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## ■ ENEOS Holdings (5020) FY2021 ESG Briefing Q&A

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1. Date/time: March 8, 2022 10:00—11:00
  2. No. of participants: 115
  3. Main content of questions:
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The following contains certain forward-looking statements. Please refer to the cautionary statement at the end of these remarks.

**Q.** Your company aims to be carbon neutral in accordance with your own definition. Recently, there have been major developments in the area of climate change, so do you plan to review your targets? Is there anything you can share with us at this point?

**A.** Our target is to be carbon neutral in our own CO<sub>2</sub> emissions (Scope 1 and 2) in 2040. In light of recent discussion on counting only reduction from CCS/CCUS and forest absorption in the establishment of international standards for CO<sub>2</sub> reduction, we need to review our methods for achieving our target.

In addition to our own emissions (Scope 1 and 2), we will also contribute to Scope 3 emission reduction in the supply chain through initiatives in areas such as renewable energy, hydrogen and EV.

We plan to announce further targets and a course of action toward carbon neutrality at the time of our financial results disclosure in May 2022.

**Q.** What is the breakdown of the +100-billion-yen financial impact from climate change opportunities related to renewable energy, hydrogen and EV?

**A.** We have calculated the breakdown based on our estimates of the sizes of renewable energy, hydrogen and EV markets, as well as assumptions about our market shares and operating income rates. We roughly estimate the breakdown as one-third each for renewable energy, hydrogen and EV.

**Q.** Regarding corporate governance, please tell us about measures to further strengthen monitoring, such as transitioning to a company with a nominating committee, etc.

**A.** As we just recently transitioned to a company with an audit and supervisory committee, we are not considering transitioning to a company with a nominating committee, etc. at this time.

Although we do not necessarily think there are any governance issues with our current structure, we are discussing ways to further strengthen governance. For example, in response to calls from outside directors for further separation of business execution and supervision, my (Ota Katsuyuki, president) position as an executive officer will be assumed by another person and I will serve as chair of the ENEOS Holdings Board of Directors starting in fiscal 2022. This will also help to strengthen monitoring.

This notice contains certain forward-looking statements, however, actual results may differ materially from those reflected in any forward-looking statement, due to various factors, including but not limited to, the following:

- (1) macroeconomic conditions and changes in the competitive environment in the energy, materials and resources industries;
- (2) the impact of COVID-19 on economic activity;
- (3) changes in laws and regulations; and
- (4) risks related to litigation and other legal proceedings.