



May 28, 2024

[Translation]

To whom it may concern:

Company name: ENEOS Holdings, Inc.  
Representative: Miyata Tomohide  
Representative Director, CEO  
Code number: 5020;  
TSE Prime Market/  
NSE Premier Market  
Contact person: Eguchi Sayuri  
Group Manager,  
Investor Relations Group  
Investor Relations Department  
(Telephone Number: +81-3-6257-7075)

**The Company's response to ISS's recommendation  
to vote against the election of Mayumi Tochinoki and Akiko Toyoda as outside directors**

Regarding Proposal No. 4 of the 14th ordinary general meeting of shareholders of ENEOS Holdings, Inc. (the "Company") to be held on June 26, 2024, "Election of 3 Directors who are Audit and Supervisory Committee Members," Institutional Shareholder Services Inc. ("ISS"), which is a proxy advisory firm, has recommended voting against the election of Ms. Mayumi Tochinoki and Ms. Akiko Toyoda, who are candidates for outside director positions.

In response to ISS's recommendation, the Company has provided its opinion below. We request that you exercise your voting rights after considering the Company's opinion.

Glass, Lewis & Co. LLC, which is also a proxy advisory firm, has recommended voting in support of the election of Ms. Mayumi Tochinoki and Ms. Akiko Toyoda.

**1. ISS's recommendation to vote against the election of Ms. Mayumi Tochinoki and Ms. Akiko Toyoda**

In ISS's guidelines for the election of directors, ISS sets forth that "the company in question (the Company) and outside directors or outside auditors do not have any relationship other than that concerning the appointment as outside directors or outside auditors" and has determined that "individuals who worked at an organization that is a major shareholder of the company in question (the Company)" and "individuals who worked at a major institution from which the company in question (the Company) borrows money" do not satisfy ISS's criteria for outside director independence.

From this perspective, ISS has recommended voting against the election of Ms. Mayumi Tochinoki because she worked at JPMorgan Securities Japan Co., Ltd., which owns shares in the Company.

In addition, ISS has recommended voting against the election of Ms. Akiko Toyoda because she worked at Mizuho Financial Group, Inc. (the holding company of Mizuho Bank, Ltd.), from which the Company group borrows money.

**2. The Company's opinion on ISS's recommendation to vote against the election of Ms. Mayumi Tochinoki and Ms. Akiko Toyoda**

**The Company considers that there is no issue regarding Ms. Mayumi Tochinoki and Ms. Akiko Toyoda's independence for the following reasons and they are expected to provide the Company with guidance and advice on its management:**

- (1) Regarding Ms. Mayumi Tochinoki
  - (i) As of March 31, 2024, JPMorgan Securities Japan Co., Ltd. holds 2.17% of the Company's shares. However, JPMorgan Securities Japan Co., Ltd. holds shares in the Company as a "nominal shareholder", i.e., for the brokerage service for investor customers, which is mainly for transactions involving a security leasing service, in our understanding. This shareholding is not based on the relationship with the Company as an issuing company, and the Company believes that this shareholding does not contemplate having any impact on the management right through exercise of voting rights.
  - (ii) In considering outside director independence, the Company's Standards for Consideration of Independence requires a "cooling-off" period of three years. Moreover, the Tokyo Stock Exchange and the Nagoya Stock Exchange, on which the Company is listed, call for a cooling-off period of one year to appoint a person whose major business partner is a listed company (the Company) or a person who executes its business, etc., as its independent officer. Moreover, the New York Stock Exchange calls for a cooling-off period of three years for similar cases. Accordingly, the Company believes that the cooling-off period stipulated in the Company's Standards for Consideration of Independence is appropriate. In the case of Ms. Mayumi Tochinoki, ten years have passed since she retired from JPMorgan Securities Japan Co., Ltd. in September 2013.
  - (iii) As of March 31, 2024, JPMorgan Securities Japan Co., Ltd. holds 2.17% of the Company's shares. However, according to the inquiry made to Ms. Mayumi Tochinoki, the Company confirmed that she was not involved in JPMorgan Securities Japan Co., Ltd. holding the Company's shares and she has no ongoing relationship with JPMorgan Securities Japan Co., Ltd. Moreover, she has never been involved in a Company group transaction.
  - (iv) For the above reasons, the Company considers that there is no issue regarding Ms. Mayumi Tochinoki's independence, and she is expected to be able to use deep insights and abundant experience as an expert in internal audit and compliance to provide the Company with guidance and advice on its management.
- (2) Regarding Ms. Akiko Toyoda
  - (i) As stipulated above in (1)(ii), the Company believes that the cooling-off period of three years stipulated in the Company's Standards for Consideration of Independence is appropriate. In the case of Ms. Akiko Toyoda, she worked at Dai-Ichi Kangyo Bank, Ltd. (current Mizuho Bank, Ltd.) and Mizuho Holdings, Inc. (current Mizuho Financial Group, Inc.); however, since January 2001, she has not been involved in the lending business field and instead has worked and specialized in the M&A advisory field. Moreover, seven years have passed since she worked at several other companies, and then retired from a group company of Mizuho Bank, Ltd. in September 2016.

- (ii) The Company group borrows money from Mizuho Bank, Ltd. However, according to the inquiry made to Ms. Akiko Toyoda, the Company confirmed that she was not involved in such borrowing and she has no ongoing relationship with the group company of Mizuho Bank, Ltd. Moreover, she has never been involved in a Company group transaction.
- (iii) For the above reasons, the Company considers that there is no issue regarding Ms. Akiko Toyoda's independence, and she is expected to be able to use deep insights and abundant experience in M&A strategy, corporate business portfolio strategy, finance and accounting, and taxation and legal matters to provide the Company with guidance and advice on its management.

End.