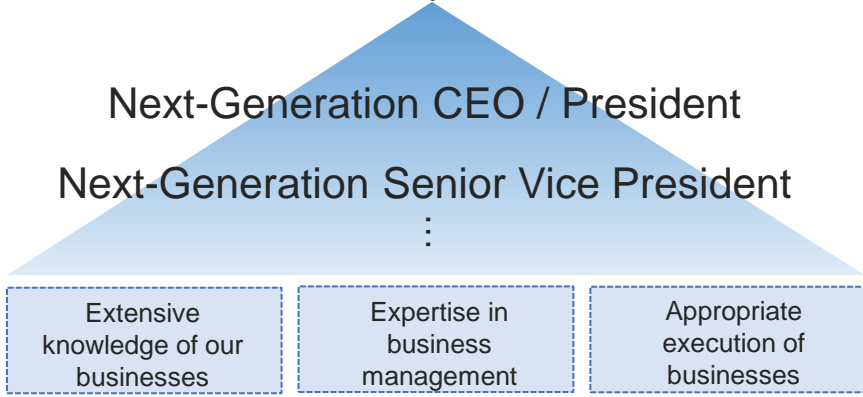
Restructuring of succession plan

ENEOS Group

Review succession plan implemented to date, and select and develop leaders in line with Group enhancement initiatives. Continue improvement and monitoring by the Board of Directors.

Ideal personnel who will lead the next generation of the ENEOS Group (currently redefining)

Under consideration for details



- Select the ideal personnel who will lead the next generation of the ENEOS Group, and establish a training plan (provide challenging opportunities and a management mindset)
- Create diverse talent pool to become a company that is always needed and trusted by society, even in an ever-changing era

ENEOS → Expand to the ENEOS Group

- Established a project led by Outside Director Oka, Outside Director Kawasaki and three Executive Vice Presidents in order to ensure that respect for human rights and the importance of compliance take root throughout the organization
- Conducting one-on-one interviews by a third-party organization with Officers and approximately 160 randomly selected employees

Progress of Officer / employee interviews by a third-party organization

- Confirmed that there are various gaps depending on generation, gender, department, etc.



- Recognized that at the very least there are customs that need to be changed or improved, and gaps that need to be filled through dialogue

Conducting questionnaire targeted at all Officers and employees to further confirm the actual situation

- ✓ Consider and execute measures, scrutinizing what should be changed and retained as ENEOS's strengths
- ✓ Rebuild trust with employees by regularly conducting engagement surveys, identifying issues and “visualizing” the status of the measures
- ✓ Re-establish work environment where employees can work comfortably and with pride

Enhance engagement and human capital

- ✓ **Cease management of HD and ENEOS in an integrated manner** to clarify operations, profitability and management responsibility of each business in light of conversion to a structure with six principle operating companies from April 2024
- ✓ **Introduce a Group Chief Officer system** as a role for enhancing Group governance by strengthening collaboration among principle operating companies, optimizing resource allocation, etc.

Strongly Advance Portfolio Management

ENEOS HD

- ✓ Formulate a medium- to long-term vision/strategies for the entire Group, and determine the role and direction of each operating company
- ✓ Share issues and goals in strategies with operating companies, and support them in realizing those goals by allocating tangible assets, intangible assets, etc.
- ✓ Continuously monitor ROIC>WACC of the entire Group and each business, and enhance growth of each business by providing necessary guidance

Board of Directors

Note: CEO/Presidents of principle operating companies do not serve as Directors of HD after the General Meeting of Shareholders in June of this year.

CEO

CFO (Chief Financial Officer)

Formulate optimal Group financial strategies and capital policies. Also, advance dialogue with the capital market to realize enhancement of corporate value.

CHRO (Chief Human Resources Officer)

Formulate and enhance Group human resource strategies. Execute human capital management through talent management and management personnel development.

CCO (Chief Compliance Officer)

Formulate and instill Group compliance policy. Execute Group-wide risk management from a legal perspective and contribute to advancement of businesses.

CTO (Chief Technology Officer)

Formulate Group technology strategies. Contribute to the enhancement of business strategies by determining technological direction for the carbon-neutral society.

Portfolio transformation, optimization of resource allocation, involvement in business strategies and monitoring of management progress



Business operations in accordance with Group strategies and timely reporting Execution of the Long-Term Vision and Medium-Term Management Plan

ENEOS

JX Nippon Oil & Gas Exploration

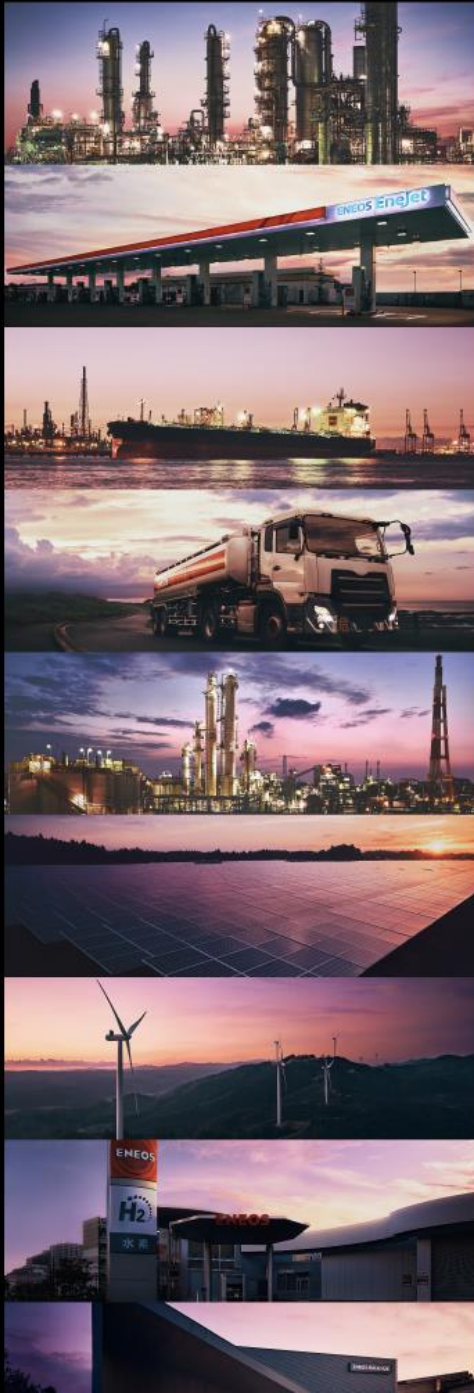
JX Metals

ENEOS Materials

ENEOS Power

ENEOS Renewable Energy

Realization of Long-Term Vision : Supporting “today’s normal,” taking the lead for “tomorrow’s normal”



Supporting “today’s normal,” taking the lead for “tomorrow’s normal.”

We continue to support everyday life with tireless efforts and strong leadership.

We take action for positive change and continue to take on challenges, while pursuing every possible combination of the strengths of diverse people, technologies, and ideas.

“Today’s normal” in our day-to-day lives—its presence is anything but ordinary.

From the time when “today’s normal” life was not ordinary, the ENEOS Group has always been a frontrunner, committed to developing and supplying energy and materials essential to the everyday life of each age.

Now, we aim to achieve “tomorrow’s normal,” a decarbonized, recycling-oriented society, where next-generation energy, materials and services are essential.

We will continue to take the lead in creating and innovating “tomorrow’s normal” to be a corporate group that is trusted by and indispensable to society.