

Medium-term Management Plan (FY2020-2022)

November 14, 2019

Idemitsu Kosan Co.,Ltd.

Securities code: 5019

- 1. Basic Policies of Formulation of the Medium-term Management Plan**
 - The Theme of the Medium-term Management Plan: Co-creation
 - Positioning of this Medium-term Management Plan in the Run-up to 2050
 - Long-term Scenarios for Conditions of the Energy Business in the Run-up to 2050
 - Long-term Changes in Conditions of the Energy Business
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1. Basic Policies of Formulation of the Medium-term Management Plan

- **The Theme of the Medium-term Management Plan: Co-creation**
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The Theme of the Medium-term Management Plan: Co-creation

Management Vision

We are an energy co-creation company that values diversity and inclusiveness, creates new values with customers and stakeholders, and seeks harmony with the environment and society.

■ Together with our customers and communities

- All customers in Japan and worldwide
- 42 countries and regions in which we operate business

■ Together with our business partners

- Dealers and distributors with close ties to local communities
- Partner companies of distribution and maintenance
- Oil-producing countries
- Suppliers
- Numerous business partners in Japan and worldwide

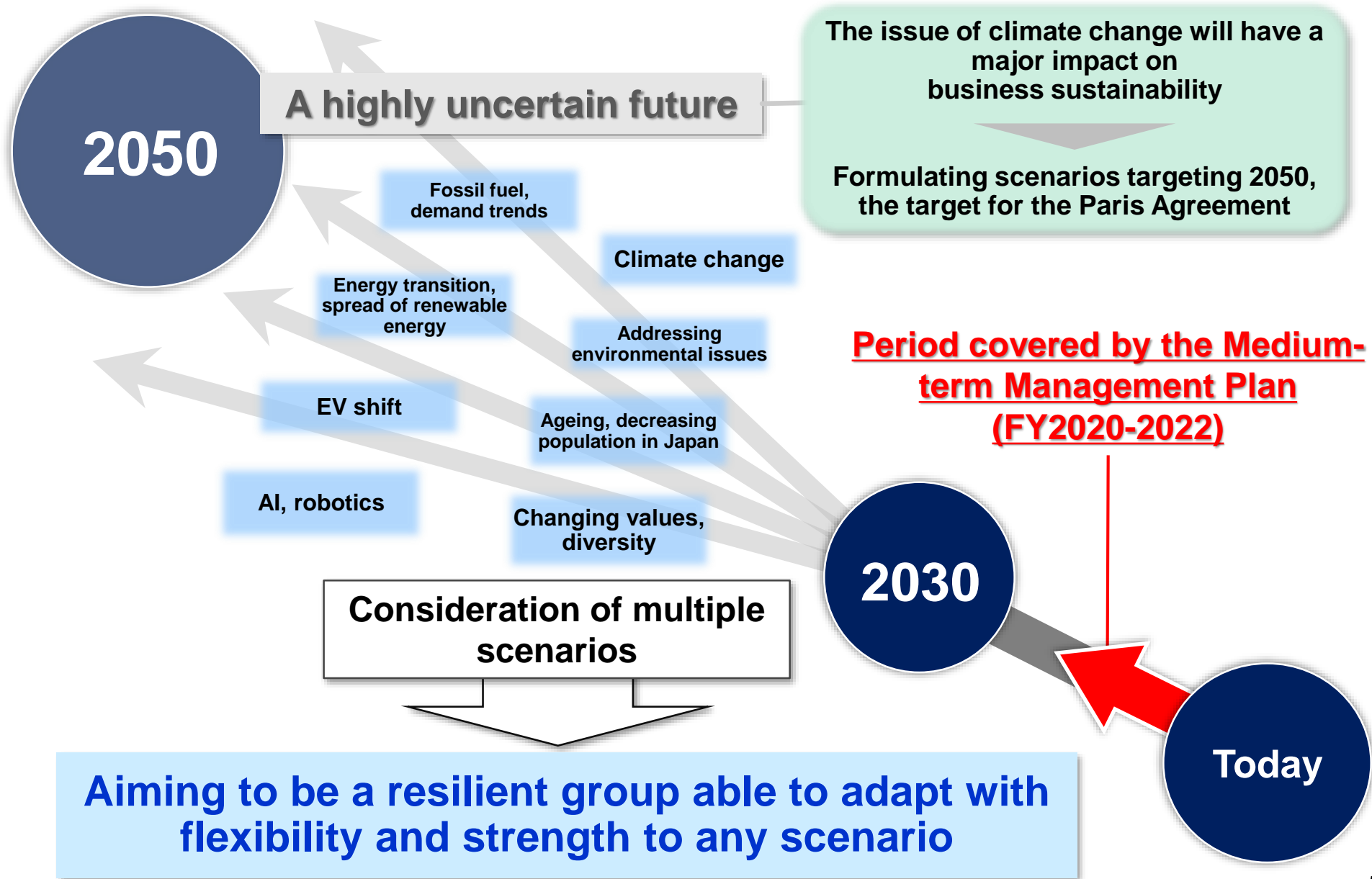
■ Together with Group employees

- 13,000 employees (including 2,700 employees outside of Japan)



**Co-creation
of new value**

Positioning of this Medium-term Management Plan in the Run-up to 2050



Long-term Scenarios for Conditions of the Energy Business in the Run-up to 2050

Petroleum demand in the Asia-Pacific region

- Four scenarios have been prepared, ranging from a case in which petroleum demand continues to increase to one in which decarbonization advances rapidly
- Basic Policies and priority topics have been assumed from **Scenario 3, “Prism,”** which requires stronger adaption to the environment by the Company

Growth in demand

**Scenario 1:
“Squall”**

High economic growth in Asia;
Growth in petroleum demand
outpaces efforts to reduce CO2
emissions

Demand unchanged

**Scenario 2:
“Cloud”**

Slower economic growth in Asia;
Solutions to environmental
issues shelved

Decrease in demand

Dramatic decrease
in demand

Governments and
businesses respond more
strongly to opportunities to
address environmental
issues

**Scenario 3:
“Prism”**

Powerful decarbonization efforts
advanced as each country's
government prioritizes addressing
environmental issues above all

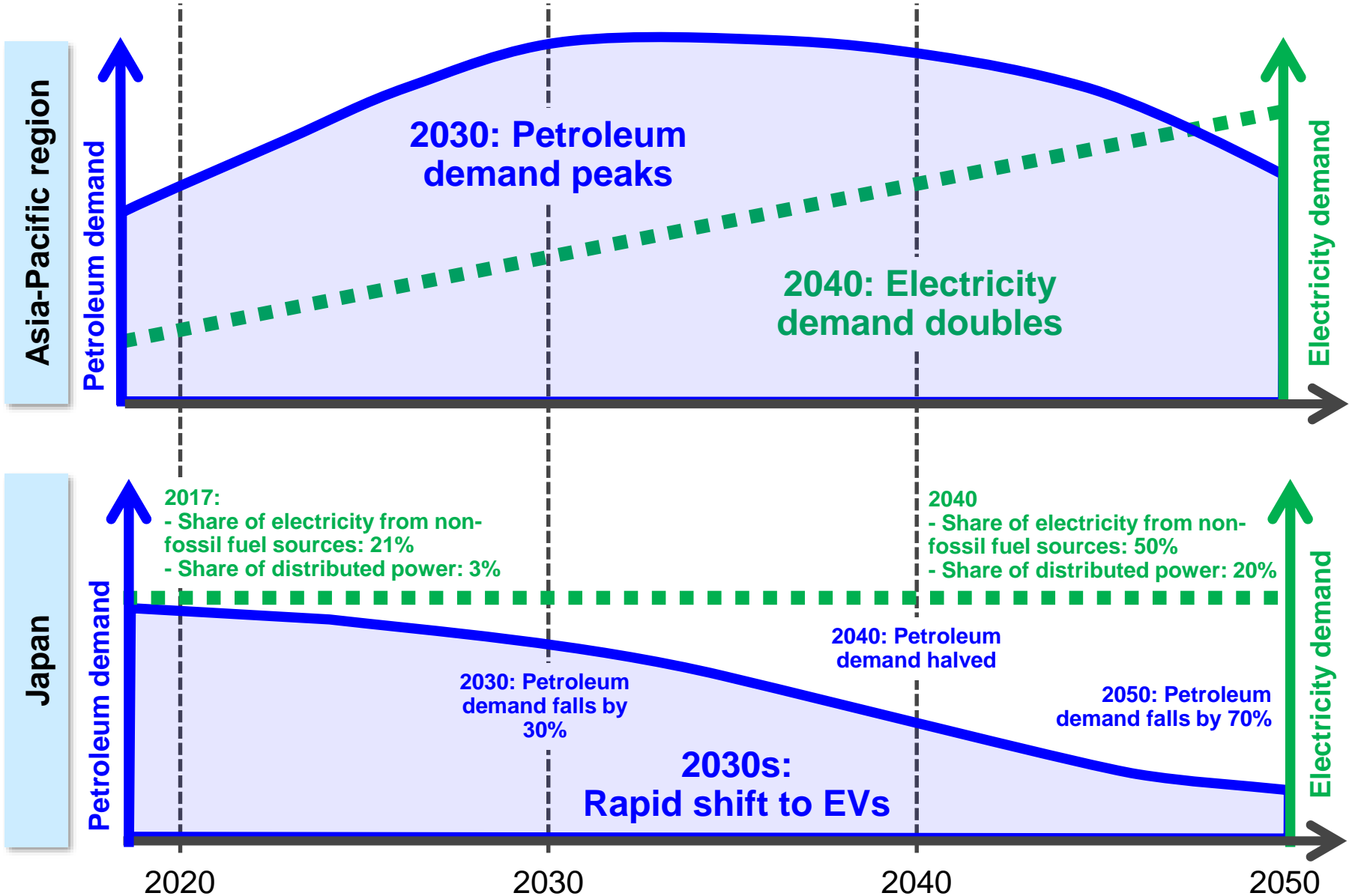
**Scenario 4:
“Azure”**

Today

c. 2030

c. 2050

Long-term Changes in Conditions of the Energy Business (Scenario 3, "Prism")



2. Vision for 2030

- **Understanding of Business Conditions in 2030**
- **Basic Policies for the Run-up to 2030**
- **Quantitative Targets**
- **GHG Reduction Targets**

Understanding of Business Conditions in 2030

Structural changes to energy demand

- Developed countries: Decreased demand for fossil fuels, increasing diversification (electrification, shift to distributed energy, shift to renewable energy)
- Emerging countries: Increased demand for energy due to strong economic growth

Advancement of technological innovation

- Increased demand for new materials for use in new technologies (such as EVs and robotics)
- Advancement of digital innovations

The Group's business environment in 2030

Changing lifestyles and demands from society

- Advancement of a recycling-oriented society as consumers' ecological awareness increases
- Changing customer needs (from ownership to use)
- Progression of ageing society and depopulation in Japan
- Increasing demands for corporate social responsibility in areas such as practical contributions to achievement of the SDGs (environmental measures, contributing to communities, strengthening governance, improving workplace environments, diversity, etc.)

Basic Policies for the Run-up to 2030

Basic policy

Realizing a resilient business portfolio

[Priority Topics]

Structural reforms to core revenue-generating businesses

Expansion of growth businesses

Creation of next-generation businesses

[Main Initiatives]

- Pursuing profits in the petroleum business (maximizing integration synergies, making refineries more reliable)
- Enabling the Nghi Son Refinery to contribute to profits
- Expansion of business scale and domains (M&As on a scale of JPY100 billion during the medium-term management plan period)
- Increasing the share of functional materials business to 30% by 2030
- Increasing total power generated from renewable energy to 5GW by 2030 (Mainly from overseas)
- Transformation of solar-power business
- Creating new businesses with an eye on societal changes, diversifying customer needs, lessening environmental impact, etc.

Basic policy

Building a business platform suited to the needs of society





[Priority Topics]

- Harmony with the global environment and society
- Progress in governance
- Acceleration of digital innovations

[Main Initiatives]

- Efforts to reduce GHGs (2030: down 15% vs. 2017)
- Enhancing roles and functions of the Board of Directors
- Utilizing digital technologies to create new value

Quantitative Targets

	FY2019 (Projected)		FY2030	vs. FY2019
Operating income + equity earnings of affiliated companies	JPY168 billion *		JPY300 billion	+JPY132 billion
Operating income ratio of 3 businesses (petroleum, exploration, coal)	60%		Less than 50%	-10%
Operating income ratio of functional materials business	18%		More than 30%	+12%
Cumulative total power development (overseas)	1.0 GW (0.2 GW)		More than 5 GW (4 GW)	+4 GW

*Excluding inventory impact

Reducing overreliance on the petroleum business by examining the business portfolio from multifaceted perspectives, including growth potential, stability of earnings (impact of market changes), and environmental impact

GHG Reduction Targets

Reduction Target

■ Reducing our Scope1+2 emissions

2030 reduction target (vs. 2017)
- 2 million t-CO2 (-15%)

An indicator of the degree to which we have reduced CO2 emissions*1, generated directly and indirectly from our production activities, through measures such as advancing energy-conservation activities at our refineries, plants, etc.

Monitoring indicators

■ Low-carbon energy supply

2050 goal (vs. 2017): - 30%

* Based on business environment scenario 3

An indicator of the degree to which we, as an energy supplier, have kept down the **CO2 emissions per unit of energy*2** supplied to society

- This goal will be revised as necessary in light of the progress of society's shift to low-carbon energy and technological advances

■ Degree of decarbonization of companywide revenues

Setting profit targets and degree of decarbonization based on ascertaining the business environment in 2050

An indicator of how much we have increased **profit per unit of CO2 emissions*2** on a companywide basis

Accelerating the Company's activities to reduce GHG emissions using these three indicators, based on the basic understanding that such reductions should be advanced while simultaneously contributing to the fields of the environment, society, and the economy

*1 Scope1+2 emissions under the GHG protocol

*2 Total Scope 1-3 emissions under the GHG protocol minus the volume of contribution to CO2 reductions throughout the value chain

3. Overview of the Medium-term Management Plan (FY2020-2022)

- **Management Objectives**
- **Operating Income + Equity Earnings of Affiliated Companies, by Segment**
- **Cash Balance**
- **Investment Plans**
- **Shareholder Returns**

Management Objectives (FY2020-2022)

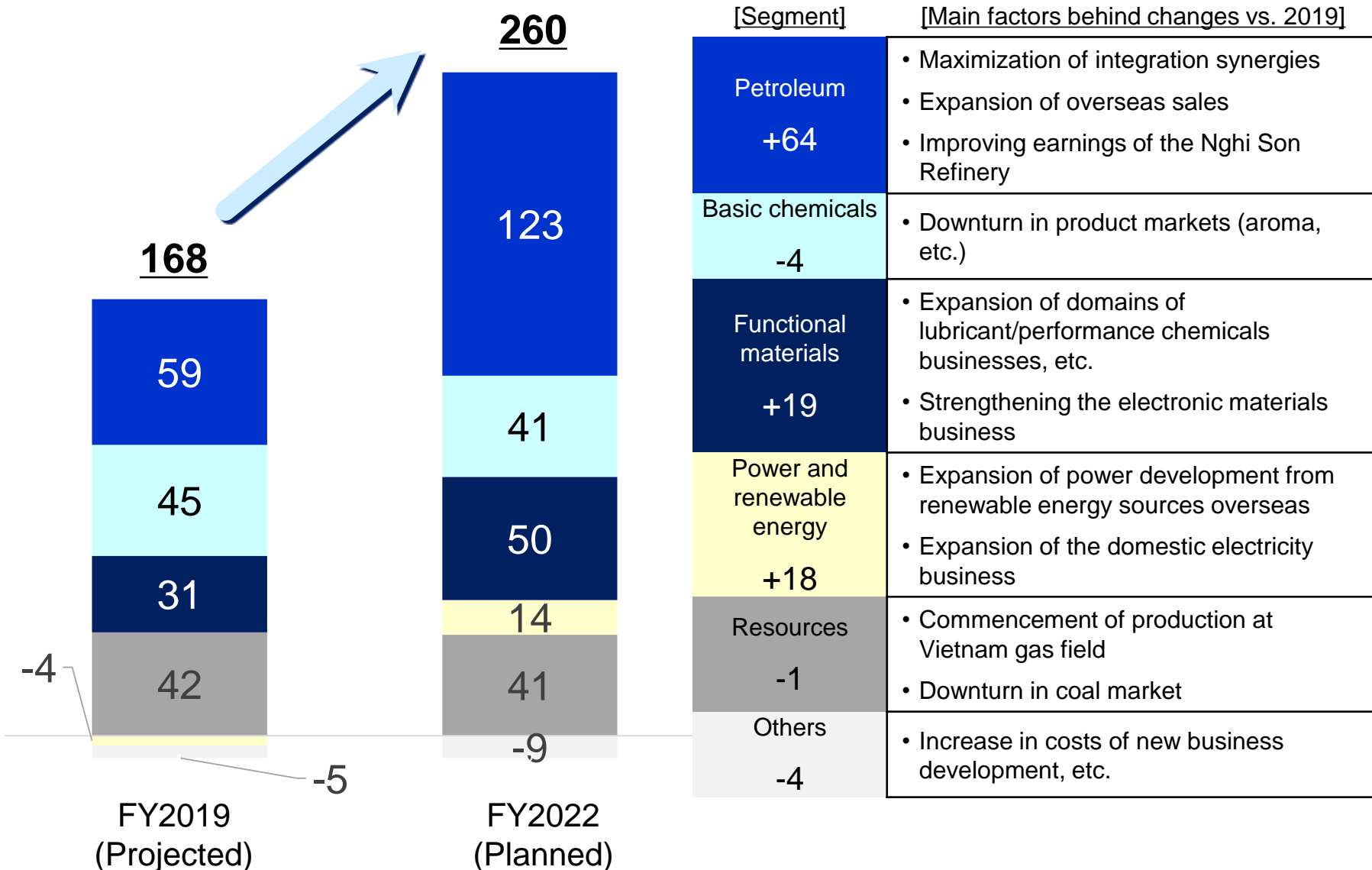
	FY2022 (Final year of medium-term management plan)	Three-year cumulative total
Net income	JPY175 billion	JPY480 billion
Operating income + equity earnings of affiliated companies	JPY260 billion	JPY720 billion
ROE	10% or higher	
FCF	JPY400 billion	

Major assumptions

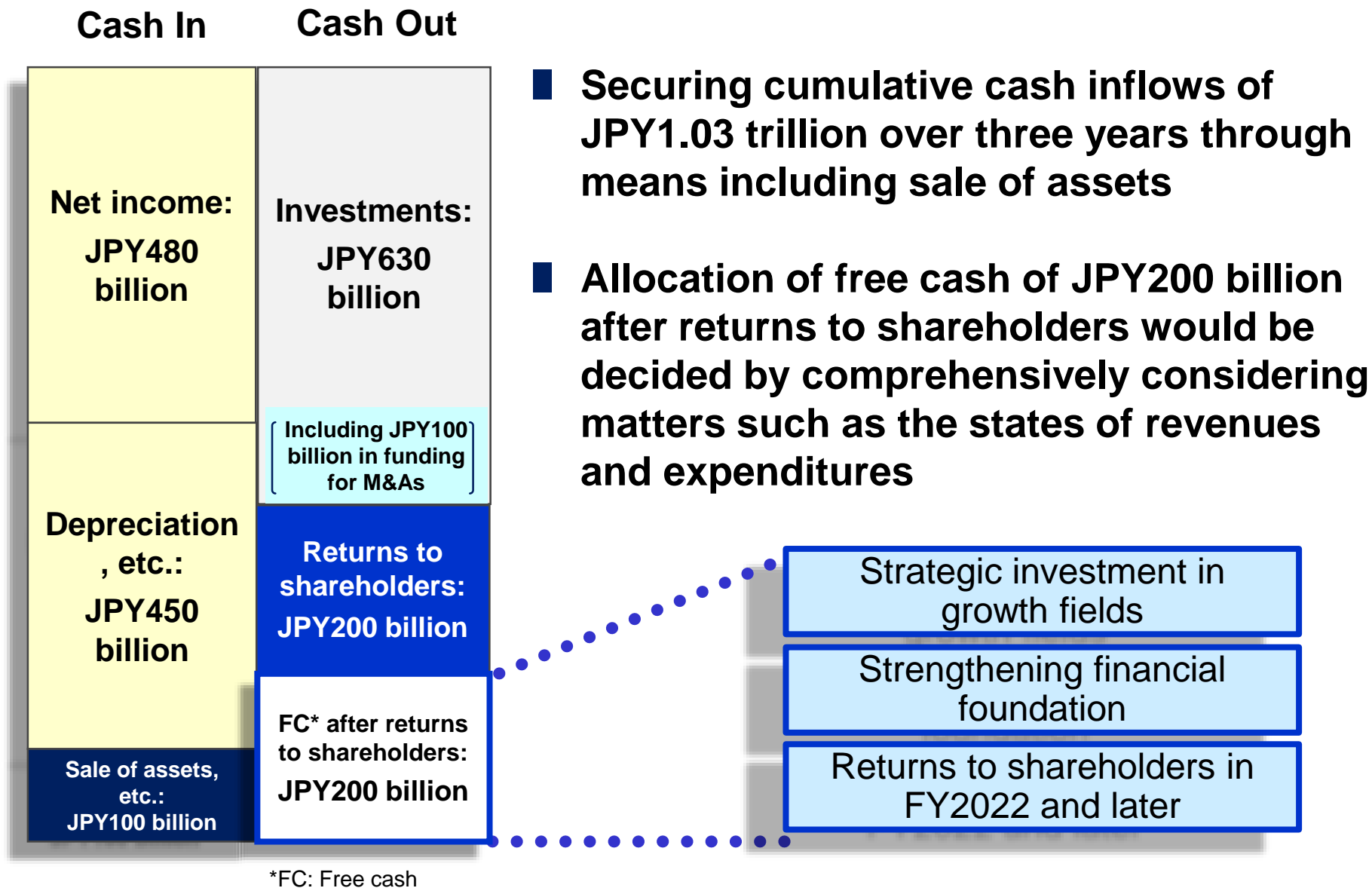
		Unit	Projected FY2019	Planned FY2022
Crude oil	Dubai	\$/BBL	63.1	60
Naphtha	Customs	\$/t	515	550
Coal	NEWC	\$/t	75.5	72
Exchange rate	USD	JPY/\$	107.5	105

Operating Income + Equity Earnings of Affiliated Companies, by Segment (Excluding Inventory Impact)

(JPY billion)

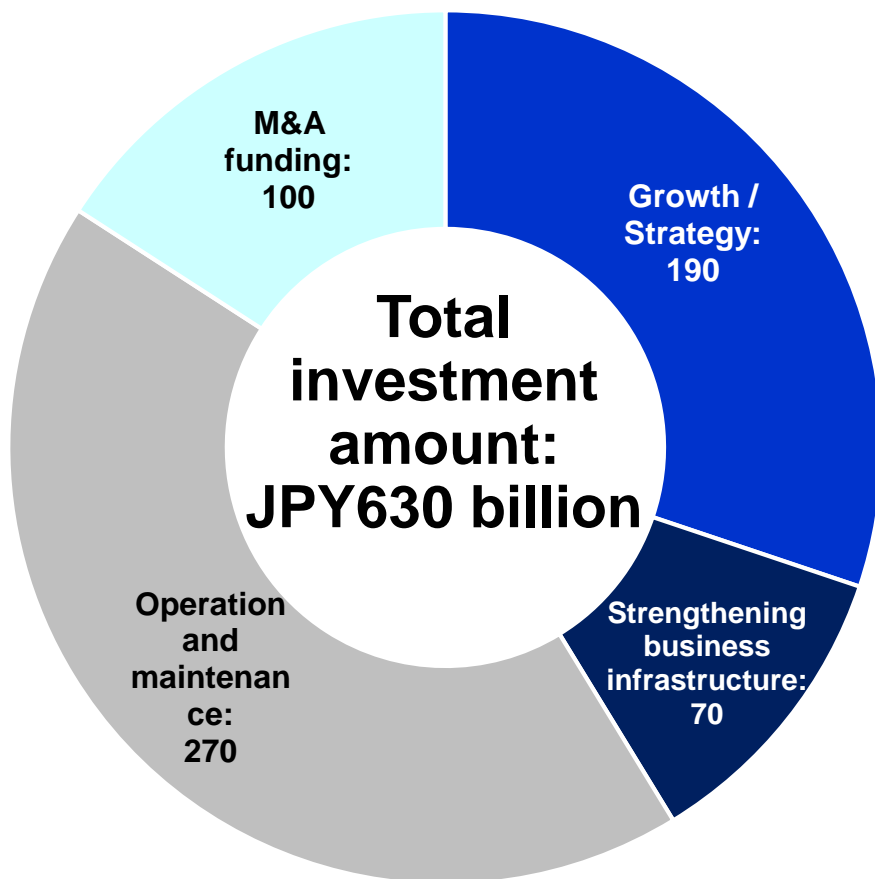


Cash Balance (FY2020-2022)



Investment Plans (FY2020-2022)

Planned amounts by investment category



■ Growth / Strategy investment

Investment in existing core business, growth businesses and next-generation businesses in pursuit of further revenue growth

- Functional materials (lubricants, performance chemicals)/overseas
- Resources (gas-field development)/Vietnam
- Electricity, renewable energy (solar power)/North America
- Development of new materials (solid electrolytes)

■ Investment in strengthening business infrastructure

Investment in stable operation and strengthening competitiveness through diversification of raw materials, shortening periodic maintenance cycles, BCP measures, etc.

- Strengthening desulfurization equipment capacity, etc
- Upgrading computer systems through integration

■ Investment in operation and maintenance

Investment in maintenance, upgrading, etc.

■ M&A funding

Funding M&As in growth fields of the functional materials business (performance chemicals, etc.)

■ FY2019-2021

Realizing returns to shareholders with a total payout ratio of 50% or higher

- As announced in October 2018, the minimum dividend is JPY160 per share and at least 10% of returns to shareholders will be allocated to share buyback.
- All repurchased shares will be canceled.

■ FY2022 and later

Considering further returns to shareholders through means such as increased dividends and flexible share buyback in accordance with profit levels, based on a minimum dividend of JPY160 per share

- A final policy will be decided on during FY2021, based on comprehensive consideration of the cash balance including strategic investment in growth fields, strengthening of financial foundation, etc.

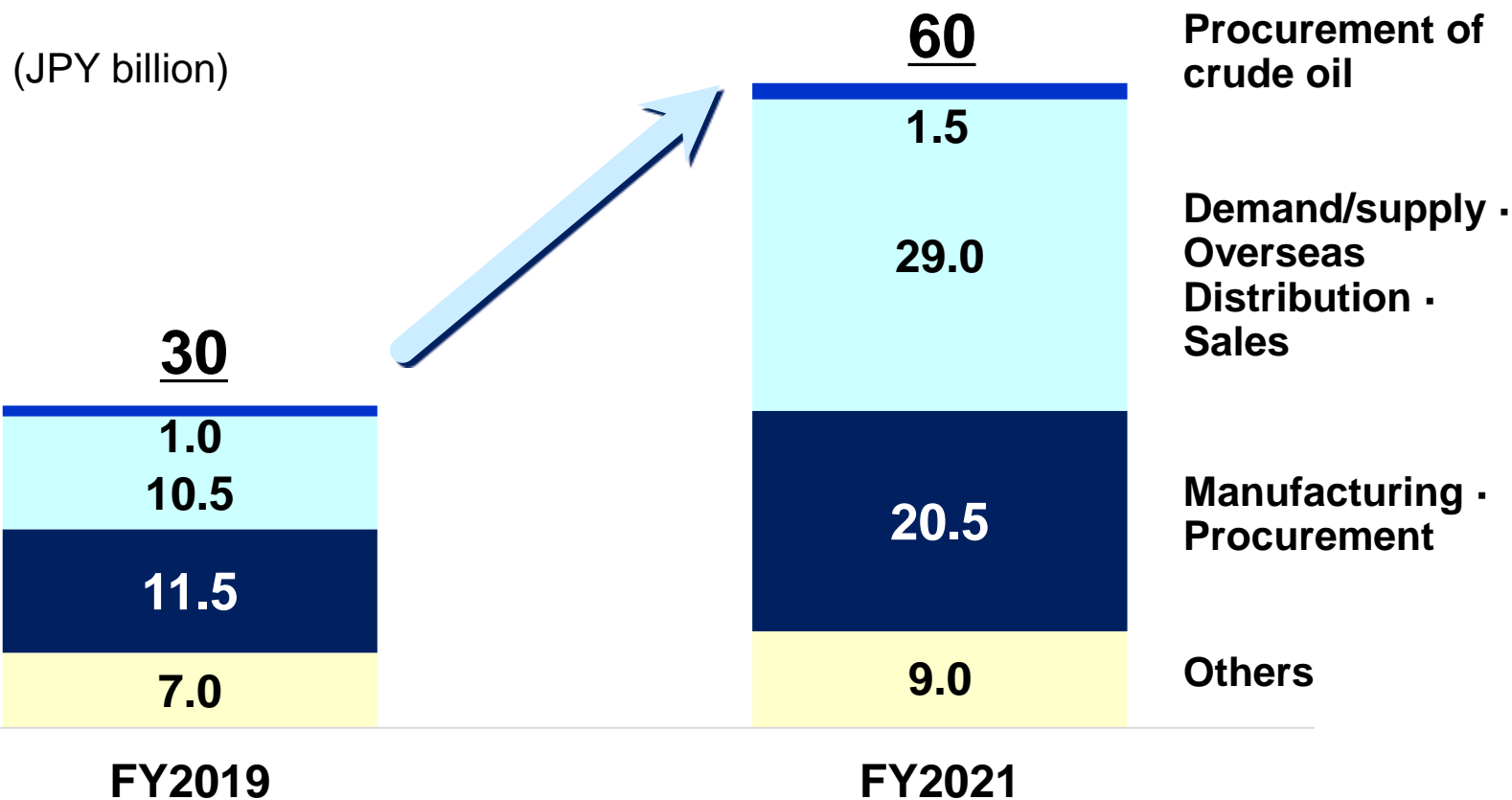
4. Priority Topics

Priority Topics in the Run-up to 2030

Basic Policy	Priority Topics	Medium-term Management Plan 2030
Realizing a resilient business portfolio	Structural reforms to core revenue base businesses	<ul style="list-style-type: none"> ■ Maximizing integration synergies ■ Strengthening international competitiveness of refineries (toughness, high efficiency, chemical shift) ■ Utilizing Pacific Rim supply chain to capture growing demand in Asia ■ Enabling the Nghi Son Refinery to contribute to profits ■ Gas development in SE Asia ■ Further business expansion
	Expansion of growth businesses	<ul style="list-style-type: none"> ■ Expanding lubricant, performance chemicals, and agri-bio business domains (including M&As) ■ Strengthening electronic materials business/commercialization of lithium solid electrolytes ■ Advancing development of domestic and overseas renewable energy sources ■ Transformation of domestic electricity and solar-power business ■ Black pellet development ■ Contributing to lower carbon through supply to coal-fired thermal power generation ■ Strengthening development of functional materials utilizing open innovation
	Creation of next-generation businesses	<ul style="list-style-type: none"> ■ Development of next-generation service-station business/distributed energy business/circular business
Building a business platform suited to the needs of society	Harmony with the global environment and society	<ul style="list-style-type: none"> ■ Setting GHG reductions targets and taking action to meet them ■ Contributing to the areas where the Company operates business ■ Implementing D&I initiatives/making work more rewarding for employees
	Progress in governance	<ul style="list-style-type: none"> ■ Continuing to appoint at least 1/3 diverse, independent outside directors ■ Further improvements to transparency of appointments and remuneration ■ Preparation and disclosure of skills matrices
	Acceleration of digital innovations	<ul style="list-style-type: none"> ■ Digitalization of core business/ Creating a customer value in existing business/ Creating a completely new business (Establishing a Digital Innovation Office in January 2020)

Maximizing integration synergies

Revenue
base

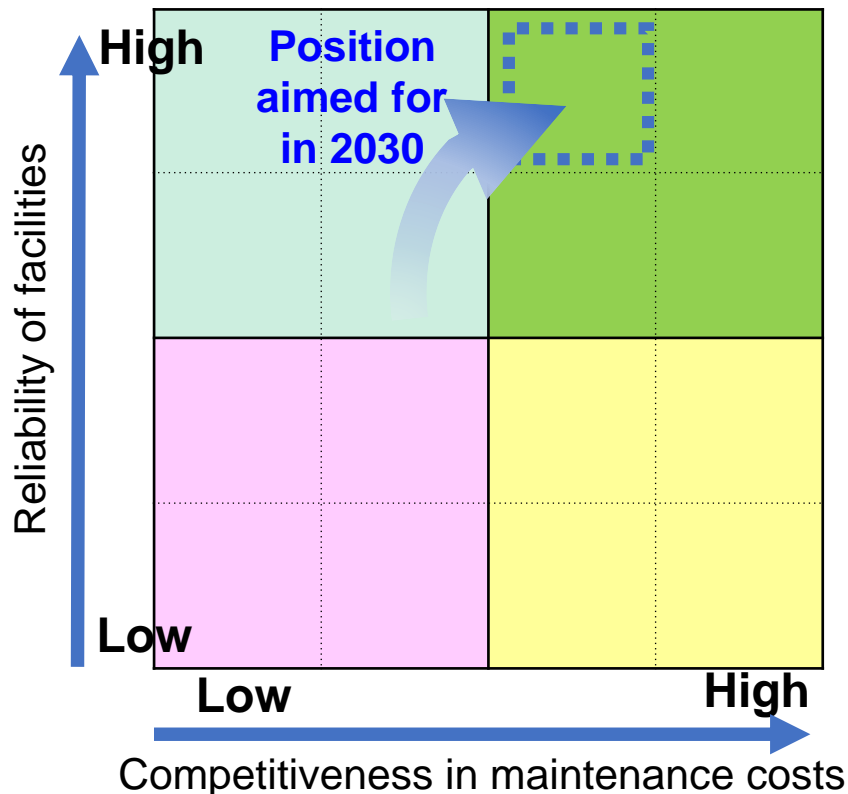


- JPY30 billion in results already realized in FY2019
- Aiming to build up JPY60 billion in integration synergies and realize further measures through end of FY2021, through means including integration of brand policies, review of sales strategies, optimization of refining costs, and promoting the DTK Project*

*DTK Project: "Dattara Ko Shiyo" ("If that's the case, then let's do this") Project = Business Process Re-engineering Project

- ❑ Strengthening facilities and making them more efficient, to realize safe operation and optimal utilization
- ❑ Enhancing international competitiveness through strengthening of export facilities and advancing chemical shift
- ❑ Enhancing the business foundations overseas, to supplement Asia's demand

[Facility reliability and maintenance costs]



Safe operation and optimal utilization

- ✓ Efforts to eliminate serious injuries
- ✓ Improving reliability of facilities
- ✓ Utilizing advanced digital technologies
- ✓ Resilience vs. disasters

Strengthening international competitiveness

- ✓ Strengthening export capacity
- ✓ Chemical shift
- ✓ Addressing surplus of fuel oil C
- ✓ Enhancing cooperation among complexes

- Realizing industry-leading level operational reliability and maintenance cost efficiency in FY2030

■ 2030 overseas sales: approx. 30 million KL



- ❑ Improvement in earnings expected in FY2020 based on stable operation, cost optimization, margin improvement, etc.
- ❑ Various regional contributions in Vietnam including creating jobs for more than 1,000 people.

Profit improvement due to stabilizing operation

- **Reasons for worsening profit in 2019**
 - ✓ Low operation rate due to initial failure(Stop all equipment and repair)
 - ✓ Significant downturn of Asian product market
 - ✓ Cost increase due to delay in commercial operation
- **Profit contribution after 2020**
 - ✓ Repair of defective parts will be completed
⇒ Full production becomes possible
 - ✓ Asian product market return to normal level

Contribution to Vietnam

- Supply about half of domestic demand
- Transfer of technical know-how such as oil refining
- Contribution of economic development to the local province of Thanh Hoa
- Life skills education for school children
- Scholarship support for school children



- ❑ Gas development based on local production/local consumption in Asia
- ❑ Contributing to decreased carbon through black pellet development

Gas development

- ✓ Asian economic development/population growth
- ✓ Increased demand for electricity
⇒ Increasing importance of gas

Population of 10 SE Asian nations:

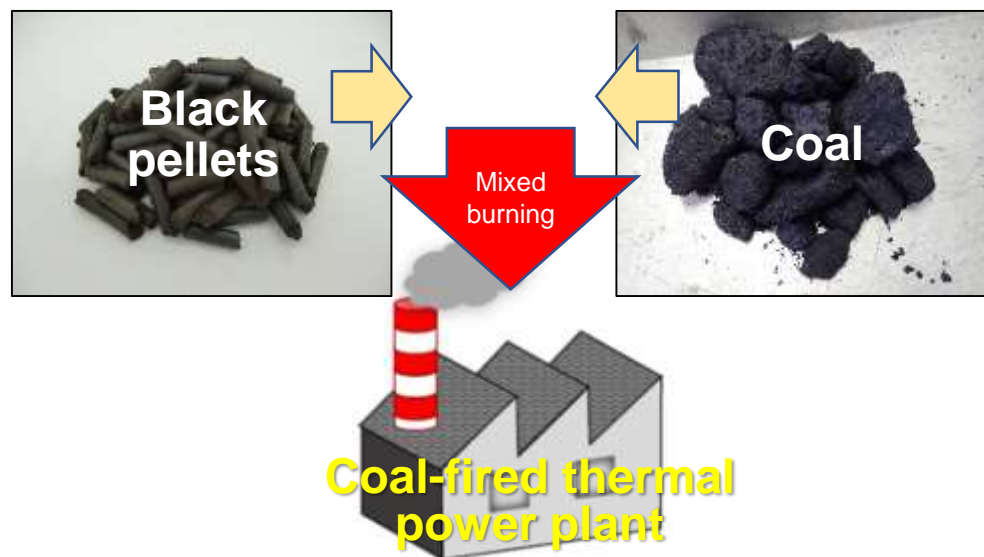
2014: 620 million

2030: 720 million

⇒ Of these, 120 million will live in non-electrified regions

- Promoting gas development in Vietnam
⇒ A bridgehead for the gas production and sale business (local production/local consumption)
- Deployment of the gas business in SE Asia

Black pellet development



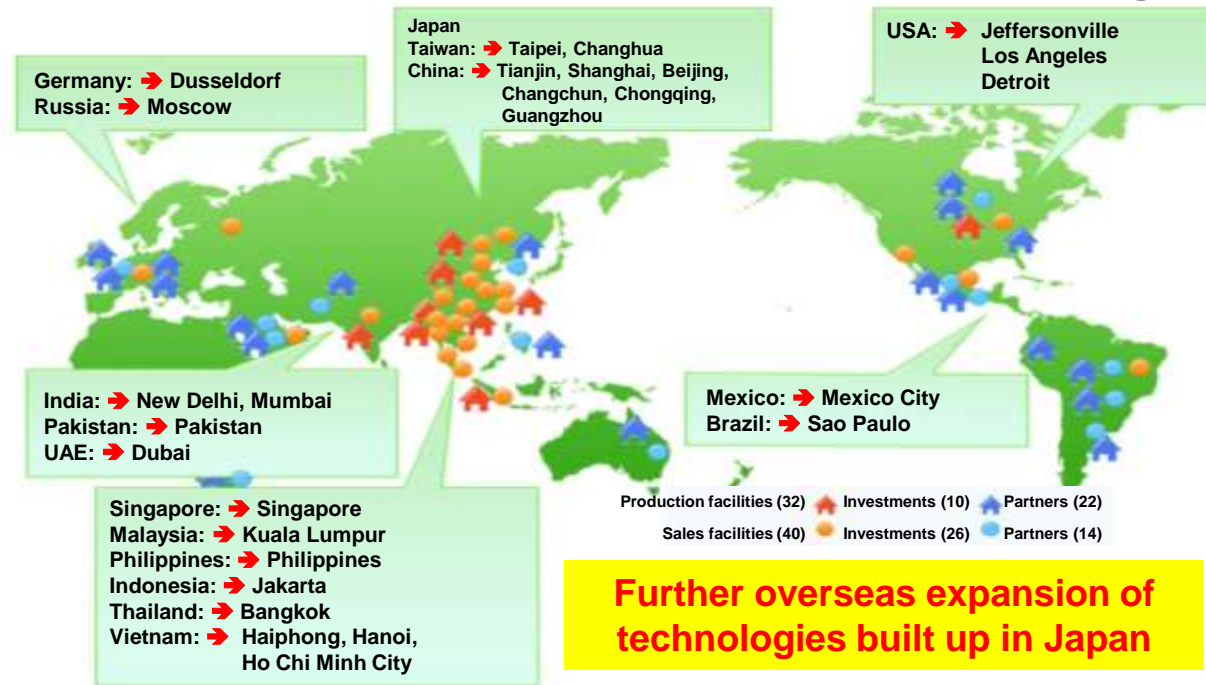
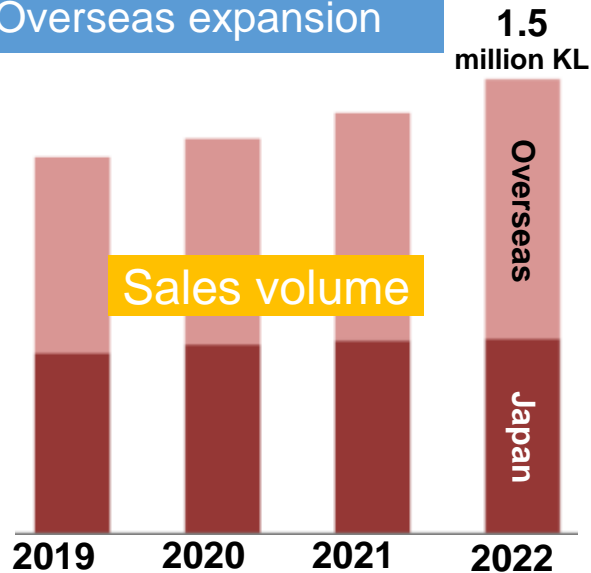
- Development of a biomass fuel that can be burned together with coal
- Contributing to carbon reductions through supply to coal-fired thermal power plants
- Starting with production and procurement in Thailand
- Expanding supply area with spread of demand

Expanding lubricant business

Growth
Businesses

- Further overseas expansion and product development in new domains (e.g., EVs, advanced grease)

Overseas expansion



EVs

Lubricants for EV drive units

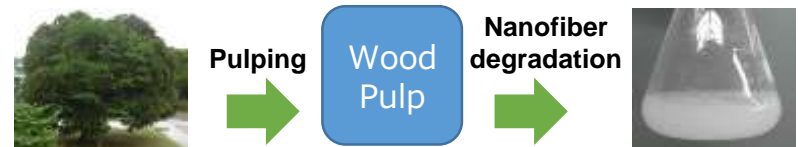
- Lubricants suited for EV drive units (energy conservation, lessening environmental impact)

High-performance grease suited to EVs

- Responding to needs for electric-motor-driven vehicles
⇒ **Heat resistance / Low-noise**

Advanced grease

Eco-friendly grease (grease for use in food-product plants)



- Safe, naturally derived (for food-product use)
- Carbon-neutral, unlimited resource
- Lightweight with superior tensile strength

- ❑ Supplying new materials for uses such as EVs, telecommunications, and information devices
- ❑ Market development in the fields of biological pesticides (insecticides, disinfectants) and livestock
- ❑ Expanding business domains through M&As

Performance chemicals

Transparent
resins



Engineering
plastics
compound resins



High-
frequency
resin devices



Adhesive
materials



■ Strengthening lineup of high-value-added materials that contribute to more lightweight, higher-performance vehicles and information/telecommunications devices, to improve the quality of life, etc.

Agri-bio

Agriculture

Biological pesticides, chemical pesticides



Livestock

Feed additives, viable bacterial preparations



■ Contributing to increasing agricultural production efficiency worldwide through supply of biological pesticides and livestock materials from natural sources, while also maintaining and strengthening the chemical pesticides business

Strengthening electronic materials business/commercialization of lithium solid electrolytes

Growth
Businesses

- ❑ Promoting development of technologies for OLED blue light-emitting materials (strengthen relations with partners)
- ❑ Developing next-generation materials and applications
- ❑ Commercialization of fully solid lithium battery materials

Electronic materials

Organic EL
materials



Oxide
semiconductors



Conductive
high polymers

Special PC
(Toughzet)



Lithium-battery materials

Solid
electrolytes

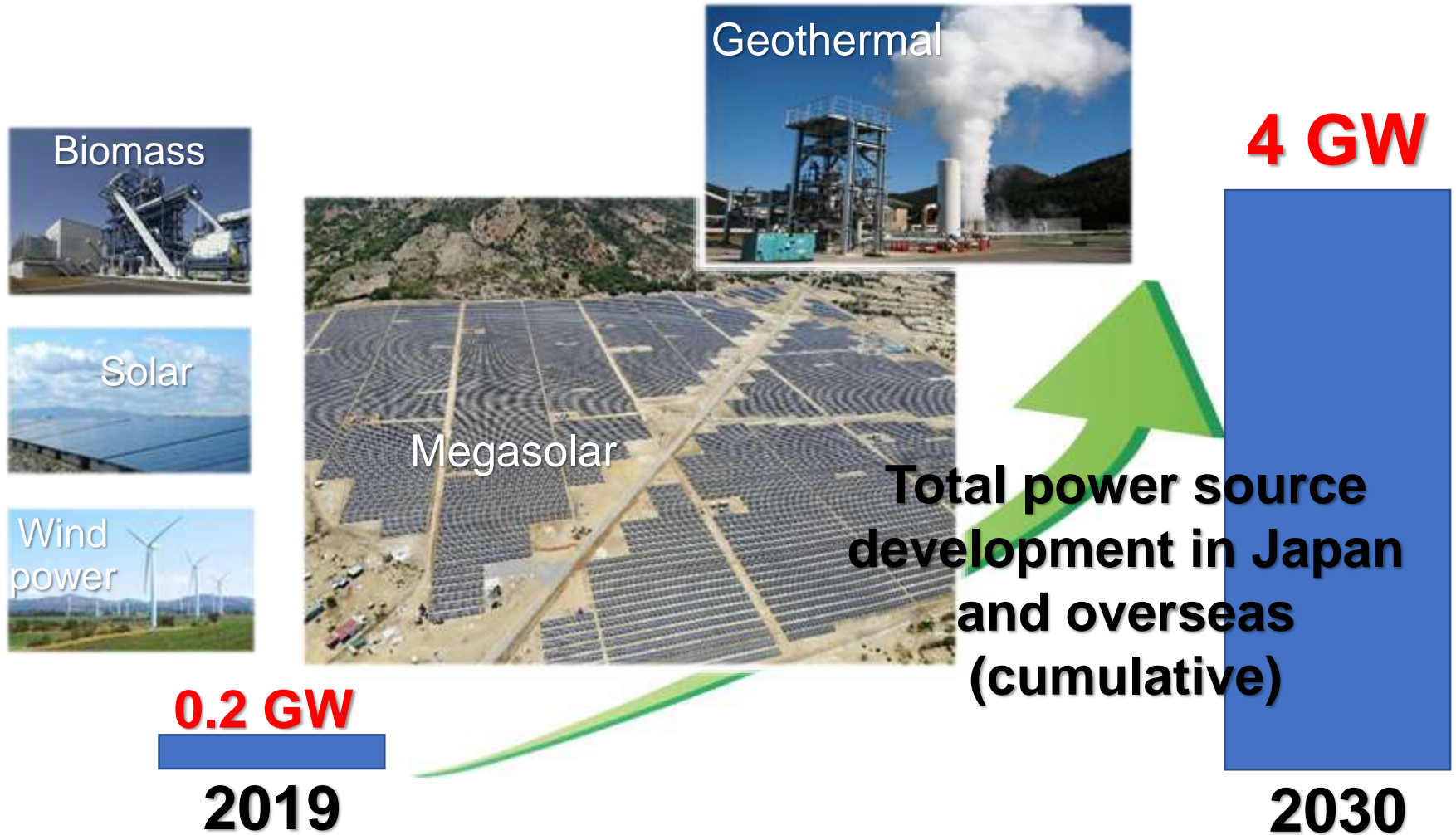


- Securing business advantages in anticipation of growth in OLED demand
- Development of new materials/applications

- Beginning commercial production of solid electrolytes for use in solid batteries
- R&D on next-next-generation battery materials

Development of renewable energy sources in Japan and around the world

Growth
Businesses



- ❑ Megasolar development in North America and SE Asia, where conditions are favorable in terms of sunlight, policy incentives, etc.
- ❑ Geothermal power development in emerging markets with geothermal resources

- ❑ Improving efficiency of power procurement and providing various menus of electric power services suited to customers' needs
- ❑ Solar Frontier: Transformation from a module sales business to sales of renewable-energy power systems

Domestic electricity business

■ Development of diverse power sources

- ✓ Development of diverse renewable-energy power sources taking advantage of regional properties (solar power, small hydroelectric, biomass, recycling, etc.)

■ Expansion of customer base

- ✓ Utilization of dealer/distributor channels
- ✓ Development of new customer-agent channels

■ Responding to diverse customer needs

- ✓ Differentiation of product menus/services
- ✓ Products and services providing added value to electricity (CO₂-free, renewable energy, PV + electricity, EVs, etc.)

Expanding customer bases
through service and innovation

Solar Frontier

■ Business transformation

- ✓ Shifting from panel sales (kW) to power supply sales (kWh)
- ✓ Responding to diverse power-source needs (adding crystal silicone to the product lineup in addition to CIS)

■ Pursuit of optimal production modes

■ Development of high-performance, high-value-added fields

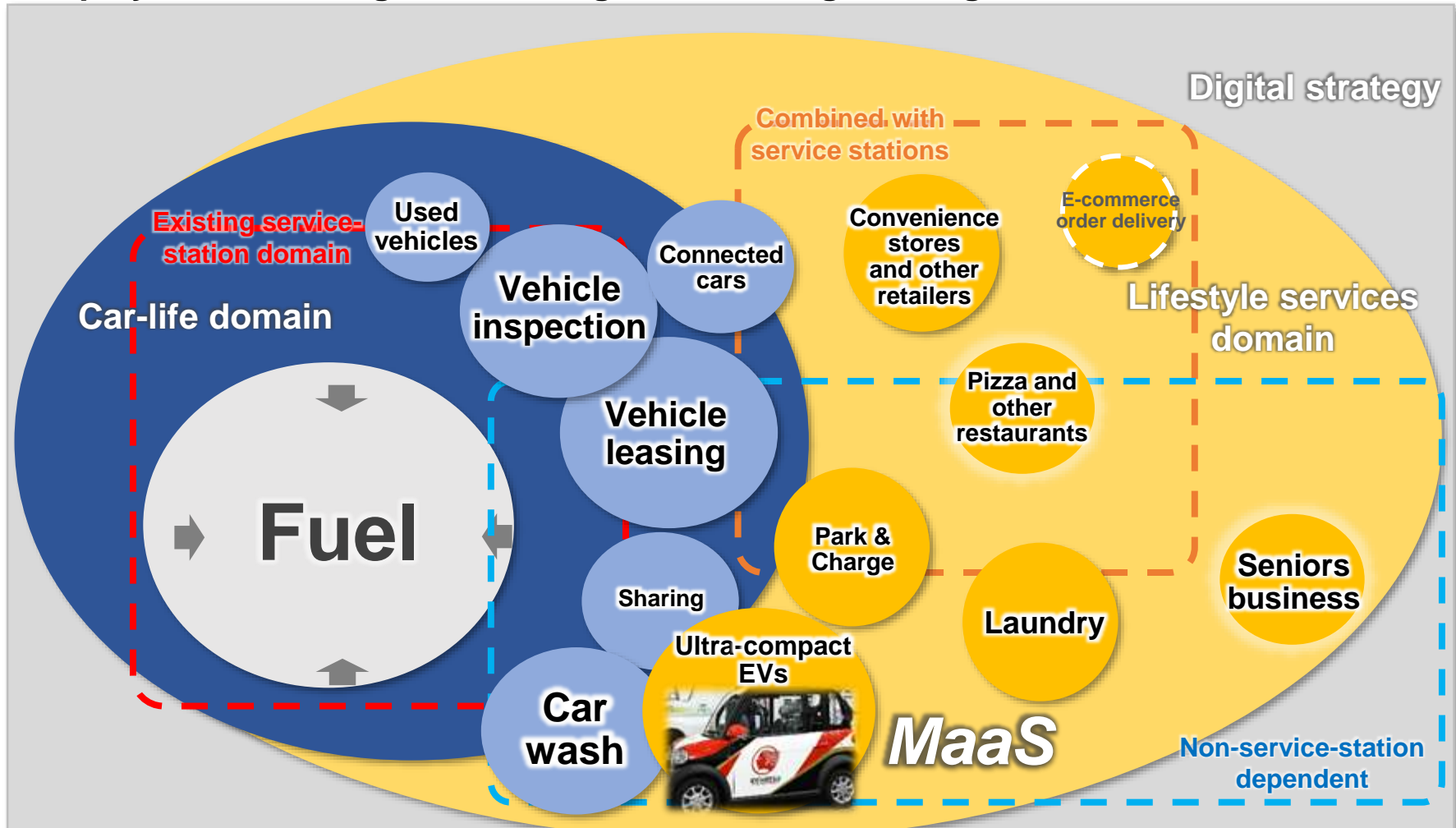
- ✓ Development of lightweight next-generation modules combined with construction materials (G6)
- ✓ Next-next-generation high-performance (e.g., ultra-high-efficiency) panels

■ Beginning study of recycling of solar panels

Achieving profitability during the
period of this Medium-term Plan

Development of next-generation service-station businesses

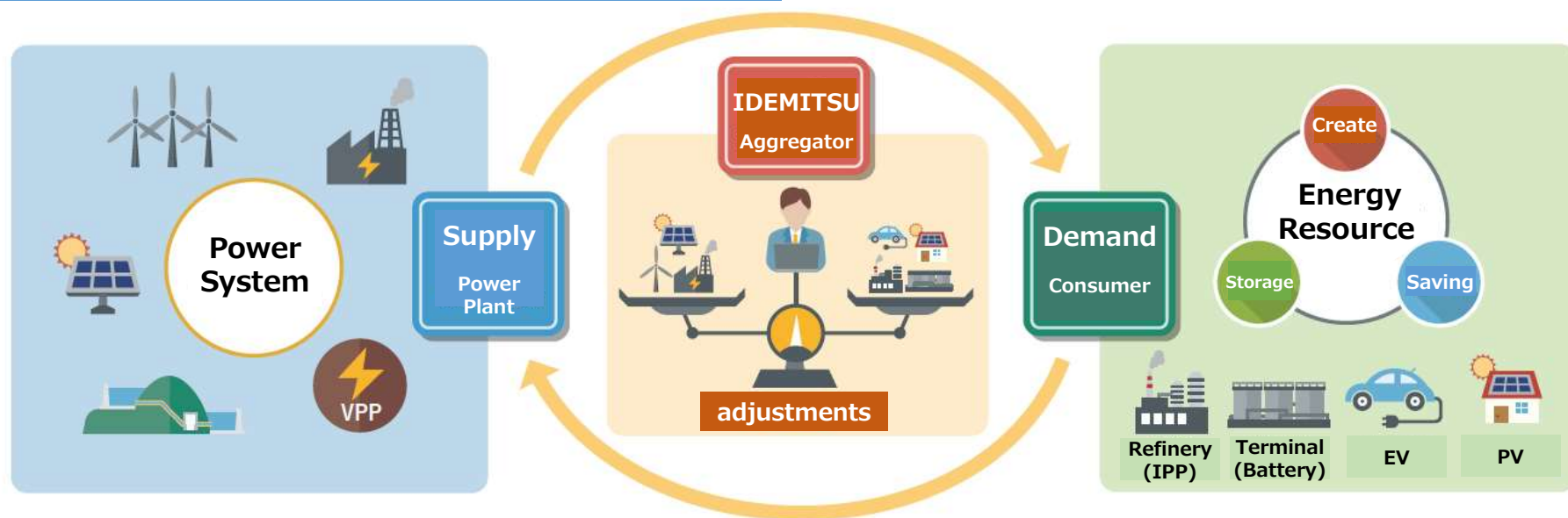
- ❑ Turning the existing gasoline-based service-station network into service stations that support livelihood and mobility
- ❑ Deployment of next-generation digital marketing utilizing our customer infrastructure



A life partner supporting local customers' livelihood and mobility

- ❑ Developing a business utilizing distributed energy resources suited to regional characteristics in Japan and around the world

Image of VPP (Virtual Power Plant)

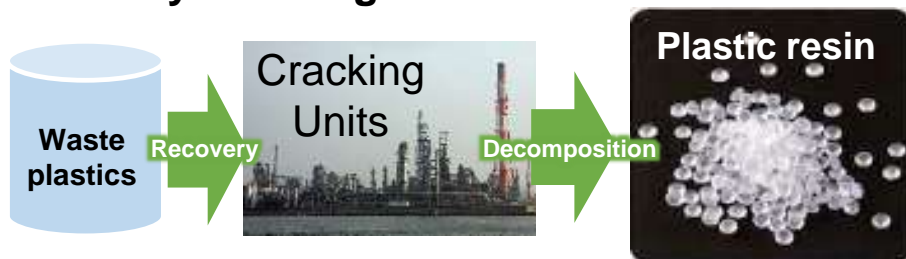


- ❑ Service development utilizing distributed energy resources controls such as virtual power plants (VPPs)
- ❑ Development of local production/local consumption models for energy utilizing distributed energy resources
- ❑ Supplying distributed energy to island states and emerging countries, which are expected to require electrical infrastructure development in the future

- ❑ Chemical recycling of waste plastics (converting them to resin raw materials) utilizing refinery cracking units
- ❑ Development of recycling processing technologies for CIS and crystal silicone solar panels
- ❑ Carbon recycling: Development of technologies for methanol synthesis, carbonate, and artificial photosynthesis

Chemical recycling of waste plastics

Using waste plastics as raw materials in refinery cracking units



Recycling of solar panels

Recycling of solar panels



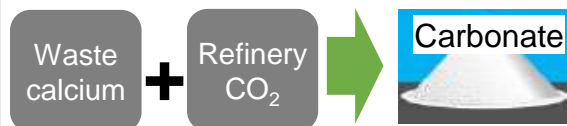
Carbon recycling (methanol synthesis, carbonate, artificial photosynthesis)

Methanol synthesis



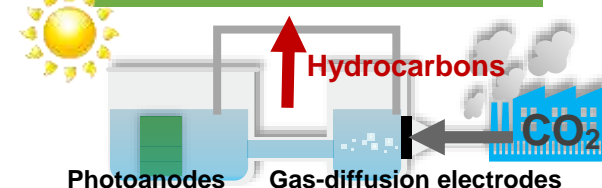
- Methanol synthesis using CO₂ and hydrogen
- Utilizing Tomakomai CCS test equipment (METI, NEDO, Japan CCS Co., Ltd., MHPS)

Carbonate production



- Reaction between waste calcium and CO₂
- Production of carbonate/added-value materials (CCSU Kenkyukai: Industry-academy cooperation project)

Artificial photosynthesis



- Converting CO₂ to hydrocarbons using sunlight (producing methane, etc. from water and CO₂)

Acceleration of digital innovations

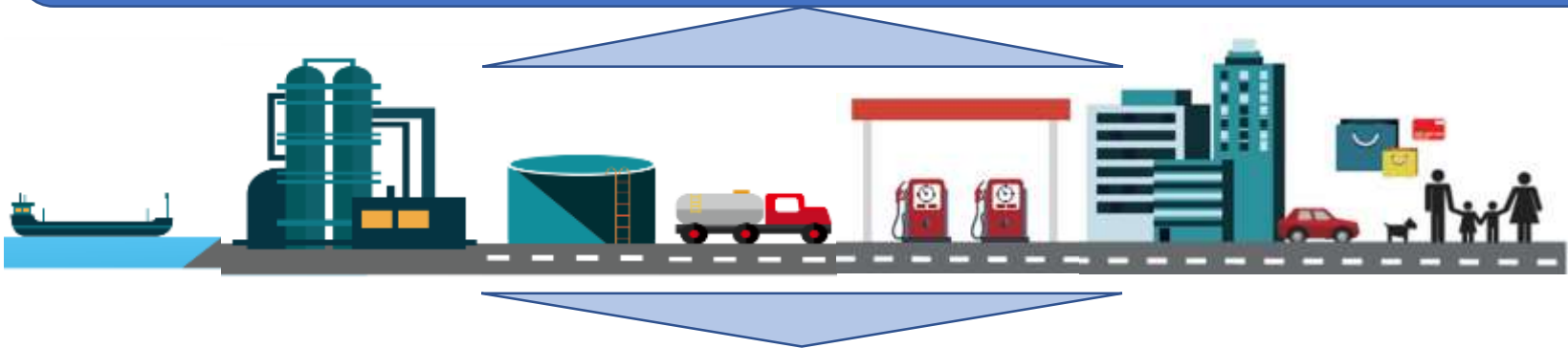
【Three point of views of Digital Innovations】

※Establishing a Digital Innovation Office in January 2020

Creating a completely new business

Creating a customer value in existing business

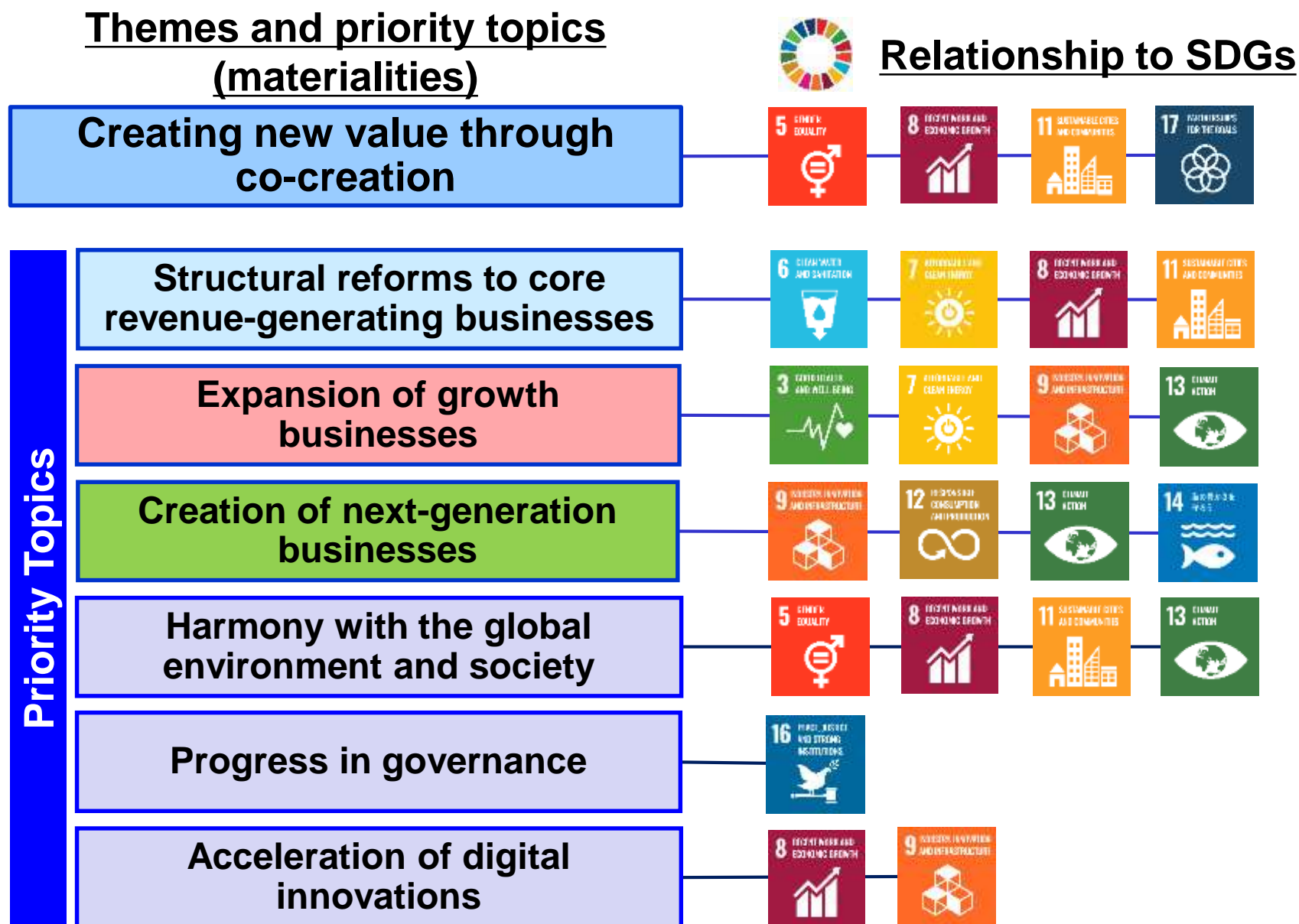
- ✓ Digital marketing for retail customer
- ✓ Digital payment, etc



Digitalization of core business

- ✓ BPR initiatives (Simplification of approval process by using digital workflow, Automating data processing by RPA, Promoting telework, etc)
- ✓ Promoting Materials Informatics in R&D
- ✓ Promoting AI in logistics operations (Allocation of vessel and tank truck)
- ✓ Upgrading of equipment maintenance by utilizing technology of Sensing and Predictive Analysis

Efforts to Realize the SDGs through Co-creation and the Priority Topics



5. Reference Materials

Overview of Businesses

■ Petroleum

- Refining capacity: **945,000 BD**^{*1}
- Domestic fuel oil sales volume: **43 million KL/yr.**
- Number of service stations: **6,500**

■ Functional materials

Lubricants, performance chemicals, electronic materials, functional asphalt, agricultural-biotechnology, solid electrolyte

- Lubricant sales volume: **1.3 million KL/yr.**^{*3}
- (Performance chemicals production capacity)
- Engineering plastics: **110,000 t/yr.**
 - Adhesive materials: **76,000 t/yr.**
 - OLED materials production capacity: **10 t/yr.**

■ Basic chemicals (production capacity)

- Ethylene: **1 million t/yr.**
- Paraxylene: **1.28 million t/yr.**^{*2}
- Styrene monomers: **0.75 million t/yr.**

■ Resources

- Crude oil production: **27,000 BD**
- Thermal coal production: **12 million t/yr.**

■ Power and renewable energy

- Power generation capacity: **1 GW**
Renewable energy included in above figure: **0.2 GW**
- Solar panel production capacity: **1 GW/yr.**

■ Global business deployment

- Overseas offices, countries in which we do business: **61 offices / 42 countries**
- Employees overseas: **2,700**

^{*1} 1,090,000 barrels/day when adding the crude oil refining capacity of Fuji Oil, Co.,Ltd with which a petroleum products trade agreement has been signed

^{*2} Paraxylene production capacity mixed xylene production capacity

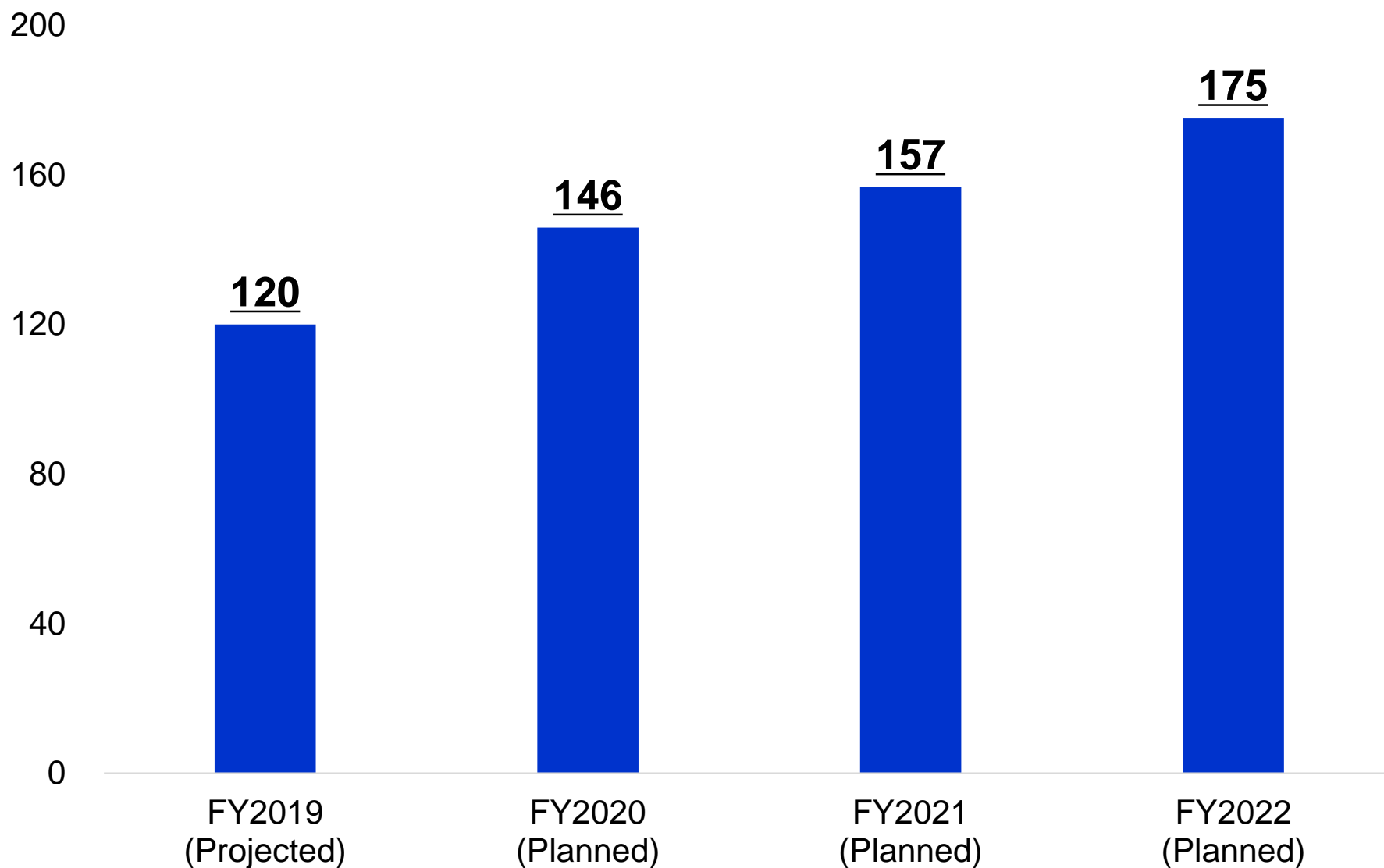
^{*3} Lubricants sales volume excludes sales by Shell Lubricants Japan K.K.

Main Assumptions

		Unit	Projected	Planned		
			FY2019	FY2020	FY2021	FY2022
Crude oil	Dubai	\$/BBL	63.1	60	60	60
	Brent	\$/BBL	63.4	61.5	61.5	61.5
Naphtha	Customs	\$/t	515	550	550	550
Coal	NEWC	\$/t	75.5	70	72	72
Exchange rate	USD	JPY/\$	107.5	105	105	105
Basic chemicals (Asian market prices)	Paraxylene	\$/t	897	893	873	943
	Styrene monomers	\$/t	1,122	1,059	1,086	1,005
Performance chemicals (Asian market prices)	Polycarbonates	\$/t	2,053	2,093	2,093	2,143

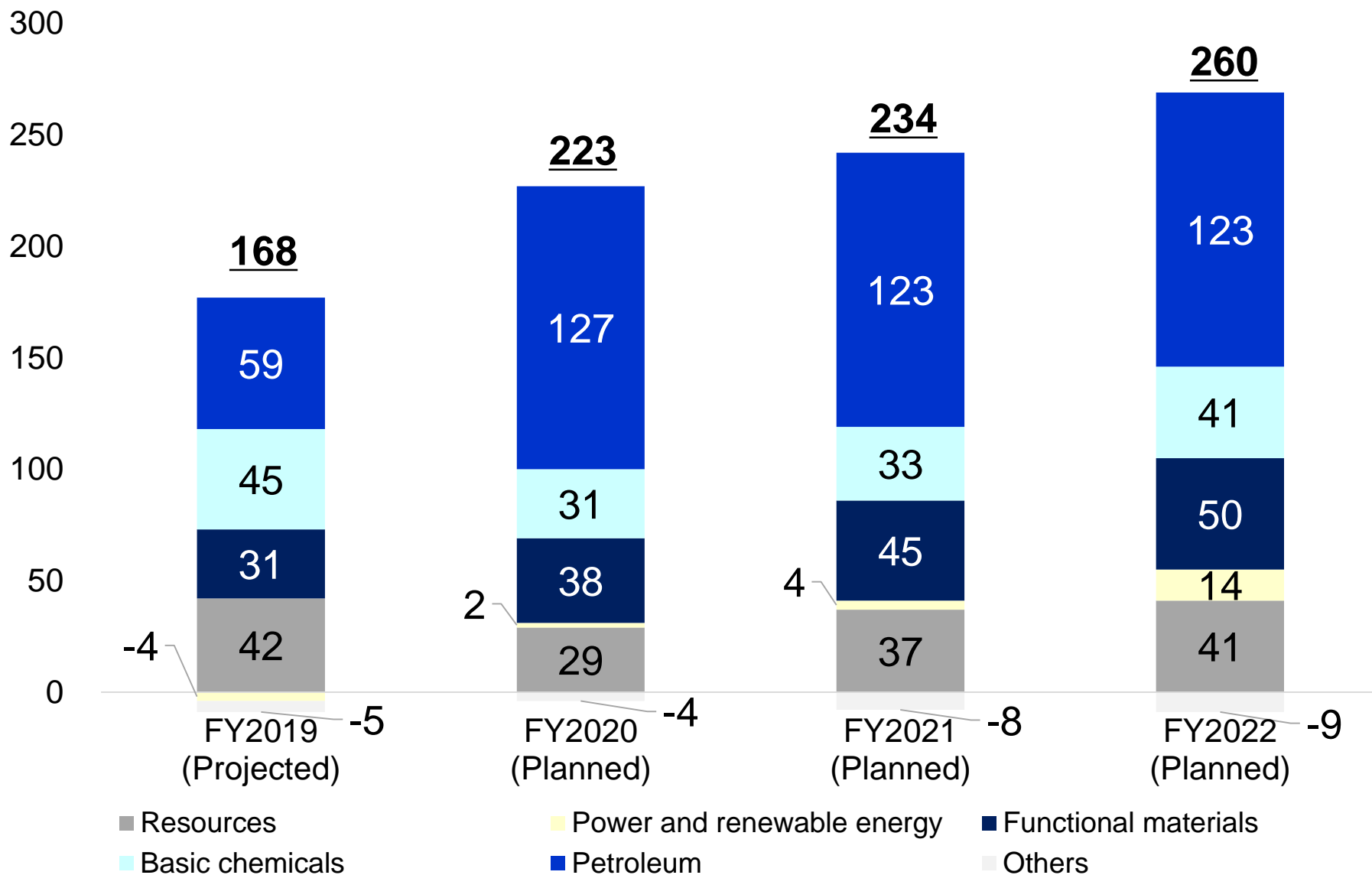
Net Income (Excluding Inventory impact)

(JPY billion)



Operating Income + Equity Earnings of Affiliated Companies, by Segment (Excluding Inventory Impact)

(JPY billion)



Resource Production Volumes (Oil Exploration and Production, Coal)

■ Production volume of oil exploration and production business

(Thousand BOED)	FY2019 (Projected)	FY2020 (Planned)	FY2021 (Planned)	FY2022 (Planned)	Change (FY2019 vs. FY2022)	
Norway	21.7	22.7	23.6	23.3	1.6	107.4%
Vietnam	0.0	6.1	17.2	16.8	16.8	-
Total	21.7	28.7	40.8	40.1	18.4	185.0%

*Figures based on interest owned by Idemitsu's resource development subsidiaries

■ Production volume of coal

(Thousand t/year)	FY2019 (Projected)	FY2020 (Planned)	FY2021 (Planned)	FY2022 (Planned)	Change (FY2019 vs. FY2022)	
Ensham	4,420	4,560	5,300	5,250	830	118.8%
Boggabri	5,450	6,000	6,080	6,080	630	111.6%
Muswellbrook	1,330	1,170	960	530	-800	39.8%
Australia total	11,200	11,730	12,340	11,860	660	105.9%
Malinau	1,230	1,200	1,200	1,200	-30	97.6%
Total	12,430	12,930	13,540	13,060	630	105.1%

*Figures based on interest owned by Idemitsu Group

*Fiscal years for Oil Exploration and Production and Coal operation end in December

Sensitivity

■ Impact of a \$1/barrel decrease in Crude oil prices on FY earnings

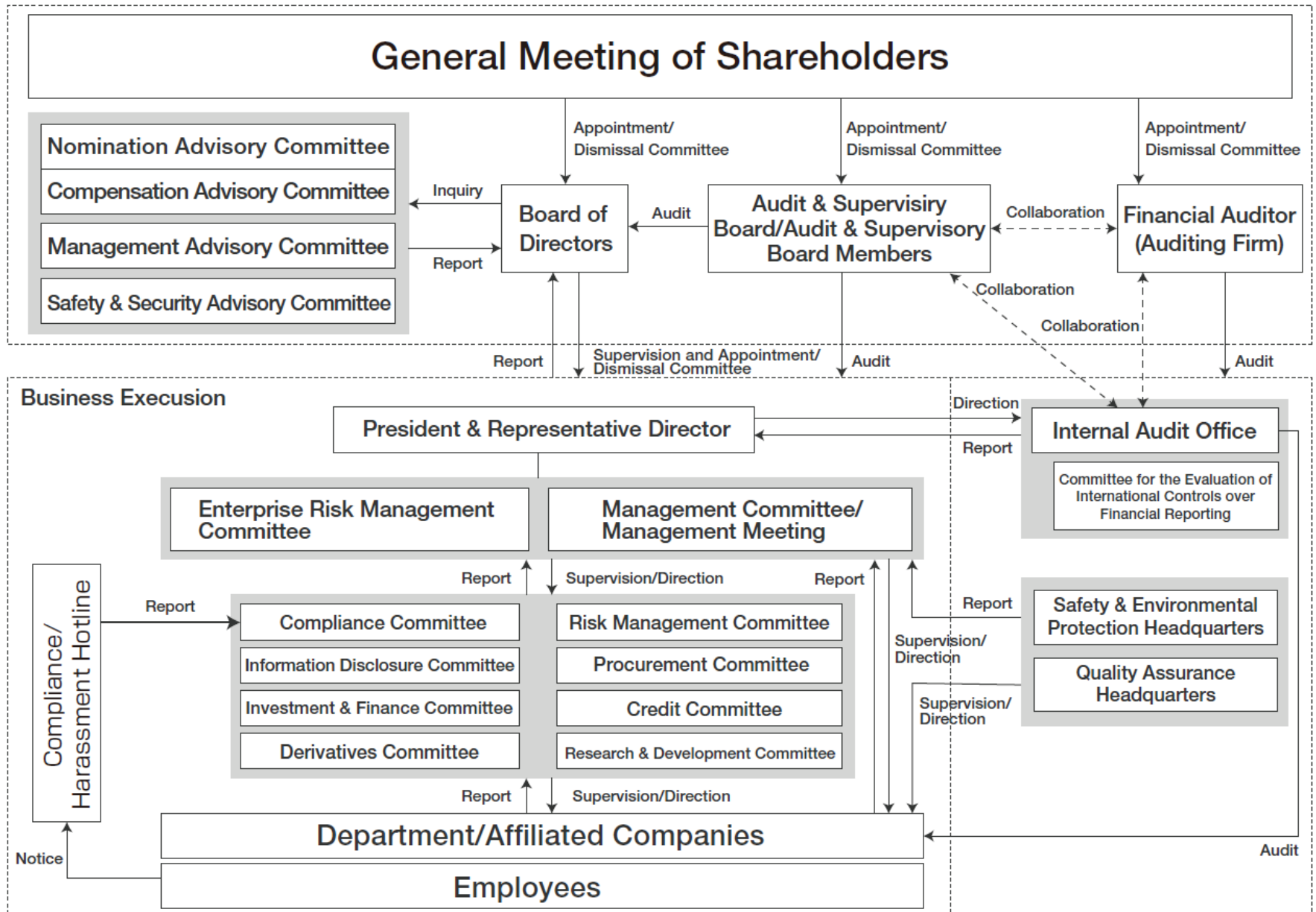
Petroleum	Decrease in refinery fuel costs, etc.	+ JPY1 billion
	Inventory impact	- JPY5 billion
	Total	- JPY4 billion
Oil exploration and production		- JPY1 billion

■ Impact of a JPY/USD Appreciation on FY earnings

Petroleum	Decrease in refinery fuel costs, etc.	+ JPY0.5 billion
	Inventory impact	- JPY3 billion
	Total	- JPY2.5 billion
Basic Chemicals		- JPY0.5 billion
Oil exploration and production		—

* In addition to the above, the resources and other businesses are impacted by fluctuations in exchange rates with other currencies (NOK, AUD, etc.)

Corporate Governance (Organizational Chart)



Corporate Governance (Executives)

		Name	Position with the Company	Independent Director	Nomination Advisory Committee member	Compensation Advisory Committee member	Female	Non-Japanese
Directors	1	Takashi Tsukioka	Chairman and Representative Director					
	2	Tsuyoshi Kameoka	Vice Chairman and Representative Director					
	3	Shunichi Kito	President and Representative Director					
	4	Tomonori Okada	Representative Director					
	5	Takashi Matsushita	Director					
	6	Katsuaki Shindome	Director					
	7	Masakazu Idemitsu	Director (part-time)					
	8	Kazunari Kubohara	Director (part-time)					
	9	Takeo Kikkawa	Outside Director	✓	Chairperson			
	10	Mackenzie Clugston	Outside Director	✓		✓		✓
	11	Norio Otsuka	Outside Director	✓	✓			
	12	Yuko Yasuda	Outside Director	✓		Chairperson	✓	
	13	Mitsunobu Koshiba	Outside Director	✓				
Audit & Supervisory Board Members	14	Toshiyuki Tanida	Audit & Supervisory Board Member					
	15	Kenji Takahashi	Audit & Supervisory Board Member					
	16	Taigi Ito	Outside Audit & Supervisory Board Member	✓	✓			
	17	Kenji Yamagishi	Outside Audit & Supervisory Board Member	✓		✓		
Total				7	3	3	1	1

Precaution Statement about Forecasts

Any information about forecasts for the Company's operating results, management strategy and management policy contained in this documents other than historical facts is prepared, according to judgments made by the top management of the Company based on information available as of the publication of the document.

Actual business environments contain potential risk factors and uncertainties including economic situations, crude oil prices, trends in petroleum products, market conditions, currency exchange rates and interest rates.

Consequently, actual operating results of the Company may substantially differ from forecasts due to changes in the important factors mentioned above.