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(Stock Exchange Code 5008)
June 8, 2022

To Shareholders with Voting Rights:

Kazuhisa Harada
President and Representative Director
TOA Oil Co., Ltd.
3-1 Mizuecho, Kawasaki-ku, Kawasaki-shi,
Kanagawa

**NOTICE OF
THE 149th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

It is our pleasure to inform you of the 149th Annual General Meeting of Shareholders of TOA Oil Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

For this annual general meeting, in view of the spread of COVID-19, shareholders are requested wherever possible to exercise their voting rights in advance in writing or via the Internet, etc., in order to ensure the safety of shareholders and prevent the spread of infections. Shareholders attending the General Meeting of Shareholders in person are requested to consider precautions such as wearing a mask. In addition, shareholders are requested to cooperate with any measures implemented at the venue that the Company deems necessary to ensure the safety of shareholders and prevent the spread of infection.

In order to exercise voting rights in advance of the General Meeting of Shareholders, please review the attached Reference Documents for the General Meeting of Shareholders and follow the instructions on pages 3 to 4 of the Japanese version of the Notice of the General Meeting of Shareholders to exercise your voting rights by submitting the enclosed Voting Rights Exercise Form or via the Internet, etc. no later than 5:00 p.m. on Monday, June 27, 2022, Japan time.

1. Date and Time: Tuesday, June 28, 2022 at 10:00 a.m. Japan time

2. Place: Kawasaki Nikko Hotel, Banquet Hall "Tachibana" on the 11th floor
1 Nisshincho, Kawasaki-ku, Kawasaki-shi, Kanagawa

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 149th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Account Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 149th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Distribution of Surplus
Proposal 2: Partial Amendment to the Articles of Incorporation
Proposal 3: Election of 4 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
Proposal 4: Election of 4 Directors Serving as Audit and Supervisory Committee Members

□ Among the documents to be provided along with this notice of convocation, the following documents have been posted on the Company's website (<https://www.toaoil.co.jp>), in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation, and so are not included in the attachments to this notice. The Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit and Supervisory Committee and the Account Auditor at the time of their compilation of their audit report and accounting audit report, respectively, include those in the attachments to this notice of convocation, as well as the following documents that are posted on the Company website.

- 1) "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
- 2) "Notes to the Non-Consolidated Financial Statements" of the Non-Consolidated Financial Statements

(Appendix)

Business Report

(April 1, 2021 - March 31, 2022)

1. Overview of the Corporate Group

(1) Business Progress and Results

During the current consolidated fiscal year, the Japanese economy continued to face harsh conditions, due to the impact of the COVID-19 pandemic on a global scale. Although there were some expectation for the effects of full-scale launch of vaccine inoculation, the outlook remained uncertain with no end in sight to the containment of infections due to factors such as “breakthrough” infections, the spread of variants, etc.

Crude oil prices began at 61 dollars a barrel level in April 2021 for Dubai Crude. With the expansion of COVID-19 vaccine inoculation mainly in the United States and Europe, which bolstered expectations of economic recovery, the price reached the 75-dollar level in early July. After that, despite slipping back to the 65-dollar level on fears of the global spread of the Delta variant, it climbed to the 84-dollar level in late October, turning upward against the backdrop of a tight supply-demand balance due to supply restrictions from certain oil-producing countries. From the end of December onward, the price soared due to the Russian invasion of Ukraine and other factors in addition to the supply-demand crunch. At the end of March 2022, it had reached the 105-dollar level.

Under these circumstances, the Group engages in business focused on the operational pillars of the refining business and generation business. In the refining business, the Group conducts contracted refining under a contracted refining agreement with Idemitsu Kosan Co., Ltd., and in the generation business, since the power interchange contract with TEPCO Energy Partner, Incorporated expired on March 31, 2021, the Group supplies power under a contracted power generation agreement with Idemitsu Kosan Co., Ltd. from April 1, 2021.

In the refining business, operations were generally stable at refinery facilities throughout the year despite catalyst regeneration and cleanup works conducted at certain facilities. However, the situation became severe from the first through the third quarter, due to factors including a year-on-year contraction of the price differential between petroleum products and crude oil/feedstock. In the fourth quarter, this price differential widened in line with the rise in energy prices. In the current consolidated fiscal year, the processing volume of crude oil and feedstock amounted to 4,067 thousand kL (up 4.1% year-on-year).

Net sales and operating profit in the refining business were 22,373 million yen (down 2.3% year-on-year) and 1,071 million yen (down 29.6% year-on-year), respectively.

In the generation business, power generators generally maintained stable operations throughout the year. As in the previous fiscal year, there was a greater-than-expected increase in the difference between power market prices and prices for fuel oil for power generation, due to the sharp rise in electricity prices during the winter. In the current consolidated fiscal year, the Company traded 1,459 million kWh of power (up 15.1% year-on-year).

Net sales and operating profit in the generation business were 5,559 million yen (down 10.1% year-on-year) and 1,858 million yen (up 53.5% year-on-year), respectively.

As a result of the above, in the current consolidated fiscal year, net sales were 26,747 million yen (down 6.2% year-on-year), operating profit was 2,930 million yen (up 7.2%), ordinary profit was 2,894 million yen (up 7.2%), and profit attributable to owners of parent was 2,128 million yen (up 8.5%).

(2) Capital Investments, etc.

- 1) Major facilities completed during the current consolidated fiscal year
Not applicable
- 2) New installation and expansion of major facilities during the current consolidated fiscal year
Not applicable
- 3) Sales, removal and loss of important non-current assets

Not applicable

(3) Financing

There were no share issuances or new long-term borrowings within the Group during the current consolidated fiscal year.

(4) Issues to be Addressed

The future of the Japanese economy is uncertain due to the impact of the spread of COVID-19. Likewise, in the oil industry, we expect a very harsh business environment with pressure for business restructuring, due to factors such as the accelerating decarbonization trend around the world, in addition to globally soaring energy resource prices amid the Ukraine crisis, and the ongoing structural decline in demand for our products in Japan.

The Group is facing a major generational shift, as many skilled employees with technical capabilities and knowledge based on personal experience are reaching retirement age and the employees taking over for them are much younger, and issues related to employee allocation and passing on skills to future generations have become apparent, including the decrease in opportunities to gain experience due to the extension of periodic repair cycles.

In addition, maintenance costs are increasing for many of the Group's facilities due to aging degradation while the operating rate of the facilities is declining due to decreasing demand for petroleum products. Now more than ever, it is important to focus on improving production efficiency and controlling costs.

Under these circumstances, in order to beat out the competition in refineries and live up to our mission of providing the public with energy, the Group has established goals for the four areas of "safety," "facility reliability," "efficiency," and "employee satisfaction," and is working to achieve its ideal vision to be "the company with the best efficiency rates, refining costs, and facility reliability in greater Tokyo, fortified with highly motivated employees and a deeply rooted culture of safety." In doing so, we will provide the energy required by society as an expert in oil refining and power generation that plays a key role of providing stable supply of energy for greater Tokyo.

1) Safety

As the Company operates large-scale, advanced facilities such as refineries and power plants that handle hazardous materials, safety is the cornerstone of our management, and we have made the assurance of health, safety, security and the environment (HSSE) the first priority of our management philosophy. In addition to continuing efforts focusing on achieving zero accidents, zero disasters, zero environmental problems, and zero quality issues, "leading by example," managers and supervisors demonstrate compliance with rules through their own conduct; we will take measures to inculcate and embed a safety-first culture at the Company.

Additionally, in the winter of fiscal 2022, we plan a large-scale shutdown of all production and power generation facilities for regular maintenance works at the Keihin Refinery and regular repair/maintenance at Mizue Thermal Power Plant. In the implementation of these works, we will take every possible measure to ensure protection of the environment at the time of shutdown and relaunch of operations as well as safety during the period of the works.

2) Facility reliability

We recognize that it is the basic premise to improve facility reliability at Keihin Refinery and Mizue Thermal Power Plant and ensure a stable energy supply so as to leverage to the maximum our strengths in facility configurations for higher added value and our prime location in the heart of the central Keihin area. With facilities now aging, we plan to step up preventive maintenance measures through systematic, waste-free maintenance and proactive introduction of the latest IT and other technologies, so as to improve facility reliability.

In addition, to address issues such as generational changes and decreasing opportunities to gain experience, we will actively hire experienced personnel and develop forward-looking personnel plans, while striving to take measures to create more opportunities for educational and training programs and to maintain and build up our technological capabilities and facility reliability.

3) Efficiency

In an environment of increasingly tough competition amid declining demand for petroleum products,

a global decarbonization trend and other headwinds, we will work to expand revenues by increasing added value in daily operations through measures such as energy-saving, reduction of production loss and securing of crude oil and feedstock to boost production, rather than merely trying to boost added value through facility investment.

In addition, we will promote initiatives not only regarding profitability, but also to automate operations and improve daily operational efficiency through appropriate personnel allocation and the introduction of advanced technology.

4) Employee satisfaction

In order to achieve our vision to become “the company with the best efficiency rates, refining costs, and facility reliability in greater Tokyo, fortified with a deeply rooted culture of safety,” we believe it is important that all employees working for the Group are motivated and we as a company can develop a sense of unity as an organization.

While working to continue measures to improve operations and so raise productivity, we aim to generate a true sense of success and growth among staff and boost their motivation through improvement activities focusing on every individual employee. At the same time, we will aim to become a company of open communication and sustainable development by making each individual aware of their role in working for the Group and increasing their senses of security and satisfaction.

In addition, as new work styles such as remote work promotion and human resource mobilization become widespread throughout the world, the Group will strive to improve work environments without being bound by preconceived notions.

The Group sincerely asks our shareholders for their continued support and cooperation in the Group’s efforts to further increase corporate value.

(5) Trends in Assets and Profit/Loss

Item	FY2018 The 146th fiscal year	FY2019 The 147th fiscal year	FY2020 The 148th fiscal year	FY2021 The 149th fiscal year (Current consolidated fiscal year)
Net sales (millions of yen)	30,760	34,596	28,506	26,747
Ordinary profit (loss) (millions of yen)	4,169	(400)	2,699	2,894
Profit (loss) attributable to owners of parent (millions of yen)	2,775	(1,421)	1,962	2,128
Profit (loss) per share (yen)	223.11	(114.28)	157.74	171.11
Total assets (millions of yen)	94,947	81,326	94,567	88,450
Total net assets (millions of yen)	28,667	26,706	28,221	30,016

- (Notes)
- Profit (loss) per share is calculated by dividing profit (loss) by the average number of outstanding shares for the current fiscal year (excluding treasury shares).
 - The Company conducted a reverse stock split on October 1, 2018, at a ratio of 1 share for every 10 shares of common stock. Profit per share is calculated on the assumption that the said reverse stock split was conducted at the beginning of the 146th fiscal year.
 - Since the last day of the fiscal year was changed from December 31 to March 31 due to the resolution at the 146th Annual General Meeting of Shareholders held on March 27, 2019, the 147th fiscal year is a 15-month period from January 1, 2019, to March 31, 2020.
 - The “Accounting Standard for Revenue Recognition” (Revised ASBJ Statement No. 29, March 31, 2020) and the “Implementation Guidance on Accounting Standard for Revenue Recognition” (Revised ASBJ Guidance No. 30, March 26, 2021) have been applied since the beginning of the 149th fiscal year.

(6) Material Parent Company and Subsidiaries

1) Status of parent company

The Company's parent company is Idemitsu Kosan Co., Ltd., and said company owns 6,234 thousand shares of the Company (investment ratio of 50.1%).

The Company has concluded a contracted refining agreement with Idemitsu Kosan Co., Ltd., under which the Company refines crude oil and feedstock procured by said company at the Company's oil refinery facility, and supplies the petroleum products to said company. The Company's compensation for contracted refining is determined by distributing the value added in the oil refining process between the Company and said company, which is calculated by assessing the value of the petroleum products that are produced and the value of the crude oil and feedstock that were received, in accordance with the value of crude oil, feedstock and petroleum products calculated based on market prices, and subtracting the Company's costs related to oil refining from the difference between these two values. In the distribution of compensation, the Company has established a system to mitigate risk that the value added in oil refining might temporarily be significantly negative due to sudden fluctuations in crude oil prices.

In addition, the Company has concluded a contracted power generation agreement with said company, under which the Company uses byproduct gases from the oil refining process as fuel, and supplies the power generated at the Company's power generator to said company. The Company's compensation for contracted power generation is determined in the same way as in contracted refining, by distributing the value added in the power generation process between the Company and said company, which is calculated by assessing the value of the power generated by the Company and the value of the fuel used in the process, in accordance with the value of power and the fuel for power generation calculated based on the market prices for power and oil, and subtracting the Company's costs related to power generation calculated on the assumption of a certain operating rate from the difference between these two values. In contracted power generation as well, the Company has established a system to mitigate risk that the value added in power generation might be negative due to fluctuations in power market prices, etc.

Furthermore, the Company has concluded a financial transaction agreement with said company, under which the working capital of the Company is procured through group financing by said company.

In conducting these transactions with the parent company, the Company determines reasonable transaction terms based on transparent values such as market prices. In addition, when the Company and the parent company conclude an important contract, the Board of Directors deliberates on the matter from the viewpoint of protecting the minority shareholders, and the Board of Directors furthermore reviews contracts that have already been concluded periodically or as necessary. In the process of deliberation by the Board of Directors, the Audit and Supervisory Committee Members, mainly composed of Outside Directors, monitor the terms of transactions between the Company and the parent company to ensure fairness.

2) Status of material subsidiaries

Company name	Capital	The Company's percentage of equity participation	Principal business
TOA TECS CO., LTD.	40 million yen	100%	Contracted works in the Company's premises, etc.

3) Specified wholly-owned subsidiaries

Not applicable

4) Other

The main companies with which the Company has a partnership, such as technical assistance, etc. are ExxonMobil Catalysts and Licensing, LLC (the name was changed to ExxonMobil Technology and Engineering, LLC on April 1, 2022) in the United States; and NIKKI-UNIVERSAL CO., LTD. and Idemitsu Kosan Co., Ltd. in Japan.

(7) Principal Business

Business	Principal products (business activities)
Refining Business	The contracted refining business of crude oil and feedstock under a contracted refining agreement with Idemitsu Kosan Co., Ltd.
Generation Business	The power generation business under a contracted power generation agreement with Idemitsu Kosan Co., Ltd.

(Note) In light of the nature of the Group's business, business activities instead of principal products are listed in the table above.

In the generation business, since the power interchange contract with TEPCO Energy Partner, Incorporated expired on March 31, 2021, the Company has been operating the power generation business under the contracted power generation agreement with Idemitsu Kosan Co., Ltd. from April 1, 2021.

(8) Principal Offices and Plants

Name	Location
Corporate Headquarters of the Company	3-1 Mizuecho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Keihin Refinery of the Company	3-1 Mizuecho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Mizue Thermal Power Plant of the Company	3-1 Mizuecho, Kawasaki-ku, Kawasaki-shi, Kanagawa

(9) Employees (As of March 31, 2022)

Business	Number of employees	Increase from previous consolidated fiscal year-end
Refining Business	478	10
Generation Business	33	1
Total	511	11

- (Notes)
1. The number of employees is the number of persons in employment and does not include employees seconded outside the Company, but includes employees seconded to the Company.
 2. The number of employees does not include temporary employees (part-timers), whose annual average number (8-hour conversion) is 14 persons.

(10) Major Lenders (As of March 31, 2022)

Lender	Loan
Idemitsu Kosan Co., Ltd.	15,687 million yen

(11) Other Important Information Concerning the Corporate Group

It has become apparent that we failed to conduct a portion of required product testing on petroleum products produced in the past, violating the Act on the Quality Control of Gasoline and Other Fuels and an agreement with Idemitsu Kosan Co., Ltd., which distributes our products.

The inappropriate activity was corrected immediately after discovery. As a result, appropriate product testing has been conducted on all products since April 27, 2022. We have checked the quality of shipped products and confirmed that there are no safety issues. We deeply regret this occurrence and established a special investigation committee composed of external experts and an external director of the Company on May 18, 2022 to clarify the facts and to identify the causes.

We would like to express our deepest apologies to our customers and other stakeholders for undermining trust in our operations. Going forward, we will continue our efforts to strengthen our quality control framework and to prevent recurrence.

2. Status of Shares of the Company

- (1) Total Number of Shares Authorized to be Issued 30,000,000 shares
- (2) Total Number of Shares Outstanding 12,439,326 shares
(excluding 4,174 treasury shares)
- (3) Number of Shareholders 1,660 persons
- (4) Major Shareholders (Top 10)

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
Idemitsu Kosan Co., Ltd.	6,234	50.1
BNYM AS AGT/CLTS NON TREATY JASDEC	3,518	28.3
CORNWALL MASTER LP	400	3.2
Tokio Marine & Nichido Fire Insurance Co., Ltd.	218	1.8
Custody Bank of Japan, Ltd. (Trust Account 4)	142	1.1
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	130	1.0
GOLDMAN SACHS INTERNATIONAL	112	0.9
Mitsui Sumitomo Insurance Company, Limited	100	0.8
DFA INTL SMALL CAP VALUE PORTFOLIO	98	0.8
INTERACTIVE BROKERS LLC	93	0.8

- (Notes) 1. The number of shares less than one thousand is rounded down.
2. Treasury shares (4,174 shares) were excluded in the calculation of shareholding ratio.

- (5) Other Important Information Concerning Shares
Not applicable

3. Stock Acquisition Rights, etc. of the Company
Not applicable

4. Corporate Officers

(1) Directors (As of March 31, 2022)

Name	Position and areas of responsibility within the Company	Significant concurrent positions
Kazuhisa Harada	President and Director (Representative Director)	
Kaoru Shiraki	Vice President and Director (Representative Director)	
Akihiko Hashi	Director (in charge of Keihin Refinery and Mizue Thermal Power Plant, Manager of Keihin Refinery)	
Yasuyuki Shishido	Director (in charge of personnel and general affairs, business management, and environmental safety)	President and Representative Director, Ogishima Oil Terminal Co., Ltd.
Masahiko Sawa	Director	Senior Executive Officer, Idemitsu Kosan Co., Ltd.
Soichi Ogawa	Director (Audit and Supervisory Committee Member)	
Shigeru Kimura	Director (Audit and Supervisory Committee Member)	Outside Director, eREX Co., Ltd.
Arata Nakamura	Director (Audit and Supervisory Committee Member)	Attorney (Ginza South Law Office)
Keiichi Kubo	Director (Audit and Supervisory Committee Member)	Certified Public Accountant (Keiichi Kubo CPA Office) Outside Director, Success Holders, inc. Outside Director, GRCS Inc.

- (Notes)
1. The President is in charge of the Principles of Conduct. The Audit Ethics Office is under the direct control of the President.
 2. Directors Mr. Shigeru Kimura, Mr. Arata Nakamura, and Mr. Keiichi Kubo are Outside Directors.
 3. Directors Mr. Shigeru Kimura, Mr. Arata Nakamura, and Mr. Keiichi Kubo are Independent Directors who do not have a conflict of interest with general shareholders and are required by the Tokyo Stock Exchange to be designated.
 4. Director Mr. Keiichi Kubo is a certified public accountant, and as such has substantial insight into finance and accounting.
 5. The Company has appointed Audit and Supervisory Committee Member Mr. Soichi Ogawa as a full-time Audit and Supervisory Committee Member in order to strengthen the auditing and supervisory functions of the Audit and Supervisory Committee, enhance information gathering, and work closely with the Audit Ethics Office.

(2) Compensation, etc. of Directors

1) Total amount, etc. of compensation, etc. of Directors

Title	Number of eligible Directors (persons)	Compensation, etc. by type (millions of yen)		Compensation, etc. (millions of yen)
		Fixed compensation	Performance-linked compensation	
		Monthly compensation	Bonus	
Directors (excluding Audit and Supervisory Committee Members) (of which Outside Directors)	6 (-)	73 (-)	- (-)	73 (-)
Directors (Audit and Supervisory Committee Members) (of which Outside Directors)	5 (3)	42 (25)	- (-)	42 (25)
Total	11	115	-	115

- (Notes)
1. Compensation, etc. of Directors does not include the amount equivalent to the employee salary for Directors who concurrently serve as employees of 20,400 thousand yen.
 2. The above number of eligible Directors and compensation, etc. of Directors include two Directors who retired at the conclusion of the 148th Annual General Meeting of Shareholders held on June 24, 2021.
 3. There is no compensation received by the Company's Outside Officers from the Company's parent company, etc. or subsidiaries of the parent company, etc., and therefore this information is omitted.

2) Matters concerning performance-linked compensation, etc.

Bonuses are paid as performance-linked compensation, etc. to Directors (excluding Directors serving as Audit and Supervisory Committee Members) in order to achieve a sustainable increase in corporate value by increasing motivation of Directors (excluding Directors serving as Audit and Supervisory Committee Members) to improve business performance.

The performance indicators selected as the basis for calculation of performance-linked compensation include consolidated operating profit, consolidated net profit, and business performance such as the operation status, etc. of oil refinery facility and power generator. These performance indicators were selected because they provide an objective measure of results of efforts to improve business performance and the provision of energy as required by society during the fiscal year.

Performance-linked compensation is calculated through a comprehensive calculation that takes into account the business environment, including domestic energy market conditions, based on these performance indicators and past payments.

Trends in consolidated operating profit and consolidated net profit, including those for the current fiscal year, are described in 1. (5) Trends in Assets and Profit/Loss, and the operation status of oil refinery facility and power generator in the current fiscal year are described in 1. (1) Business Progress and Results.

3) Matters concerning resolutions of the General Meeting of Shareholders regarding compensation, etc. of Directors

The total amount of compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members) is set to be within 192 million yen per annum (however, this does not include employee salaries for Directors who concurrently serve as employees) due to the resolution at the 143rd Annual General Meeting of Shareholders held on March 28, 2016. The number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) was five as of the passing of this resolution.

Compensation for Directors serving as Audit and Supervisory Committee Members consists only of monthly compensation as fixed compensation, and the total amount is set to be within 48 million yen per annum due to the resolution at the 143rd Annual General Meeting of Shareholders held on March 28, 2016. The number of Directors serving as Audit and Supervisory Committee Members was three as of the passing of this resolution. In addition, the number of Directors serving as Audit and Supervisory Committee Members was increased to four due to the resolution at the 146th Annual General Meeting of Shareholders held on March 27, 2019, but the total amount of compensation for Directors serving as Audit and Supervisory Committee Members remained unchanged. The calculation of the amount of monthly compensation to be provided is determined through discussions of the Audit and Supervisory Committee.

4) Matters Concerning the Policy for Determining the Details of Compensation, etc. of Individual Directors

The Company has established a policy for determining the details of compensation, etc. for individual Directors (hereinafter referred to as the “Determination Policy”). In summary, the Company has established a compensation system linked to shareholder interests to sufficiently function as incentive to achieve a sustainable increase in corporate value. In determining the compensation of individual Directors, our basic policy is to set compensation at an appropriate level in accordance with the scope and duties of the fields for which the Director is responsible. Compensation for Executive Directors (excluding Audit and Supervisory Committee Members) consists of basic compensation (monetary compensation) as fixed compensation and performance-linked compensation (monetary compensation). Compensation for Directors serving as Audit and Supervisory Committee Members who are responsible for supervisory functions shall consist of basic compensation only, from the viewpoint of ensuring their independence.

The amount of individual compensation, etc. in basic compensation is detailed as follows. For Executive Directors (excluding Directors serving as Audit and Supervisory Committee Members), basic compensation consists of monthly fixed compensation, and is determined based on a comprehensive assessment to be within the scope of the total amount of compensation resolved at the General Meeting of Shareholders in accordance with their position, responsibilities, years in office, etc. taking into consideration the levels of other companies, the Company’s performance, and the levels of employee salaries. For Directors serving as Audit and Supervisory Committee Members, basic compensation consists only of fixed compensation, and is determined to be within the scope of compensation resolved at the General Meeting of Shareholders taking into consideration the division of duties in the Audit and Supervisory Committee.

Performance-linked compensation is cash compensation that reflects the performance indicators established for Executive Directors (excluding Directors serving as Audit and Supervisory Committee Members) for every fiscal year to increase motivation to achieve improvements in performance. Performance-linked compensation is calculated based on 2) and this amount shall be recognized as bonuses for Directors as determined by a resolution of the General Meeting of Shareholders based on an objective evaluation of the executory responsibilities of the Executive Directors (excluding Directors serving as Audit and Supervisory Committee Members), and any payments to be made shall be provided in July of each year.

In addition, the Determination Policy was decided by resolution at the Board of Directors meeting held on March 24, 2021, after explaining the Determination Policy to the Independent Outside Directors and obtaining their advice as appropriate prior to the Board of Directors meeting.

5) Matters concerning the delegation of the determination of the details of compensation, etc. of individual Directors

In the current fiscal year, a resolution was passed at the Board of Directors meeting held on June 24, 2021, to delegate the authority to determine the specific details of the amount of compensation for individual Directors to President and Representative Director Mr. Kazuhisa Harada. This authority involves the evaluation and distribution of bonuses based on the amount of basic compensation of each Director and the performance of each Director in their relevant duties, and this authority was delegated because the President and Representative Director is the most suitable person to evaluate the relevant duties of each Director while maintaining an overlooking view of the Company’s overall performance.

In order to ensure that said authority is properly exercised by the President and Representative Director, the Board of Directors passed this resolution after providing an explanation to the Independent Outside Directors and obtaining their advice as appropriate prior to the resolution at the Board of Directors meeting. Since the resolution on the Determination Policy was also passed after obtaining advice as appropriate from the Independent Outside Directors, the Board of Directors has also determined that the details of individual compensation, etc. for Directors for the current fiscal year are in line with the Determination Policy.

(3) Outside Officers

1) Relationship between the Company and other companies where Outside Officers hold significant concurrent positions
Not applicable

2) Main activities during the current fiscal year

Title	Name	Main activities
Outside Director	Shigeru Kimura	(i) Attendance and remarks made at Board of Directors meetings He attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit and Supervisory Committee held in the current fiscal year. He provided advice on the Company's overall management and appropriately expressed his opinions based primarily on his extensive experience and broad knowledge as a corporate manager. (ii) Overview of duties performed in his expected role as Outside Director Mr. Kimura contributed to strengthening of corporate governance by overseeing management and providing advice on all aspects of Company operations, based on his extensive experience and broad knowledge as a manager.
Outside Director	Arata Nakamura	(i) Attendance and remarks made at Board of Directors meetings He attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit and Supervisory Committee held in the current fiscal year. He provided useful suggestions to the Company's management and appropriately expressed his opinions based primarily on his professional perspective as an attorney. (ii) Overview of duties performed in his expected role as Outside Director Mr. Nakamura contributed to strengthening of supervisory functions by the Board of Directors, by providing advice on Company management, based on his high-level capabilities and insight as an attorney relating to laws and regulations.
Outside Director	Keiichi Kubo	(i) Attendance and remarks made at Board of Directors meetings He attended all 10 meetings of the Board of Directors and all 10 meetings of the Audit and Supervisory Committee held in the current fiscal year. He provided useful suggestions to the Company's management and appropriately expressed his opinions based primarily on his professional perspective as a certified public accountant. (ii) Overview of duties performed in his expected role as Outside Director Mr. Kubo contributed to strengthening of supervisory functions by the Board of Directors, by providing advice on Company management, based on his high-level capabilities and insight as a certified public accountant into finance and accounting.

(4) Outline of the Agreement on Limitation of Liability

The Company has concluded a liability limitation agreement with five Non-executive Directors (Mr. Masahiko Sawa, Mr. Soichi Ogawa, Mr. Shigeru Kimura, Mr. Arata Nakamura, and Mr. Keiichi Kubo) in accordance with Article 427, Paragraph 1 of the Companies Act to limit the liability for damages as provided in Article 423, Paragraph 1 of the Companies Act. Under this agreement, the maximum liability for damages shall be the amount provided by laws and regulations.

(5) Outline, etc. of the Directors and Officers Liability Insurance Agreement

The Company has concluded a directors and officers liability insurance agreement with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with all Directors (including Directors serving as Audit and Supervisory Committee Members) as the insured. The insurance agreement will cover damages to be borne by the insured, such as legal damages and litigation expenses. The outline, etc. of the insurance agreement is as follows:

- 1) Insured persons
The Company's Officers, Officers dispatched to other companies, and retired Officers.
- 2) Outline of the details of the insurance agreement
 - (a) Actual ratio of premiums paid by the insured
The premiums are paid by the Company, including riders. Therefore, the insured does not bear the actual premiums.
 - (b) Outline of events to be covered by the insurance agreement
The agreement, together with riders, will cover damages that may arise due to the insured Officers, etc. assuming liability for the execution of his or her duties or receiving a claim related to the pursuit of such liability. However, there are certain exemptions, such as in the case of actions taken with the recognition that such actions are in violation of laws and regulations.
 - (c) Measures to ensure the appropriateness of the duties of Officers, etc.
The insurance agreement has a deductible and does not cover damages up to the deductible amount.

5. Status of Account Auditor

(1) Account Auditor's Name

Deloitte Touche Tohmatsu LLC

(2) Account Auditor's Compensation, etc. for the Current Fiscal Year

	Compensation, etc.
Account Auditor's compensation, etc., for the current fiscal year	29,430 thousand yen
Cash and other property benefit to be paid by the Company or its subsidiaries	29,430 thousand yen

- (Notes)
1. Under the audit agreement between the Company and its Account Auditor, the amounts of compensation, etc. for audits as Account Auditor pursuant to the Companies Act and audits pursuant to Financial Instruments and Exchange Act are not separated, and otherwise cannot be separated practically. Consequently, the above amount reflects total compensation.
 2. The Audit and Supervisory Committee has confirmed the actual time required for audits and the amount of compensation by audit item and level in the audit plan for the previous fiscal year, as well as the status of the execution of duties by the Account Auditor, and reviewed the validity of the audit plan and the amount of compensation, etc. for the current fiscal year. As a result of this consideration, the Company has decided to agree to Article 399, Paragraph 1 of the Companies Act regarding the amount of compensation, etc. for the Account Auditor.

(3) Policy Regarding Determination of Termination or Nonrenewal of Appointment of Account Auditor

In the event that the Account Auditor is deemed to have met the items set forth in the clauses of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall terminate the appointment of the Account Auditor subject to the unanimous consent of the Audit and Supervisory Committee Members. In this case, an Audit and Supervisory Committee Member selected by the Audit and Supervisory Committee will report the dismissal and the reasons for the dismissal at the first General Meeting of Shareholders to be convened after the dismissal.

In addition, should it be deemed necessary to change the Account Auditor, taking into consideration the status of the Account Auditor's performance of its duties and the Company's auditing system, etc., the Audit and Supervisory Committee will decide the details of the proposal for the dismissal or non-reappointment of the Account Auditor to be submitted to the General Meeting of Shareholders, and the Board of Directors will submit the said proposal to the General Meeting of Shareholders based on the said decision.

6. Company's Systems and Policies

(1) Outline of systems to ensure that the Directors execute their duties in compliance with laws and regulations and the Articles of Incorporation, other systems to ensure proper business execution, and their operational status

The Company implements "Systems for Ensuring the Properness of Business Activities" as stipulated in the Companies Act and the Regulation for Enforcement of the Companies Act, which was resolved at a meeting of the Board of Directors, as follows.

In the current consolidated fiscal year, in order to improve awareness of compliance for individuals and organization, the Company has continued to provide educational programs including employee training and online courses to spread and promote awareness of compliance and IT security.

1. System to ensure that Directors and the employees execute their duties in compliance with the laws and regulations and the Articles of Incorporation

- 1) In order to have Directors and employees clearly recognize compliance with laws and regulations and responsibilities to society, regulations related to the Principles of Conduct, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, Public Officials Bribery Prevention Act and other major laws and regulations will be established and initiatives will be taken to ensure compliance with laws and regulations.
- 2) In order to fulfill the responsibilities to all stakeholders, the Board of Directors decide important matters including management strategies and supervise business execution in accordance with laws and regulations, the Articles of Incorporation, Board of Directors Regulations and other internal regulations. Moreover, Directors (a majority of who are Outside Directors (Independent Directors)) serving as Audit and Supervisory Committee Members will be elected, and Audit and Supervisory Committee will be established to reinforce the supervisory function of the Board of Directors and to further enhance corporate governance.
- 3) The Directors serving as Audit and Supervisory Committee Members (hereafter, referred to as "Audit and Supervisory Committee Members") and the Audit and Supervisory Committee will oversee internal controls and audit the operational status, and regularly exchange information and opinions with the Directors (excluding Audit and Supervisory Committee Members).
- 4) A Director in charge of the Principles of Conduct will be assigned and department overseeing compliance matters will be set up so as to establish and control cross functional compliance systems.
- 5) Regarding the implementation status related to securing health, safety, security and the environment (HSSE), internal auditing will be conducted and the implementation status will be verified through various external audits.
- 6) The Audit Ethics Office, which is a department in charge of auditing, reports directly to the Representative Director, and regularly audits the control status of business executed by each department and effectiveness of the internal control system, as well as reports the results and subsequent improvements to the Audit and Supervisory Committee.
- 7) Regarding matters such as fairness of financial reporting and status of compliance, each Director (excluding Audit and Supervisory Committee Members), and department and section manager is requested to regularly submit documents such as written confirmations, and the President and Representative Director will assess and report the internal control status related to financial reporting.
- 8) In the event that employees or others concerned feel there are issues in fulfilling responsibilities toward compliance or society, a whistleblower system (corporate ethics helpline and external consultation service) and a direct consultation system (open door policy) will be established where employees can directly consult with the Representative Director and Director in charge of the Principles of Conduct, and these systems will be made known to all employees. With regard to managing the process, rules will be established to strive for securing the confidentiality of those employees reporting the issue and to prevent them from getting unfavorable treatment.
- 9) The Company will have no relations whatsoever with antisocial forces that threaten social order and sound business activities, and the Personnel and General Affairs Department will be in charge of dealing with organizations and individuals posing a threat. The Company will take a tough stance dealing with these threats through close collaboration with police and other outside organizations in a systematic manner.

2. System for storage and management of information related to the execution of duties of Directors

- 1) Rules concerning information security and information management will be established. Information will be appropriately created, stored and disposed, depending on the type of information and degree of importance.
- 2) Rules regarding the protection of personal information will be established for safely storing and managing

information.

- 3) Rules regarding the disclosure of information will be established, and a system for disclosing information in a timely and appropriate manner will be established.

3. Regulations or any other systems for management of risk of loss
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- 1) The HSSE basic policy (basic policy on health, safety, security and the environment) will be established with the President being the chairman of the HSSE Committee. Under the HSSE Committee, technical committees and sub-committees related to HSSE will be established to carry out activities on a company-wide basis, and to regularly audit the control system to foster improvement.
- 2) Various potential risks surrounding the Company group will be specified and analyzed, measures taken based on the characteristics of those risks as well as the validity of those measures regularly assessed and revised as needed.
- 3) A contingency plan as well as a business continuity plan will be established and drills conducted regularly and reviewed so as to ensure continuity of important businesses even if an unforeseen incident such as a disaster or an accident occurs.

4. System to ensure that the execution of duties of Directors is efficient
--

- 1) In order to facilitate speedy decision making, an organization will be created eliminating multiple layers of hierarchy as much as possible, and important matters on business execution will be decided by the Board of Directors.
- 2) The authorities of the Board of Directors, Executive Management Committee and each Director (excluding Audit and Supervisory Committee Members) will be clearly defined, and authority delegated as needed to allow flexible decision making.
- 3) When making decisions on important matters, Board of Directors, Executive Management Committee and anyone with authorization will consult with certain committees that were organized providing advice so as to reflect opinions from an expert point of view of various departments.
- 4) Plans such as a medium-term business plan and annual budget plan will be formulated, the progress regularly reviewed and measures worked out for efficiently executing businesses.
- 5) In order to correctly and promptly understand and communicate management information, an IT environment will be created for ensuring information security and enhance operational efficiency.

5. System to ensure appropriateness of business execution of the corporate group consisting of the Company and its subsidiaries

- 1) The spirit on policies including the Company's Principles of Conduct, HSSE basic policy (basic policy on health, safety, security and the environment) and other important basic policies will be shared and put into practice together with the Company.
- 2) With respect to the autonomy and independence of the management of subsidiaries, "Rules of Management of Subsidiaries and Associates" related to management of subsidiaries will be established in order to appropriately and efficiently carry out operations of the Group's overall management.
- 3) In order to ensure appropriateness of operations of subsidiaries, a Director and Auditor will be dispatched as needed, and prior approval of the Company required for important matters related to business management of subsidiaries.
- 4) A department responsible for managing the subsidiaries will be established to specify and analyze various risks surrounding the subsidiaries, and response measures in line with the characteristics of the risk will be managed together with each subsidiary. The status will be reported to the Executive Management Committee as appropriate to oversee the risk of the Group as a whole.
- 5) The Audit Ethics Office will regularly audit the subsidiaries, and subsidiaries' control status of business execution, effectiveness of the control system, as well as report the results and subsequent improvement status to the Audit and Supervisory Committee.
- 6) Regarding the responsibilities of the subsidiaries and other affiliates, submission of a written confirmation on a regular basis will be requested on the implementation status of various measures including measures on fairness of financial reporting and compliance, and effectiveness of those measures confirmed as well as periodically reviewed. Furthermore, implementation status will be verified through business audits performed by the Audit Ethics Office and Audit and Supervisory Committee Members.
- 7) In the event that subsidiary employees or others concerned feel there are problems in fulfilling responsibilities towards compliance or society, a whistleblower system (corporate ethics helpline and external consultation service) of the parent company (the Company) will be available to subsidiary employees.

6. Matters concerning employees requested by the Audit and Supervisory Committee Members to assist with their duties

- 1) Employees to assist the duties of the Audit and Supervisory Committee Members will be assigned as needed.
- 2) Concerning the employees prescribed in the previous paragraph, number of employees, selection of employees and other matters will be decided upon consultation with the Audit and Supervisory Committee Members.

7. Matters concerning independence of employees, set forth in the preceding item, from Directors (excluding Audit and Supervisory Committee Members) and on ensuring effectiveness of instructions by Audit and Supervisory Committee Members to the employees

- 1) The employees who will be assisting the duties of the Audit and Supervisory Committee Members are subject to orders and instructions of the Audit and Supervisory Committee Members. A consent by the Audit and Supervisory Committee is required with respect to transfer and treatment of the employees.

8. System for reporting by Directors and employees and others to the Audit and Supervisory Committee Members and other systems for reporting to Audit and Supervisory Committee Members

- 1) If the Director or employee or other concerned party of the Company and subsidiaries, or those who received reports from the said parties were requested by the Audit and Supervisory Committee Members to report the status of business execution, or if events such as important matters and violation of compliance that significantly impact the Company's management occurred, they will be promptly reported to the Company's Audit and Supervisory Committee Members in accordance with the prescribed rules and regulations.
- 2) It is prohibited to unfavorably treat those set forth in the preceding item who reported to the Company's Audit and Supervisory Committee Members, and ensure that this is communicated to all employees.
- 3) The Company's Audit and Supervisory Committee Members and the Auditors of the subsidiary will regularly exchange information, and enhance the Group's overall audit system.
- 4) Reporting status of the whistleblower system is reported regularly to the Audit and Supervisory Committee Members securing the confidentiality of those who reported.

9. Matters concerning the policy on processing expenses, etc. incurring from execution of duties by the Audit and Supervisory Committee Members

- 1) As certain amount of budget will be allocated for bearing such expenses incurring from execution of duties by the Audit and Supervisory Committee Members. In the event that an Audit and Supervisory Committee Member requests advance payment for the expenses in connection with performance of his/her duties, excluding those expenses or payables related to the request which were proven to be unnecessary for executing the Audit and Supervisory Committee Member, the expenses or payables will be promptly processed.

10. Other systems to ensure that audits by the Audit and Supervisory Committee Members are effectively performed

- 1) The Audit and Supervisory Committee Members are permitted to attend important meetings to understand the business execution status as needed. Moreover, if minutes of meetings are recorded, the secretariat will submit the minutes to the Audit and Supervisory Committee.
- 2) The results of audit performed by the Audit Ethics Office or the Account Auditor and improvement status of audit findings will be reported to the Audit and Supervisory Committee Members and Audit and Supervisory Committee. Audit and Supervisory Committee Members, Audit and Supervisory Committee and the Audit Ethics Office will regularly exchange information with the Account Auditor.

(2) Basic Policy Regarding Control of the Company

The Company is an oil refining company that plays a key role of providing stable supply of energy in the Idemitsu Kosan Group, and will enhance collaboration with the Group companies for sustainable business development.

(3) Basic Policy for Determining Distribution of Surplus, etc.

Not applicable

Consolidated Balance Sheet

(As of March 31, 2022)

Assets		Liabilities	
	Millions of yen		Millions of yen
Current assets	36,039	Current liabilities	46,076
Cash and deposits	506	Short-term borrowings	15,687
Accounts receivable - trade	3,716	Accrued gasoline taxes	23,215
Inventories	4,194	Provision for bonuses	529
Advances paid for gasoline taxes	25,536	Provision for bonuses for directors (and other officers)	9
Other	2,084	Asset retirement obligations	5
		Other	6,630
Non-current assets	52,411	Non-current liabilities	12,357
Property, plant and equipment	46,527	Provision for special repairs	2,870
Buildings	3,599	Provision for periodic repairs	7,731
Structures	5,523	Retirement benefit liability	1,338
Machinery and equipment	15,097	Asset retirement obligations	192
Land	19,943	Other	223
Construction in progress	325		
Other	2,037	Total liabilities	58,434
		Net assets	
Intangible assets	301		Millions of yen
		Shareholders' equity	29,891
Investments and other assets	5,583	Share capital	8,415
Investment securities	948	Capital surplus	4,323
Deferred tax assets	3,929	Retained earnings	17,161
Other	704	Treasury shares	(7)
		Accumulated other comprehensive income	124
		Remeasurements of defined benefit plans	124
		Total net assets	30,016
Total assets	88,450	Total liabilities and net assets	88,450

(Note) Figures presented above are rounded down to the nearest million yen.

Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

	Millions of yen	Millions of yen
Net sales		26,747
Cost of sales		22,387
Gross profit		4,360
Selling, general and administrative expenses		1,430
Operating profit		2,930
Non-operating income		
Interest and dividend income	5	
Rental income	13	
Guarantee commission received	31	
Other	2	52
Non-operating expenses		
Interest expenses	61	
Loss on disposal of property, plant and equipment	7	
Rent	12	
Other	6	87
Ordinary profit		2,894
Extraordinary income		
Gain on sale of investment securities	135	
Reversal of loss on business liquidation of subsidiaries and associates	50	186
Extraordinary losses		
Loss on sale of investment securities	25	
Loss on valuation of investment securities	5	
Other	1	33
Profit before income taxes		3,047
Income taxes-current	1,013	
Income taxes-deferred	(93)	919
Profit		2,128
Profit attributable to owners of parent		2,128

(Note) Figures presented above are rounded down to the nearest million yen.

Consolidated Statement of Changes in Equity

(April 1, 2021 - March 31, 2022)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2021	8,415	4,323	15,530	(7)	28,261
Changes during period					
Distribution of surplus			(497)		(497)
Profit attributable to owners of parent			2,128		2,128
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,630	(0)	1,630
Balance as of March 31, 2022	8,415	4,323	17,161	(7)	29,891

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2021	82	(122)	(39)	28,221
Changes during period				
Distribution of surplus				(497)
Profit attributable to owners of parent				2,128
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	(82)	246	164	164
Total changes during period	(82)	246	164	1,794
Balance as of March 31, 2022	–	124	124	30,016

(Note) Figures presented above are rounded down to the nearest million yen.

Non-Consolidated Balance Sheet

(As of March 31, 2022)

Assets		Liabilities	
	Millions of yen		Millions of yen
Current assets	35,554	Current liabilities	46,062
Cash and deposits	17	Short-term borrowings	15,687
Accounts receivable - trade	3,714	Accounts payable - other	222
Raw materials and supplies	4,193	Accrued expenses	2,316
Advance payments to suppliers	351	Income taxes payable	849
Prepaid expenses	353	Accrued consumption taxes	3,205
Short-term loans receivable from subsidiaries and associates	130	Accrued gasoline taxes	23,215
Accounts receivable - other	409	Provision for bonuses	495
Advances paid for gasoline taxes	25,536	Provision for bonuses for directors (and other officers)	9
Other	847	Asset retirement obligations	5
		Other	57
Non-current assets	52,760	Non-current liabilities	12,828
Property, plant and equipment	46,475	Provision for retirement benefits	1,809
Buildings	3,599	Provision for special repairs	2,870
Structures	5,523	Provision for periodic repairs	7,731
Oil tanks	1,513	Asset retirement obligations	192
Machinery and equipment	15,097	Other	223
Vehicles	22		
Tools, furniture and fixtures	449	Total liabilities	58,890
Land	19,943		
Construction in progress	325	Net assets	
			Millions of yen
Intangible assets	298	Shareholders' equity	29,423
Software	293	Share capital	8,415
Other	4	Capital surplus	4,687
		Legal capital surplus	4,687
Investments and other assets	5,985	Retained earnings	16,328
Investment securities	448	Legal retained earnings	499
Shares of subsidiaries and associates	540	Other retained earnings	15,829
Long-term prepaid expenses	78	Reserve for tax purpose reduction entry of non-current assets	546
Prepaid pension costs	339	Retained earnings brought forward	15,282
Deferred tax assets	3,954	Treasury shares	(7)
Other	624		
		Total net assets	29,423
Total assets	88,314	Total liabilities and net assets	88,314

(Note) Figures presented above are rounded down to the nearest million yen.

Non-Consolidated Statement of Income

(April 1, 2021- March 31, 2022)

	Millions of yen	Millions of yen
Net sales		26,715
Cost of sales		22,413
Gross profit		4,301
Selling, general and administrative expenses		1,382
Operating profit		2,919
Non-operating income		
Interest and dividend income	5	
Rental income	13	
Guarantee commission received	31	
Other	2	52
Non-operating expenses		
Interest expenses	61	
Loss on disposal of property, plant and equipment	7	
Rent	12	
Other	6	87
Ordinary profit		2,884
Extraordinary income		
Gain on sale of investment securities	135	
Reversal of loss on business liquidation of subsidiaries and associates	50	186
Extraordinary losses		
Loss on sale of investment securities	25	
Loss on valuation of investment securities	5	
Other	1	33
Profit before income taxes		3,037
Income taxes-current	1,006	
Income taxes-deferred	(89)	916
Profit		2,120

(Note) Figures presented above are rounded down to the nearest million yen.

Non-Consolidated Statement of Changes in Equity

(April 1, 2021- March 31, 2022)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2021	8,415	4,687	4,687	499	638	13,567	14,706
Changes during period							
Distribution of surplus						(497)	(497)
Reversal of reserve for tax purpose reduction entry of non-current assets					(91)	91	-
Profit						2,120	2,120
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	-	-	-	-	(91)	1,714	1,622
Balance as of March 31, 2022	8,415	4,687	4,687	499	546	15,282	16,328

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2021	(7)	27,801	82	82	27,883
Changes during period					
Distribution of surplus		(497)			(497)
Reversal of reserve for tax purpose reduction entry of non-current assets		-			-
Profit		2,120			2,120
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			(82)	(82)	(82)
Total changes during period	(0)	1,622	(82)	(82)	1,539
Balance as of March 31, 2022	(7)	29,423	-	-	29,423

(Note) Figures presented above are rounded down to the nearest million yen.

Independent Auditor's Report
(English Translation)

May 23, 2022

To the Board of Directors
TOA Oil Co., Ltd.

Deloitte Touche Tohmatsu LLC
Tokyo office
Designated Engagement Partner,
Certified Public Accountant: Dai Yamamoto
Designated Engagement Partner,
Certified Public Accountant: Minoru Takashima

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of TOA Oil Co., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and related notes to consolidated financial statements for the fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance for the year then ended 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 provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information comprises the Business Report and detailed schedules. The responsibility of managers is to compile and disclose other information. Furthermore, the responsibility of the Audit and Supervisory Committee is to monitor Directors' execution of their duties in the development and operation of reporting processes relating to other information.

Other information is not included in the matters subject to the opinions of the Account Auditor on the Consolidated Financial Statements, and the Account Auditor has no opinion to express regarding other information.

The responsibility of the Account Auditor in the auditing of the Consolidated Financial Statements is to consider whether any material discrepancy exists between other information and the Consolidated Financial Statements or the knowledge it has gained in the course of the audit, and to pay attention to whether there are any indications of further material error in other information, apart from such material discrepancies, in the course of reading through other information.

Based on the work completed, in the event that the Account Auditor has judged that material error exists in other information, it is required to report the facts of the matter.

The Account Auditor found no matters requiring reporting with regard to other information.

Responsibilities of Management and the Audit and Supervisory Committee 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.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over 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. 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 an 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. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing 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 overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as 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 the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee 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

Our firm and its designated engagement partners 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.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Independent Auditor's Report
(English Translation)

May 23, 2022

To the Board of Directors
TOA Oil Co., Ltd.

Deloitte Touche Tohmatsu LLC
Tokyo office
Designated Engagement Partner,
Certified Public Accountant: Dai Yamamoto
Designated Engagement Partner,
Certified Public Accountant: Minoru Takashima

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements of TOA Oil Co., Ltd. (the "Company"), namely, the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity, related notes to non-consolidated financial statements, and the accompanying supplemental schedules for the 149th fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and its financial performance for the year then ended 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 Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information comprises the Business Report and detailed schedules. The responsibility of managers is to compile and disclose other information. Furthermore, the responsibility of the Audit and Supervisory Committee is to monitor Directors' execution of their duties in the development and operation of reporting processes relating to other information.

Other information is not included in the matters subject to the opinions of the Account Auditor on the Non-Consolidated Financial Statements, and the Account Auditor has no opinion to express regarding other information.

The responsibility of the Account Auditor in the auditing of the Non-Consolidated Financial Statements is to consider whether any material discrepancy exists between other information and the Non-Consolidated Financial Statements or the knowledge it has gained in the course of the audit, and to pay attention to whether there are any indications of further material error in other information, apart from such material discrepancies, in the course of reading through other information.

Based on the work completed, in the event that the Account Auditor has judged that material error exists in other information, it is required to report the facts of the matter.

The Account Auditor found no matters requiring reporting with regard to other information.

Responsibilities of Management and the Audit and Supervisory Committee for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, 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.

The Audit and Supervisory Committee are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the non-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. 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 non-consolidated financial statements.

As part of an 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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing 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 non-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 Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant

deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee 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

Our firm and its designated engagement partners 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.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

Audit Report (English Translation)

The Audit and Supervisory Committee audited the performance of duties by the Directors for the 149th fiscal year from April 1, 2021 to March 31, 2022, and hereby reports the method and results of the audit.

1. Method and Content of Audit

The Audit and Supervisory Committee received reports periodically from Directors, employees and other relevant personnel about the details of the Board of Directors resolution concerning the matters set forth in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act, as well as the establishment and operation of the system based on such resolution (the internal control system), sought explanations as necessary, expressed opinions and conducted the audit through the methods described below.

- (1) Pursuant to the Audit Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, and in accordance with our audit policy, audit plan and job responsibilities for the current fiscal year, we communicated with Directors, the internal audit division and other employees, attended the Board of Directors meetings and other important meetings taking advantage of online conference tools as well, received reports from Directors and employees on the status of performance of their duties, requested explanations as necessary, reviewed important approval documents, and examined business operations and financial conditions at the head office and other principal business locations. With respect to subsidiaries, we communicated and exchanged information with directors, corporate auditors and other relevant personnel of subsidiaries as well as received reports from subsidiaries on their business as necessary.
- (2) We examined the details of the particulars to be given due consideration pursuant to Article 118, Item 5 (a) of the Regulation for Enforcement of the Companies Act and the judgment and the reason therefor pursuant to Item 5 (b) of the same paragraph stated in the Business Report, based on the status of deliberations at the meetings of the Board of Directors and others.
- (3) We monitored and verified whether the Account Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Account Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Account Auditor that the “systems for ensuring that the performance of duties is being carried out correctly” (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) had been prepared in accordance with the “Standards on Quality Control for Audits” (issued by the Business Accounting Council on October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and its supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and notes to the non-consolidated financial statements) and their supplementary schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to the consolidated financial statements) for the relevant fiscal year.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

- 1) In our opinion, the business report and its supplementary schedules are in accordance with laws, regulations and the Articles of Incorporation, and fairly represent the Company's condition.
- 2) We have found no material facts of wrongful action or violation of laws, regulations or the Articles of Incorporation in the performance of duties by the Directors.
- 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal control system are fair and reasonable. In addition, we have found no matters to be reported regarding the description in the Business Report and the performance of duties by the Directors related to such internal control system.
As stated in the Business Report, we have identified instances of inappropriate conduct relating to product tests at the Keihin Refinery. With regard to this matter, the Audit and Supervisory Committee will check the status of investigation of the facts and causes of the incident, and closely monitor the matter so that measures to prevent recurrence will be implemented without fail.
- 4) With regard to transactions with the Company's parent company, etc. stated in the Business Report, we have found no matters to be reported about considerations made at the time of the transaction so as not to damage the interests of the Company and about judgement of the Board of Directors whether the transaction will not damage the interests of the Company as well as the reason for the judgement.

(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by Deloitte Touche Tohmatsu LLC are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by Deloitte Touche Tohmatsu LLC are fair and reasonable.

May 24, 2022

Audit and Supervisory Committee, TOA Oil Co., Ltd.

Audit and Supervisory Committee Member	Soichi Ogawa
Audit and Supervisory Committee Member	Shigeru Kimura
Audit and Supervisory Committee Member	Arata Nakamura
Audit and Supervisory Committee Member	Keiichi Kubo

(Note) Audit and Supervisory Committee Members, Mr. Shigeru Kimura, Mr. Arata Nakamura and Mr. Keiichi Kubo are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Surplus

It is the Company's basic policy to continue to provide stable dividends to shareholders.

Payment of the year-end dividend for the fiscal year under review is proposed as follows, from the perspective of providing a continuing, stable dividend.

1. Matters concerning year-end dividend
 - (1) Matters concerning the allotment of dividend property to shareholders and the total amount
¥40 per common stock of the Company
Total amount: ¥497,573,040
 - (2) Effective date of distribution of surplus
June 29, 2022

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company will introduce an Executive Officers system to ensure sound, efficient management, by strengthening the decision-making and supervisory functions of the Board of Directors and by clarifying responsibilities in the execution of business. In line with this, the following changes shall be made to the Articles of Incorporation of the Company.
 - 1) Paragraphs 1 and 2 of Article 11 under the proposed amendment stipulate that the chairperson of the general meeting of shareholders shall be a Representative Director, determined in advance by resolution of the Board of Directors.
 - 2) Paragraph 2 of Article 19 under the proposed amendment is to abolish the provisions for Directors with concomitant roles.
 - 3) Paragraphs 1 and 2 of Article 20 under the proposed amendment stipulate additional provisions relating to Executive Officers and Executive Officers with concomitant roles.
 - 4) Paragraphs 1 and 2 of Article 22 under the proposed amendment stipulate that the convener and chairperson of a Board of Directors meeting shall be a Representative Director determined in advance by the Board of Directors.
- (2) The revised provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will be enforced on September 1, 2022, and the Company proposes the following amendments to the Company's Articles of Incorporation in preparation for the implementation of the system for electronic provision of materials for general meetings of shareholders.
 - 1) Article 15, Paragraph 1 of the proposed amendment stipulates that information that is the content of reference documents for the general meeting of shareholders, etc., shall be provided electronically.
 - 2) Article 15, Paragraph 2 of the proposed amendment establishes provisions to limit the scope of matters to be stated in physical documents to be provided to shareholders who request the provision of such physical documents.
 - 3) As provisions concerning internet disclosure of reference documents for general meetings of shareholders (Article 15 of the current Articles of Incorporation) will no longer be necessary, these shall be deleted.
 - 4) Supplementary provisions shall be established concerning the effective date, etc., in line with the new establishment and deletion above.

2. Details of the amendment

The details of the amendment are as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
<p>Articles 1-10: (Text omitted)</p> <p>(Chairperson)</p> <p>Article 11. The chairperson of the general meeting of shareholders shall be <u>the Chairman or the President.</u></p> <p>2 If <u>both the Chairman and the President</u> are not available, another Director shall fulfil this role in accordance with the order as determined in advance by the Board of Directors.</p> <p>Articles 12-14: (Text omitted)</p> <p><u>(Internet disclosure and deemed provision of reference documents for general meetings of shareholders)</u></p> <p><u>Article 15. When convening a general meeting of shareholders, the Company may deem that it has provided its shareholders with information pertaining to the matters to be displayed or presented in the reference documents for general meetings of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information via the internet in accordance with the provisions under the Ordinance of the Ministry of Justice.</u></p> <p>(New)</p> <p>Articles 16-18: (Text omitted)</p>	<p>Articles 1-10: (Unchanged)</p> <p>(Chairperson)</p> <p>Article 11. The chairperson of the general meeting of shareholders shall be a <u>Representative Director as determined in advance by the Board of Directors.</u></p> <p>2 If <u>the said Representative Director</u> is not available, another Director shall fulfil this role in accordance with the order as determined in advance by the Board of Directors.</p> <p>Articles 12-14: (Unchanged)</p> <p>(Deleted)</p> <p>(Measures for electronic provision, etc.)</p> <p><u>Article 15. When convening a general meeting of shareholders, the Company shall electronically provide the information that is the content of reference documents for the general meeting of shareholders, etc.</u></p> <p><u>2 Among the matters to which electronic provision measures apply, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the physical documents to be provided to shareholders who made requests for the provision of such physical documents by the record date for voting rights.</u></p> <p>Articles 16-18: (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Representative Director <u>and Directors with concomitant roles</u>)</p> <p>Article 19. A Representative Director shall be determined by resolution of the Board of Directors from among Directors (excluding Directors serving as Audit and Supervisory Committee Members).</p> <p><u>2 Chairman, President, Vice President, Senior Managing Directors and Managing Directors may be selected from among Directors (excluding Directors serving as Audit and Supervisory Committee Members) by resolution of the Board of Directors.</u></p> <p>(New)</p> <p>Article <u>20</u>. (Text omitted)</p> <p>(Convener and Chairperson)</p> <p>Article <u>21</u>. The Board of Directors meeting shall be convened and chaired by <u>the Chairman or the President.</u></p> <p>2 If <u>both the Chairman and the President</u> are not available, he or she shall be substituted by another Director in accordance with the order as determined in advance by the Board of Directors.</p> <p>Articles <u>22-36</u>. (Text omitted)</p>	<p>(Representative Director)</p> <p>Article 19. A Representative Director shall be determined by resolution of the Board of Directors from among the Directors (excluding Directors serving as Audit and Supervisory Committee Members). (Deleted)</p> <p>(Executive Officers)</p> <p>Article 20. <u>Executive Officers are appointed by resolution of the Board of Directors and may be ordered to share and execute the business of the Company.</u></p> <p><u>2 President and Chief Executive Officer may be appointed from among Executive Officers, and Executive Officers with concomitant roles may be appointed, by resolution of the Board of Directors.</u></p> <p>Article <u>21</u>. (Unchanged)</p> <p>(Convener and Chairperson)</p> <p>Article <u>22</u>. The Board of Directors meeting shall be convened and chaired by a <u>Representative Director as determined in advance by the Board of Directors.</u></p> <p>2 If <u>the said Representative Director</u> is not available, he or she shall be substituted by another Director in accordance with the order as determined in advance by the Board of Directors.</p> <p>Articles <u>23-37</u>. (Unchanged)</p>

Current Articles of Incorporation	Proposed amendments
<p>(Supplementary Provisions) Article 1. (Text omitted) (New)</p>	<p>(Supplementary Provisions) Article 1. (Unchanged) <u>Article 2. The deletion of Article 15 (Internet disclosure and deemed provision of reference documents for general meetings of shareholders) of the Articles of Incorporation before amendment and the new establishment of Article 15 (Measures for electronic provision, etc.) of the Articles of Incorporation after amendment shall take effect on September 1, 2022.</u> <u>Article 3. Notwithstanding the provision of the previous article, Article 15 (Internet disclosure and deemed provision of reference documents for general meetings of shareholders) of the Articles of Incorporation before amendment shall remain in force for general meetings of shareholders held on a day until the last day of February 2023.</u> <u>Article 4. Provisions under Article 2 through the current Article of the Supplementary Provisions shall be deleted on March 1, 2023 or after the lapse of three months from the date of the general meeting of shareholders set forth in the previous article, whichever is later.</u></p>

Proposal 3: Election of 4 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of all 5 Directors (excluding Directors Serving as Audit and Supervisory Committee Members) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 4 Directors is proposed by decreasing one (1) director, in order to strengthen corporate governance.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
1	Kazuhisa Harada (July 19, 1961)	April 1984 July 2008 April 2011 April 2012 April 2014 June 2017 April 2019 April 2020 June 2020	Joined Idemitsu Kosan Co., Ltd. Deputy General Manager, Hokkaido Refinery, Idemitsu Kosan Co., Ltd. Manager of Structural Reform Administration, Corporate Planning Department, Idemitsu Kosan Co., Ltd. General Manager, Corporate Strategy Department, Corporate Planning Department, Idemitsu Kosan Co., Ltd. Executive Officer, General Manager, Human Resources Department, Idemitsu Kosan Co., Ltd. Senior Executive Officer, General Affairs, Human Resources, General Manager, Human Resources Department, Idemitsu Kosan Co., Ltd. Senior Executive Officer, General Manager, Human Resources Department 1, Idemitsu Kosan Co., Ltd. Senior Executive Officer, General Manager, Human Resources Department, Idemitsu Kosan Co., Ltd. President and Representative Director of the Company (to present)	1,380
		<p>[Reason for nomination] The Company believes that Mr. Kazuhisa Harada is capable of continuing to perform his duties as Director of the Company in an appropriate manner, due to his outstanding management judgement, based on his extensive experience including service as General Manager, Strategy Department, Corporate Planning Department, and General Manager, Human Resources Department of Idemitsu Kosan Co., Ltd., as well as his current service as Representative Director of the Company.</p>		
2	Yasuyuki Shishido (January 23, 1967)	April 1992 September 2009 March 2016 March 2019 July 2021	Joined the Company General Manager, Management Planning Office General Manager, Management Planning Office and General Manager, Accounting and Finance Division Director (to present) President and Representative Director, Ogishima Oil Terminal Co., Ltd. (to present)	2,606
		<p>[Reason for nomination] The Company believes that Mr. Yasuyuki Shishido is capable of continuing to perform his duties as Director of the Company in an appropriate manner, based on his extensive business experience including supervising personnel and general affairs, business management, and environmental safety divisions at the Company's headquarters, as well as knowledge of overall management.</p>		
3	Shoichi Sawaki (December 24, 1965)	April 1989 April 2015 October 2017 February 2020 June 2021	Joined the Company General Manager, Engineering Department, Keihin Refinery General Manager, Refining Department, Keihin Refinery General Manager, Engineering Department, Keihin Refinery President and Representative Director, TOA TECS CO., LTD. (to present)	1,927
		<p>[Reason for nomination] Based on his rich business experience and high-level expertise including his service as General Manager of the Engineering Department and the Refining Department of Keihin Refinery, the Company believes that Mr. Sawaki is capable of performing his duties as Director of the Company in an appropriate manner.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Junzo Yamamoto (February 20, 1965)	<p>April 1990 Joined Idemitsu Kosan Co., Ltd.</p> <p>April 2013 Deputy General Manager, Manufacturing & Technology Department, Idemitsu Kosan Co., Ltd.</p> <p>November 2016 General Manager, Nghi Son Refinery, Nghi Son Refinery and Petrochemical LLC</p> <p>May 2019 General Manager, Tokuyama Complex, Idemitsu Kosan Co., Ltd.</p> <p>July 2020 Executive Officer, General Manager, Tokuyama Complex, Idemitsu Kosan Co., Ltd.</p> <p>June 2021 Executive Officer, General Manager, Manufacturing & Technology Department, Idemitsu Kosan Co., Ltd. (to present)</p>	0
<p>[Reason for nomination]</p> <p>The Company has nominated Mr. Junzo Yamamoto as a candidate for Director because it believes that he is capable of providing suggestions from practical and diverse perspectives, based on his extensive business experience and high-level expertise including his service as General Manager of a refinery and General Manager, Manufacturing & Technology Department of Idemitsu Kosan Co., Ltd.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. The positions and responsibilities at the Company of each candidate who is currently serving as Director of the Company are as described in “4. (1) Directors” of the Business Report (page 12 of the Japanese original).
3. The positions and responsibilities of each candidate as executive personnel for the past ten years at Idemitsu Kosan Co., Ltd., the current parent company of the Company, are as described in “Past experience, positions, responsibilities, and significant concurrent positions.”
4. In the event that Mr. Junzo Yamamoto is elected as Director, the Company will enter into an agreement with him, in accordance with Article 427, Paragraph 1 of the Companies Act to limit his liability for damages pursuant to Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the agreement is the amount stipulated by laws and regulations.
5. The Company has concluded a directors and officers liability insurance agreement with all Directors as the insured. If each candidate is appointed as Director, he or she will be insured under the said insurance agreement. The insurance agreement will be renewed in April 2023. The outline of the contents of the said insurance agreement is shown in “4. (5) Outline, etc. of the Directors and Officers Liability Insurance Agreement” in the Business Report (page 15 of the Japanese original).
6. The number of shares of the Company held by each candidate is the number of shares as of the end of the current fiscal year (March 31, 2022). The number of shares of the Company held by each candidate includes the candidate’s shares in the Officer’s Shareholding Association.

Proposal 4: Election of 4 Directors Serving as Audit and Supervisory Committee Members

The terms of office of all 4 Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this year’s Annual General Meeting of Shareholders. Accordingly, the election of 4 Directors is proposed.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
1	Soichi Ogawa (July 10, 1961)	April 1985 April 2013 February 2015 October 2017 June 2021	Joined the Company Deputy General Manager, Administrative Division, Keihin Refinery General Manager, Environmental Safety Division, Keihin Refinery President and Representative Director, TOA TECS CO., LTD. Director (Audit and Supervisory Committee Member) (to present)	798
		<p>[Reason for nomination] Mr. Soichi Ogawa served as General Manager of the Environmental Safety Division of the Company and President and Representative Director of TOA TECS CO., LTD. He currently serves as a full-time Director serving as Audit and Supervisory Committee Member. The Company has re-nominated him as a candidate for Director serving as Audit and Supervisory Committee Member, because it believes that he has been fully performing the audit function aimed at the Company’s business development by utilizing his wealth of business experience and knowledge of overall management at the Company.</p>		
2	Keiichi Kubo (November 13, 1953)	April 1976 June 1990 June 2007 April 2009 April 2012 January 2015 March 2018 March 2019 June 2020	Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Partner, Tohmatsu & Co. Member of Management Meeting, Tohmatsu & Co. President, Deloitte Tohmatsu Risk Services Co., Ltd. Visiting Professor, Chuo Graduate School of International Accounting, Chuo University Established Keiichi Kubo CPA Office (to present) Outside Director, GRCS Inc. (to present) Director (Audit and Supervisory Committee Member) of the Company (to present) Outside Director, PADO Corporation (currently Success Holders, Inc.) (to present)	2,073
		<p>[Reason for nomination and overview of expected role] As a certified public accountant, Mr. Keiichi Kubo brings to the auditing system of the Company a high level of capability and insight, and a wealth of business experience in consulting, etc., in the finance and accounting arena. We therefore re-nominated him as a candidate for Outside Director in light of his satisfactory fulfilment of his role in management auditing including his accurate advice and recommendations for the management of the Company. If he is reelected as Outside Director serving as Audit and Supervisory Committee Member, the Company expects him to perform his roles such as supervision and advice on the appropriateness and adequacy of governance system and the business execution system as well as on the initiatives for management issues, based on his wide range of knowledge and insight relating to corporate accounting from the standpoint of accounting expert.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kazuyoshi Tsunoda (March 12, 1954)	<p>April 1976 Joined Ryowa Choon Kogyo Co., Ltd. (currently TECHNO RYOWA LTD.)</p> <p>October 1981 Joined Hitachi Chemical Co., Ltd. (currently Showa Denko Materials Co., Ltd.)</p> <p>August 1996 General Manager, Laminate Material Department, Shimodate Plant, Hitachi Chemical Co., Ltd.</p> <p>February 2000 President and Representative Director, Hitachi Chemical (Taiwan) Co., Ltd.</p> <p>April 2005 Executive Officer, Hitachi Chemical Co., Ltd.</p> <p>April 2006 Managing Executive Officer, Hitachi Chemical Co., Ltd.</p> <p>April 2010 President and Representative Director, Hitachi Powdered Metals Co., Ltd.</p> <p>April 2011 Representative Executive Officer and Senior Managing Executive Officer, Hitachi Chemical Co., Ltd.</p> <p>June 2014 Director and Chairperson of Audit Committee, Hitachi Chemical Company, Ltd. (currently Showa Denko Materials Co., Ltd.)</p> <p>February 2018 Outside Corporate Auditor, Kewpie Corporation</p> <p>June 2018 Outside Director, PUNCH INDUSTRY CO., LTD</p>	0
<p>[Reason for nomination and overview of expected role]</p> <p>The Company believes that Mr. Tsunoda is qualified to serve as Outside Director serving as Audit and Supervisory Committee Member in light of his having fulfilled dual responsibilities of execution and supervision at operating companies as well as his wealth of experience in management and auditing. He can be expected to strengthen the decision-making and audit and supervisory functions of the Board of Directors from an independent standpoint by utilizing his wide-ranging insight developed through his career in the supervision of Company management.</p>			
4	Akito Takahashi (March 30, 1975)	<p>April 2000 Registered as an attorney at law (Daini Tokyo Bar Association)</p> <p>April 2005 Registered as an attorney at law in New York State, US</p> <p>September 2009 Established Takahashi and Katayama Law Office</p> <p>March 2012 Outside Auditor, Nippon Carbon Co., Ltd.</p> <p>December 2012 Outside Auditor, Oriental Consultants Holdings Company Limited (formerly ACKG Limited)</p> <p>March 2015 Outside Director, Nippon Carbon Co., Ltd.</p> <p>December 2015 Outside Director, Oriental Consultants Holdings Company Limited (formerly ACKG Limited) (to present)</p> <p>February 2018 Outside Director (Audit & Supervisory Committee Member), OSG Corporation (to present)</p>	0
<p>[Reason for nomination and overview of expected role]</p> <p>We have nominated Mr. Takahashi as a candidate for Outside Director serving as Audit and Supervisory Committee Member in light of our judgment that he can contribute to the strengthening of supervisory functions for Company management as an Outside Director serving as Audit and Supervisory Committee Member, as we expect him to utilize his professional expertise and experience as a lawyer for the benefit of the auditing system of the Company. Although he has never been involved in corporate management except as an external officer, for the above stated reasons we believe that he is capable of performing his duties as Outside Director serving as Audit and Supervisory Committee Member in an appropriate manner.</p>			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Messrs. Keiichi Kubo, Kazuyoshi Tsunoda and Akito Takahashi, candidates for Director serving as Audit and Supervisory Committee Member, are candidates for outside director as stipulated in Article 2, Paragraph 3, Item 8 of the Regulation for Enforcement of the Companies Act.
3. Mr. Keiichi Kubo, the candidate for Director serving as Audit and Supervisory Committee Member, currently serves as Outside Director of the Company. He will have been in the office of Outside Director for three years and three months as of the conclusion of this General Meeting of Shareholders.
4. The positions and responsibilities at the Company of each candidate who is currently serving as Director of the Company are as described in “4. (1) Directors” of the Business Report (page 12 of the Japanese original).
5. The Company has entered into agreements with Messrs. Soichi Ogawa and Keiichi Kubo, candidates for Director, in accordance with Article 427, Paragraph 1 of the Companies Act to limit their liability for damages pursuant to Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to these agreements is the

amount stipulated by laws and regulations. If each candidate is reelected, the Company intends to continue the said agreements with each of them. If the election of candidates for Directors Kazuyoshi Tsunoda and Akito Takahashi is approved as proposed, the Company plans to sign such agreements with both.

6. The Company has concluded a directors and officers liability insurance agreement with all Directors as the insured. If each candidate is appointed as Director Serving as Audit and Supervisory Committee Member, he or she will be insured under the said insurance agreement. The insurance agreement will be renewed in April 2023. The outline of the content of the said insurance agreement is shown in “4. (5) Outline, etc. of the Directors and Officers Liability Insurance Agreement” in the Business Report (page 15 of the Japanese original).
7. The number of shares of the Company held by each candidate is the number of shares as of the end of the current fiscal year (March 31, 2022). The number of shares of the Company held by each candidate includes the candidate’s shares in the Employee’s Shareholding Association.