

To Our Shareholders

Shigeto Yamamoto
Director-President
Fuji Oil Company, Ltd.
Tennozu Parkside Building
5-8, Higashishinagawa 2-chome,
Shinagawa-ku, Tokyo, Japan

**CONVOCAION NOTICE OF
THE TWENTY-FIRST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

(English Translation of the Japanese Original)

Dear Shareholders:

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

Please be informed that the 21st Annual General Meeting of Shareholders (AGM) of the Company will be held as described below.

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

The Company’s website:

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

The information is also posted on the website of the Tokyo Stock Exchange (TSE). To review the information, please access the website below, (1) enter “Fuji Oil Company, Ltd.” to the field of “Issue name” or “5017” to the field of “Code”, (2) select “Basic information,” and then (3) go to “Documents for public inspection/PR information”.

The website of the Tokyo Stock Exchange:

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

If you will not be attending the meeting in person, you may exercise your voting rights in advance via postal mail or the Internet. Please read the Reference Materials of the AGM and exercise your voting rights so that it will reach us **by 5:30 p.m. on Tuesday, June 27, 2023 (JST)**.

AGENDA

1. **Date and Time** : Wednesday, June 28, 2023 at 10:00 a.m.
(The reception desk opens at 9:00 a.m.)

2. **Place** : Hall B-2, Ariake Central Tower Hall & Conference,
4th floor, Ariake Central Tower,
3-7-18, Ariake, Koto-ku, Tokyo

(Please note that the meeting place has changed from the place of previous AGMs. You are asked to check the location on the access map printed on the back cover of the Japanese original Convocation Notice.)

3. **Purposes of this AGM**

Items to be Reported

- 1: To report the Business Report, the Consolidated Financial Statements, the Audit Reports for the Consolidated Financial Statements by Independent Auditor and the Audit & Supervisory Board (ASB) of the Company for the 21st Financial Year (April 1, 2022 - March 31, 2023)
- 2: To report the Non-Consolidated Financial Statements for the 21st Financial Year (April 1, 2022 - March 31, 2023)

Items to be Resolved

- Proposition I : To Distribute Surplus**
- Proposition II : On Partial Amendments to Articles of Association**
- Proposition III : To Elect Ten Directors**
- Proposition IV : To Elect Four Audit & Supervisory Board Members**
- Proposition V : To Revise Amount of Remuneration for Directors**
- Proposition VI : To Revise Amount of Remuneration for Audit & Supervisory Board Members**

<Requests to Shareholders>

- While the Company plans to hold this AGM taking appropriate measures to prevent COVID-19 infections, we ask that shareholders carefully consider whether to attend the meeting in person, taking into consideration your own health condition.
- The Company plans to provide a video stream of a part of this AGM on its website at a later date. When filming, we will take into consideration the privacy of the shareholders attending the AGM and avoid their appearance from being filmed to the extent possible. However, please understand that there may be unavoidable cases in which shareholders' images may be captured.

Notes:

- Although an electronic provision system for materials for the General Meeting of Shareholders is introduced for the meetings to be held in and after March 2023, we have continued to provide the written materials for this AGM as usual in order to avoid confusion among our shareholders.
- The Convocation Notice provided here also serve as the documents that are delivered to shareholders who have requested delivery of paper copies of information subject to the electronic provision measures. Please note that the following items are posted on the websites of the Company and the Tokyo Stock Exchange, and are therefore not included in this Convocation Notice in accordance with the applicable laws and regulations, and Article 13 of the Articles of Association of the Company.
 - (1) “Accounting Auditor” and “Establishment and Implementation Status of Systems for Ensuring Appropriate Business Operations” on the Business Report
 - (2) “Consolidated Statement of Changes in Net Assets” and “Notes to Consolidated Financial Statements” on the Consolidated Financial Statements
 - (3) “Statement of Changes in Net Assets” and “Notes to Non-Consolidated Financial Statements” on the Non-Consolidated Financial StatementsItems (1) through (3) above are part of the documents which Audit & Supervisory Board Members and Independent Auditor audited to prepare their audit reports.
- If there are any amendments to the information subject to the electronic provision measures, they will be posted on each of the above websites.
- Our officers and operation staff will be wearing summer business attire on the day.
- Gifts will not be provided.

**REFERENCE MATERIALS FOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Propositions and relevant information:

Proposition I: To Distribute Surplus

It is our policy to maintain stable dividend payments to our shareholders while taking into consideration the Company's financial results, cash position, etc., as well as necessary internal reserves for the medium-and long-term business development. In consideration of the business results for FY2022 and the financial forecasts for FY2023 of the Company, we would like to propose the dividend payment for the period as follows:

- (1) Kind of property to be distributed
Cash
- (2) Allotment of property for the dividends and the total amount thereof
10 yen per share of common stock of the Company
Total amount of 773,177,670 yen
- (3) Effective date of the dividend distribution from surplus
June 29, 2023

Proposition II: On Partial Amendments to Articles of Association

1. Reason for the proposal

- (1) To better clarify management responsibilities of Directors, increase opportunities to gain shareholder confidence, and flexibly put in place an optimal management structure in response to changes in the business environment, the Company will reduce the term of office of Directors stipulated in Article 18 (Term of Directorship) ① of the current Articles of Association from two years to one year.
- (2) To enable the Company to flexibly implement its capital and dividend policies, the Company will newly establish Article 42 (Decision-making Bodies for Dividend Payment, etc.) and Article 43 (Record Date for Dividend Payment) as shown in the “Details of the proposed amendments” below, and will delete Article 6 (Purchase of Own Shares), Article 43 (Payment of Dividends) and Article 44 (Payment of Interim Dividends) of the current Articles of Association since they contain duplicative contents with the articles proposed to be newly established. The Company will also make necessary revisions to the number of articles in line with the establishment or deletion of articles said above.

2. Details of the proposed amendments

(Amended portions are underlined.)

Current Articles of Association	Proposed Amendments
<p><u>Article 6. (Purchase of Own Shares)</u></p> <p><u>The Company may acquire its own shares through market trading or other means stipulated in Article 165 Sub article 1 of the Companies Act by the resolution of Board of Directors pursuant to Sub article 2 of the same Article.</u></p>	<p>< Deleted ></p>
<p>Article <u>7</u> – Article <u>17</u> < Omitted ></p>	<p>Article <u>6</u> – Article <u>16</u> < Unchanged ></p>
<p>Article <u>18</u>. (Term of Directorship)</p> <p>① The term of Directorship shall expire at the end of the ordinary general meeting of shareholders for the last financial year ending within <u>two</u> years following the appointment of office.</p>	<p>Article <u>17</u>. (Term of Directorship)</p> <p>① The term of Directorship shall expire at the end of the ordinary general meeting of shareholders for the last financial year ending within <u>one</u> year following the appointment of office.</p>
<p>② For any Director who has assumed his/her office due to a vacancy or an increase in the number, the term of office shall expire at the same time as does that of his/her predecessor or his/her fellow members.</p>	<p>② For any Director who has assumed his/her office due to a vacancy or an increase in the number, the term of office shall expire at the same time as does that of his/her predecessor or his/her fellow members.</p>

Article 19 – Article 42 <Omitted>	Article 18 – Article 41 <Unchanged>
<Newly established>	<u>Article 42 Decision-making Bodies for Dividend Payment, etc.)</u> <u>Unless otherwise provided in laws, the Company may determine the matters provided in each item of paragraph 1, Article 459 of the Companies Act, such as the distribution of dividends of surplus, by a decision of the Board of Directors.</u>
<Newly established>	<u>Article 43 (Record Date for Dividend Payment)</u> ① <u>The record date for the year-end dividend of the Company shall be the 31st day of March of each year.</u> ② <u>The record date for the interim dividend of the Company shall be the 30th day of September of each year.</u> ③ <u>In addition to the preceding two paragraphs, the Company may pay dividends by setting other record dates.</u>
<u>Article 43. (Payment of Dividends)</u> <u>The dividends may be paid to the shareholders or pledgees registered in the Register of Shareholders participating in Book-Entry Transfer System as of the end of the 31st of March.</u>	< Deleted >
<u>Article 44. (Payment of Interim Dividends)</u> <u>The interim dividends may, by a decision of the Board of Directors, be paid to the shareholders or pledgees registered in the Register of Shareholders participating in Book-Entry Transfer System as of the end of the 30th of September.</u>	< Deleted >
Article 45. <Omitted>	Article 44. <Unchanged>

Proposition III: To Elect Ten Directors

The terms of office for all nine incumbent Directors expire as of the close of this AGM. The Company proposes the election of ten Directors, increased by one, to ensure transparent management and further strengthen its corporate governance.

The Director-Candidates are as follows:

Candidate No.		Name	Current positions and responsibilities in the Company [responsibilities enclosed in brackets]	Attendance at Board of Directors Meetings in FY2022
1	<u>Re-appoint</u>	Shigeto Yamamoto	Representing Director President	100%
2	<u>New appoint</u>	Takayuki Kawahata	Managing Executive Officer [Technical Dept.; Production Management Dept.]	—
3	<u>New appoint</u>	Takumi Iwamoto	Managing Executive Officer [Corporate Planning & Management Dept.; Safety & Environmental Protection Office]	—
4	<u>Re-appoint</u>	Masayuki Tsuda	Director Executive Officer [Finance & Accounting Dept.]	100%
5	<u>New appoint</u>	Atsuo Watanabe	Executive Officer Deputy General Manager of Sodegaura Refinery [Supervisor]	—
6	<u>Re-appoint</u> Outside <u>Independent</u>	Hiroshi Maezawa	Director	100%
7	<u>New appoint</u> Outside <u>Independent</u>	Ryo Sato	—	—
8	<u>Re-appoint</u> Outside <u>Independent</u>	Mohammed Alshubrumi	Director	83%
9	<u>Re-appoint</u> Outside	Khaled Al-Sabah	Director	100%
10	<u>New appoint</u> Outside <u>Independent</u>	Tomoko Sakamoto	Audit & Supervisory Board Member	100%

Note: Ms. Tomoko Sakamoto attended the Board of Directors Meetings as Outside ASB Member.

Re-appoint Candidate for re-appointment as Director New appoint Candidate for new appointment as Director
Outside Candidate who satisfies the requirements for Outside Director set forth in the Companies Act
Independent Independent Officer who has been or will be registered as such with the Tokyo Stock Exchange, Inc.

(Profiles of Candidate)

Candi- date No.	Name (Date of Birth)	Brief history, Positions and responsibilities in the Company, and Significant positions concurrently held outside the Company	Number of the Company's share held
1	Shigeto Yamamoto (May 22, 1957) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Re-appoint</div>	1981.4 Joined former FOC 2012.7 General Manager, Marketing & Supply Dept., former FOC 2013.7 Associate, General Manager, Marketing & Supply Dept., former FOC 2013.10 Associate, General Manager, Marketing & Supply Dept., the Company 2014.6 Director cum General Manager, Marketing & Supply Dept., the Company 2017.6 Managing Director, the Company 2020.6 Senior Managing Director, the Company 2021.6 Representing Director, President, the Company [Present] Reasons for nomination: Mr. Shigeto Yamamoto has served as General Manager of Marketing & Supply Dept., Senior Managing Director and then as Representing Director- President of the Company and has been supervising its overall management based on his wealth of experience and achievement in the Company's business. We propose the re-election of Mr. Shigeto Yamamoto as Director based on our judgment that he is well suited for the role of Director.	59,600
2	Takayuki Kawahata (Sep. 2, 1959) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appoint</div>	1983.4 Joined former FOC 2012.1 General Manager, Construction & Facility Maintenance Dept., former FOC 2013.10 General Manager, Construction & Facility Maintenance Dept., the Company 2015.7 Associate, Deputy General Manager of Sodegaura Refinery (in charge of Construction & Facility Maintenance Dept.) cum General Manager, Construction & Facility Maintenance Dept., the Company 2017.6 Director cum Deputy General Manager of Sodegaura Refinery, the Company 2019.6 Director, the Company 2021.6 Managing Executive Officer, the Company [Present] Responsibility in the Company: Technical Dept. and Production Management Dept. Reasons for nomination: Mr. Takayuki Kawahata has served as General Manager of Construction & Facility Maintenance, Director, and then as Managing Executive Officer of the Company, and has been supervising technical and production management departments as Managing Executive Officer based on his wealth of experience and achievement in the Company's business. We propose the election of Mr. Takayuki Kawahata as Director based on our judgment that he is well suited for the role of Director.	39,200
3	Takumi Iwamoto (Aug. 15, 1961) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appoint</div>	1984.4 Joined former FOC 2011.6 General Manager, Administration Dept., Sodegaura Refinery, former FOC 2013.4 General Manager in charge of IR Dept., Legal Dept., and General Administration Dept., the Company 2013.10 General Manager in charge of IR & PR Group, General Administration Dept., the Company 2015.7 Associate, General Manager, General Coordination & Planning Dept. (now, Corporate Planning & Management Dept.), the Company 2017.6 Director cum General Manager, General Coordination & Planning Dept., the Company 2018.6 Director, Japan Oil Engineering Company, Ltd. (JOE)	38,500

		<p style="text-align: center;">[Present]</p> <p>2019.6 Director, the Company 2021.6 Managing Executive Officer, the Company [Present]</p> <p>Significant positions concurrently held: Director, JOE</p> <p>Responsibility in the Company: Corporate Planning & Management Dept.; Safety & Environmental Protection Office</p> <p>Reasons for nomination: Mr. Takumi Iwamoto has served as General Manager of Corporate Planning & Management Dept., Director, and then as Managing Executive Officer of the Company, and has been supervising corporate planning & management department and safety & environmental protection office of the Company based on his wealth of experience and achievement in the Company's business. We propose the election of Mr. Takumi Iwamoto as Director based on our judgment that he is well suited for the role of Director.</p>	
4	<p>Masayuki Tsuda (Apr. 6, 1962)</p> <p style="text-align: center;"><u>Re-appoint</u></p>	<p>1985.4 Joined the Development Bank of Japan Inc. (DBJ) 2012.4 Head of Credit Analysis Dept., DBJ 2014.6 Executive Officer, Head of Human Resources Management Dept., DBJ 2017.6 Managing Executive Officer, DBJ 2019.6 Director, the Company 2021.6 Director, Executive Officer, the Company [Present]</p> <p>Responsibility in the Company: Finance & Accounting Dept.</p> <p>Reasons for nomination: Mr. Masayuki Tsuda has been supervising financing and accounting affairs of the Company as Director in charge of Finance & Accounting Dept. based on his deep knowledge of the Company's business. He has also a wealth of experience and extensive expertise in finance and accounting acquired through his service in a financial institution. We propose the re-election of Mr. Masayuki Tsuda as Director based on our judgment that he is well suited for the role of Director.</p>	19,600
5	<p>Atsuo Watanabe (Jul. 6, 1965)</p> <p style="text-align: center;"><u>New appoint</u></p>	<p>1989.4 Joined Ministry of International Trade and Industry (now, Ministry of Economy, Trade and Industry (METI)) 2014.7 Director, Reconstruction and Revitalization of Fukushima Office, Reconstruction Agency 2016.7 Director, General Coordination Office of Fukushima Reconstruction Promotion Group, METI 2017.7 Deputy Director-General for Policy Evaluation of Minister's Secretariat, METI 2018.7 Deputy Director-General for Export Promotion of Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries 2019.7 Vice Secretary-General for Secretariat of Intellectual Property Strategy Headquarters, Cabinet Office 2021.8 Retired from office 2021.11 Advisor, the Company 2022.6 Executive Officer cum Deputy General Manager of Sodegaura Refinery [Supervisor], the Company [Present]</p> <p>Responsibility in the Company: Deputy General Manager of Sodegaura Refinery [Supervisor]</p>	500

		<p>Reasons for nomination: Mr. Atsuo Watanabe has been overseeing overall management of Sodegaura Refinery as Executive Officer cum Deputy General Manager of Sodegaura Refinery. He has also a wealth of experience and high level insight into national economic policies in general acquired through his many years' service in development of Japan's economy and industry as a government official. We propose the election of Mr. Atsuo Watanabe as Director based on our judgment that he is well suited for the role of Director.</p>	
6	<p>Hiroshi Maezawa (Aug. 19, 1961)</p> <p><u>Re-appoint</u></p> <p>Outside</p> <p><u>Independent</u></p> <p>Years of outside directorship: 1 year</p>	<p>1986.4 Joined Idemitsu Kosan Co., Ltd. (IDEMITSU) 2010.7 Deputy General Manager, Hokkaido Refinery, IDEMITSU 2013.4 Executive Officer, General Manager, Tokuyama Refinery, IDEMITSU 2016.7 Executive Officer, General Manager, Chiba Plant, IDEMITSU 2017.10 Executive Officer, General Manager, Chiba Complex, IDEMITSU 2018.7 Senior Executive Officer, General Manager, Chiba Complex, IDEMITSU 2019.4 Senior Executive Officer, General Manager, Manufacturing & Technology, IDEMITSU 2020.6 Director, Toa Oil Co., Ltd. 2020.7 Managing Executive Officer, Manufacturing & Technology, IDEMITSU 2021.6 President, Showa Yokkaichi Sekiyu Co., Ltd. 2022.6 Director (Outside), the Company [Present]</p> <p>Reasons for nomination as Outside Director and outline of expect roles: Mr. Hiroshi Maezawa has a wealth of experience and insight acquired through serving in one of the top energy companies in Japan as well as management experience and insight acquired through serving as a business manager of multiple companies specializing in petroleum refining. We propose the re-election of Mr. Hiroshi Maezawa as Outside Director based on our judgment that his advice on the Company's management from an independent perspective will contribute to the enhancement of our corporate governance. After the election, we expect him to perform the roles of monitoring management, etc. appropriately by making use of his knowledge in management strategy.</p>	Nil
7	<p>Ryo Sato (Aug. 29, 1955)</p> <p><u>New appoint</u></p> <p>Outside</p> <p><u>Independent</u></p>	<p>1981.4 Joined Sumitomo Chemical Company Limited (SCC) 2000.8 Group Manager, Agricultural Chemicals Research Laboratory, SCC 2008.1 Research Director, Agricultural Chemicals Research Laboratory, SCC 2009.4 Associate Officer cum Research Director, Agricultural Chemicals Research Laboratory, SCC 2010.4 Associate Officer cum General Manager, Planning and Coordination Office Agricultural Chemicals Sector, SCC 2011.4 Executive Officer, SCC 2014.4 Adviser, SCC 2014.4 Adviser, Taoka Chemical Co., Ltd. (TAOKA) 2014.6 President, TAOKA 2021.6 Counselor, TAOKA [Present] 2023.6 Scheduled to retire from the above position of TAOKA</p>	Nil

		Reasons for nomination as Outside Director and outline of expect role: Mr. Ryo Sato has a wealth of experience and insight acquired through serving in one of the top material companies in Japan as well as extensive management experience and achievement acquired through serving as a business manager of a material company. We propose the election of Mr. Ryo Sato as Outside Director based on our judgment that his advice on the Company's management from an independent perspective will contribute to the enhancement of our corporate governance. After the election, we expect him to perform the roles of monitoring management, etc. appropriately by making use of his knowledge in management strategy.	
8	<p>Mohammed Alshubrumi (Dec. 19, 1987)</p> <p>Re-appoint</p> <p>Outside</p> <p>Independent</p> <p>Years of outside directorship: 2 years</p>	<p>2011.8 Joined the Law Office of Dr. Mohammed Darweesh Salamah</p> <p>2014.6 Joined Khoshaim & Associates in cooperation with Allen & Overy</p> <p>2017.6 Legal Advisor to HRH the Minister, Ministry of Energy, Government of Kingdom of Saudi Arabia</p> <p>2021.6 Director (Outside), the Company [Present]</p> <p>2023.1 General Supervisor of HRH the Minister Office, Ministry of Energy, Government of Kingdom of Saudi Arabia [Present]</p> <p>Significant positions concurrently held: Legal Advisor cum General Supervisor of HRH the Minister Office, Ministry of Energy, Government of Kingdom of Saudi Arabia</p>	Nil
		Reasons for nomination as Outside Director and outline of expect role: Mr. Mohammed Alshubrumi has a wealth of experience and knowledge acquired through serving in a government organization in one of the Middle East oil producing countries. While he has never been involved in corporate management except as outside officer, we propose the re-election of Mr. Mohammed Alshubrumi as Outside Director based on our judgment that his advice on the Company's management from an independent perspective is valuable to promote the business of the Company group. After the election, we expect him to perform the roles of monitoring management, etc. appropriately by making use of his knowledge in the global energy situation.	
9	<p>Khaled Al-Sabah (Jun. 28, 1967)</p> <p>Re-appoint</p> <p>Outside</p> <p>Years of outside directorship: 4 years</p>	<p>1992.11 Joined Kuwait Petroleum Corporation (KPC)</p> <p>2009.8 Manager, Bunker Sales Dept., KPC</p> <p>2013.9 Manager, Naphtha/Mogas/LPG Sales, cum the head of LNG Negotiations Committee, KPC</p> <p>2017.8 Manager, Planning and Marketing, KPC</p> <p>2017.10 Deputy Managing Director, International Marketing Sales, KPC</p> <p>2019.6 Director (Outside), the Company [Present]</p> <p>2022.11 Managing Director, International Marketing, KPC [Present]</p> <p>2022.11 Ag. CEO, Kuwait Oil Tanker Company [Present]</p> <p>Significant positions concurrently held: Managing Director, International Marketing, KPC Ag. CEO, Kuwait Oil Tanker Company</p>	Nil
		Reasons for nomination as Outside Director and outline of expect role: Sheikh Khaled Al-Sabah has a wealth of experience and knowledge acquired through serving in a national oil company as well as experience and insight acquired through serving as a business manager in an oil related company in one of the Middle East oil producing countries. We propose the re-election of Sheikh Khaled Al-Sabah as Outside Director based on our judgment that his advice on the Company's management from an outside perspective is valuable to promote the business of the Company group. After the election, we expect him to perform the roles of monitoring management, etc. appropriately by making use of his knowledge in the global oil situation and international marketing.	

10	Tomoko Sakamoto (May 11, 1974) <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appoint</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; background-color: black; color: white;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> Years of outside ASB membership: 4 years	2000.3 Received her Diploma from the Legal Training and Research Institute of the Supreme Court of Japan 2000.4 Registered as a Japanese attorney 2000.4 Joined Kitahama Partners Attorneys and Counselors at Law 2003.10 Joined Yanagida & Nomura Attorneys and Counselors at Law 2006.11 Joined Iwata Godo Attorneys and Counselors at Law (IWATA GODO) 2011.7 Partner, IWATA GODO [Present] 2015.6 Director (Outside), Yachiyo Bank, Ltd. 2018.12 ASB Member (Outside), FCE Holdings Inc. [Present] 2019.6 ASB Member (Outside), the Company [Present] 2020.6 ASB Member (Outside), ARATA CORPORATION 2021.6 Director (Outside, Audit & Supervisory Committee Member), ARATA CORPORATION [Present] 2022.6 ASB Member (Outside), SPACE SHOWER NETWORKS INC. [Present]	Nil
		Significant positions concurrently held: Partner, IWATA GODO ASB Member (Outside), FCE Holdings Inc. Director (Outside, Audit & Supervisory Committee Member), ARATA CORPORATION ASB Member (Outside), SPACE SHOWER NETWORKS INC.	
		Reasons for nomination: Ms. Tomoko Sakamoto has a wealth of experience and expertise in law as an attorney as well as experience and insight as outside director and outside ASB member of multiple companies and as outside ASB member of the Company. While she has never been involved in corporate management except as outside officer, we propose the election of Ms. Tomoko Sakamoto as Outside Director based on our judgment that her advice on the Company's management from an independent perspective will contribute to the enhancement of our corporate governance. After the election, we expect her to perform the roles of monitoring management, etc. appropriately by making use of her knowledge as an attorney.	

- Note :
1. Years of outside directorship and outside ASB membership of each Outside Director-Candidate are as of the close of the 21st AGM.
 2. Sheikh Khaled Al-Sabah has a concurrent position of Managing Director, International Marketing, KPC. The Company has a business relationship with KPC in purchasing of crude oil and others.
 3. Ms. Tomoko Sakamoto belongs to IWATA GODO. The Company has a legal services agreement with IWATA GODO.
 4. The Company has no special interest concerning business relationships with the other Director-Candidates.
 5. The Company has a Directors and Officers (D&O) liability insurance contract with an insurance company, as provided for in Article 430-3, paragraph 1 of the Companies Act. In the event that a claim for damages is filed by a shareholder or a third party against the insured, the said contract covers the legal expenses and compensation for damages to be borne by the insured. If the Director-Candidates are (re-)elected, they will be included in the insured under this contract. The Company plans to renew the contract with the same details at the time of the next renewal.
 6. In May 2022, inappropriate activity regarding product testing (failure to conduct a part of product testing on petroleum products produced in the past as required by laws and regulations) at the Yokkaichi Refinery of Showa Yokkaichi Sekiyu Co., Ltd., where Mr. Hiroshi Maezawa served as President until June 2022, were disclosed. The inappropriate activity began before June 2021, when he assumed the position of President of the company. After becoming aware of the inappropriate activity, he immediately developed and implemented interim countermeasures and established a special investigation committee including external experts, to clarify the facts, identify the causes, and consider the measures to prevent recurrence.
 7. Mr. Hiroshi Maezawa has been for a part of the past ten years an operating officer of IDEMITSU, one of the Company's specified affiliated entities.
 8. Mr. Ryo Sato has been for a part of the past ten years an operating officer of SCC, one of the Company's specified affiliated entities.
 9. Sheikh Khaled Al-Sabah is an operating officer of KPC, one of the Company's specified affiliated entities.
 10. Ms. Tomoko Sakamoto is currently an ASB Member of the Company. She is scheduled to retire from the position of ASB Member of the Company as of the close of this AGM due to expiration of her term of office.
 11. Messrs. Hiroshi Maezawa and Mohammed Alshubrumi and Ms. Tomoko Sakamoto satisfy the Company's criteria for Independence of Outside Officers, and have been registered as Independent Officers with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange. Mr. Ryo Sato satisfies the Company's criteria for Independence of Outside Officers and, if elected as proposed, will be registered as Independent Officer with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.

Proposition IV: To Elect Four Audit & Supervisory Board Members

The terms of office for all four incumbent Audit & Supervisory Board (ASB) Members expire as of the close of this AGM. Accordingly, the Company proposes the election of four ASB Members.

The consent of the ASB to this proposition has been obtained.

The ASB Member-Candidates are as follows:

Candidate No.		Name	Current positions in the Company	Attendance at meetings in FY2022
1	<u>New appoint</u> <u>Outside</u> Independent	Tomoo Fujisawa	—	—
2	<u>Re-appoint</u> <u>Outside</u> Independent	Koichi Chikaraishi	ASB Member	Board of Directors Meetings 100% ASB Meetings 100%
3	<u>New appoint</u> <u>Outside</u> Independent	Satoshi Tomii	—	—
4	<u>New appoint</u> <u>Outside</u> Independent	Mutsumi Kanai	—	—

Re-appoint Candidate for re-appointment as ASB Member New appoint Candidate for new appointment as ASB Member

Outside Candidate who satisfies the requirements for Outside ASB Member set forth in the Companies Act

Independent Independent Officer who has been or will be registered as such with the Tokyo Stock Exchange, Inc.

Candi- date No.	Name (Date of Birth)	Brief history, Positions in the Company, and Significant positions concurrently held outside the Company	Number of the Company's share held
1	<p>Tomoo Fujisawa (Jul. 5, 1960)</p> <p><u>New appoint</u></p> <p>Outside</p> <p><u>Independent</u></p>	<p>1983.4 Joined Tokyo Electric Power Co., Inc. (now, Tokyo Electric Power Company Holdings, Inc. (TEPCO))</p> <p>2007.7 Senior Manager, Coal Group, Fuel Department, TEPCO</p> <p>2010.7 Senior Manager, Fuel Synthesis Group, Fuel Department, TEPCO</p> <p>2011.10 Deputy General Manager, Fuel Department, TEPCO</p> <p>2015.7 Fukushima Headquarters cum Fuel and Power Company, TEPCO</p> <p>2016.4 Fukushima Headquarters, TEPCO cum Corporate Planning Office, TEPCO Fuel & Power, Inc.</p> <p>2017.7 Joined Joban Joint Power Co., Ltd. (JOBAN)</p> <p>2018.6 Director, JOBAN [Present]</p> <p>2023.6 Scheduled to retire from the above position of JOBAN</p> <p>Reasons for nomination: Mr. Tomoo Fujisawa has a wealth of experience and insight acquired through serving in one of the top energy companies in Japan as well as experience and insight acquired through serving as director in an energy related company. We propose the election of Mr. Tomoo Fujisawa as ASB Member so that he may monitor the appropriateness of directors' execution of business from a position independent of the Company's management and give advice, to ensure that the interests of general shareholders are properly considered in their decision-making..</p>	Nil
2	<p>Koichi Chikaraishi (Apr. 19, 1957)</p> <p><u>Re-appoint</u></p> <p>Outside</p> <p><u>Independent</u></p> <p>Years of Outside ASB membership: 4 years</p>	<p>1980.4 Joined Nippon Yusen Kabushiki Kaisha (NYK)</p> <p>2003.4 General Manager of Petroleum Product and LPG Group, NYK</p> <p>2006.4 General Manager of Forest Products Group, NYK</p> <p>2009.4 Corporate Officer cum General Manager of Forest Products Group, NYK</p> <p>2010.4 Corporate Officer cum General Manager of Panamax Fleet Management Group, NYK</p> <p>2012.4 Managing Corporate Officer, NYK</p> <p>2012.6 Director cum Managing Corporate Officer, NYK</p> <p>2013.4 Representative Director cum Senior Managing Corporate Officer, NYK</p> <p>2019.4 Director, NYK</p> <p>2019.6 Advisor, NKY [Present]</p> <p>2019.6 ASB Member (Outside), the Company [Present]</p> <p>2019.6 Director (Outside), Murakami Corporation [Present]</p> <p>2022.6 Director (Outside), The Shibusawa Warehouse Co., Ltd. [Present]</p> <p>Significant positions concurrently held: Advisor, NKY Director (Outside), Murakami Corporation Director (Outside), The Shibusawa Warehouse Co., Ltd.</p> <p>Reasons for nomination: Mr. Koichi Chikaraishi has a wealth of management experience and insight acquired through serving as a business manager of one of the top global marine transport companies in Japan as well as experience and insight acquired through serving as director in multiple companies. We propose the re-election of Mr. Koichi Chikaraishi as ASB Member so that he may monitor the appropriateness of directors' execution of business from a position independent of the Company's management and give advice, to ensure that the interests of general shareholders are properly considered in their decision-making.</p>	Nil

3	<p>Satoshi Tomii (Nov. 7, 1962)</p> <p><u>New appoint</u></p> <p>Outside</p> <p><u>Independent</u></p>	<p>1985.4 Joined The Japan Development Bank (now, Development Bank of Japan Inc. (DBJ))</p> <p>2009.6 Head of Strategic Finance Group, DBJ</p> <p>2010.5 Executive Officer cum Head of Strategic Finance Group, DBJ</p> <p>2011.6 Managing Executive Officer cum Head of Strategic Finance Group, DBJ</p> <p>2012.4 Managing Executive Officer cum Head of Growth & Cross Boarder Investment Group, DBJ</p> <p>2012.6 Managing Executive Officer cum Investment Arm Head cum Head of Growth & Cross Boarder Investment Group, DBJ</p> <p>2014.3 Managing Executive Officer cum General Manager, Growth & Cross Boarder Investment Division, DBJ</p> <p>2014.10 Managing Executive Officer cum Investment Arm Head, DBJ</p> <p>2015.6 Director, Managing Executive Officer cum Chief Investment Officer, DBJ</p> <p>2016.6 Director (Outside), World Co., Ltd.</p> <p>2019.4 Director, Japanese Association of Turnaround Professionals [Present]</p> <p>2019.10 Director cum Managing Executive Officer, DBJ Japan Economic Research Institute Inc.</p> <p>2020.6 Representative Director, Chairman of DBJ Investment Advisory Co., Ltd. [Present]</p> <p>2022.6 Director (Outside), Japan Post Insurance Co., Ltd. [Present]</p> <p>Significant positions concurrently held: Representative Director, Chairman of DBJ Investment Advisory Co., Ltd. Director (Outside), Japan Post Insurance Co., Ltd.</p> <p>Reasons for nomination: Mr. Satoshi Tomii has a wealth of experience and expertise in finance and accounting acquired through his service in multiple financial institutions as well as experience and insight acquired through serving as director in multiple companies. We propose the election of Mr. Satoshi Tomii as ASB Member so that he may monitor the appropriateness of directors' execution of business from a position independent of the Company's management and give advice, to ensure that the interests of general shareholders are properly considered in their decision-making.</p>	Nil
4	<p>Mutsumi Kanai (Sep. 30, 1969)</p> <p><u>New appoint</u></p> <p>Outside</p> <p><u>Independent</u></p>	<p>1992.10 Joined Asahi Shinwa & Co. (now, KPMG AZSA LLP (KPMZ AZSA))</p> <p>2011.6 Associate Partner, KPMG AZSA</p> <p>2021.7 Representative, Mutsumi Kanai Certified Public Accountant Office [Present]</p> <p>2021.7 Director (Outside), Nhosa Corporation</p> <p>2022.12 Supervisory Director, JR East Private Reit, Inc. [Present]</p> <p>Significant positions concurrently held: Representative, Mutsumi Kanai Certified Public Accountant Office Supervisory Director, JR East Private Reit, Inc.</p>	Nil

Reasons for nomination:

Ms. Mutsumi Kanai has a wealth of experience and insight as a certified public accountant. We propose the election of Ms. Mutsumi Kanai as ASB Member so that she may monitor the appropriateness of directors' execution of business from a position independent of the Company's management and give advice, to ensure that the interests of general shareholders are properly considered in their decision-making. While she has never been directly involved in corporate management except as outside officer, for the reason stated above, we believe that she will appropriately execute duties as outside ASB member.

- Note :
1. Years of Outside ASB membership of Mr. Koichi Chikaraishi is as of the close of this AGM.
 2. Mr. Koichi Chikaraishi has a concurrent position of Advisor to NKY. The Company has a business relationship with NKY in chartering of crude oil tankers and others.
 3. The Company has no special interest concerning business relationships with the other ASB Member-Candidates.
 4. The Company has a Directors and Officers (D&O) liability insurance contract with an insurance company, as provided for in Article 430-3, paragraph 1 of the Companies Act. In the event that a claim for damages is filed by a shareholder or a third party against the insured, the said contract covers the legal expenses and compensation for damages to be borne by the insured. If the Director-Candidates are (re-)elected, they will be included in the insured under this contract. The Company plans to renew the contract with the same details at the time of the next renewal.
 5. Satoshi Tomii has been for a part of the past ten years an operating officer of DBJ, one of the Company's specified affiliated entities.
 6. Mr. Koichi Chikaraishi satisfies the Company's criteria for Independence of Outside Officers, and has been registered as Independent Officer with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange. Messrs. Tomoo Fujisawa and Satoshi Tomii and Ms. Mutsumi Kanai satisfy the Company's criteria for Independence of Outside Officers and, if elected as proposed, will be registered as Independent Officers with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.

(Reference)

The Company aims to ensure effectiveness of the Board by constituting it by persons with expertise and experience in diverse areas. It also introduced an executive officer system in June 2021 for the purpose of responding swiftly and appropriately to changes in the business environment and strengthening its corporate governance.

Our Officers will be as follows if Propositions III and IV are approved as proposed:

(The following list does not represent all the expertise and experience that each person has.)

Officers	Positions and responsibilities in the Company [responsibilities enclosed in brackets]	Areas of Expertise and Experience to which Officers are Expected to Contribute								
		Management strategy	Finance / Accounting	Law / Compliance	Human resources / HR Development	Technology / Manufacturing / IT / Digital	Sales / Marketing	International experience	ESG	
Director	(Mr.) Shigeto Yamamoto	Representing Director President	●			●		●	●	
	(Mr.) Takayuki Kawahata	Representing Director Managing Executive Officer [Technical Dept.; Human Resource Development Dept.]					●		●	●
	(Mr.) Takumi Iwamoto	Director Managing Executive Officer General Manager of Sodegaura Refinery	●	●	●					●
	(Mr.) Masayuki Tsuda	Director Managing Executive Officer [Finance & Accounting Dept.]		●		●		●	●	
	(Mr.) Atsuo Watanabe	Director Executive Officer [Corporate Planning & Management Dept.; Safety & Environmental Protection Office]	●						●	●
	(Mr.) Hiroshi Maezawa <u>Independent</u>	Outside Director	●				●		●	●
	(Mr.) Ryo Sato <u>Independent</u>	Outside Director	●				●	●	●	
	(Mr.) Mohammed Alshubrumi <u>Independent</u>	Outside Director	●		●				●	
	(Mr.) Khaled Al-Sabah	Outside Director	●					●	●	
	(Ms.) Tomoko Sakamoto <u>Independent</u>	Outside Director			●					●

Officers		Areas of Expertise and Experience to which Officers are Expected to Contribute							
		Management strategy	Finance / Accounting	Law / Compliance	Human resources / HR Development	Technology / Manufacturing / IT / Digital	Sales / Marketing	International experience	ESG
Audit & Supervisory	(Mr.) Tomoo Fujisawa Independent	Outside ASB Member	●	●				●	
	(Mr.) Koichi Chikaraishi Independent	Outside ASB Member	●					●	●
	(Mr.) Satoshi Tomii Independent	Outside ASB Member	●	●	●				●
	(Ms.) Mutsumi Kanai Independent	Outside ASB Member		●	●				
Executive Officer	(Mr.) Kenichi Terao	Managing Executive Officer [Human Resources Dept.]	●		●	●			●
	(Mr.) Takahiko Yamamoto	Managing Executive Officer [Supply & Trading Dept.]	●	●	●			●	●
	(Mr.) Toshiya Ishizuka	Executive Officer Deputy General Manager of Sodegaura Refinery [Refining Dept., Safety & Environmental Protection Dept., Safety] General Manager of Safety & Environmental Protection Dept.					●		●
	(Mr.) Hiroshi Hisa	Executive Officer Deputy General Manager of Sodegaura Refinery [Construction & Facility Maintenance Dept., TPM Promotion Office, Refinery Cost Management] General Manager of TPM Promotion Office					●		●
	(Mr.) Masahiro Hirano	Executive Officer General Manager of Corporate Planning & Management Dept.	●	●	●	●			●
	(Mr.) Daiki Imai	Executive Officer General Manager of Refining Dept., Sodegaura Refinery					●		●
	(Mr.) Motohiro Nakayama	Executive Officer General Manager of General Administration Dept.			●			●	●

Proposition V: To Revise Amount of Remuneration for Directors

Monetary remuneration payable to Directors was set at a maximum total of 360 million yen per year (of which, the maximum amount payable to Outside Directors is 30 million yen per year) at the 16th AGM held on June 27, 2018, and the amount has remained unchanged to the present. Meanwhile, Directors' duties and responsibilities have since expanded due to changes in economic conditions and business environment, etc. In addition, we are proposing to increase the number of Outside Directors by one in Proposition X. Taking these into account comprehensively, we propose to revise the maximum total amount of remuneration for Directors to 390 million yen per year (of which, the maximum amount payable to Outside Directors is 60 million yen per year). As before, the amount of remuneration for Directors shall not include the amount of employee salary for Directors who also serve as employees.

This Proposition has been determined by the Board of Directors based on the deliberation and report of the Nomination and Remuneration Advisory Committee, which is chaired by an outside independent officer and the majority of whose members are also outside independent officers.

The Company's "Policy on Decisions on Content of Remunerations for Each Director, etc." is as described on pages xx-xx of the Business Report, and no change is planned for the Policy even if this Proposition is approved, as the contents of the policy are considered to remain appropriate. We believe that this Proposition to revise the remuneration framework for monetary remuneration payable to Directors is appropriate, considering that the maximum amount proposed is necessary and rational as a remuneration framework in light of the calculation standards for monetary remuneration for each Director, level of the ratio of such remuneration to the total remuneration for Directors, number of Directors for whom such remuneration is payable, etc. set forth in the said Policy.

The current the number of Directors is 9 (including 4 Outside Directors). If Proposition X is approved as proposed, the number will be 10 (including 5 Outside Directors).

Proposition VI: To Revise Amount of Remuneration for Audit & Supervisory Board Members

Monetary remuneration payable to ASB Members was set at a maximum total of 48 million yen per year at the 16th AGM held on June 27, 2018, and the amount has remained unchanged to the present. Meanwhile, ASB Members' duties and responsibilities have since expanded due to changes in economic conditions and business environment, etc. In light of this and for the purpose of enabling the Company to recruit and retain diverse and talented individuals, we propose to revise the maximum total remuneration for ASB Members to 60 million yen per year.

The current number of ASB Members is 4. If Proposition IV is approved as proposed, the number will not change.

Guidance on the Exercise of Voting Rights

Please exercise your voting rights by one of the three ways shown below.

Vote by Attending the AGM

Please bring the enclosed Voting Rights Exercise Form and submit it at the reception desk without detaching the right-hand side of the form.

Date and Time of the AGM: 10:00 a.m. on Wednesday, June 28, 2023 (JST)
(Reception starts at 9:00 a.m.)

*If you are going to attend the meeting by a proxy, the proxy is required to submit the Voting Rights Exercise Form at the reception desk, together with a document certifying his/her authority to act as proxy. The proxy must be one of the other shareholders of the Company who is entitled to exercise his/her voting rights at this AGM.

Vote via Postal Mail

Deadline: To be received by 5:30 p.m. on Tuesday, June 27, 2023 (JST).

Please indicate “for” or “against” for each proposition on the enclosed Voting Rights Exercise Form and return the completed Form to us (without affixing a stamp).

*If you send us a Voting Rights Exercise Form indicating neither “for” or “against” for any of the proposition, your vote will be treated as an affirmative vote to the propositions.

Vote via the Internet (English NOT available)

Deadline: To be submitted by 5:30 p.m. on Tuesday, June 27, 2023 (JST).

(1) Vote by Scanning the QR Code “Smart Exercise”

You can log in to the online voting website without entering your voting code and password.

Please read your “QR code” on the bottom right corner of the Voting Rights Exercise Form, access the website, and register your “for” or “against” for each proposition by following the onscreen instructions.

Voting by Smart Exercise is valid only once.

If you wish to change your vote after exercising your voting rights, please scan the QR Code again, log in by entering your voting code and password (as in (2) below), and exercise your voting rights again.

(2) Vote by Entering the Voting Code and Password

Please access the online voting website <https://soukai.mizuho-tb.co.jp/>, enter your voting code and temporary password printed on the Voting Rights Exercise Form. The first time you login, you will be asked to change the temporary password to ensure security. Please change it to any password of your choosing, and register your “for” or “against” for each proposition by following the onscreen instructions.

(Notes)

*If you exercise the voting rights both via Postal Mail and via the Internet, the voting via the Internet shall prevail. In the case of multiple voting via the Internet, the last voting shall prevail.

*Any fees incurred when accessing the online voting website shall be borne by the shareholder.

*The online voting website may not be available depending on your internet environment or device you use.

For Inquiries, please contact Stock Transfer Agency Dept., Mizuho Trust & Banking Co., Ltd., our registrar and transfer agent.

- (1) All inquiries regarding how to exercise your voting rights via the online voting website:
Toll free (calls from within Japan) 0120-768-524
(Between 9:00 a.m. and 9:00 p.m., JST, except Year End and New Year Holidays)
- (2) Other inquiries regarding stock-related administrative work:
Toll free (calls from within Japan) 0120-288-324
(Between 9:00 a.m. and 5:00 p.m., JST, on weekdays)

Institutional investors may also use the Electronic Proxy Voting Platform operated by ICJ (Investor Communications Japan) to exercise their voting rights.

Report for the 21th Financial year

Business Report (April 1, 2022 – March 31, 2023)

I. BUSINESS OVERVIEW OF FOC GROUP

1. Business Progress and Results

(Business Environment)

In the crude oil market, the Dubai started the period at the US\$101/bbl level. When the European Union announced a policy of banning imports of Russian crude oil and petroleum products as sanctions against the nation following its military invasion of Ukraine, it rose to reach the US\$118/bbl in mid-June on the prospect that supply and demand would tighten. Then it took a downward turn following a series of interest rate hikes by the U.S. and European central banks and an increase in the number of new cases of COVID-19 in China, which raised concerns over global economic recession. While there was a phase when the Dubai went up in response to the OPEC Plus agreement in early October on reducing oil production by 2 million barrels per day, it declined to the low US\$70/bbl level in mid-December due to strong and persistent concerns about economic recession. Following China's announcement of significant easing of restrictions on people's movement, it recovered to around \$85/bbl in January buoyed by expectations for an increase in crude oil demand, but then fell to near \$70/bbl in mid-March with the eruption of financial turmoil in the U.S and Europe. As a result, it marked about US\$92/bbl on a yearly average basis, up about US\$14/bbl over the previous period.

In the foreign exchange market, the yen started the period at the lower ¥122/US\$ level. The trend of a weakening yen and strengthening dollar advanced against the backdrop of an accelerated pace of interest-rate hikes by the U.S. Federal Reserve who was in a rush to curb inflation, and the yen temporarily fell to the ¥151/US\$ level in October. After that, the yen swung back to appreciation due to rising expectations for a slowdown in the pace of U.S. interest-rate hikes on the back of the nation's deteriorating economic indicators and due to the Bank of Japan's partial revision of its yield curve control (long-term interest rate control) policy to expand allowable range of fluctuation in long-term interest rates, and ended the period at the mid¥133/US\$ level. As a result, the yen marked about ¥135/US\$ on a yearly basis, a depreciation of about ¥23/US\$ over the previous period.

Looking at the domestic oil product market, demand for Gasoline was at 100.6% of the previous period's figure, reflecting relaxation of people movement restrictions and a domestic travel subsidy program by the government, etc., while there existed structural factors that drove the demand lower, such as a decrease in the number of gasoline passenger cars owned and improvement in fuel efficiency. Demand for Jet Fuel was at 121.6% of the previous period's figure due to a recovery in demand for air transport of passengers and freight. Demand for Kerosene was at 90.6% of the figure of the previous period due to a mild winter across the nation. Gas Oil declined slightly to 98.7% of the previous period's figure despite a steady demand for freight transport. As a result, the total sales volume of the products was at 98.1% of the previous period's figure.

(Consolidated Business Results)

Under these business circumstances, consolidated net sales resulted in 850.8 billion yen, up 364.8 billion yen over the previous period, mainly due to an increase in sales reflecting the absence of periodic SDM this period, and an increase in the selling prices of products associated with a rise in crude oil prices.

Looking at profit and loss for the period, operating profit was 5.0 billion yen, a decrease of 11.2 billion yen over the previous period, due to such factors as a decline in positive effect of inventory valuation (i.e., effect on cost of sales arising from inventory valuation using the gross average method and the lower of cost or market method), which pushed down the cost of sales by 0.6 billion yen (in the previous period, positive effect of inventory valuation pushed down the cost of sales by 18.7 billion yen). As for ordinary profit, it was 4.7 billion yen, a decrease of 11.3 billion yen over the previous period.

Profit attributable to owners of parent for the period resulted in 3.5 billion yen, a decrease of 11.6 billion yen over the previous period.

Operating loss and ordinary loss excluding effect of inventory valuation amounted to 4.3 billion yen (an improvement of 6.8 billion yen over the previous period) and 4.0 billion yen (an improvement of 6.7 billion yen over the previous period), respectively.

(Progress)

Production

The Sodegaura Refinery maintained generally safe and stable operations throughout the year, although there was a temporary decline in the operating rate of production facilities due to repair works on them. Crude oil throughput stood at 7,648 thousand kL, up by 22.2% as compared to the previous period when a once in four years major periodical SDM was carried out. The utilization rate of the crude distillation unit was 92.2% on average during the period.

Thousand Kiloliters			
Category	FY2022(A)	FY2021(B)	Change (A/B) (%)
Material Processed			
Crude Oil	7,648	6,259	122.2
Semi-finished Products	694	602	115.3
Total	8,342	6,862	121.6
Refined Products Produced	8,035	6,560	122.5

Sales

As this period was not a year for periodic SDM, total sales volume of petroleum products including petrochemicals and others came to 8,028 thousand kL, up by 24.2% as compared to the previous period.

Looking at sales by product, Jet Fuel is up by 99.4% year-on-year on the back of demand recovery in passenger and cargo transport. Kerosene is down by 18.6% over the previous period due to the effect of a mild winter across the nation.

Thousand Kiloliters			
Product	FY2022 (A)	FY2021 (B)	Change (A/B) (%)
Gasoline	2,515	1,882	133.6
Naphtha	386	227	170.0
Jet Fuel	961	482	199.4
Kerosene	359	441	81.4
Gas Oil	1,817	1,517	119.8
Fuel Oil (A)	275	208	132.2
Fuel Oil (C)	64	61	104.9
Benzene / Xylene	449	380	118.2
Others	1,204	1,268	95.0
Total	8,028	6,466	124.2

Initiatives based on Corporate Philosophy

Adhering to our corporate philosophy aiming to “ensure stable supplies of energy”, “maintain safety and protect the global environment”, “work for the benefit of all stakeholders” and “create energetic and motivating workplace”, and pursuing sustainable growth while also serving society through its business activities, we are working on an ongoing basis on reduction of environmental burden, contribution to the local community, as well as further improvement in the corporate governance system.

➤ Safety and Stable Supplies of Energy

In order to continue to fulfill our social mission of ensuring stable supplies of energy, we are strongly promoting human resource development at the Sodegaura Refinery, including an introduction of capacity building programs for young employees. We are also actively adopting advanced technologies, such as drones for effective facility maintenance and AI-based abnormality detection systems for enhancing operation-monitoring, to improve and upgrade refinery safety and security. Maintenance of facilities, which are the base of refinery operations, is what we focus on, and we have been conducting intensive inspection and repair works on the aging equipment and facilities these years.

For preparation and response to intensifying natural disasters, we regularly conduct drills based on our Business Continuity Plan (BCP) for major earthquakes and others, and are working to secure the effectiveness of the BCP and improvements thereon on an ongoing basis. On the facilities and equipment side, in order to strengthen our business continuity capabilities, we have

continued to improve water collection and drainage facilities as preparation for more frequent occurrence of torrential downpours in recent years, and newly installed a fixed emergency power generator against power supply interruptions in an aim to secure the equivalent level of land shipping capacity as in normal times.

➤ Environment Protection

In order to contribute to the achievement of carbon-neutrality by 2050, we are systematically proceeding with energy-saving activities and investments to achieve the environmental targets set forth in the third Medium-Term Business Plan. We are also working on co-firing of ammonia in our boiler to promote low-carbonization of the Refinery, and diligently working on a study for production of next-generation biofuels.

In addition, initiatives to save water by recirculating over 96% of cooling water flow, prevent air/water pollution, etc., have been taken and carried out on an ongoing basis. We are also working to reduce and recycle industrial waste and have been achieving the final disposal rate of 0% for industrial waste since FY2012.

➤ Symbiosis with Local Community

We have been enhancing our engagement with Sodegaura city, where our refinery is located, through various social contribution activities, including participation in cleanups of waterfront area organized by the city as well as community cleanups of our own planning.

➤ Motivating Workplace

Under the new personnel management system introduced in FY2019, we are continuously working on improvement of the system to help the diverse employees to employ their potential in full.

Placing a high value in developing human assets, we established Human Resource Development Department in FY2020, and have been providing employees with job-level trainings, technical education/trainings, and education/trainings on safety and environment, etc. in line with the “Policy for Human Assets Development.” In FY2022, aiming to promote active participation of women in the Company in particular, we have provided training for the management on the “promotion of women’s participation and advancement in the workplace” as a continuous effort from FY2021, when we provided career training to female employees.

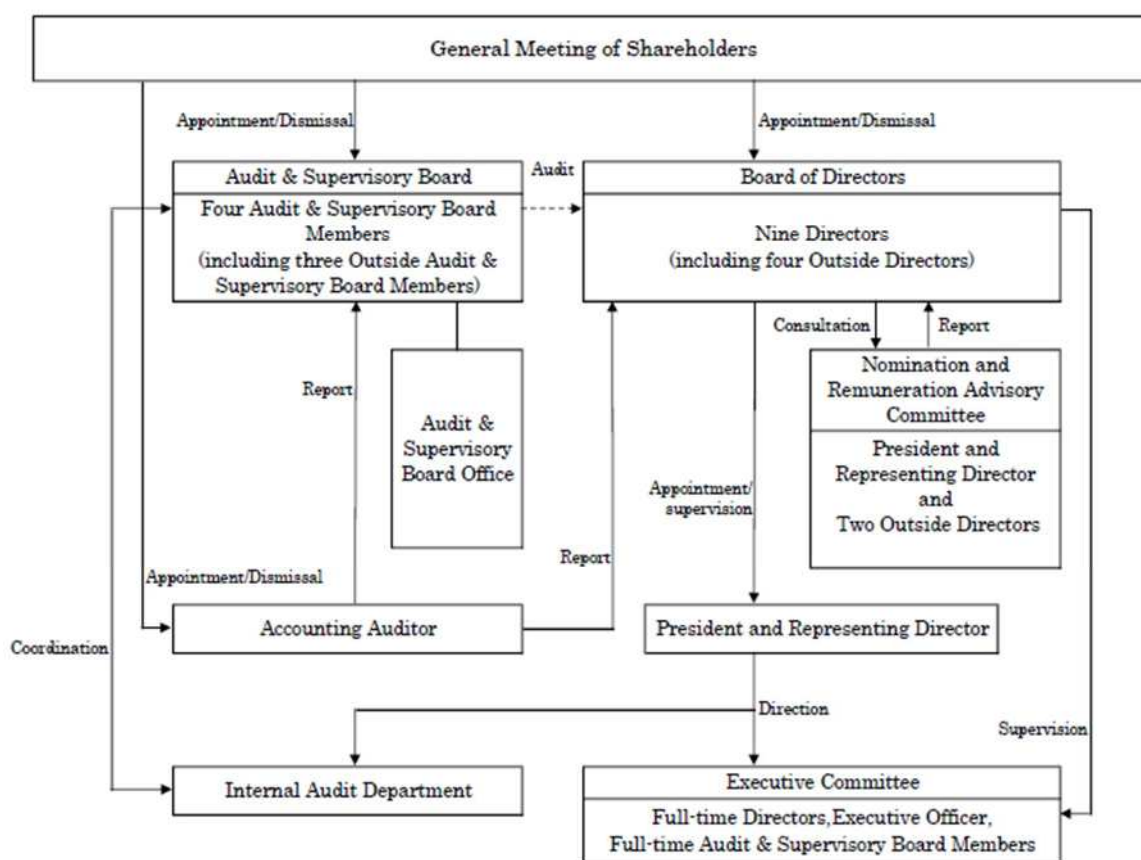
Also continuing from FY2021 and aiming to build a “motivating workplace”, we have provided Refining Department leaders with intensive training for “facilitating workplace communication”, etc.

➤ Governance System

We have in place a Nomination and Remuneration Advisory Committee, which is chaired by an outside independent officer and the majority of whose members are also outside independent officers, as an advisory body to the Board of Directors. Drafts of proposals concerning election and remunerations of Directors, etc. are deliberated by the Committee before the decisions are made by the Board of Directors.

[REFERENCE] Corporate Governance Structure

Corporate Governance Structure



Group's Major Activities

Major activities of the Company's consolidated subsidiaries during FY2022 are as follows:

PETRO PROGRESS PTE LTD, an important overseas operation base of the Company located in Singapore, has continued business operations such as purchase and sale of crude oil and petroleum products.

Japan Oil Engineering Company Ltd. is expanding its business area and working on the projects which will contribute to the achievement of carbon neutrality, in addition to its traditional businesses of engineering and consulting for development and production of oil and gas. Among such projects are the environmental engineering and consulting services related to the technologies of CO₂-EOR (injection of CO₂ for Enhanced Oil Recovery) and CCS/CCUS (CO₂ Capture and Storage / CO₂ Capture, Utilization and Storage, which contribute to CO₂ emission reduction), methane hydrate development, offshore wind and geothermal power generation.

2. Capital Investment

Capital investments during the period totaled 1.7 billion yen, which were mainly invested in refinery facilities. These investments were funded through bank loans and own funds.

3. Financing

Loans from financial institutions during the period are as shown in the table below. The balance of interest-bearing debt stood at 161.0 billion yen, an increase of 8.9 billion yen as compared to the end of the previous period, due to increases in short-term loans caused by higher crude oil prices and weaker yen, in spite of progress in repayment of long-term loans.

	Millions of Yen		
	End of FY2021	Increase/Decrease	End of FY2022
Long-term loans payable	40,076	-9,333	30,743
Short-term loans payable	112,018	18,297	130,316
Total	152,094	8,964	161,059

Note : The balance of long-term loans payable at the end of the period includes the current portion of 10.9 billion yen.

4. Issues to be addressed

Based on the views on the business environment that “the global oil demand is projected to make a strong rebound from the COVID-19 shock. Looking at the supply side, most-advanced large refineries, new or expanded, are slated to come on stream over the next several years mainly in China, India and the Middle East on a scale exceeding the expected increase in oil demand. Depending on the progress of those refinery projects, the industry could face even more intense competition. Meanwhile, a certain portion of oil demand is expected to be lost due to popularization of electric vehicles and progress in fuel conversion to bio-, synthetic-, hydrogen- and other fuels in the mid-to-long term in a global context of a movement towards carbon neutrality by 2050”, the Company formulated the third Medium-Term Business Plan for 4 years from FY2021 to FY2024 in May 2021.

Since then, social demand for the achievement of carbon neutrality by 2050 is further growing. Looking at the side of energy security, geopolitical risks presented by the Ukraine crisis have been heightened and significant fluctuations in resource prices and exchange rates are being witnessed. In light of these, transformation of energy supply-demand structure from the fossil fuel-based energy sources is expected to make further progress. In order to expand earnings under these circumstances on a stable basis as well as reduce environmental burdens at the same time, we set it our basic policy to (1) reinforce the base of the oil refining business and (2) strengthen the efforts towards a decarbonized society, and will continue to focus on the following tasks.

Tasks to Focus On

(1) Reinforcement of Base of Oil Refining Business

a. Maintaining and Enhancing Operational Reliability

We will promote sophistication of facilities operation management and their maintenance by employing drone inspections, and by making the maximum use of digital technologies such as IoT and AI.

b. Strengthening Cost Competitiveness and Establishing Competitive Advantage

We will further strengthen our cost competitiveness by reducing refining costs, improving energy efficiency, optimizing production (including raw material procurement), improving facilities for increased production of high value-added products, and rationalizing overall expenses including head office costs.

We will also maximize the introduction and use of digital technologies which are advancing by leaps and bounds, and will promote further innovation in the areas of human resources and organizational structure, which underpin our competitive advantage, by revamping the workflow and realigning organization's divisions where necessary, optimizing the operation of a new personnel system renewed in FY2019, and strengthening human resource development.

(2) Enhanced Efforts towards Decarbonized Society

a. Thorough Reduction of Environmental Burden at Refinery

Since it is the energy saving that best ensures improvement in profitability as well as reduction in refinery CO₂ emissions, we will further deepen and accelerate the efforts to become a low-carbon refinery.

In addition to the ongoing initiatives such as the supply of bio-ETBE blended gasoline, we will work on the use of ammonia as boiler fuel, etc., as part of our efforts to supply earth-friendly products and use earth-friendly fuels.

During the period, we conducted co-firing tests using ammonia, a by-product of the petroleum refining process, and asphalt pitch in our Sodegaura Refinery's main boiler (Asphalt Pitch Fueled Boiler Turbin Generator), and collected and analyzed various data with a view to raising the ammonia co-firing rate in the future. We also received independently-certified "low-carbon ammonia" from Saudi Arabia" in April 2023 and used it as fuel for power generation in the said boiler.

b. Pursuing Businesses Contributing Decarbonization

In accordance with the Japanese government's goal of becoming carbon neutral by 2050, we are working on research and development on the next-generation biofuels and aiming to launch their supply in the mid-2020s.

Furthermore, we will actively pursue those decarbonization technology areas where the Refinery's existing infrastructure and knowledge can be utilized, including CO₂-free hydrogen and synthetic fuels, in cooperation with various stakeholders and thereby aim to contribute to a decarbonized society.

During the period, we participated in the "Imported Neat SAF Model Demonstration Project" advanced by the Ministry of Land, Infrastructure,

Transport and Tourism's Civil Aviation Bureau in cooperation with ITOCHU Corporation. In this project, ITOCHU imported neat SAF*¹ from Neste OYJ for the first time in Japan and we produced SAF*² by blending the neat SAF with conventional fossil jet fuel at our Sodegaura Refinery's facility and shipped the SAF to Central Japan International Airport. The SAF shipped from the Refinery was delivered to the Airport and has started to be supplied to flight inspection aircraft owned by the Civil Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism.

*¹ Neat SAF is a synthetic jet fuel that is produced from biomass raw materials and others and complies with any one of Annexes 1-7 to the international standards ASTM D7566. It needs to be blended with fossil-derived jet fuel at a certain ratio before being put into aircraft. There is an upper limit to the amount of neat SAF permitted to be blended with fossil-derived jet fuel, which is determined based on the raw materials and production method. The upper limit of SAF from Neste is 50%.

*² SAF (sustainable aviation fuel) is a jet fuel that is produced by blending neat SAF and fossil-derived jet fuel and complies with ASTM D7566 Table 1 and ASTM D1655.

To contribute to the achievement of carbon neutrality by 2050, we set the following environmental targets in the third Medium-Term Business Plan:

- 15,000kL-coe*/year as the Refinery's energy saving target (to be achieved in FY2025) *Crude Oil Equivalent

We aim to reduce energy consumption by 15,000kL/year (crude oil equivalent) over the years from FY2021 through FY2025 as compared to the case where we do not implement energy saving measures planned for the said period.

- In the medium-term, we aim to reduce 20% or more of the CO₂ emissions in FY2030 as compared to those generated by our own business in FY2014.
- In the long-term, we aim to achieve net zero CO₂ emissions from our own business in FY2050, assuming that individual component technologies have been established and become feasible with the progress of innovations, and thereby contribute to the development of carbon-neutral society as a whole.

We have also started working on the calculation of greenhouse gases (GHG) emissions at the consumption stage of petroleum products and others which we supply, in addition to the GHG emitted from our own business. In December 2022, we announced our support for the "GX League Basic Concept" announced by the Ministry of Economy, Trade and Industry.

5. Financial Summary

Millions of Yen

	18th FY Apr. 1, 2019 - Mar. 31, 2020	19th FY Apr. 1, 2020 - Mar. 31, 2021	20th FY Apr. 1, 2021 - Mar. 31, 2022	21st FY Apr. 1, 2022 - Mar. 31, 2023
Net sales	462,364	344,612	486,014	850,863
Ordinary profit	-28,777	8,293	16,076	4,704
Profit attributable to owners of parent	-29,058	6,528	15,203	3,575
Profit per share	-377.07 yen	84.72 yen	197.29 yen	46.36 yen
Total assets	245,504	253,007	352,842	336,985
Total net assets	41,297	48,188	64,539	71,658

Note: 1. Profit per share is calculated based on the average number of shares outstanding during the period.

2. From this financial year, the government's gasoline subsidies for mitigating the impact of drastic changes in fuel oil prices, which were included in "Subsidy income" of "Non-operating income" in the previous financial year, are now included in "Net sales". "Net sales" for the previous financial year has been restated in order to reflect this change in presentation.

3. Main factors of difference in profit attributable to owners of parent from the previous financial year are as follows:

18th FY effect of minor SDM, a sharp drop in product prices during 4Q, and a significant negative effect of inventory valuation resulting from a crude oil price collapse in March 2020

19th FY positive effect of inventory valuation on the cost of sales and improved sales margins resulting from a recovery in the domestic petroleum product market

20th FY positive effect of inventory valuation on the cost of sales due to hike in crude oil prices during 4Q and improved sales margins against a backdrop of sharp price increases in the domestic petroleum product market

21st FY as stated in I.1. Business Progress and Results

6. Principal Subsidiaries (As of March 31, 2023)

Name	Paid-in Capital	Shareholding Ratio (%)	Main Business
Fuji Oil Sales Company, Ltd.	100 millions of yen	100.0	Sale of petroleum products, Agency services for petroleum products sales/supply, Agency services for insurance companies
Fuji Rinkai Co., Ltd.	10 millions of yen	85.0	Maritime disaster prevention operations, Loading/unloading of crude oil & petroleum products, Collection and transportation of industrial waste, Solar power generation
Arabian Oil Company, Ltd.	100 millions of yen	100.0	Management of oil development project-related assets
Japan Oil Engineering Company Ltd.	100 millions of yen	100.0	Consulting and engineering services for development and production of oil, gas and other energy resources and for environmental protection
Tokyo Petroleum Industrial Company, Ltd.	120 millions of yen	(100.0)	Manufacturing and sale of asphalt mixture, Recycling of industrial waste for use as pavement materials, Paving on contract
Petro Progress Inc.	100 millions of yen	100.0	Purchasing and marketing of crude oil and petroleum products, etc.
PETRO PROGRESS PTE LTD	34 millions of Singapore \$ and 733 thousands of US \$	(100.0)	Overseas purchasing and marketing of crude oil and petroleum products

Note: 1. Percentage in parentheses stand for shareholding ratio indirectly held by the Company.

2. Japan Oil Engineering Company Ltd. reduced its capital from 600 million to 100 million yen as of March 28, 2023.

7. Main Business (As of March 31, 2023)

To refine, store, sell, buy, import and export crude oil and petroleum products

8. Location of Principal Business (As of March 31, 2023)

Fuji Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
	Sodegaura Refinery	Sodegaura-shi, Chiba, Japan
Fuji Oil Sales Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Fuji Rinkai Co., Ltd.	Head Office	Sodegaura-shi, Chiba, Japan
Arabian Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Japan Oil Engineering Company Ltd.	Head Office	Chuo-ku, Tokyo, Japan
Tokyo Petroleum Industrial Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Petro Progress Inc.	Head Office	Shinagawa-ku, Tokyo, Japan
PETRO PROGRESS PTE LTD	Head Office	Singapore

9. FOC Group Employees (As of March 31, 2023)

Number of Employees	Difference from the previous period
690	-11

10. Major Lenders and Loan Balance (As of March 31, 2023)

Lender	Millions of Yen
	Outstanding Balance
Mizuho Bank, Ltd.	37,066
Sumitomo Mitsui Banking Corporation	27,273
MUFG Bank, Ltd.	23,663
Sumitomo Mitsui Trust Bank, Limited	19,363
Japan Organization for Metals and Energy Security	13,696
Development Bank of Japan Inc.	12,903

II. SHARE RELATED INFORMATION (As of March 31, 2023)

- i) Total number of shares authorized to be issued : 200,000,000 shares
 ii) Total number of shares issued : 78,183,677 shares
 iii) Number of shareholders : 16,839 persons
 iv) Top 10 shareholders :

Name	Shareholder's investment in the Company	
	Number of Shares Held (thousand)	Shareholding Ratio(%)
JERA Co., Inc.	6,839.9	8.84
Kuwait Petroleum Corporation	5,811.3	7.51
Government of the Kingdom of Saudi Arabia	5,811.3	7.51
Idemitsu Kosan Co., Ltd.	5,144.0	6.65
Sumitomo Chemical Company, Limited	5,051.6	6.53
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,664.2	6.03
NYK Line (Nippon Yusen Kabushiki Kaisha)	2,750.8	3.55
ENEOS Holdings, Inc.	1,350.0	1.74
Kiyo Koyama	1,161.4	1.50
Japan Airlines Co., Ltd.	1,034.6	1.33

Note : 1. Shareholding ratio is calculated excluding treasury stocks of 865.9 thousand shares.
 2. Fractional shares less than 100 shares are rounded down.

- v) Shares provided to Company officers during the period as consideration for performance of duties

Stock-based compensation provided during the period:

Category of Officers	Number of shares (shares)	Number of officers to whom shares were provided (persons)
Directors (excluding Outside Directors)	70,900	5
Entrustment-type Executive Officers (excluding those who concurrently serve as Directors)	29,400	3

Note : Details of the stock-based compensation are as stated in III. 4. (6) Matters concerning NMR.

III. BOARD OF DIRECTORS AND AUDIT & SUPERVISORY BOARD

1. Directors and Audit & Supervisory Board (ASB) Members (as of March 31, 2023)

Name	Positions in the Company	Responsibilities in the Company and significant positions concurrently held outside the Company
Atsuo Shibota	Representing Director, cum Chairman of the Board of Directors	
Shigeto Yamamoto	Representing Director cum President	
Katsunori Yagi	Representing Director cum Senior Managing Executive Officer	General Manager of Sodegaura Refinery
Hiroshi Maezawa	Director (Outside) (Independent Officer)	
Toshiki Matsumura	Director (Outside) (Independent Officer)	
Mohammed Alshubrumi	Director (Outside) (Independent Officer)	Legal Advisor cum General Supervisor of HRH the Minister Office, Ministry of Energy, Government of Kingdom of Saudi Arabia
Khaled Al-Sabah	Director (Outside)	Managing Director, International Marketing, Kuwait Petroleum Corporation Ag. CEO, Kuwait Oil Tanker Company
Takahiko Yamamoto	Director cum Managing Executive Officer	In charge of Supply & Trading Dept. Representing Director cum Director-President, Petro Progress Inc. Director, PETRO PROGRESS PTE LTD
Masayuki Tsuda	Director cum Executive Officer	In charge of Finance & Accounting Dept.
Tetsuo Ishii	ASB Member (Full-Time)	
Tsuyoshi Inoue	ASB Member (Outside) (Independent Officer)	Director (Outside, Audit & Supervisory Committee Member), DN HOLDINGS CO., LTD.
Koichi Chikaraishi	ASB Member (Outside) (Independent Officer)	Advisor, NYK Line Director (Outside), Murakami Corporation Director (Outside), THE SHIBUSAWA WAREHOUSE CO., LTD.
Tomoko Sakamoto	ASB Member (Outside) (Independent Officer)	Partner, Iwata Godo Attorneys and Counsellors at Law Director (Outside, Audit & Supervisory Committee Member), ARATA CORPORATION ASB Member (Outside), FCE Holdings Inc. ASB Member (Outside), SPACE SHOWER NETWORKS INC.

Note: 1. New Director during the period is as follows:

- Mr. Hiroshi Maezawa was newly elected as Director at the 20th General Meeting of Shareholders held on June 28, 2022.

2. Changes in significant positions concurrently held outside the Company by Directors and ASB Members during the period are as follows:

- Position held by Director Mohammed Alshubrumi changed from Legal Advisor to HRH the Minister, Ministry of Energy, Government of Kingdom of Saudi Arabia to Legal Advisor cum General Supervisor of HRH the Minister Office, Ministry of Energy, Government of Kingdom of Saudi Arabia in January 2023.
- Position held by Director Khaled Al-Sabah changed from Deputy Managing Director, International Marketing Sales, KPC to Managing Director, International Marketing, KPC

- and Ag. CEO, Kuwait Oil Tanker Company in November 2022.
- ASB Member Koichi Chikaraishi was appointed as Director (Outside) of The Shibusawa Warehouse Co., Ltd. on June 29, 2022.
 - ASB Member Tomoko Sakamoto was appointed as ASB Member (Outside) of SPACE SHOWER NETWORKS INC. on June 29, 2022.
3. Directors Hiroshi Maezawa, Toshiki Matsumura and Mohammed Alshubrumi, and ASB Members Tsuyoshi Inoue, Koichi Chikaraishi and Tomoko Sakamoto satisfy the Company's criteria for Independence of Outside Officers (please see 10. below). The Company registered them as Independent Officers with the Tokyo Stock Exchange, Inc. pursuant to the rules of the Exchange.
 4. ASB Member Tsuyoshi Inoue has many years of experience in financial institutions and has a wealth of expertise in finance and accounting.
 5. Government of Kingdom of Saudi Arabia is a shareholder of the Company with 5,811.3 thousand shares (shareholding ratio: 7.51%).
 6. Kuwait Petroleum Corporation is a shareholder of the Company with 5,811.3 thousand shares (shareholding ratio: 7.51%) and has a business relationship with the Company including sales and purchase of crude oil.
 7. NYK Line is a shareholder of the Company with 2,750.8 thousand shares (shareholding ratio: 3.55%) and has a business relationship with the Company in chartering of crude oil tankers and others.
 8. Iwata Godo Attorneys and Counsellors at Law and the Company has a legal services agreement.
 9. Kuwait Oil Tanker Company, DN HOLDINGS CO., LTD., Murakami Corporation, The Shibusawa Warehouse Co., Ltd., ARATA CORPORATION, FCE Holdings Inc., and SPACE SHOWER NETWORKS INC. have no special business relationship to be disclosed with the Company.
 10. The criteria of independence used by the Company for Outside Officers are as follows:

The Company's Outside Officers are not considered independent in the case that they or their immediate family member (spouse, relative in second or less degree or relative living in the same place) fall under any of the following items currently or for the preceding year of the Officers' inauguration.

i) Outside Officers are not considered independent if they fall under any of the following:

a) Principal business partners*

Principal business partners of the Company or operating officers of such partners

* A "principal business partner" means a company, organization, individual, etc. the amount of the transactions between whom and the Company in any of the last three financial years exceeds 2% of the consolidated net sales of either the Company or the partner

b) External accounting auditors

Those who are external accounting auditors of the Company or its Group companies, or if the accounting auditors are organizations such as corporations or associations, those who belong to such organizations

c) Professional service providers (legal, accounting, etc.)

Those who received during the last financial year 10 million yen or more in compensation for their professional services as lawyers, chartered accountants, certified tax accountants, consultants, etc. from the Company besides the remunerations for Outside Officers (If the professionals are organizations such as corporations, those who belong to such organizations)

d) Major lenders

Lenders from which the Company's borrowings exceed 2% of the consolidated total assets of the Company or operating officers of the said lenders as at the end of the last financial year

e) Donation, etc.

Those who received donations, funds, etc. of 10 million yen or more in the last financial year from the Company (If the recipients are organizations such as corporations, those who belong to such organizations)

f) Principal shareholders*

Principal shareholders of the Company or operating officers of such shareholders as of the end of the last financial year

* A "principal shareholder" means a company, corporation, individual, etc. who holds 10% or more of total voting rights of the Company

g) Cross-assumption of offices of outside officers*

Operating officers of other companies with which the Company has a relationship of cross-assumption of offices in any of the past three financial years

* "Cross-assumption of offices of outside officers" refers to a situation where officers are mutually dispatched between a company/organization and the Company.

ii) Outside Officers are not considered independent if their immediate family members fall

under any of the following:

- a) Those who fall under any of the above-mentioned items a) - g)
- b) Officers or employees of the Company or its Group companies

(Reference)

The Company adopts an executive officer system.

Executive Officers who do not concurrently serve as Director as of March 31, 2023 are as follows:

Kenichi Terao	Managing Executive Officer	In charge of General Administration Dept., Human Resources Dept. and Human Resource Development Dept.
Takayuki Kawahata	Managing Executive Officer	In charge of Technical Dept. and Production Management Dept.
Takumi Iwamoto	Managing Executive Officer	In charge of Corporate Planning & Management Dept., and Safety & Environmental Protection Office
Atsuo Watanabe	Executive Officer	Deputy General Manager of Sodegaura Refinery (Supervisor)
Toshiya Ishizuka	Executive Officer	Deputy General Manager of Sodegaura Refinery (in charge of Refining Dept., Safety & Environmental Protection Dept., and Safety) General Manager of Safety & Environmental Protection Dept.
Hiroshi Hisa	Executive Officer	Deputy General Manager of Sodegaura Refinery (in charge of Construction & Facility Maintenance Dept., TPM Promotion Office, and Refinery Cost Management) General Manager of TPM Promotion Office
Masahiro Hirano	Executive Officer	General Manager of Corporate Planning & Management Dept.

2. Director who Retired during Period

Name	Position at the time of Retirement	Responsibilities in the Company and significant positions concurrently held outside the Company at the time of Retirement	Date of Retirement (Reason)
Daisuke Seki	Director (Outside) (Independent Officer)	-	June 28, 2022 (Resignation)

3. Matters concerning Directors and Officers Liability Insurance Contract

The Company has a Directors and Officers (D&O) liability insurance contract with an insurance company as provided for in Article 430-3, paragraph 1 of the Companies Act. In the event that a claim for damages is filed by a shareholder or a third party against the insured, the contract covers the compensation for damages and legal expenses to be borne by the insured. However, it does not cover the compensation for damages and legal expenses arising from the insured's unlawful gain or benefit, criminal acts, or acts committed with the knowledge that they violate laws.

Insureds in the said contract are all the Officers of the Company and its consolidated subsidiaries (i.e., Directors, Executive Officers, Audit & Supervisory Board Members).

4. Remunerations for Directors and ASB Members during the Period

(1) Matters concerning Policy on Decisions on Content of Remunerations for Each Director (“Remuneration Policy”)

➤ Overview of Remuneration Policy

General principle: The Company’s remuneration system is based on the role, responsibility and individual performance of the Director and Entrustment-type Executive Officer (excluding Executive-Officer who concurrently serves as Director) (collectively, “Director, etc.”) and ensures fairness and objectivity.

Remuneration structure for Executive Directors and Entrustment-type Executive Officers (collectively, “Executive Directors, etc.”):

- a. The remuneration structure is the one that reflects the business environment and performance of the Company’s group.
- b. Remuneration for Executive Directors, etc. consists of fixed remuneration (“FR”), performance-linked variable remuneration (“PLVR”), and non-monetary remuneration (“NMR” or Performance-Linked Restricted Stock-Based Compensation) for the purpose of improving corporate value over the mid- to long-term and strengthen incentives for higher business performance.

The amount of the FR for Executive Directors is determined by adjusting a basic remuneration based on an individual executive position to reflect the role and responsibility of each Director.

The PLVR will be paid to Executive Directors in cash when consolidated financial results for each financial year have met certain conditions.

The amount of the PLVR is calculated based on the ratio of the PLVR to the FR, which is computed using i) the payment rate that is determined on the basis of achievement levels of specific performance indicators and ii) the rate attributable to each executive position.

The NMR will be provided to Executive Directors, etc. in the form of i) the Company’s common shares, or ii) monetary claims as assets to be contributed in kind for the acquisition of such shares when performance indicators which are determined based on the Company’s medium-term business plan, etc. have met certain conditions. The number of such shares will be calculated on the basis of an allocation rate, which is determined on the basis of the achievement levels of specific performance indicators, and the reference stock price for the allocation.

The ratios of PLVR and NMR for Executive Directors, etc. increase in proportion to individual executive position of Director, etc. and responsibility for the business performance.

The Director-President respects a recommendation of the Nomination and Remuneration Advisory Committee (“Committee”) and decides the content of remunerations for each Director, etc. within the limit of the relevant FR : PLVR : NMR ratios.

The ratio of FR : PLVR : NMR is set at as follows for each executive position when the ratios of the PLVR and NMR are the maximum:

Executive Position	FR	PLVR	NMR
Chairman of the Board of Directors President Executive Vice President	1	0.20	0.10
Senior Managing Executive Officer Managing Executive Officer	1	0.15	0.10
Entrustment-type Executive Officer	1	0.10	0.10

Remuneration system for Outside Directors: To ensure that the supervisory function work effectively, the remuneration for Outside Directors consists only of FR. The amount of the FR for Outside Director is set at an appropriate level by taking into account an individual task that may be delegated to the said Director.

➤ Method of Deciding Remuneration Policy

On condition that an introduction of Performance-Linked Restricted Stock-Based Compensation Plan as NMR for Directors (excluding Outside Directors) is approved as proposed by the Company's 19th Annual General Meeting held on June 25, 2021, a draft of the Remuneration Policy was prepared by Representing Director-President, submitted to the Committee for deliberation, and was approved by the Board of Directors at its meeting held on May 10, 2021 in accordance with the Committee's recommendation.

(2) Matters concerning Resolutions of General Meeting of Shareholders on Amount of Remunerations, etc. for Directors and ASB Members

At the 16th AGM held on June 27, 2018, the Company decided that the amount of remuneration for Directors is to be not more than 360 million yen per year (including not more than 30 million yen per year for Outside Directors, and excluding the employee salaries paid to the Directors who concurrently serve as employees). The number of Directors at the closing of the said AGM was 14 (of which 5 are Outside Directors). At the 19th AGM held on June 25, 2021, the Company decided to introduce a Performance-Linked Restricted Stock-Based Compensation Plan for Directors (excluding Outside Directors). Under the Plan, performance-linked restricted stock-based compensation is provided separately from the above remuneration framework (the total value of the Company's common shares or amount of monetary claims: not more than 33 million yen per year, excluding employee salaries paid to Directors who concurrently serve as employees, and the total number of the Company's common shares: not more than 165,000 shares per year). The number of Directors (excluding Outside Directors) at the closing of the said AGM was 5.

At the 16th AGM held on June 27, 2018, the maximum amount of remuneration for ASB Members was decided to be not more than 48 million yen per year. The number of ASB Members at the closing of the said AGM was 4.

(3) Matters concerning Delegation of Decisions on Content of Remunerations for Each Director, etc.

Specific contents of remunerations for each Director, etc. (amounts of FR for each Director, etc., PLVR and the number of restricted shares as NMR for each Executive Director, etc.) are decided by the Director-President based on the Remuneration Policy

and a resolution of authority delegation to him/her by the Board of Directors. The reason for delegating such authority to the Director-President is that he/she is best suited to the task of assessing the role, responsibility and individual performance of each Director, etc. while taking an overhead view of business performance across the entire Company.

For the Company to ensure that the authority is exercised properly by the Director-President, he/she is required to consult with the Committee concerning a draft of remunerations for each Director, etc. receive an opinion from the Committee, and make decisions pursuant to the said opinion.

Given that the amount of remunerations for each Director, etc. has been decided through these procedures, the Board of Directors deems that the content of the said remunerations is in line with the Remuneration Policy.

(4) Total Amount of Remunerations Paid to Directors and ASB Members

Category of Officers	Total Remuneration (million yen)	Total Remuneration by Type (million yen)			Number of Officers
		FR	PLVR	NMR	
Director (Outside Director)	253 (30)	232 (30)	17 N/A	3 N/A	10 (5)
ASB Member (Outside ASB Member)	45 (21)	45 (21)	N/A	N/A	4 (3)

Note: 1. The above table includes 1 Director who retired at the closing of the 20th AGM held on June 28, 2022.

2. Details of PLVR are as stated in III. 4. (5) Matters concerning Performance-Linked Variable Remuneration.

3. Details of NMR are as stated in III. 4. (6) Matters concerning NMR. The amount column shows the amount posted as expense during the current financial year.

(5) Matters concerning Performance-Linked Variable Remuneration

From the viewpoint that Executive Directors, etc. are responsible to the overall performance of the Company group and taking into consideration the Company's accountability for the remuneration of Executive Directors, etc. to its shareholders, employees and other stakeholders, we selected for the performance indicators i) consolidated net profit attributable to owners of parent including the effect of inventory valuation (CNP) and ii) consolidated ordinary profit excluding the effect of inventory valuation (COP).

Payment rate (PR) is designed to vary in accordance with the profit range, i.e., i) from 2.0 billion yen to 10.0 billion yen for the CNP and ii) from 1.0 billion yen to 5.0 billion yen for the COP. PRs corresponding to respective amounts of CNP and COP shall be compared and whichever the lower shall be adopted.

The ratio ("Ratio") of the PLVR to the FR shall be calculated by the following formula:
Ratio = PR x Rate attributable to each executive position

The PLVR shall be calculated by the following formula:

PLVR = FR by executive position x Ratio

Record of performance indicators is as follows:

(Billions of yen)

	18th FY Apr. 1, 2019 – Mar. 31, 2020	19th FY Apr. 1, 2020 – Mar. 31, 2021	20th FY Apr. 1, 2021 – Mar. 31, 2022	21st FY Apr. 1, 2022 – Mar. 31, 2023
CNP	-29.0	6.5	15.2	3.5
COP (excl. effect of inventory valuation)	-8.4	-0.4	-2.7	4.0

(6) Matters concerning NMR

The Company has introduced a Performance-Linked Restricted Stock-Based Compensation Plan for the purpose of providing an incentive to Executive Directors, etc. to improve the Company's corporate value on a sustainable basis by further clarifying the linkage between the remuneration of Executive Directors, etc. and its business performance and further promoting shared value with its shareholders. Under this Plan, the Company will provide Executive Directors, etc. with i) the Company's common shares, or ii) monetary claims as assets to be contributed in kind for the acquisition of such shares after the end of one financial year of the Company ("Performance Evaluation Period") in principle, commensurate with the achievement levels of performance evaluation indicators for each Performance Evaluation Period.

For performance evaluation indicators, profit attributable to owners of parent ("Profit") and consolidated ROE ("ROE") are used at present. These indicators are consistent with the financial targets stated in the Company's Third Medium-Term Business Plan (targets: consolidated net profit and ROE; here the former is to be read as "consolidated profit attributable to owners of parent") and will be applied to each performance evaluation period during the period covered by the Plan (FY2021-FY2024) in principle.

Achievement Level	Performance Evaluation Indicator	
	Profit (component ratio: 70%)	ROE (component ratio: 30%)
100%	15.0 billion yen ≤ A	20% ≤ B
80%	13.125 billion yen ≤ A < 15.0 billion yen	17.5% ≤ B < 20%
60%	11.25 billion yen ≤ A < 13.125 billion yen	15% ≤ B < 17.5%
40%	9.375 billion yen ≤ A < 11.25 billion yen	12.5% ≤ B < 15%
20%	7.5 billion yen ≤ A < 9.375 billion yen	10% ≤ B < 12.5%
0%	A < 7.5 billion yen	B < 10%

Profit and ROE for FY2022 were 35 billion yen and 5.3%, respectively.

Methods to determine the number of shares to be allocated and the amount of

monetary claims to be provided to each Executive Director, etc.:

(a) Number of the Company's common shares to be allocated

Basic number of shares (*1) x allocation rate (*2)

(*1) Basic number of shares: annual amount of fixed remuneration by executive position x 10% / reference stock price

Reference stock price will be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the commencement date (April 1 of each year) of Performance Evaluation Period.

(*2) Allocation rate: computed by using achievement level of each performance evaluation indicator and its component ratio

(b) Amount of monetary claims to be provided to each Eligible Director

(Basic number of shares x allocation rate) x per share amount at the time of allocation (*3)

(*3) The per share amount will be determined based on the closing price of the Company's common stock on the TSE on the business day immediately preceding the date of the resolution by the Board of Directors on issuance or disposal of its common shares, adopted after the end of the Performance Evaluation Period, (if no transaction occurs on such date, the closing price of the closest preceding trading day) within the range that is not particularly favourable to the Eligible Directors who will receive such shares.

The Company's common shares or monetary claims as assets to be contributed in kind for the acquisition of such shares will be provided to Executive Directors, etc. under the condition that an Allocation Agreement for shares of restricted stock is concluded between the Company and the Executive Directors, etc. An Executive Director, etc. will neither transfer the Company's common shares allocated under the Allocation Agreement ("Allocated Shares"), nor use them as collateral or dispose of them in any other way ("Transfer Restrictions") during the period from the date of allocation of the Company's common shares or the date of contribution of assets in kind for the acquisition of such shares to the time immediately after he/she retires or resigns from the position of Director or Executive Officer held in the Company or the position of Director held in its subsidiaries ("Transfer restriction Period"). If an Executive Director, etc. retires from the position specified above, the Company will rightfully acquire the Allocated Shares without consideration upon his/her retirement, except in the case of expiration of the term of office, death or other justifiable reasons.

5. Information related to Outside Officers

i) Significant positions concurrently held outside the Company

As stated in section III. "1. Directors and Audit & Supervisory Board (ASB) Members (as of March 31, 2023)" on pages 13-15.

ii) Main Activities during the Period

Name	Attendance	Main Activities
Hiroshi Maezawa (Outside Director) 〈Independent Officer〉	100% of BD meetings	He has performed his roles expected of him as Outside Director, such as by providing advice for the Company's management and supervising its business execution at BD meetings and other occasions from an objective point of view, based on a wealth of company management experience and achievement in the energy industry. He has also served as a member of the Nomination and Remuneration Advisory Committee and discussed matters related to the nomination and remuneration of directors.
Toshiki Matsumura (Outside Director) 〈Independent Officer〉	100% of BD meetings	He has performed his roles expected of him as Outside Director, such as by providing advice for the Company's management and supervising its business execution at BD meetings and other occasions from an objective point of view, based on a wealth of company management experience and achievement in the materials industry. He has also chaired meetings of the Nomination and Remuneration Advisory Committee and discussed matters related to nomination and remuneration of directors.
Mohammed Alshubrumi (Outside Director) 〈Independent Officer〉	83% of BD meetings	He has performed his roles expected of him as Outside Director, such as by providing advice for the Company's management and supervising its business execution at BD meetings and other occasions from an objective point of view, based on a wealth of experience and expertise in government organizations of a Middle East oil producing country.
Khaled Al-Sabah (Outside Director)	100% of BD meetings	He has performed his roles expected of him as Outside Director, such as by providing advice for the Company's management and supervising its business execution at BD meetings and other occasions from an objective point of view, based on a wealth of experience and expertise in a national oil company of a Middle East oil producing country.
Tsuyoshi Inoue (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	He has provided comments and questions at BD and ASB meetings and other occasions from the perspective of auditing the directors' execution of duties, by employing a wealth of experience and expertise in finance and accounting, acquired through his service in a financial institution, as well as experience and insight as director and ASB member of some of the leading companies of Japan.
Koichi Chikaraishi (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	He has provided comments and questions at BD and ASB meetings and other occasions from the perspective of auditing the directors' execution of duties, by employing a wealth of management experience and insight as a business manager of one of the leading companies in Japan.
Tomoko Sakamoto (Outside ASB Member) 〈Independent Officer〉	100% of BD meetings 100% of ASB meetings	She has provided comments and questions at BD and ASB meetings and other occasions from the perspective of auditing the directors' execution of duties, by employing a wealth of experience and expertise in law as an attorney as well as experience and insight as director and ASB member of leading companies of Japan.

Note: Fractional amounts less than the unit indicated are rounded down in this report.

Consolidated Balance Sheet

(As of March 31, 2023)

(Unit : Millions of Yen)

<u>Assets</u>		<u>Liabilities</u>	
<u>Current assets</u>	<u>211,285</u>	<u>Current liabilities</u>	<u>226,545</u>
Cash and deposits	12,463	Accounts payable-trade	35,792
Notes and accounts receivable-trade	69,461	Short-term loans payable	130,316
Securities	-	Current portion of long-term loans payable	10,949
Inventories	119,288	Accounts payable-other	26,402
Accounts receivable-other	1,929	Excise taxes payable on gasoline and other fuels	16,482
Other	7,827	Income taxes payable	213
		Provision for bonuses	336
		Other	6,052
 <u>Noncurrent assets</u>	 <u>126,014</u>	 <u>Noncurrent liabilities</u>	 <u>38,780</u>
Property, plant and equipment	104,065	Long-term loans payable	19,793
Buildings and structures	12,056	Deferred tax liabilities	8,854
Storage tanks	2,651	Net defined benefit liability	1,740
Machinery, equipment and vehicles	29,862	Provision for directors' retirement benefits	23
Land	51,541	Provision for special repairs	2,387
Construction in progress	1,152	Provision for repairs	5,080
Other	590	Other	900
Intangible assets	612		
Software	478	<u>Total liabilities</u>	<u>265,624</u>
Other	134		
Investments and other assets	27,545	<u>Net assets</u>	
Investment securities	26,169	<u>Shareholders' equity</u>	<u>67,345</u>
Long-term loans receivable	641	Capital stock	24,467
Net defined benefit asset	761	Capital surplus	25,495
Other	380	Retained earnings	18,653
Allowance for doubtful accounts	-407	Treasury stock	-1,271
		<u>Accumulated other comprehensive income</u>	<u>4,130</u>
		Valuation difference on available-for-sale securities	842
		Deferred gains or losses on hedges	155
		Revaluation reserve for land	1
		Foreign currency translation adjustments	2,571
		Remeasurements of defined benefit plans	560
		<u>Non-controlling interests</u>	<u>182</u>
		<u>Total net assets</u>	<u>71,658</u>
<u>Total assets</u>	<u>336,985</u>	<u>Total liabilities and net assets</u>	<u>336,985</u>

Consolidated Statement of Income
(From April 1, 2022 to March 31, 2023)

(Unit: Millions of Yen)

Account	Amount
Net sales	850,863
Cost of sales	840,916
Gross profit	9,946
Selling, general and administrative expenses	4,917
Operating profit	5,045
Non-operating income	4,303
Interest income	77
Dividends income	222
Foreign exchange gains	1,193
Equity in earnings of affiliates	2,277
Subsidy income	-
Rent income of storage tanks	217
Other	314
Non-operating expenses	4,627
Interest expenses	3,725
Rent expenses on storage tanks	202
Other	699
Ordinary profit	4,704
Extraordinary income	41
Gain on sale of noncurrent assets	0
Other	41
Extraordinary losses	432
Loss on retirement of noncurrent assets	432
Impairment losses	0
Profit before income taxes	4,313
Income taxes-current	960
Income taxes-deferred	-235
Profit	3,588
Profit attributable to non-controlling interests	13
Profit attributable to owners of parent	3,575

Balance sheet

(As of March 31, 2023)

(Unit : Millions of Yen)

Fuji Oil Company, Ltd.

<u>Assets</u>		<u>Liabilities</u>	
<u>Current assets</u>	<u>201,166</u>	<u>Current liabilities</u>	<u>228,751</u>
Cash and deposits	4,754	Accounts payable-trade	34,756
Accounts receivable-trade	67,280	Short-term loans payable	133,696
Merchandise and finished goods	44,619	Current portion of long-term loans payable	10,949
Raw materials and supplies	74,644	Accounts payable-other	26,560
Accounts receivable-other	1,970	Excise taxes payable on gasoline and other fuels	16,482
Prepaid expenses	1,445	Income taxes payable	155
Income taxes receivable	255	Accrued expenses	198
Other	6,195	Provision for bonuses	336
		Other	5,617
<u>Noncurrent assets</u>	<u>110,305</u>	<u>Noncurrent liabilities</u>	<u>37,981</u>
Property, plant and equipment	95,774	Long-term loans payable	19,793
Buildings	4,144	Deferred tax liabilities	8,462
Storage tanks	2,651	Provision for retirement benefits	1,537
Structures	7,487	Provision for special repairs	2,387
Machinery and equipment	29,386	Provision for repairs	5,080
Vehicles	1	Asset retirement obligations	104
Tools, furniture and fixtures	161	Other	616
Land	50,709		
Lease assets	91	<u>Total liabilities</u>	<u>266,715</u>
Construction in progress	1,141		
<u>Intangible assets</u>	<u>470</u>		
Software	462		
Other	7		
<u>Investments and other assets</u>	<u>14,061</u>		
Investment securities	1,288	<u>Shareholders' equity</u>	<u>41,902</u>
Stocks of affiliated companies	12,078	Capital stock	24,467
Long-term loans receivable	641	Capital surplus	2,480
Other	459	Legal capital surplus	2,480
Allowance for doubtful accounts	-407	Retained earnings	16,591
		Legal retained earnings	154
		Other retained earnings	16,437
		Retained earnings brought forward	16,437
		Treasury stock	-1,636
		<u>Valuation and translation adjustments</u>	<u>2,835</u>
		Valuation difference on available-for-sale securities	747
		Deferred gains or losses on hedges	155
		Revaluation reserve for land	1,932
		<u>Total net assets</u>	<u>44,738</u>
<u>Total assets</u>	<u>311,471</u>	<u>Total liabilities and net assets</u>	<u>311,471</u>

Statements of income

(For the period from April 1, 2022 to March 31, 2023)

(Unit: Millions of Yen)

Fuji Oil Company, Ltd.

Account	Amount
Net sales	841,424
Cost of sales	832,795
Gross profit	8,628
Selling, general and administrative expenses	4,041
Operating profit	4,587
Non-operating income	1,859
Interest income	17
Dividends income	240
Foreign exchange gains	1,177
Rent income of storage tanks	217
Other	207
Non-operating expenses	4,639
Interest expenses	3,743
Rent expenses on storage tanks	202
Other	694
Ordinary profit	1,806
Extraordinary income	41
Gain on sale of investment securities	41
Extraordinary losses	420
Loss on retirement of noncurrent assets	420
Profit before income taxes	1,427
Income taxes-current	1,064
Income taxes-deferred	-262
Profit	625

Independent Auditor's Report

To the Board of Directors of Fuji Oil Company, Ltd.

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Fuji Oil Company, Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2023 and for the year from April 1, 2022 to March 31, 2023 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroo Iwaide
Designated Engagement Partner
Certified Public Accountant

Tatsuo Utsugi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 12, 2023

Independent Auditor's Report

To the Board of Directors of Fuji Oil Company, Ltd.:

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules (“the financial statements and the accompanying supplementary schedules”) of Fuji Oil Company, Ltd. (“the Company”) as at March 31, 2023 and for the year from April 1, 2022 to March 31, 2023 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hiroo Iwaide
Designated Engagement Partner
Certified Public Accountant

Tatsuo Utsugi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 12, 2023

Audit Report
(Translation)

With respect to Directors' execution of their duties during the 21st financial year (from April 1, 2022 to March 31, 2023), the Audit & Supervisory Board (ASB) of Fuji Oil Company, Ltd. has prepared this audit report after deliberations based on the audit reports prepared by each ASB Member, and hereby reports as follows:

1. Methods and Contents of Audit by ASB Member and the ASB

- (1) The ASB has established the audit policies, the audit plan, etc. and received a report from each ASB Member regarding the status of implementation of their audits and results thereof. In addition, the ASB has received reports from Directors, the accounting auditor, etc. regarding the status of execution of their duties, and requested explanations as necessary.
- (2) In accordance with the audit policies, the audit plan, etc., each ASB Member endeavored to facilitate a mutual understanding with Directors and Internal Audit Department, etc., endeavored to collect information and maintain and improve the audit environment, and conducted audits in the following methods:
 - (i) Each ASB Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of execution of duties from Directors and Internal Audit Department and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets of the Company. With respect to the subsidiaries, each ASB Member received from subsidiaries reports on their respective business as necessary.
 - (ii) Each ASB Member received reports from Directors and Internal Audit Department on a regular basis on the establishment and implementation status of (i) the systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Association of the Company, and other systems necessary to ensure the properness of operations of the Company as well as the Company group that is comprised of the Company and its subsidiaries (Fundamental Policy for the Development of Internal Control Systems) as described in the Business Report and (ii) the systems (internal control systems) based on such resolutions, requested explanations, and expressed his opinions as necessary. With regard to the internal control systems over financial reporting, each ASB Member has received reports from the Board of Directors, the accounting auditor, KPMG AZSA LLP, etc. regarding the assessment of such systems and the status of audits, and requested explanations as necessary.
 - (iii) Each ASB Member monitored and verified whether the accounting auditor, KPMG AZSA LLP, maintained its independence and properly conducted its audit, received a report from the accounting auditor, KPMG AZSA LLP, on the status of its execution of duties, and requested explanations as necessary. Each ASB Member was notified by the accounting auditor, KPMG AZSA LLP, that it had established a "system to ensure that the execution of the duties of the accounting auditor be properly conducted" (pursuant to the items of Article 131 of the Company Accounting Ordinance) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary. In addition, we discussed main matters in auditing with KPMG AZSA LLC, received reports on the implementation status of their audit, and requested explanations as necessary.

Based on the above-described methods, each ASB Member examined the Business Report and Supplementary Schedule thereof, the Financial Statements (Balance Sheet, Profit and Loss Statement, Statement of Change in Net Assets, and Notes to Financial Statements) and the Supplementary Schedules thereof, as well as the Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Statement of Change in Net Assets, and Notes to Consolidated Financial Statements), for the business year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the Business Report and Supplementary Schedule thereof fairly present the status of the Company in conformity with the applicable laws and regulations and Articles of Association of the Company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or Articles of Association of the Company was found with respect to Directors' execution of their duties.
- (iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents of the Business Report concerning the establishment and implementation status of internal control systems and Directors' execution of their duties, including internal control over financial reporting.

(2) Results of Audit of Financial Statements and Supplementary Schedules thereof

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the accounting auditor, KPMG AZSA LLC, are appropriate.

May 15, 2023

AUDIT & SUPERVISORY BOARD of FUJI OIL COMPANY, LTD .

Full-time Audit & Supervisory Board Member : Tetsuo Ishii (seal)
Outside Audit & Supervisory Board Member : Tsuyoshi Inoue (seal)
Outside Audit & Supervisory Board Member : Koichi Chikaraishi (seal)
Outside Audit & Supervisory Board Member : Tomoko Sakamoto (seal)

(Under their hands)