



September 11, 2025

Company Name: Fuji Oil Company, Ltd.
Representative: Shigeto Yamamoto, Representing
Director, President
(Securities code: 5017, Tokyo Stock
Exchange Prime Market)
Inquiries: Takaaki Sobue, General Manager,
Finance & Accounting Department
Telephone: +81-3-6277-2906
URL: <https://www.foc.co.jp/en/>

Notice Concerning Expression of Opinion in Support of Tender Offer for Company Shares by Idemitsu Kosan, an Other Associated Company, and Recommendation to Tender Shares

Fuji Oil Company, Ltd. (the “Company”) announces it resolved, at a meeting of the Board of Directors held today, to express an opinion in support of the tender offer (the “Tender Offer”) by Idemitsu Kosan Co., Ltd. (“Tender Offeror”) for ordinary shares of the Company (the “Company Shares”) and to recommend to the Company’s shareholders that they tender their shares in the Tender Offer.

The above Board of Directors resolution was adopted with the assumption that Tender Offeror intends to delist the Company Shares and plans to terminate market trading of the Company Shares through the Tender Offer and the subsequent series of transactions.

1. Overview of Tender Offeror

(1)	Name	Idemitsu Kosan Co., Ltd.
(2)	Location	1-2-1 Otemachi, Chiyoda-ku, Tokyo
(3)	Name and title of representative	Noriaki Sakai, Representative Director and President
(4)	Business description	Fuel oil business, basic chemicals business, functional materials business, power and renewable energy business, and resources business
(5)	Capital	168,351 million as of March 31, 2025]
(6)	Date of establishment	March 30, 1940
(7)	Major shareholders and shareholding ratios (as of March 31, 2025)	The Master Trust Bank of Japan, Ltd. (Trust account): 10.77% Nissho Kosan K.K.: 10.39% Aramco Overseas Company B.V. (permanent representative: Anderson Mori & Tomotsune): 9.41% Public Interest Incorporated Foundation Idemitsu Museum of Arts: 8.30% Custody Bank of Japan, Ltd. (trust account): 3.24% Showa Kosan K.K.: 2.03% Idemitsu Employee Stockholders Committee: 1.93%

		JPMorgan Securities Japan Co., Ltd.: 1.66% STATE STREET BANK WEST CLIENT TREATY 505234 (permanent representative: Mizuho Bank, Ltd.): 1.62% STATE STREET BANK AND TRUST COMPANY 505001 (permanent representative: Mizuho Bank, Ltd.): 1.56%
(8)	Relationship between Tender Offeror and the Company	
	Capital relationship	As of the current date, Tender Offeror owns 17,035,520 Company Shares (ownership ratio (Note 1): 22.06%)
	Personnel relationship	Among the Company's outside directors, one holds a position as an employee of Tender Offeror and one is a former employee of Tender Offeror. Also, as of August 31, 2025, three employees of Tender Offeror are seconded to the Company, and one Company employee is seconded to Tender Offeror.
	Transactional relationship	The Company concluded an agreement on a capital and business alliance with Tender Offeror on April 16, 2024. Also, the Company concluded a product sales contract with Tender Offeror and conducts continuous main fuel product transactions.
	Status as a related party	The Company is an equity-method affiliate of Tender Offeror, and Tender Offeror is a related party of the Company.

(Note 1) "Ownership ratio" means the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of ownership ratios) to the number of shares (77,240,335 shares; referred to as the "Reference Number of Shares") obtained by deducting the number of treasury shares held by the Company (943,342 shares) as of June 30, 2025 as stated in the March 2026 Term First Quarter Earnings Report (based on Japanese GAAP) (the "Company First Quarter Earnings Report") submitted by the Company on August 7, 2025, from the total number of issued shares of the Company as of June 30, 2025 (78,183,677 shares) as stated in the Company First Quarter Earnings Report.

2. Tender Offer Price

480 yen per common share

3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof

(1) Details of the Opinion

At a meeting of the Board of Directors held today, the Company resolved to express an opinion in support of the Tender Offer and recommend that Company shareholders tender their shares in the Tender Offer based on the grounds and reasons discussed below in "(2) Basis and Reasons for Opinion."

The above resolution of the Board of Directors was adopted in the manner described below in "[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company" in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer."

(2) Basis and Reasons for the Opinion

The statements regarding Tender Offeror in this “(2) Grounds and Reasons for the Opinion” are based on explanations received from Tender Offeror.

[1] Overview of the Tender Offer

As of the current date, Tender Offeror holds 17,035,520 Company Shares (ownership ratio: 22.06%), which are listed on the Prime Market of Tokyo Stock Exchange, Inc. (“TSE”), making it the top Company shareholder, and the Company is an equity-method affiliate of Tender Offeror. In a Board of Directors resolution dated September 11, 2025, Tender Offeror decided to conduct the Tender Offer to acquire all Company Shares (including restricted shares of the Company (“Restricted Shares”) granted to Company directors and executive officers in the form of transfer-restricted stock compensation and excluding Company Shares held by Tender Offeror and Non-Tendering Shareholder (defined below) and treasury shares held by the Company) as a part of a series of transactions (the “Transactions”) intended to delist the Company Shares.

Also, on September 11, 2025, Tender Offeror entered into an agreement with the government of the Kingdom of Saudi Arabia (the “Non-Tendering Shareholder”), the Company’s third-largest shareholder (shares held: 5,811,390; ownership ratio: 7.52%), regarding the non-tender of shares in the Tender Offer (the “Non-Tendering Agreement”), and the Non-Tendering Shareholder agreed in writing that, for example, it will not tender any of the Company Shares that it holds (the “Non-Tendered Shares”) in the Tender Offer and that if the Tender Offer is completed, it will vote in favor of proposals relating to the Squeeze-Out Procedures (defined below; hereinafter the same applies) at an Extraordinary General Shareholders’ Meeting (defined below in “(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)”; hereinafter the same applies). Tender Offeror concluded the Non-Tendering Agreement based on the belief that the Non-Tendering Shareholder is a stable crude oil supplier that supports the petroleum refining business of the Company and the Tender Offeror Group (defined below in “[2] Background, Purpose and Decision-Making Process Leading to Tender Offeror’s Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” in “(2) Basis and Reasons for the Opinion”; hereinafter the same applies), and by having the Non-Tendering Shareholder remain as a Company shareholder even after the Transactions, the Tender Offeror Group including the Company after the transactions can maintain good relationships with the Non-Tendering Shareholder and maintain stable crude oil supplies, which in turn can strengthen responsiveness to geopolitical risks and fluctuations in the international crude oil market and secure foundation for sustainably building long-term crude oil supply stability and cooperative relationships, and Tender Offeror determined that such a shareholder composition would not only enhance the reliability of domestic petroleum refining business and energy supply through stable crude oil procurement, but would also contribute to improving corporate value. For an overview of the Non-Tendering Agreement, see “4. Matters Concerning Important Agreements Relating to the Tender Offer Between Tender Offeror and Company Shareholders, Directors, and Others.”

In the Tender Offer, the minimum number of shares to be purchased has been set by Tender Offeror at 27,693,547 shares (ownership ratio: 35.85%), determined by subtracting the number of Company Shares held by Tender Offeror as of today, 17,035,520 shares, the number of Non-Tendered Shares, 5,811,390 shares, the 828,800 shares held by passive index funds, which are regarded as investors that do not tender shares in a tender offer and described below (Note 2), and the number of Restricted Shares held by Company directors and executive officers (a total of 124,300 shares) from two-thirds (51,493,557 shares;

decimals rounded up) of the Reference Number of Shares (77,240,335 shares), and if the total number of share certificates etc. tendered in the Tender Offer (“Tendered Share Certificates etc.”) is less than the minimum number of shares to be purchased, Tender Offeror will not purchase any of the Tendered Share Certificates etc. On the other hand, as indicated above, Tender Offeror intends to delist the Company Shares, and therefore, Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the number of Tendered Share Certificates etc. is equal to or exceeds the minimum number of shares to be purchased, Tender Offeror will purchase all of the Tender Share Certificates etc. (Note 2) A passive index fund is a fund that seeks to secure market-average returns by managing investments with the objective of linking investment performance to indices such as stock price indices that serve as market benchmarks for investment target assets such as stocks.

The reasons for setting the minimum number of shares to be purchased at 27,693,547 shares (ownership ratio: 35.85%) are as follows.

First, the Guidelines on Fair Mergers and Acquisitions established by the Ministry of Economy, Trade and Industry on June 28, 2019 (the “M&A Guidelines”) state, “as the scale of passive index funds has increased in recent years as a trend in the Japanese capital markets, some of these investors refrain, as a matter of policy, from tendering their shares in response to a tender offer regardless of the appropriateness of the transaction terms,” and Tender Offeror recognizes that some passive index funds generally have policies not to tender their shares in tender offers as a matter of principle, regardless of the appropriateness of the tender offer conditions, but to vote in favor of share consolidation proposals at shareholder meetings in subsequent squeeze-out procedures, and further recognizes that this is the case for passive index funds that hold shares of the Company. Against this background, since January 1, 2000, there have been multiple instances of privatization by a tender offeror without specifying the maximum number of shares to be purchased where a certain number of shares held by passive index funds were deducted from the minimum number of shares to be purchased, and Tender Offeror has confirmed that among these cases, there are multiple instances where share consolidation proposals were approved at shareholder meetings in squeeze-out procedures, even though the Tender Offeror’s voting rights ownership ratio after the tender offer was completed was less than two-thirds.

Also, with respect to passive index funds that hold Company Shares, Tender Offeror confirmed the details of the shareholder identification survey of Company shareholders, which was conducted by the Company at the end of March 2025 and was shared by the Company on May 21, 2025, as well as database information regarding share ownership status organized by institutional investor fund from information vendors that provide data services for financial markets, and also analyzed the status of tendering of shares by institutional investors in the tender offer that Tender Offeror announced would be implemented in November 2024. Tender Offeror also conducted anonymous and generalized interviews with domestic institutional investors that manage such funds, asking about their general policy on the tendering of shares in tender offers and their policy on the exercise of voting rights at shareholder meetings after a tender offer is completed, while making no direct mention of the Transactions. As a result of some of the responses received, it was confirmed that a total of 828,800 shares (ownership ratio 1.07%) of the 7,951,600 Company Shares (ownership ratio: 10.29%) in total held by passive index funds as of the end of March 2025 were held by institutional investors that responded in those anonymous and generalized interviews, without directly referring to the Transactions, that their policy was not to tender their shares in tender offers but to exercise their voting rights, in principle, to vote in favor of the proposal for share consolidation at a shareholder meeting in squeeze-out procedures. Therefore, although Tender

Offeror was unable to definitively confirm that the holders would not tender their shares in the Tender Offer but intended to vote in favor of proposals relating to the Squeeze-Out Procedures at an Extraordinary General Shareholders' Meeting, Tender Offeror recognizes that the holders can reasonably be expected not to tender their shares in the Tender Offer but to vote in favor of a proposal concerning the Share Consolidation (defined below in "(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)").

Based on the above, Tender Offeror believes that considering the total number of shares, consisting of the number of shares held by Tender Offeror following completion of the Tender Offer (the minimum value is assumed to be 57.91% in terms of ownership ratio), the number of Non-Tendered Shares (ownership ratio: 7.52%), the number of shares held by the above-mentioned passive index funds (ownership ratio: 1.07%), and the number of Restricted Shares held by Company directors and executive officers (Note 3) (ownership ratio: 0.16%), totaling a 66.67% ownership ratio, the proposal regarding the Share Consolidation can be approved.

(Note 3) The Restricted Shares cannot be tendered in the Tender Offer due to restrictions on transfer, but at a meeting of the Company's Board of Directors held on September 11, 2025, the Company resolved to express an opinion in support of the Tender Offer premised on delisting, and at the time of that resolution, seven of the Company's 11 directors participated in deliberations and voting, and given that all of the directors who participated in the resolution voted in favor, that the four directors who did not participate in the deliberations and resolution do not hold any Restricted Shares, and that of the executive officers who do not concurrently serve as directors, there is one executive officer who holds Restricted Shares, and that executive officer (a member of the Company's Project Team relating to the Transactions described below in "[6] Establishment of an Independent Consideration Framework at the Company" in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer") expressed an intent to support the Transactions, it is expected that all of the Company's directors and non-director executive officers who hold Restricted Shares will approve the proposal regarding the Share Consolidation if the Tender Offer is successful. (Note 4)

Based on the above thinking, Tender Offeror set the minimum number of shares to be purchased in the Tender Offer at 27,693,547 shares (ownership ratio: 35.85%) in order to maximize the possibility of achieving the objective of the Tender Offer, that is, delisting the Company Shares, while respecting the results of the tender decisions of the Company's general shareholders.

Tender Offeror intends to delist the Company Shares to make Tender Offeror and the Non-Tendering Shareholder the only shareholders of the Company, and thus if Tender Offeror is unable to acquire all Company Shares (including Restricted Shares and excluding shares held by Tender Offeror and Non-Tendering Shareholder and treasury shares held by the Company) in the Tender Offer, Tender Offeror plans to implement a series of procedures (the "Squeeze-out Procedures") to make Tender Offeror and the Non-Tendering Shareholder the only shareholders of the Company, as described below in "(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)." It should be noted that as described below in "(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)," Tender Offeror plans to request that the Company hold the Extraordinary General Shareholders' Meeting around December 2025, and thus believes that the delisting of the Company Shares will be completed around January to February 2026.

It should also be noted with regard to the Tender Offer that, in the event that after the Tender Offer is completed the total number of voting rights in the Company held by Tender Offeror and the Non-Tendering Shareholder falls below two-thirds of the number of voting rights of all of the Company's general shareholders, the possibility cannot be totally denied that the proposal for the Share Consolidation to be carried out as a Squeeze-out Procedure may not be approved at the Extraordinary General Shareholders' Meeting. However, hypothetically, even if this approval were not obtained, Tender Offeror's ultimate objective would still be to seek to acquire all of the Company Shares (including Restricted Shares, but excluding Company Shares held by Tender Offeror and the Non-Tendering Shareholder as well as treasury shares held by the Company), and its policy would be to delist the Company Shares. As such, in light of the status of the tendering in the Tender Offer, the ownership statuses and characteristics of the Company's shareholders as of the relevant point in time, and trends in market stock prices, Tender Offeror plans to acquire additional Company Shares by means of either an on-market purchase or an off-market negotiated acquisition, until its shareholdings reach a level where the proposal for the Share Consolidation can realistically be approved at a shareholders' meeting (with the specific level in question to be determined in light of the voting rights exercise ratio at the Extraordinary General Shareholders' Meeting and the most recent shareholder composition of the Company), with the ultimate aim of delisting the Company Shares. With regard to these additional acquisitions, Tender Offeror's policy will be to acquire the Company Shares at the market price in the case of on-market transactions, whereas if a method other than an on-market transaction is to be used, as long as no events occur which would necessitate price adjustments such as a share consolidation or a share split involving the Company Shares, such acquisition will be made at a price that is determined to be economically equivalent to the Tender Offer Price (defined in "[2] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy" in "(2) Basis and Reasons for the Opinion") (unless the Company takes action requiring adjustment of the consideration to be paid, such as a share consolidation or share split, the amount per share will be the same as the Tender Offer Price). The specific timing and method of such additional acquisitions, as well as the period of time required for approval of the proposal for the Share Consolidation at a subsequent general shareholders' meeting, will depend on market conditions and various other circumstances, and therefore they cannot be determined at this point in time; but Tender Offeror, for its part, will make the utmost effort to ensure that the Share Consolidation is implemented as rapidly as practically possible.

[2] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy

The Company received the following explanations from Tender Offeror regarding the background, purpose, and decision-making process leading to Tender Offeror's decision to implement the Tender Offer and its post-Tender Offer managerial policy.

(i) Background, Purpose, and Decision-making Process Leading to Tender Offeror's Decision to Implement the Tender Offer

As of August 31, 2025, the corporate group comprising Tender Offeror, 181 subsidiaries, and 58 affiliates (as of the current date) (the "Tender Offeror Group") engages in the (a) fuel oil business (Note 4), (b) basic chemicals business (Note 5), (c) functional materials business (Note 6), (d) power and renewable energy business (Note 7), (e) resources business (Note 8), and (f) other businesses (Note 9).

Tender Offeror was established as Idemitsu & Co. by founder Sazo Idemitsu in June 1911 in Moji City, Fukuoka Prefecture (currently Moji-ku, Kitakyushu City) and began selling petroleum, mainly in the Kanmon region. In March 1940, Sazo Idemitsu established Idemitsu Kosan K.K. in Tokyo, and in November 1947, Idemitsu & Co. was absorbed by Idemitsu Kosan with Idemitsu Kosan as the non-surviving company. Tender Offeror was listed on the TSE First Section in October 2006 and is currently listed on the TSE Prime Market in conjunction with the reorganization of TSE market categories on April 4, 2022.

(Note 4) “Fuel oil business” refers to the transport of crude oil and petroleum products, the refining of petroleum, the sale of petroleum products and service station-related products, the sale and purchase of crude oil etc. overseas, and the manufacture and sale of petroleum products.

(Note 5) “Basic chemicals business” refers to the manufacture and sale of petrochemical raw materials and products.

(Note 6) “Functional materials business” refers to the manufacture and sale of lubricating oil, engineering plastics and adhesive bases, electronic materials, high-performance asphalt, chemical pesticides, biological pesticides etc.

(Note 7) “Power and renewable energy business” refers to the generation of electric power, the supply and sale of electric power, and the development and operation of renewable energy power sources.

(Note 8) “Resources business” refers to the surveying, exploration, development, and sale of petroleum, natural gas, and geothermal resources, and the production, procurement, and sale of coal.

(Note 9) “Other businesses” refers to the insurance agency business etc.

In January 2003, AOC Holdings, Inc. was established through a joint share transfer by Arabian Oil Company, Ltd. (“Arabian Oil”) and Fuji Oil Company, Ltd. (“Former Fuji Oil”). In October 2013, AOC Holdings and Former Fuji Oil merged with AOC Holdings as the surviving company, and the trade name was changed to Fuji Oil Company, Ltd., the current name. In April 2025, the Company merged with Arabian Oil with the Company as the surviving company, and as of September 11, 2025, the Company has five consolidated subsidiaries and four affiliates. Shares issued by the Company were listed on the TSE First Section and Osaka Securities Exchange First Section in January 2003, and the Company shares were delisted from the Osaka Securities Exchange in April 2004. In addition, the Company shares are currently listed on the TSE Prime Market in conjunction with the reorganization of TSE market categories on April 4, 2022.

The Company Group (the corporate group comprising the Company, five consolidated subsidiaries, and four affiliates (as of the current date); hereinafter the same applies) engages primarily in refining, storage, procurement, and trading of petroleum as well as the transportation, import, and export of crude oil and petroleum products. The Company has established the following long-term management direction for the period leading up to 2050.

The Company Group’s long-term management direction for the period leading up to 2050

- The Sodegaura Refinery will continue to be an important base of value creation (Note 10) to fulfill the Company’s mission of stably supplying energy.
- The Company sees contributing to a low-carbon, circular society as both a social responsibility as a company and a top management priority for the Company’s future, and it will become a company that supplies low-carbon oil and carbon-neutral energy.

(Note 10) A site that creates not only monetary value, but also social and environmental value, such as

contributing to a low-carbon circular society for all stakeholders including shareholders, customers, local communities, and employees through the supply of energy that society needs while changing form in response to social changes. In other words, the Company positions the Sodegaura Refinery as a core management resource and medium- to long-term growth base for engaging in ambidextrous management of both existing business (the petroleum refining business) and new businesses (renewable energy supply and other businesses), which are priority issues based on the two fundamental policies established in light of the long-term management direction set forth in the Third Medium-Term Business Plan, and seeks to improve corporate value.

In order to promote measures in line with this direction, the Third Medium-Term Business Plan, which covers the four-year period from fiscal 2021 to fiscal 2024, adopts a fundamental policy of further reinforcing foundations in the oil refining business and strengthening initiatives for the creation of a decarbonized society so that the Company can achieve both stable expansion of earnings and reduction of environmental impact, thus directing the Company's energies towards a focus on (i) maintaining and enhancing operational reliability, (ii) strengthening cost competitiveness and establishing a competitive advantage, (iii) further reducing environmental burdens at the refinery level, and (iv) pursuing businesses that contribute to decarbonization.

On July 1, 2019, Tender Offeror acquired 5,144,000 Company Shares (6.58% of the total number of issued shares at the time) from Showa Shell Sekiyu K.K. by succeeding to the latter company's entire business through a company split, in which Tender Offeror was the absorption-type split succeeding company and Showa Shell Sekiyu K.K. was the splitting company. Later, on March 26, 2024, Tender Offeror acquired 5,051,600 Company Shares (6.46% of the total number of issued shares at the time), which was all Company Shares held by Sumitomo Chemical K.K., through an off-market transaction. As a result, Tender Offeror came to hold 10,195,600 Company Shares (13.04% of the total number of shares issued at the time) and became the Company's top shareholder.

Then, on April 16, 2024, Tender Offeror and the Company concluded an agreement relating to a capital and business alliance, and as part of that capital and business alliance, Tender Offeror acquired all 6,839,920 Company Shares held by K.K. JERA through an off-market transaction on August 1, 2024. This, in combination with the 10,195,600 Company Shares (13.04% of the total number of shares issued at the time) already held by Tender Offeror, brought Tender Offeror's holdings to a total of 17,035,520 Company Shares (21.79% of the total number of shares issued at the time) and made the Company an equity-method affiliate of Tender Offeror.

As part of the preparation of its next medium-term management plan, beginning in late March 2025, Tender Offeror began examining the expected environmental conditions for petroleum products and supply systems based on those conditions. In the course of these activities, Tender Offeror determined that, although domestic fuel oil demand is gradually declining, given that the "Tourism Vision for Supporting Japan's Future" released in March 2024 by the Japan Tourism Agency under the Ministry of Land, Infrastructure, Transport and Tourism set a target of increasing the number of inbound tourists from 31.88 million in 2019 to 60 million in 2030, and that the number of flights to and from Japan is expected to increase as part of efforts to achieve this target, domestic jet fuel demand (Note 11) is expected to increase significantly and, according to a fuel oil demand forecast report that Facts Global Energy (Note 12) released in 2024 that takes into account the policies and economic conditions of

different countries, overseas fuel oil demand, particularly in the Asia-Pacific region, is projected to grow in the medium to long term, and thus demand is expected to remain steady, while the time necessary to respond to equipment problems at refineries and perform regular maintenance has been trending longer due to work style reforms, Tender Offeror concluded that strengthening the petroleum product supply system will be crucial to the fulfillment of its social responsibility for ensuring stable energy supply in the future. In light of these considerations, Tender Offeror came to believe that it is essential to make the Company a wholly-owned subsidiary to achieve more flexible and rapid decision-making, and form the Tender Offeror Group and the Company into an integral whole to build production systems rooted in a long-term perspective and thereby establish a stable energy supply foundation. In mid-April 2025, Tender Offeror provided initial notice to the Company that it had begun considering the Transactions, for the main purpose of strengthening supply systems.

(Note 11) “Jet fuel” means a type of liquid fuel produced by refining crude oil, similar to gasoline and diesel, that is used to power the jet engines on aircraft.

(Note 12) “Facts Global Energy” refers to a global energy consulting company in the U.K. that provides key independent research, analysis, consulting, and advisory services relating to the oil, gas/LNG, and NGL markets.

When conducting examination related to the Transactions, in late March 2025, Tender Offeror engaged Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as a legal advisor independent from the Tender Offeror Group and the Company Group, and in mid-April 2025, Tender Offeror engaged JPMorgan Securities Japan Co., Ltd. (“JPMorgan Securities”) as a financial advisor and third-party calculation agency independent from the Tender Offeror Group and the Company Group.

Around mid-April 2025, Tender Offeror came to believe that, under the current circumstances in which the Company operated independently as a listed company under an equity-method investment structure, both companies were operating under their own management policies, and therefore, they were unable to fully and reciprocally utilize their business bases, such as refining facilities, human resources, and information, and consequently, there were certain limits on the generation of synergies. This is why Tender Offeror believes that delisting the Company Shares and engaging in business activities under the same corporate structure and same management policies will make it possible to realize even deeper collaborative structures and to achieve more flexible and rapid decision-making, and that they will be able to further develop the fuel oil businesses of both companies by pursuing greater synergies than when the Company became an equity-method affiliate, as described below.

(1) Pursuit of optimization of petroleum product production systems

Tender Offeror believes that by rapidly exchanging products and feedstocks between the two companies in response to various changes in supply and demand, including sudden equipment problems, it will be possible to supply petroleum products both swiftly and efficiently.

(2) Creation of stable energy supply foundations based on a long-term perspective

By effectively using piers and tanks and otherwise making capital investment and engaging in shared use throughout the group, it is expected that foundations can be created for more efficient stable energy supply.

(3) Enhanced cost competitiveness through shared use and integration of the functions and infrastructure of both companies

Centralization of raw material and equipment procurement and procurement of construction-related materials can be expected to reduce costs even further. Also, use of the Company’s pier, one of the largest in the country, can be expected to reinforce competitiveness through efficient import and export operations.

(4) Creation of a supply structure for low-carbon energy

The Company's Sodegaura Refinery and Tender Offeror's Chiba Site will work together to implement structural reforms based on a long-term perspective, and we will examine the construction of low-carbon energy supply bases.

Based on the above, on May 13, 2025, Tender Offeror submitted to the Company a non-binding initial proposal (the "Initial Proposal") to acquire all Company Shares (excluding treasury shares held by the Company) and delisting the Company by making it a wholly-owned subsidiary of Tender Offeror.

Generally speaking, the disadvantages of delisting shares include reduced fundraising capacity, impacts on business partners and other stakeholders, and decreased employment motivation. However, the Company has already earned high credibility from stakeholders in society, and after implementation of the Transactions, the Company will be able to enhance corporate value at the group level through the realization of synergies with Tender Offeror while also being able to leverage the financial strength, recognition, brand power, and social credibility of Tender Offeror Group, and therefore, it is believed that the disadvantages of delisting through the Transactions are limited.

Tender Offeror initially proposed turning the Company into a wholly-owned subsidiary, but subsequently, as it continued examining the maximization of synergies and enhancement of the Company Group's corporate value, it reached the conclusion that it would be optimal, from the perspective of the stability of crude oil supply to the Tender Offeror Group including the Company after implementation of the Tender Offer, for the Non-Tendering Shareholder and Kuwait Oil Company, which is the Company's third-largest shareholder (shares owned: 5,811,390 shares; ownership ratio: 7.52%), both of which are stable crude oil suppliers who support the Tender Offeror Group's oil refinery business, to remain Company Shareholders after the delisting of Company Shares as Tender Offeror maintains and further strengthens its relationships with both parties. Tender Offeror began discussions with the Non-Tendering Shareholder in early July 2025 and with Kuwait Oil Company in early June 2025 and explained that Tender Offeror envisions that they will remain shareholders of the Company even after the Transactions, and the discussions continued thereafter. Furthermore, discussion of the specific contract terms proceeded, and on September 11, 2025, Tender Offeror concluded the Non-Tendering Agreement with the Non-Tendering Shareholder. Tender Offeror also proceeded with discussions regarding specific contract terms with Kuwait Oil Company, but in early September 2025, Kuwait Oil Company indicated its intention to sell its Company Shares in connection with the Transactions. In response, Tender Offeror confirmed that Kuwait Oil Company intends to tender all of the Company Shares that it holds in the Tender Offer (however, no contract regarding an agreement to tender has been concluded).

In addition, Tender Offeror conducted due diligence of the Company from mid-June to early September 2025.

Thereafter, the Tender Offeror further examined the terms and conditions of, as well as other matters pertaining to, the Transactions, including the purchase price per Company Share in the Tender Offer (the "Tender Offer Price"). As a result, the Tender Offeror made the first proposal to the Company and the Special Committee (as defined in "[3] The Decision-Making Process Leading to the Company's Support of the Tender Offer; Reasons" in "(2) Basis and Reasons for the Opinion" below; the same applies hereinafter) on August 8, 2025, with the Tender Offer Price set at 400 yen, taking into account all factors as a whole, including the following: (i) the proposed price was above 320 yen, the closing price of the Company Shares on the TSE Prime Market on the same date, above 325 yen, the simple average closing price for the latest one-month period (rounded to the nearest whole number; the same applies hereinafter

to calculation of simple average closing prices), above 304 yen, the simple average closing price for the latest three-month period, and above 303 yen, the simple average closing price for the past six-month period; and (ii) the following premiums have been added to the Company Shares: (a) 25.00% (rounded to the nearest hundredth; the same applies hereinafter to calculation of the premium rate on share prices) over 320 yen, which is the closing price of the Company Shares on the TSE Prime Market on August 8, 2025; (b) 31.58% over 304 yen, the simple average closing price for the latest three-month period; and (c) 32.01% over 303 yen, the simple average closing price for the latest six-month period. In addition, the Tender Offeror proposed to the Company and the Special Committee in the initial proposal that it expected the Non-Tendering Shareholder and Kuwait Oil Company to remain as shareholders of the Company even after the Transactions, and that the Tender Offeror would set a lower limit on the number of shares to be purchased in the Tender Offer so that the Tender Offeror's ownership ratio would be 35.05% after successful completion of the Tender Offer. Subsequently, on August 16, 2025, the Tender Offeror received from the Special Committee a request to reconsider the Tender Offer Price because the Special Committee judged the proposed price to be insufficient as a price resulting from a fair distribution of the increase in the Company's corporate value expected to be realized through implementation of the Transactions to general shareholders of the Company, as a result of comprehensively taking into consideration matters such as the following: (i) the results of the share valuation by Mizuho Securities Co., Ltd. ("Mizuho Securities"), the financial advisor and third-party calculation agency of the Company, and Plutus Consulting ("Plutus"), the third-party calculation agency of the Special Committee; (ii) premium levels in cases of transactions similar to the Transactions (specifically, tender offer cases which were publicly announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry released the M&A Guidelines, in which the tender offers, contemplating to delist listed companies that were equity-method affiliates, were completed successfully (excluding cases in which leaked media coverage was made); (iii) fluctuations in the market price of the Company Shares (including 565 yen, the closing price of the Company Shares on June 14, 2024); and (iv) synergies expected to be realized through implementation of the Transactions. In addition, the Special Committee also requested that the Tender Offeror (i) reconsider the handling of the Non-Tendering Shareholder and Kuwait Oil Company because the Special Committee believed that it was important for the Tender Offeror to acquire all of the Company Shares in the Transactions, taking into consideration the fact that there were currently no oil transactions between the Company and the Non-Tendering Shareholder and Kuwait Oil Company, the perspective of giving explanations to general shareholders, and enhancing the Company's corporate value; and (ii) reconsider the lower limit on the number of shares to be purchased, because the Special Committee believed it important to set a lower limit that met both the level at which the proposals related to the Share Consolidation would be surely passed (two-thirds or more of the voting rights of the Tender Offeror after the Tender Offer) and what is known as the majority of minority ("MoM") level, from the perspective of appropriateness of the terms and conditions of the Transactions and fairness of procedures (including avoiding coercion of general shareholders).

On August 21, 2025, the Tender Offeror made the second proposal to the Company and the Special Committee, with the Tender Offer Price set at 425 yen, because it believed that the proposed price would provide an opportunity for shareholders of the Company Shares to sell their shares at a reasonable price, based on the following: (i) the proposed price was above 320 yen, the closing price of the Company Shares on the TSE Prime Market on August 20, 2025, above 327 yen, the simple average closing price for the latest one-month period, above 309 yen, the simple average closing price for the latest three-month period, and above 302 yen, the simple average closing price for the latest six-month period; and (ii) the following premiums have been added to the Company Shares: (a) 32.81% over 320 yen, the

closing price of the Company Shares on the TSE Prime Market on the same date, (b) 37.54% over 309 yen, the simple average closing price for the latest three-month period, and (c) 40.73% over 302 yen, the simple average closing price for the latest six-month period. The Tender Offeror also proposed to the Company and the Special Committee in the second proposal that it was necessary to have the Non-Tendering Shareholder and Kuwait Oil Company remain as shareholders of the Company after the Transactions based on the following reasons, among others: (i) while the Company does not engage in any oil transactions with large shareholders, the Tender Offeror believes that leaving room to have diverse oil suppliers in the future, through procurement from the Non-Tendering Shareholder and Kuwait Oil Company, will be advantageous to its corporate value, from the perspective of increasing stability of oil procurement by the Company and enhancing its competitiveness, (ii) the Tender Offeror expects to generate synergies with the Company while leveraging its existing business relationships with the Non-Tendering Shareholder and Kuwait Oil Company and maintaining good relationships with them, and (iii) since the Non-Tendering Shareholder and Kuwait Oil Company consist of the government of an oil-producing country and a state-owned oil corporation, it is possible to explain to general shareholders of the Company that they are shareholders of a different nature from general shareholders. The Tender Offeror further proposed to the Company and the Special Committee in the second proposal that it believed that it was necessary and appropriate to set a lower limit on the number of shares to be purchased in the Tender Offer so that the Tender Offeror's ownership ratio would be 35.05% after successful completion of the Tender Offer, from the perspective of enhancing the stability of successful completion of the Tender Offer and providing reasonable sales opportunities to general shareholders of the Company, and bringing the proposals for the Share Consolidation to a level at which they can be approved, based on matters such as the number of shares held by passive index management funds, the ratio of voting rights exercised at the most recent five ordinary shareholders meetings of the Company, and the ratio of voting rights exercised at special shareholders meetings at which proposals for share consolidations are made tending to decrease compared to that in ordinary shareholders meetings.

Subsequently, on August 26, 2025, the Tender Offeror received from the Special Committee a request to reconsider the Tender Offer Price because the Special Committee judged the proposed price to be still insufficient as a price resulting from a fair distribution of the increase in the Company's corporate value expected to be realized through implementation of the Transactions to general shareholders of the Company, as a result of comprehensively taking into consideration matters such as the following: (i) the results of the share valuation by Mizuho Securities, the financial advisor and third-party calculation agency of the Company, and Plutus, the third-party calculation agency of the Special Committee; (ii) premium levels in cases of transactions similar to the Transactions (specifically, tender offer cases which were publicly announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry released the M&A Guidelines, in which the tender offers, contemplating to delist listed companies that were equity-method affiliates, were completed successfully (excluding cases in which leaked media coverage was made); (iii) fluctuations in the market price of the Company Shares (including 565 yen, the closing price of the Company Shares on June 14, 2024); and (iv) synergies expected to be realized through implementation of the Transactions. In addition, the Special Committee also requested that the Tender Offeror (i) reconsider the handling of the Non-Tendering Shareholder and Kuwait Oil Company because the Special Committee believed that it was important for the Tender Offeror to acquire all of the Company Shares in the Transactions, taking into consideration the fact that there were currently no oil transactions between the Company and the Non-Tendering Shareholder and Kuwait Oil Company, the perspective of giving explanations to general shareholders, and enhancing the Company's corporate value; and (ii) reconsider the lower limit on the number of shares to be purchased,

because the Special Committee believed it important to set a lower limit that met both the level at which the proposals related to the Share Consolidation would be surely passed (two-thirds or more of the voting rights of the Tender Offeror after the Tender Offer) and the MoM level, from the perspective of appropriateness of the terms and conditions of the Transactions and fairness of procedures (including avoiding coercion of general shareholders).

On August 28, 2025, the Tender Offeror made the third proposal to the Company and the Special Committee, with the Tender Offer Price set at 450 yen, because it believed that the proposed price would provide an opportunity for shareholders of the Company Shares to sell their shares at a reasonable price, based on the following: (i) the proposed price was above 338 yen, the closing price of the Company Shares on the TSE Prime Market on August 27, 2025, above 332 yen, the simple average closing price for the latest one-month period, above 313 yen, the simple average closing price for the latest three-month period, and above 303 yen, the simple average closing price for the latest six-month period; and (ii) the following premiums have been added to the Company Shares: (a) 33.14% over 338 yen, the closing price of the Company Shares on the TSE Prime Market on the same date, (b) 35.54% over 332 yen, the simple average closing price for the latest one-month period, (c) 43.77% over 313 yen, the simple average closing price for the latest three-month period, and (d) 48.51% over 303 yen, the simple average closing price for the latest six-month period. The Tender Offeror also proposed to the Company and the Special Committee in the third proposal that it was necessary to have the Non-Tendering Shareholder and Kuwait Oil Company remain as shareholders of the Company after the Transactions based on the following reasons, among others: (i) while the Company does not engage in any oil transactions with large shareholders, the Tender Offeror believes that leaving room to have diverse oil suppliers in the future, through procurement from the Non-Tendering Shareholder and Kuwait Oil Company, will be advantageous to its corporate value, from the perspective of increasing stability of oil procurement by the Company and enhancing its competitiveness, and (ii) the Tender Offeror expects to generate synergies with the Company while leveraging its existing business relationships with the Non-Tendering Shareholder and Kuwait Oil Company and maintaining good relationships with them. The Tender Offeror further proposed to the Company and the Special Committee in the third proposal that setting a lower limit on the number of shares to be purchased in the Tender Offer so that the Tender Offeror's ownership ratio would be 35.05% after successful completion of the Tender Offer would be appropriate, from the perspective of enhancing the stability of successful completion of the Tender Offer, based on matters such as setting a lower limit that meets the MoM level could instead harm the sales opportunity for general shareholders of the Company who want to sell their Company Shares in the Tender Offer. Subsequently, on September 1, 2025, the Tender Offeror received from the Special Committee a request to reconsider the Tender Offer Price because the Special Committee judged the proposed price to be still insufficient as a price resulting from a fair distribution of the increase in the Company's corporate value expected to be realized through implementation of the Transactions to general shareholders of the Company, as a result of comprehensively taking into consideration matters such as the following: (i) the results of the share valuation by Mizuho Securities, the financial advisor and third-party calculation agency of the Company, and Plutus, the third-party calculation agency of the Special Committee; (ii) premium levels in cases of transactions similar to the Transactions (specifically, tender offer cases which were publicly announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry released the M&A Guidelines, in which the tender offers, contemplating to delist listed companies that were equity-method affiliates, were completed successfully (excluding cases in which leaked media coverage was made); (iii) fluctuations in the market price of the Company Shares (including 565 yen, the closing price of the Company Shares on June 14, 2024); and

(iv) synergies expected to be realized through implementation of the Transactions. In addition, the Special Committee also requested that the Tender Offeror (i) reconsider the handling of the Non-Tendering Shareholder and Kuwait Oil Company taking into consideration the possibility that the Non-Tendering Shareholder and Kuwait Oil Company remaining as shareholders of the Company after the Transactions could cause general shareholders to question whether the Non-Tendering Shareholder and Kuwait Oil Company judged the Tender Offer Price to be insufficient; and (ii) reconsider the lower limit on the number of shares to be purchased, because the Special Committee believed it important to set a lower limit that met both the level at which the proposals related to the Share Consolidation would be surely passed (two-thirds or more of the voting rights of the Tender Offeror after the Tender Offer) and the MoM level, from the perspective of appropriateness of the terms and conditions of the Transactions and fairness of procedures (including avoiding coercion of general shareholders).

On September 2, 2025, the Tender Offeror made the fourth proposal to the Company and the Special Committee, with the Tender Offer Price set at 470 yen, because it believed that the proposed price would provide an opportunity for shareholders of the Company Shares to sell their shares at a reasonable price, based on the following: (i) the proposed price was above 336 yen, the closing price of the Company Shares on the TSE Prime Market on September 1, 2025, above 333 yen, the simple average closing price for the latest one-month period, above 315 yen, the simple average closing price for the latest three-month period, and above 304 yen, the simple average closing price for the latest six-month period; and (ii) the following premiums have been added to the Company Shares: (a) 39.88% over 336 yen, the closing price of the Company Shares on the TSE Prime Market on the same date, (b) 41.14% over 333 yen, the simple average closing price for the latest one-month period, (c) 49.21% over 315 yen, the simple average closing price for the latest three-month period, and (d) 54.61% over 304 yen, the simple average closing price for the latest six-month period. The Tender Offeror again proposed to the Company and the Special Committee in the fourth proposal that it was necessary to have the Non-Tendering Shareholder and Kuwait Oil Company remain as shareholders of the Company after the Transactions. The Tender Offeror further proposed to the Company and the Special Committee in the fourth proposal to set a lower limit on the number of shares to be purchased in the Tender Offer (at the amount resulting from (i) multiplying by two-thirds the total number of issued shares of the Company less the number of treasury shares owned by the Company and (ii) then deducting the number of shares owned by the Tender Offeror, the number of shares owned by the Non-Tendering Shareholder and Kuwait Oil Company, the number of shares owned by the passive index funds which were estimated conservatively to the extent possible, and the number of Restricted Shares owned by the Company's directors and executive officers) so that the Tender Offeror's ownership ratio would be 48.05% after successful completion of the Tender Offer. Subsequently, on September 4, 2025, the Tender Offeror received from the Special Committee a request to reconsider the Tender Offer Price because the Special Committee judged the proposed price to be still insufficient as a price resulting from a fair distribution of the increase in the Company's corporate value expected to be realized through implementation of the Transactions to general shareholders of the Company, as a result of comprehensively taking into consideration matters such as the following: (i) the results of the share valuation by Mizuho Securities, the financial advisor and third-party calculation agency of the Company, and Plutus, the third-party calculation agency of the Special Committee; (ii) premium levels in cases of transactions similar to the Transactions (specifically, tender offer cases which were publicly announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry released the M&A Guidelines, in which the tender offers, contemplating to delist listed companies that were equity-method affiliates, were completed successfully (excluding cases in which leaked media coverage was made); (iii) fluctuations in the market price of the Company

Shares (including 565 yen, the closing price of the Company Shares on June 14, 2024); and (iv) synergies expected to be realized through implementation of the Transactions. In addition, the Special Committee also requested that the Tender Offeror (i) reconsider the handling of the Non-Tendering Shareholder (Kuwait Oil Company had decided that it would tender in the Tender Offer in early September 2025, and the Tender Offeror decided to respect that decision), taking into consideration the possibility that the Non-Tendering Shareholder remaining as a shareholder of the Company after the Transactions could cause general shareholders to question whether the Non-Tendering Shareholder judged the Tender Offer Price to be insufficient; and (ii) reconsider the lower limit on the number of shares to be purchased, because the Special Committee believed it important to set a lower limit that met both the level at which the proposals related to the Share Consolidation would be surely passed (two-thirds or more of the voting rights of the Tender Offeror after the Tender Offer) and the MoM level, from the perspective of appropriateness of the terms and conditions of the Transactions and fairness of procedures (including avoiding coercion of general shareholders).

On September 5, 2025, the Tender Offeror made the final proposal to the Company and the Special Committee, with the Tender Offer Price set at 480 yen, because it believed that the proposed price would provide an opportunity for shareholders of the Company Shares to sell their shares at a reasonable price, based on the following: (i) the proposed price was above 340 yen, the closing price of the Company Shares on the TSE Prime Market on September 4, 2025, above 334 yen, the simple average closing price for the latest one-month period, above 317 yen, the simple average closing price for the latest three-month period, and above 305 yen, the simple average closing price for the latest six-month period; and (ii) the following premiums have been added to the Company Shares: (a) 41.18% over 340 yen, the closing price of the Company Shares on the TSE Prime Market on the same date, (b) 43.71% over 334 yen, the simple average closing price for the latest one-month period, (c) 51.42% over 317 yen, the simple average closing price for the latest three-month period, and (d) 57.38% over 305 yen, the simple average closing price for the latest six-month period. The Tender Offeror also proposed to the Company and the Special Committee in the final proposal to set a lower limit on the number of shares to be purchased in the Tender Offer (at the amount resulting from (i) multiplying by two-thirds the total number of issued shares of the Company less the number of treasury shares owned by the Company and (ii) then deducting the number of shares owned by the Tender Offeror, the number of shares owned by the Non-Tendering Shareholder, the number of shares owned by the passive index funds who stated in the interviews conducted by the Tender Offeror that they do not intend to tender in tender offers, but in principle intend to exercise their voting rights in support of proposals for share consolidations at shareholders' meetings in squeeze-out procedures thereafter, and the number of Restricted Shares owned by the Company's directors and executive officers) so that the Tender Offeror's ownership ratio would be 57.91% after successful completion of the Tender Offer. Subsequently, on September 7, 2025, the Tender Offeror received from the Special Committee a response that it intended to submit a report to the Company's Board of Directors to the effect that, on the assumption that the commencement of the Tender Offer would be announced on September 9, 2025, implementation of the Transactions is considered to be fair for the Company's general shareholders. Then, on September 8, 2025, the Tender Offeror communicated to the Company and the Special Committee that it was considering making the public announcement of the commencement of the Tender Offer on September 11, 2025, in response to which, on September 10, 2025, the Committee again considered the content of the Tender Offeror's proposal and decided that it would report to the Company's Board of Directors that it believed the implementation of the Transactions would be fair to the Company's general shareholders. Although the Tender Offer Price is lower than the consolidated book value of net assets per share (882.62 yen) calculated based on

the Company's consolidated book value as of the end of June 2025, given that the consolidated book value of net assets per share represents the expected value that would be realized in the case where a company is dissolved and liquidated at the present time (the "Liquidation Value") and is equivalent to the amount in the case where it is assumed that all assets and liabilities held by a company could be sold at book value, (a) the Tender Offeror intends to have the Company continue business activities after the Transactions and does not intend to dissolve or liquidate the Company, and therefore it would not be reasonable to place importance on the consolidated book value of net assets per share in the valuation of the share value of the Company, which is a going concern, and further, (b) it would not be appropriate to estimate that the consolidated book value of net assets represents the Liquidation Value because the Company will incur costs, including substantial depreciation associated with disposals of machinery, equipment, and delivery equipment which have specifications unique to the Company and thereby lack versatility; due to these and other factors, the Liquidation Value per share could be below the Tender Offer Price.

Given these circumstances, Tender Offeror decided in a Board of Directors resolution dated September 11, 2025 to implement the Tender Offer with a Tender Offer Price of 480 yen.

(ii) Post-Tender Offer Managerial Policy

The concrete business strategies of the Tender Offeror Group and the Company Group after the delisting of Company Shares by Tender Offeror will be determined through future discussion between Tender Offeror and the Company, but it is believed that the fundamental policy will be to realize deeper collaborative systems and achieve more flexible and rapid decision-making in pursuit of the optimization of petroleum product production systems. Furthermore, the Company and the Tender Offeror Group will form an integral whole to create production systems rooted in a long-term perspective, thus creating a foundation for the stable supply of energy and contributing to Japan's energy security.

Also, with respect to the Company's management structures after the Transactions, Tender Offeror has reached agreement with the Non-Tendering Shareholder and in the Non-Tendering Agreement to the effect that the Non-Tendering Shareholder will have the right to nominate one outside Director of the Company, and Tender Offeror plans to decide the other matters through future discussion with the Company. Tender Offeror, which has two part-time directors seconded to the Company, plans to continue seconding a certain number of directors to the Company after the Transactions and expects such policy to help strengthen the collaborative structures even further.

Management structures after the Transactions will presume the maintenance of the employment of Company Group employees, and no major changes in employment conditions are expected.

[3] The Decision-Making Process Leading to the Company's Support of the Tender Offer; Reasons

As set forth in "(i) Background, Purpose, and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer" in "[2] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy," the Company received the Initial Proposal on May 13, 2025. Upon receiving the Initial Proposal, to ensure the fairness of the Tender Offer Price and the fairness of the Transactions including the Tender Offer, in mid-May 2025, the Company engaged Mizuho Securities as a financial advisor and third-party calculation agency independent from the Company Group and the Tender Offeror Group, and the success or failure of the Transactions, and engaged Iwata Godo ("Iwata Godo") as a legal advisor independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions.

In addition, in light of the fact that the Transactions will constitute an acquisition of an equity-method affiliate by a major shareholder and top Company shareholder, and the fact that there are structural conflicts of interest and information asymmetry issues between Tender Offeror and the Company or the Company's general shareholders, with the aim of exercising caution in the Company's decision-making regarding the Transactions, eliminating the risk of arbitrariness and conflicts of interest in the decision-making process of the Company's Board of Directors, and ensuring fairness, the Company established, by resolution of a meeting of its Board of Directors held on May 22, 2025, a special committee (the "Special Committee") that would be independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and that would consist of three members: Mr. Ryo Sato (outside director of the Company), Ms. Mutsumi Kanai (outside auditor of the Company and certified public accountant), and Mr. Mikiharu Mori (attorney and representative partner at Tokyo International Law Office), who was recommended by Iwata Godo for his extensive knowledge and insight as a corporate attorney (for information concerning the background to the establishment of the Special Committee, the background of its investigations, and its decisions, see "[4] Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee" in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer"). Further, the Special Committee decided on June 11, 2025 to engage Plutus as the Special Committee's independent third-party calculation agency, in consideration of Plutus' expertise, track record, etc. and the fact that Plutus is independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions. In addition, as discussed below in "[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company" in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer," the Company established an internal framework to consider, negotiate, and make decisions regarding the Tender Offer from a perspective independent from the Tender Offeror Group and the Company Group (including the scope of Company officers and employees who would be involved in such consideration, negotiation, and decision-making relating to the Tender Offer, and their duties), and proceeded with its examination of the Tender Offer.

Following the establishment of the above-referenced internal framework, the Special Committee, while receiving advice from Mizuho Securities and Iwata Godo, conducted discussions and negotiations regarding the terms and conditions of the Transactions including the Tender Offer Price with Tender Offeror through Mizuho Securities, the Company's financial advisor.

Specifically, on August 8, 2025, the Company and Special Committee received from Tender Offeror an initial proposal relating to the Tender Offer for Company Shares, under which, on the assumption that the Non-Tendering Shareholder and Kuwait Oil Company would remain shareholders of the Company even after the Transactions, the Tender Offer Price was set at 400 yen per share (a 25.00% premium over the closing price for the Company Shares on the TSE Prime Market of 320 yen at that time) and the minimum number of shares to be purchased was such that Tender Offeror's ownership ratio after the completion of the Tender Offer would be 35.05%. In response, the Special Committee comprehensively considered the proposal, because [1] with respect to the proposed price, considering (a) the results of analyses using the DCF method of the Company Share valuation by Mizuho Securities and by Plutus (including the results of multi-faceted analyses of the shares of affiliated companies and loss carryforwards for which multiple valuation methods can conceivably be used) (b) the premium levels in examples of transactions similar to the Transactions (specifically, TOBs (excluding TOBs where leaked

information was reported) intended to delist a listed equity-method affiliate which were announced and successfully completed on and after June 28, 2019, the date the M&A Guidelines were released by the Ministry of Economy, Trade and Industry), (c) fluctuations in the market price of the Company Shares, and (d) the synergy effects expected to be achieved through implementation of the Transactions (including synergy effects in doing business as well as synergy effects from the further utilization of loss carryforwards expected in a case where Tender Offeror reduces the Company's capital after the Transactions), the Special Committee believed that the increase in corporate value expected to be realized by implementation of the Transactions was at an insufficient level as a fair distribution price to the Company's general shareholders; and [2] with respect to the minimum number of shares to be purchased, from the perspective of the fairness and reasonableness of the transactional terms and conditions and the fairness of procedures, the Special Committee believed that the minimum should be set so as to satisfy the so-called MoM level (MoM here refers to the threshold number of shares that exceed the majority (24,291,018 shares) of 48,582,035 shares, calculated by subtracting the number of Company Shares held by Tender Offeror (17,035,520 shares), the number of Non-Tendered Shares (5,811,390 shares) and the number of Company Shares held by Kuwait Oil Company (5,811,390 shares) as of today from the Reference Number of Shares (77,240,335 shares)), and on August 16, 2025, the Special Committee requested that Tender Offeror reconsider the details of its proposal in relation to the Tender Offer Price and minimum number of shares to be purchased.

Then, on August 21, 2025, the Company and the Special Committee received a second proposal from Tender Offeror setting the Tender Offer Price at 425 yen per share (a premium of 29.97% over the closing price of 327 yen for the Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Oil Company would remain as shareholders of the Company after the Transactions, and to maintain the minimum number of shares to be purchased such that Tender Offeror's ownership ratio would be 35.05% after the Tender Offer was completed. Upon receiving this proposal, the Special Committee, (1) after comprehensive consideration based on (a) to (d) above, considered the proposed price to be of an insufficient level in terms of a price that would fairly distribute to the Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum number of shares to be purchased that satisfies the above MoM level be set, and again requested on August 26, 2025 that Tender Offeror reconsider the details of the proposal including the Tender Offer Price.

Later, on August 28, 2025, the Company and the Special Committee received a third proposal from Tender Offeror setting the Tender Offer Price at 450 yen per share (a premium of 33.53% over the closing price of 337 yen for the Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Oil Company would remain as shareholders of the Company after the Transactions, and to maintain the minimum number of shares to be purchased such that Tender Offeror's ownership ratio would be 35.05% after the Tender Offer was completed. Upon receiving this proposal, the Special Committee, (1) regarding the proposed price, after comprehensive consideration based on (a) to (d) above, considered the price to be an insufficient level as a price that would fairly distribute to the Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) regarding the minimum number of shares to be purchased, from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum that satisfies the above MoM level be set, and again requested on September 1, 2025 that Tender Offeror reconsider the details

of the proposal including the Tender Offer Price.

Subsequently, on September 2, 2025, the Company and the Special Committee received a fourth proposal from Tender Offeror that the Tender Offer Price be set at 470 yen per share (a premium of 37.83% over the closing price of 341 yen for the Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Oil Company would remain as shareholders of the Company after the Transactions, that the minimum number of shares to be purchased would be set to make Tender Offeror's ownership ratio 48.05% after the Tender Offer was completed, and that Tender Offeror would not plan to raise the Tender Offer Price or to reduce the number of shares to be purchased going forward. Upon receiving this proposal, the Special Committee, (1) regarding the proposed price, after comprehensive consideration based on (a) to (d) above, considered the price to be an insufficient level as a price that would fairly distribute to the Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) regarding the minimum number of shares to be purchased, from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum that satisfies the above MoM level be set, and again requested on September 4, 2025 that Tender Offeror reconsider the details of the proposal including the Tender Offer Price.

Following this, on September 5, 2025, the Company and the Special Committee received the fifth proposal from Tender Offeror that the Tender Offer Price be set at 480 yen per share (a premium of 39.94% over the closing price of 343 yen for the Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder would remain as a shareholder of the Company after the Transactions (according to Tender Offeror, in early September 2025, Kuwait Oil Company indicated its intent to take the Transactions as an opportunity to sell its Company Shares, and Tender Offeror confirmed Kuwait Oil Company's intent to tender all of the Company Shares held by it (5,811,390 shares; ownership ratio: 7.52%) in the Tender Offer), that the minimum number of shares to be purchased would be set to make Tender Offeror's ownership ratio 57.91% after the Tender Offer was completed, and that Tender Offeror had no plan to make another proposal going forward, because this proposal was the result of giving maximum deference to the opinions of the Special Committee, and because Tender Offeror was accountable to its shareholders and needed to make efforts to maintain the stability of the Transactions. Upon receiving this proposal, the Special Committee, (1) believing the proposed price to be of a sufficient level as a price that would fairly distribute to the Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) believing that the minimum number of shares to be purchased would satisfy the MoM level (MoM here refers to the threshold number of shares that exceeds the majority (27,196,713 shares) of 54,393,425 shares, calculated by subtracting the number of Company Shares held by Tender Offeror (17,035,520 shares) and the number of Non-Tendered Shares (5,811,390 shares) as of today from the Reference Number of Shares (77,240,335 shares)), and would also ensure the fairness and appropriateness of the transaction terms and conditions as well as procedural fairness, responded to Tender Offeror on September 7, 2025 that on the presumption that the commencement of the Tender Offer would be publicly announced on September 9, 2025, it would provide the Company's Board of Directors with opinions including to the effect that the implementation of the Transactions appeared to be fair to the Company's general shareholders.

On September 8, 2025, the Company and the Special Committee were notified by Tender Offeror to the effect that it was considering publicly announcing the commencement of the Tender Offer on September 11, 2025, and on September 10, 2025, the Special Committee gave consideration again to the content of Tender Offeror's proposal and decided to advise the Company's Board of Directors to the

effect that the implementation of the Transactions appeared to be fair to the Company's general shareholders.

Furthermore, on September 11, 2025, the Company carefully discussed and considered whether the Transactions would contribute to enhancement of the Company's corporate value and whether the terms and conditions of the Transactions were appropriate, in light of the content of the September 10, 2025 share valuation report received from Mizuho Securities (the "Company Share Valuation Report (Mizuho Securities)"), the content of the September 10, 2025 share valuation report received from Plutus (the "Special Committee Share Valuation Report (Plutus)"), and legal advice concerning points of note for the decision-making with regard to the Transactions including the Tender Offer received from Special Committee legal advisor Iwata Godo, and with utmost deference to the content of the report submitted by the Special Committee on September 10, 2025 (the "Report").

As a result, the Company has concluded, from the following perspectives, that the Transactions will contribute to enhancing the Company's corporate value.

Specifically, the Company believes that the Transactions will enable it to achieve the synergies listed in (a) to (e) below, and based on this, has determined that the Transactions will contribute to enhancing the Company's corporate value.

(a) Optimization of petroleum product production structures

Currently, the Sodegaura Refinery is the only refinery owned by the Company, which makes it impossible to exchange hydrocarbon oil with other refineries, but the Company believes that implementing the Transactions and thereby adding the Company to the Tender Offeror Group will enable rapid and efficient responses, through exchanges of hydrocarbon oil with five refineries owned by Tender Offeror in the event of any equipment problems or sudden changes in supply and demand at the Sodegaura Refinery.

(b) Establishing a stable energy supply foundation by building production systems rooted in a long-term perspective

The Company has unique customers other than Tender Offeror, and therefore believes that Tender Offeror can expand and enhance its supply structures. At the same time, the Company believes that being able to consolidate its customers within Tender Offeror will lead to improved sales prices and productivity for the Company.

(c) Joint management of regular maintenance work

The costs necessary for regular maintenance work, including labor costs, have increased greatly in recent years, and workstyle reforms have meant longer work periods, resulting in longer periods when refineries are unable to operate. In light of these circumstances, the Company believes that pursuing further cooperation with Tender Offeror and performing joint management initiatives such as optimization of regular maintenance work timing and personnel allocation during regular maintenance work will lead to reduced costs and shortened work periods in connection with regular maintenance.

(d) Cost reductions for both companies through centralization of raw material and equipment procurement and expansion of both companies' existing businesses through maximally effective use of facilities including the Company's pier which is one of the largest in Japan

In addition to cost reductions achieved through centralization of raw material and equipment procurement, it is believed that cost reductions through centralization of subsidiary material procurement can also be expected. Also, while the Company has found it difficult in the past to compare costs with other refineries, the Company believes that by using information provided by Tender Offeror, which operates multiple refineries, it will be possible to identify the strengths and weaknesses of the Company's Sodegaura Refinery and by extension identify areas that should be strengthened and improved, enabling management decisions that contribute to further business development.

- (e) Transformation of the Company's Sodegaura Refinery and Tender Offeror's Chiba Site into low-carbon energy supply sites by implementing structural reforms from a long-term perspective

The Company's Sodegaura Refinery and Tender Offeror's Chiba Site are located close to one another, and therefore, it is believed that it is possible for one facility to continue supplying petroleum products while the other converts to a new fuel supply site. The Company also believes that the establishment of a major carbon-neutral center that connects the Company's Sodegaura Refinery, Tender Offeror's Chiba Site, and other facilities with pipelines to accommodate products and raw materials among them can be expected.

Furthermore, with respect to the Tender Offer Price, based on the discussions and negotiations described above as well as the points discussed below in (i) to (ix), the Special Committee concluded that the Tender Offer Price is appropriate and that the Company's shareholders are provided a reasonable opportunity to sell their shares.

- (i) According to the results of the share valuation of the Company Shares set forth in the Company Share Valuation Report (Mizuho Securities) prepared by Mizuho Securities as described in "[1] Obtaining Stock Valuation Report from Third-Party Calculation Agency Independent from the Company" in "(3) Matters Relating to Calculations" below, the Tender Offer Price exceeds the upper limit of the market price method calculation results, falls within the range of the DCF method calculation results, and represents an amount that exceeds the median value;
- (ii) According to the results of the share valuation of the Company Shares set forth in the Special Committee Share Valuation Report (Plutus) prepared by Plutus as described in "[2] Obtaining Stock Valuation Report and Fairness Opinion from Independent Third-Party Calculation Agency by the Special Committee" in "(3) Matters Relating to Calculations" below, the Tender Offer Price exceeds the upper limit of the market price method calculation results, falls within the range of the DCF method calculation results, and represents an amount that exceeds the median value, and further, the Fairness Opinion described in "[2] Obtaining Stock Valuation Report and Fairness Opinion from Independent Third Party Calculation Agency by the Special Committee" in "(3) Matters Relating to Calculations" below expresses the opinion that the Tender Offer Price of 480 yen per share is a fair from a financial standpoint to the Company's general shareholders in light of the valuation results of the Company Shares;
- (iii) The Tender Offer Price represents a price that adds the following premiums over the closing price of the Company Shares on the TSE Prime Market on September 8, 2025, the business day preceding the date of announcement of implementation of the Tender Offer, and on the simple averages of past closing prices, and the levels of such premiums are considered reasonable in comparison with the average premium level in comparable cases of other companies (specifically, the average values of premium levels and median values between 45.42% and 59.37% for 21 cases of TOBs (excluding TOBs where leaked information was reported) for delisting a listed equity-method affiliate

announced and successfully completed from June 28, 2019, when the M&A Guidelines were released by the Ministry of Economy, Trade and Industry, to August 22, 2025 (the average values of premium levels of the above 21 cases: 54.48% over the share price on the business day preceding the date of announcement, 57.06% over the simple average closing price for the one month up to the business day preceding the date of announcement, 59.37% over the simple average closing price for the three months up to the business day preceding the date of announcement, and 58.55% over the simple average closing price for the six months up to the business day preceding the date of announcement; and the median values of premium levels of the above 21 cases: 45.42% over the share price on the business day preceding the date of announcement, 50.64% over the simple average closing price for the one month up to the business day preceding the date of announcement, 53.19% over the simple average closing price for the three months up to the business day preceding the date of announcement, and 54.32% over the simple average closing price for the six months up to the business day preceding the date of announcement);

(Valuation Reference Date: September 10, 2025)

	Reference Closing Price	Simple Average of Closing Prices		
		Past 1 Month	Past 3 Months	Past 6 Months
Market Price	332 yen	334 yen	320 yen	305 yen
Premium	44.58%	43.71%	50.00%	57.38%

- (iv) The Tender Offer Price is an amount that (a) exceeds the share acquisition price of 330 yen per share when Tender Offeror acquired Company Shares that were held by Sumitomo Chemical Co. Ltd. (5,051,600 shares, 6.46% of the total number of issued shares at the time) through an off-market transaction on March 26, 2024 and (b) exceeds the share acquisition price of 360 yen per share when Tender Offeror acquired all Company Shares held by K.K. JERA (6,839,920 shares, 8.75% of the total number of issued shares at the time) through an off-market transaction on August 1, 2024;
- (v) Kuwait Oil Company, the Company's third-largest shareholder, is believed to be independent from Tender Offeror, and the fact that Kuwait Oil Company, from such a standpoint, has indicated an intent to tender all of the Company Shares that it holds (5,811,390 shares; ownership ratio: 7.52%) in the Tender Offer can be said to be a factor supporting the fairness of the Tender Offer Price;
- (vi) It is recognized that consideration has been given to the interests of the Company's general shareholders by setting the minimum number of shares to be purchased at a level that satisfies the MoM and through other means, as described in "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below;
- (vii) The Special Committee conducted continuous discussions and negotiations with Tender Offeror through Mizuho Securities, in view of the share valuation results for the Company Shares obtained from the analyses conducted by Mizuho Securities and Plutus and legal advice etc. received from Iwata Godo, and the Tender Offer Price was raised to a level at which Tender Offeror asserted multiple times that it has no plans to further increase the price;
- (viii) The Special Committee expressed an opinion regarding the terms and conditions of the Transactions other than the Tender Offer Price, including the minimum and maximum number of shares to be purchased, conditions for withdrawal etc., and matters relating to the two-step acquisition, to the

effect that the terms and conditions do not lack consideration for preventing coercion, are not otherwise disadvantageous to general shareholders, and are appropriate; and

- (ix) Although the Tender Offer Price is lower than the consolidated book value of net assets per share (882.62 yen) (the Tender Offer Price is equivalent to 54.38% of the consolidated book value of net assets per share at that time), given that the consolidated book value of net assets represents the expected value that would be realized in the case where a company is dissolved and liquidated at the present time (the “Liquidation Value”) and is considered equivalent to the amount in the case where it is assumed that all assets and liabilities held by a company could be sold at book value, (a) the Company as a going concern, it is planned that the Company will continue business activities within the Tender Offeror Group after implementation of the Transactions, and it is not anticipated that the Company will be dissolved and liquidated after the Transactions, and additionally, the Company has received confirmation from Tender Offeror on multiple occasions that it has no plans to dissolve and liquidate the Company after the Transactions, and therefore, valuation based on an assumption of liquidation of the Company would not be reasonable, and further, (b) when the Company performed calculations regarding the Liquidation Value using multiple hypotheses for the sole purpose of considering the reasonableness of the terms and conditions of the Transactions, among the assets and liabilities held by the Company, tangible fixed assets and intangible fixed assets (excluding land) are based on the Company’s proprietary specifications, particularly machinery and equipment, making it difficult to sell them at book value and also, regarding land, the Liquidation Value per share was roughly calculated to be below the Tender Offer Price because it is difficult to sell at book value in light of market value information.

As set forth in “Notice of Revision of Earnings Forecast” dated August 9, 2024, the Company revised downward its consolidated earnings forecast for the cumulative second quarter and full year of the March 2025 term. Please note that this downward revision was due to such factors as a temporary equipment suspension and a production plan revision following a lightning strike in late July 2024, and a loss on the sale of all shares of Tokyo Sekiyu Kogyo K.K., a consolidated subsidiary of the Company at the time. It is not that the Company intentionally formulated and announced the downward revision for the purpose of lowering the Company’s share price. Additionally, as set forth in “Notice of Revision of Earnings Forecast” dated November 8, 2024, the Company again revised downward its consolidated earnings forecast for the March 2025 term. This downward revision was due to such factors as the recording of an inventory asset valuation loss at the end of the first half of the March 2025 term, as well as the reductions in Dubai crude oil prices based on market trends at the time and a revision of the foreign exchange rate to reflect the yen’s expected appreciation. The Company did not intentionally formulate and announce the downward revision for the purpose of lowering the Company’s share price.

Based on the above, the Company concluded that the Transactions including the Tender Offer will contribute to enhancing the Company’s corporate value and that the terms and conditions relating to the Transactions including the Tender Offer will contribute to the common interests of shareholders including general shareholders, and therefore, at a Board of Directors meeting held today, the Company resolved to express an opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer.

For details of the above Board of Directors resolution, please refer to “[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company” in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” Below.

(3) Matters Relating to Calculations

[1] Obtaining Stock Valuation Report from Third-party Calculation Agency Independent from the Company

(I) Name of the Calculation Agency and its Relationships with the Company and Tender Offeror

The Company requested Mizuho Securities, as a third-party calculation agency independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, to calculate the share value of the Company Shares and received the Company Share Valuation Report (Mizuho Securities) on September 10, 2025. Mizuho Securities is not a related party of the Company Group or the Tender Offeror Group, and does not have any material interests in the Transactions. Mizuho Securities is a member of the Mizuho Financial Group, Inc., as are Mizuho Bank, Ltd. (“Mizuho Bank”) and Mizuho Trust & Banking Co., Ltd. (“Mizuho Trust”), and Mizuho Bank has the status of a shareholder of the Company and of Tender Offeror and conducts financing transactions as a part of ordinary bank transactions with Tender Offeror and the Company, and Mizuho Trust conducts financing transactions as a part of ordinary bank transactions with the Company, but neither of them has any noteworthy material interests in the Transactions. Also, Mizuho Securities has established and implemented appropriate conflict of interest management systems, such as information barrier measures between Mizuho Securities and Mizuho Bank and Mizuho Trust in accordance with Article 36 of the Financial Instruments and Exchange Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007; as amended), and conducted the share valuation of the Company Shares from a standpoint independent from Mizuho Bank’s and Mizuho Trust’s status as shareholders and lenders. When having the share valuation of the Company Shares conducted, the Company determined that Mizuho Securities has established and implemented appropriate conflict of interest management systems, and selected Mizuho Securities as its third-party calculation agency. As discussed in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” below, Tender Offeror and the Company have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, and therefore, the Company believes that adequate consideration has been given to the interests of the Company’s general shareholders, and no opinion concerning the fairness of the Tender offer Price (a fairness opinion) has been obtained from Mizuho Securities. In addition, the fees paid to Mizuho Securities in relation to the Transactions do not include any contingency fees paid subject to the successful completion etc. of the Transactions.

(II) Overview of Calculation

As a result of examining valuation methods in the Tender Offer, and based on the belief that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives with the assumption that the Company is a going concern, Mizuho Securities conducted per-share valuations of the Company Shares using the market price method, since the Company Shares are listed on the TSE Prime Market and market prices are available, and the DCF method to reflect the circumstances of the Company’s future business activities in the valuation.

The ranges of the per-share valuations of the Company Shares calculated by Mizuho Securities using the above methods are as follows:

Market price method:	305 yen to 334 yen
DCF method:	217 yen to 638 yen

The range of per-share value of the Company Shares obtained from the market price method is 305 yen to 334 yen, which using September 10, 2025 as the reference date, was calculated based on 332 yen, the closing price of Company Shares quoted on the TSE Prime Market on the reference date, 334 yen, the simple average closing price for the most recent one-month period, 320 yen, the simple average closing price for the most recent three-month period, and 305 yen, the simple average closing price for the most recent six-month period.

Using the DCF method, based on various factors including revenue forecasts and investment plans in the business plan for the March 2026 term to the March 2031 term (the “Business Plan”) prepared by the Company as the period that can reasonably be predicted at present, the Company’s financial information for the first quarter of the March 2026 term, and publicly available information, the Company’s corporate value and share value were calculated by discounting free cash flows expected to be generated by the Company from the second quarter of the March 2026 term onward to present value at a certain discount rate, and the range of per-share value for the Company Shares was calculated to be 217 yen to 638 yen. The discount rate was set at the weighted average capital cost, and a rate of 2.75% to 3.25% was adopted. Also, when calculating continuing value, the perpetual growth method was adopted, and for the perpetual growth method, after comprehensively considering external environmental factors etc., the perpetual growth rate was set at -0.25% to 0.25% and the continuing value was calculated to be 125,919 million yen to 157,651 million yen. In calculating the continuing value, in light of the Company’s business cycle, in which large-scale periodic maintenance is conducted once every four years and small-scale periodic maintenance is conducted in the intermediate years, in addition to financial figures for the March 2031 term, which is the final fiscal year of the Business Plan, four-year financial information for the period from the March 2028 term to the March 2031 term was taken into consideration.

When formulating the Business Plan, it was assumed that the Company’s current business, including the oil refining business, will be continued, and no large-scale changes in business activities were anticipated. Also, in light of the Company’s external environment and other factors, such as carbon neutrality, although there is a possibility of conducting a concrete investigation of new businesses, such as the supply of biofuels in the future, as no new businesses are currently planned for implementation and it is difficult to make specific estimates of the impact on revenue, such new businesses have not been incorporated into the Business Plan. Furthermore, given that the Company has a business cycle of conducting large-scale periodic maintenance once every four years and small-scale periodic maintenance in the intermediate years, the Business Plan is premised on the continuation of this business cycle.

Furthermore, to investigate the appropriateness of the terms and conditions of the Transactions, the Business Plan was formulated by a team comprising Company employees independent from the Tender Offeror Group, and the Tender Offeror Group (including personnel seconded from Tender Offeror and former employees of Tender Offeror) did not participate in the process of preparing the Business Plan. When the Company formulated the Business Plan for the Transactions, the Special Committee conducted question and answer sessions concerning the content of the draft Business Plan, its important assumptions, and other matters and confirmed and approved the reasonableness of the content of the final Business Plan, its important assumptions, the preparation process, and other matters.

The financial forecasts based on the Business Plan that Mizuho Securities assumed when performing calculations using the DCF method are as follows. Such financial forecasts include fiscal years in which substantial year-on-year fluctuations in profit and free cash flow are expected. Specifically, large-scale periodic maintenance will be performed in the March 2026 term and the March 2030 term and small-scale periodic maintenance will be performed in the March 2028 term, and consequently, temporary suspensions of refinery operations for certain periods are planned and capital investment amounts are

expected to increase, and as a result, operating income is projected to decrease by 10,048 million yen year-on-year in the March 2026 term, increase by 29,330 million yen year-on-year in the March 2027 term, decrease by 10,602 million yen year-on-year in the March 2028 term, increase by 10,162 million yen year-on-year in the March 2029 term, decrease by 16,557 million yen year-on-year in the March 2030 term, and increase by 14,831 million yen year-on-year in the March 2031 term, while free cash flow is projected to decrease by 38,532 million yen year-on-year in the March 2026 term, increase by 8,928 million yen year-on-year in the March 2027 term, increase by 10,424 million yen year-on-year in the March 2028 term, increase by 10,621 million yen year-on-year in the March 2029 term, decrease by 40,703 million yen year-on-year in the March 2030 term, and increase by 40,057 million yen year-on-year in the March 2031 term.

Also, with respect to the synergy effects expected to be generated from implementation of the Transactions, except for the reduction in listing expenses resulting from delisting the Company Shares, at this time, it is difficult to make specific estimates of the impact on revenue, and therefore, such effects are not incorporated into the financial forecasts in the Business Plan and are not included in the calculations performed by Mizuho Securities using the Business Plan as the basis for its calculations (Note 13).

(Unit: million yen)

	March 2026 term (9 months)	March 2027 term	March 2028 term	March 2029 term	March 2030 term	March 2031 term
Net sales	504,439	787,333	693,000	787,024	631,213	786,484
Operating income	△2,195	13,713	3,111	13,273	△3,284	11,547
Operating income	3,038	21,646	11,516	21,195	5,668	21,172
Free cash flow	△16,762	△3,714	6,710	17,332	△23,372	16,686

(Note 13) In the calculation of the share value of the Company Shares, the materials and information indicated below were analyzed and examined. The materials, etc. listed below include materials relating to the Company's subsidiaries and affiliates (as defined in Article 8 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance No. 28 of 1976); collectively referred to as "Affiliates").

- (1) The Company's securities reports, quarterly reports, and other publicly-disclosed financial information;
- (2) Various materials relating to the status of business and finances prepared or produced by the Company and disclosed to Mizuho Securities;
- (3) Various materials relating to financial projections prepared or produced by the Company and disclosed to Mizuho Securities (including the Business Plan);
- (4) The result of interviews conducted with the Company's management team and responses to Q&A lists received from relevant departments relating to the performance and projections of the Company's business and financial status;
- (5) Share prices of the Company's ordinary shares and share trading status; and
- (6) Various other materials obtained by Mizuho Securities from the Company or general surveys

conducted by Mizuho Securities and determined to be necessary and appropriate by Mizuho Securities.

Also, in calculating the share value of the Company Shares, Mizuho Securities assumed the following matters:

- (1) Mizuho Securities relied on and assumed that all of the above public information examined by Mizuho Securities and all financial and other information provided by the Company to Mizuho Securities or discussed by Mizuho Securities with the Company that served as a substantial basis for the valuation (the “Information”) is accurate and complete. Mizuho Securities did not independently verify the accuracy and completeness of the Information, and assumes no responsibility or obligation to independently verify the Information. Therefore, if there are any matters that would render such information material incorrect or if there are facts or circumstances that were not disclosed as of the valuation reference date or facts or circumstances that occur after the valuation reference date (including facts that potentially existed as of the valuation reference date and subsequently became apparent), the evaluation results may differ. Furthermore, Mizuho Securities assumes that the Company’s management is not aware of any facts that would render the financial and other information provided by the Company to Mizuho Securities or discussed by Mizuho Securities with the Company incomplete or misleading.
- (2) Mizuho Securities assumes that financial forecasts and other forward-looking information provided to Mizuho Securities (including forecasts of future revenues and expenses, expected cost reductions, and the Business Plan) were reasonably prepared and created by the Company’s management based on the best forecasts and judgments currently available regarding the future business performance and financial condition of the Company and its Affiliates, and further, without independently verifying the feasibility of such financial forecasts and business plans, Mizuho Securities relied on those financial forecasts and business plans and expresses no opinion regarding the analyses of forecasts stated in the Company Share Valuation Report (Mizuho Securities) or the assumptions underlying them. Regarding the synergy effects for the Company and Tender Offeror resulting from the Transactions, other than the reduction in listing maintenance costs due to delisting of the Company, Mizuho Securities is not aware of any matters that can be quantitatively evaluated as potentially having a material impact on the valuation at the time of issuance of the Company Share Valuation Report (Mizuho Securities), and the valuation stated in the Company Share Valuation Report (Mizuho Securities) does not incorporate any synergy effects other than the reduction in listing maintenance costs due to delisting of the Company.
- (3) Among the Information that Mizuho Securities requested to prepare the Company Share Valuation Report (Mizuho Securities), for information that was not provided or disclosed by the Company, information that was provided or disclosed but whose impact on the Company’s corporate value is uncertain at this time, or information that Mizuho Securities could not use as the basis for its evaluation through other methods, Mizuho Securities used assumptions that it deems reasonable and appropriate with the Company’s consent. If such assumptions by Mizuho Securities differ from the facts in material respects, the evaluation results may differ.
- (4) Mizuho Securities assumes that the Transactions will not be taxable to the Company under Japanese corporate tax law and that other tax matters relating to the Transactions will not affect the share value of the Company Shares. Also, without conducting independent

verification, Mizuho Securities assumes that the Transactions will be completed in a timely manner and that all material governmental, regulatory, and other consents and approvals (whether pursuant to laws and regulations or contracts) necessary for implementation of the Transactions can be obtained without any adverse impact on the Company or on the benefits expected from the Transactions, and that the details of such consents and approvals will not affect the share value of the Company Shares. Further, Mizuho Securities assumes that where orders, measures, or any other dispositions have been issued or imposed on the Company by regulatory authorities or otherwise, except for those disclosed by the Company, there is currently no impact on the Company's future performance or no such impact will occur in the future. Mizuho Securities is not a legal, regulatory, or tax expert, and has relied on the assessments conducted by the Company's outside experts with respect to such matters.

- (5) Mizuho Securities has not conducted an independent evaluation or assessment of the assets and liabilities (including derivative transactions, off-balance sheet assets and liabilities, and other contingent liabilities) or provisions of the Company or its Affiliates, has not analyzed the appropriateness of their accounting or tax valuations or the appropriateness of their accounting or tax treatment, and has not independently received or requested from third parties any evaluation, assessment, or analysis. Mizuho Securities does not assume any obligation to inspect the assets or facilities of the Company or its Affiliates and has not conducted any evaluation of the shareholders equity or solvency of the Company or its affiliates under laws relating to insolvency, bankruptcy, etc.
- (6) Mizuho Securities assumes that neither the Company nor any of its Affiliates has previously concluded any contracts, agreements, or other written documents that would have a material impact on the share value of the Company Shares or made any such decisions, and will not conclude such agreements or make such decisions in the future, and that the implementation of the Transactions will not at any future point result in a breach of any material agreements to which the Company or its Affiliates are bound as parties and will not give rise to any right to terminate such material agreements or any right to declare a default or exercise remedial measures under such agreements.
- (7) Mizuho Securities assumes that, other than the matters disclosed in the Information, there are no lawsuits or disputes involving the Company or its Affiliates, no other related contingent liabilities, and no off-book liabilities relating to environmental, tax, intellectual property, or other such matters, and that the Company's current insurance coverage amounts relating to its business are adequate for its business operations.

[2] Obtaining Stock Valuation Report and Fairness Opinion from Independent Third-Party Calculation Agency by the Special Committee

(I) Name of the Calculation Agency and its Relationships with the Company and Tender Offeror

The Special Committee appointed Plutus as a third-party calculation agency independent of the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and requested Plutus to express an opinion concerning the fairness of the calculation of share value of the Company Shares and the Tender Offer Price (a fairness opinion) and received the Special Committee Share Valuation Report (Plutus) on September 10, 2025. Plutus Consulting is not a related party of Tender Offeror or the Company and does not have any material interests in the Transactions including the Tender Offer. As described in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” below,

Tender Offeror and the Company have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, and therefore, the Special Committee believes that adequate consideration has been given to the interests of the Company's general shareholders, and a fairness opinion (the "Fairness Opinion") was obtained from Plutus Consulting. In addition, the fees paid to Plutus in relation to the Transactions do not include any contingency fees paid subject to the successful completion etc. of the Transactions.

(II) Overview of Calculation

As a result of examining valuation methods in the Tender Offer, and based on the belief that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives with the assumption that the Company is a going concern, Plutus conducted per-share valuations of the Company Shares using the market price method, since the Company Shares are listed on the TSE Prime Market and market prices are available, and the DCF method to reflect the circumstances of the Company's future business activities in the valuation.

The ranges of the per-share valuations of the Company Shares calculated by Plutus using the above methods are as follows:

Market price method:	305 yen to 334 yen
DCF method:	265 yen to 618 yen

The range of per-share value of the Company Shares obtained from the market price method is 305 yen to 334 yen, which using September 10, 2025 as the reference date, was calculated based on 332 yen, the closing price of Company Shares quoted on the TSE Prime Market on the reference date, 334 yen, the simple average closing price for the most recent one-month period, 320 yen, the simple average closing price for the most recent three-month period, and 305 yen, the simple average closing price for the most recent six-month period.

Using the DCF method, based on various factors including revenue forecasts and investment plans in the Business Plan for the March 2026 term to the March 2031 term prepared by the Company, the Company's financial information for the first quarter of the March 2026 term, and publicly available information, the Company's corporate value and share value were calculated by discounting free cash flows expected to be generated by the Company from the second quarter of the March 2026 term onward to present value at a certain discount rate, and the range of per-share value for the Company Shares was calculated to be 265 yen to 618 yen. The discount rate was set at the weighted average capital cost, and a rate of 3.1% to 3.8% was adopted. Also, when calculating continuing value, the perpetual growth method was adopted, and for the perpetual growth method, after comprehensively considering external environmental factors, the perpetual growth rate was set at 0% and the continuing value was calculated to be 120,357 million yen to 147,364 million yen. In calculating continuing value, in light of the Company's business cycle, in which large-scale periodic maintenance is conducted once every four years and small-scale periodic maintenance is conducted in the intermediate years, in addition to financial figures for the March 2031 term, which is the final year of the Business Plan, four-year financial information for the period from the March 2028 term to the March 2031 term was taken into consideration.

When formulating the Business Plan, it was assumed that the Company's current business, including the oil refining business, will be continued, and no large-scale changes in business activities were anticipated. Also, in light of the Company's external environment and other factors, such as carbon neutrality, although there is a possibility of conducting concrete investigation of new businesses, such as

the supply of biofuels in the future, as no new businesses are currently planned for implementation and it is difficult to make specific estimates of the impact on revenue, such new businesses have not been incorporated into the Business Plan. Furthermore, given that the Company has a business cycle of conducting large-scale periodic maintenance once every four years and small-scale periodic maintenance in the intermediate years, and the Business Plan is premised on continuation of this business cycle.

Furthermore, to investigate the appropriateness of the terms and conditions of the Transactions, the Business Plan was formulated by a team comprising Company employees independent from the Tender Offeror Group, and the Tender Offeror Group (including personnel seconded from Tender Offeror and former employees of Tender Offeror) did not participate in the process of preparing the Business Plan. When the Company formulated the Business Plan for the Transactions, the Special Committee conducted question and answer sessions concerning the content of the draft Business Plan, its important assumptions, and other matters and confirmed and approved the reasonableness of the content of the final Business Plan, its important assumptions, the preparation process, and other matters.

The financial forecasts based on the Business Plan that Plutus assumed when performing calculations using the DCF method are as follows. Such financial forecasts include fiscal years in which substantial year-on-year fluctuations in profit and free cash flow are expected. Specifically, large-scale periodic maintenance will be performed in the March 2026 term and the March 2030 term and small-scale periodic maintenance will be performed in the March 2028 term, and consequently, temporary suspensions of refinery operations for certain periods are planned and capital investment amounts are expected to increase, and as a result, operating income is projected to decrease by 10,048 million yen year-on-year in the March 2026 term, increase by 29,330 million yen year-on-year in the March 2027 term, decrease by 10,602 million yen year-on-year in the March 2028 term, increase by 10,162 million yen year-on-year in the March 2029 term, decrease by 16,557 million yen year-on-year in the March 2030 term, and increase by 14,831 million yen year-on-year in the March 2031 term, while free cash flow is projected to decrease by 42,137 million yen year-on-year in the March 2026 term, increase by 11,006 million yen year-on-year in the March 2027 term, increase by 9,947 million yen year-on-year in the March 2028 term, increase by 11,653 million yen year-on-year in the March 2029 term, decrease by 42,135 million yen year-on-year in the March 2030 term, and increase by 41,494 million yen year-on-year in the March 2031 term.

Also, with respect to the synergy effects expected to be generated from implementation of the Transactions, at this time, it is difficult to make specific estimates of the impact on revenue, and therefore, such effects are not incorporated into the financial forecasts in the Business Plan and are not included in the calculations made by Plutus using the Business Plan as the basis for its calculations.

(Unit: million yen)

	March 2026 term (9 months)	March 2027 term	March 2028 term	March 2029 term	March 2030 term	March 2031 term
Net sales	504,439	787,333	693,000	787,024	631,213	786,484
Operating income	△2,195	13,713	3,111	13,273	△3,284	11,547
EBITDA	3,441	21,781	11,664	21,354	5,829	21,336
Free cash flow	△17,664	△2,676	7,271	18,925	△23,211	18,283

(III) Overview of Fairness Opinion

On September 10, 2025, the Special Committee received from Plutus the Fairness Opinion, which states that the Tender Offer Price of 480 yen per share is fair to the Company's general shareholders from a financial perspective. The Fairness Opinion expresses the opinion that, in light of the results of the share valuation calculation performed based on the Business Plan prepared by the Company, the Tender Offer Price of 480 yen per share is fair to the Company's general shareholders from a financial perspective. The Fairness Opinion was issued by Plutus based on the results of its valuation of the Company Shares, which was conducted after receiving disclosures from the Company concerning the current status of its business, the Business Plan, and related explanations, as well as question and answer sessions conducted with the Company regarding the overview, background, and objectives of the Tender Offer, examination by Plutus, to the extent that it deemed it necessary, of the Company's business environment, economic, market, and financial conditions, and other factors, and a review process by a review committee independent from the Plutus engagement team (Note 14).

(Note 14) In preparing the Fairness Opinion, Plutus assumes that all basic information received from the Company, publicly available materials, and information heard from the Company is accurate and complete and did not independently investigate or verify the accuracy and completeness of such information and materials and assumes no obligation to do so. Therefore, Plutus does not assume any responsibility arising from any deficiency in these materials or non-disclosure of material facts.

Plutus assumes that the business plan and other materials used as foundational materials for the Fairness Opinion were reasonably prepared based on the best projections and judgments available at the time of their preparation and do not guarantee the feasibility of their realization, and expresses no opinions regarding the analyses or projections that served as the basis for their preparation or the underlying assumptions that form the foundation therefor.

Plutus is not a professional legal, accounting, or tax agency, does not express any opinions whatsoever concerning legal, accounting, or tax issues relating to the Tender Offer, and assumes no obligation to do so.

Plutus has not performed any analysis or evaluation of the individual assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company or its affiliated companies or any other independent evaluation or appraisal and has not received any evaluation reports or appraisal reports regarding such assets and liabilities, and therefore, the payment capacity of the Company and its affiliated companies has not been evaluated.

The Fairness Opinion expresses an opinion from a financial perspective regarding the fairness of the Tender Offer Price for the purpose of consideration when the Company expresses an opinion regarding the Tender Offer, and consequently, does not express any opinion as to whether the Tender Offer is superior to any transactions that could be alternative thereto, the benefits that may arise from implementation of the Tender Offer, or whether the Tender Offer should be implemented or not.

The Fairness Opinion expresses no opinion whatsoever to the holders of securities issued by the Company, creditors, or other related parties, and therefore, Plutus bears no responsibility whatsoever to shareholders or third parties who relied on the Fairness Opinion.

Plutus does not intend to solicit investment etc. in the Company and does not have the authority to do so, and therefore, the Fairness Opinion does not recommend that shareholders tender their shares in the Tender Offer or take any other action in relation to the Tender Offer.

The Fairness Opinion expresses an opinion as of the date of its submission regarding whether the Tender Offer Price is fair from a financial perspective to the Company's general shareholders based

on financial and capital markets, economic conditions, and other circumstances as of the date of submission and based on information provided to or obtained by Plutus as of that date. Plutus bears no obligation to revise, modify, or supplement its opinion, even if these underlying assumptions change due to future changes in circumstances.

The Fairness Opinion does not imply or suggest any views other than those expressly stated therein and does not imply or suggest any views with respect to matters arising after the date of its submission.

When calculating the share value of the Company Shares, in principle, Plutus adopted the information provided by the Company, publicly available information, and other information as is and did not independently verify the accuracy or completeness of such materials and information on the assumption that all such information was accurate and complete. Further, Plutus did not independently evaluate or assess, and did not request any third-party institution to appraise or assess, the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company and its affiliated companies. In addition, Plutus assumes that the information relating to Company's financial forecasts was reasonably prepared based on the best available projections and judgments of the Company's management, and the Special Committee conducted question and answer sessions with the Company regarding those financial forecasts and confirmed the reasonableness of their content and assumptions. Plutus conducted question and answer sessions with the Company regarding the Business Plan that served as the basis for its calculations, and analyzed and examined the content thereof.

(4) Prospects for Delisting and Reasons Therefor

As of today, the Company Shares are listed on the TSE Prime Market, but Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, and therefore, depending on the results of the Tender Offer, the Company Shares may be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. Also, even in the event that the delisting criteria are not satisfied upon completion of the Tender Offer, as described in “(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)” below, Tender Offeror plans to acquire all Company Shares (including Restricted Shares and excluding the Company Shares held by Tender Offeror and the Non-Tendering Shareholder and treasury shares held by the Company) through the Squeeze-Out Procedures in accordance with applicable laws and regulations. In this case, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. If the Company Shares are delisted, it will no longer be possible to trade Company Shares on the TSE Prime Market. For information on the reasons for the delisting, the impact on general shareholders, and the approach thereto, please refer to “[2] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” in “(2) Basis and Reasons for the Opinion” above and “(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)” below.

(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)

As discussed in “[1] Overview of the Tender Offer” in “(2) Basis and Reasons for the Opinion” above, if Tender Offeror is unable to acquire all Company Shares (including Restricted Shares and excluding the Company Shares held by Tender Offeror and the Non-Tendering Shareholder and treasury shares held by the Company) through the Tender Offer even though the Tender Offer is completed, following completion of the Tender Offer, Tender Offeror plans to implement the Squeeze-Out Procedures for the

purpose of acquiring all Company Shares.

Specifically, following completion of the Tender Offer, Tender Offeror will request that the Company convene an extraordinary general shareholders' meeting (the "Extraordinary General Shareholders' Meeting") that includes proposals concerning implementation of a share consolidation pursuant to Article 180 of the Companies Act (the "Share Consolidation") after the completion of settlement of the Tender Offer and amendment of the Company's Articles of Incorporation to abolish provisions on the number of shares per unit, subject to the Share Consolidation taking effect. Tender Offeror believes that from the perspective of enhancing the Company's corporate value, holding the Extraordinary General Shareholders' Meeting as early as possible would be desirable and plans to request that the Company publicly announce a record date during the tender offer period so that a date close to the Tender Offer settlement commencement date (the "Settlement Commencement Date") can serve as the record date for the Extraordinary General Shareholders' Meeting, and that the Company hold the Extraordinary General Shareholders' Meeting around December 2025. If such a request is received from Tender Offeror, the Company plans to comply with the request. Tender Offeror and the Non-Tendering Shareholder plan to vote in support of the above proposals at the Extraordinary General Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders' Meeting, the Company's shareholders will come to hold the number of Company Shares proportional to the ratio of the Share Consolidation that is approved at the Extraordinary General Shareholders' Meeting as of the effective date of the Share Consolidation. If, due to the Share Consolidation, the number of shares is a fraction less than one share, each shareholder of the Company who holds such fractional shares will receive an amount of cash obtained by selling etc. the Company Shares equivalent to the sum of such fractional shares (if there is any fraction less than one share in such sum, such fraction will be rounded off; hereinafter the same applies) to Tender Offeror or the Company pursuant to the procedures specified in Article 235 of the Companies Act and other relevant laws and regulations. The sales price for the Company Shares equivalent to the sum of such fractional shares will be set at a price such that the amount of cash delivered as a result of the sale to each Company shareholder who do not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholder, and the Company) will be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares owned by each such shareholder, and Tender Offeror will request that the Company file a petition to the court for approval of such voluntary sale. Further, although the Share Consolidation ratio of the Company Shares has not been determined as of today, Tender Offeror intends to request the Company to determine the ratio such that Company Shares held by Company shareholders who do not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholder, and the Company) become fractional shares, resulting in Tender Offeror and the Non-Tendering Shareholder owning all Company Shares.

Under the provisions of the Companies Act relating to share consolidation intended to protect the rights of general shareholders, if a share consolidation is implemented and there are fractional shares as a result, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, Company shareholders may request that the Company purchase all such fractional shares held by the shareholder at a fair price, and such shareholders may file a petition with the court to determine the price of the Company Shares. As stated above, since as a result of in the Share Consolidation, the number of the Company Shares held by Company shareholders who do not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholder, and the Company) will be fractional shares, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, Company shareholders objecting to the Share Consolidation will

be able to file a petition with the court to determine the price. In the event that a petition described above is filed, the purchase price of the Company Shares will be ultimately determined by the court. The Tender Offer is not a solicitation for approval by Company shareholders at the Extraordinary General Shareholders' Meeting.

Regarding the procedures described above, it is possible that, depending on circumstances, such as amendment, enforcement, and interpretation by the authorities, of relevant laws and regulations, more time may be required to implement the procedures or the methods of implementation may be altered. However, even in such case, upon successful completion of the Tender Offer, it is intended that a method will be used whereby ultimately cash will be delivered to Company shareholders who do not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholder, and the Company), and the amount of cash to be delivered to such Company shareholders will be calculated so as to be the same as a price obtained by multiplying the number of Company Shares held by such Company shareholders by the Tender Offer Price.

Regarding the Restricted Shares, the allocation agreements concerning the Restricted Shares provide that (a) if during the restricted period, matters relating to a share consolidation (limited to cases where the Restricted Shares held by the grantee of the Restricted Shares would result in a fraction as a result of such share consolidation) are approved at a Company shareholders' meeting (provided that the effective date of the share consolidation arrives prior to expiration of the restricted period), the Company's Board of Directors shall, by resolution, lift the transfer restrictions on all Restricted Shares held by the grantee as of the date of such approval, effective immediately prior to the business day preceding the effective date of the share consolidation, and (b) in the case of specified in (a) above, the Company shall acquire gratis all Restricted Shares held by the grantee as of the business day preceding the effective date of the share consolidation for which transfer restrictions have not been lifted as of such day. In accordance with the provisions of the allocation agreements described in (a) the transfer restrictions on the Restricted Shares are expected to be lifted immediately prior to the business day preceding the effective date of the Share Consolidation, and therefore, the Restricted Shares will be subject to the Share Consolidation.

The Tender Offer is not in any way a solicitation to Company shareholders to support the proposals at the Extraordinary General Shareholders' Meeting. Further, Company shareholders are requested to confirm the tax handling of tendering their shares in the Tender Offer and the various procedures described above with a tax accountant or other professional under their own responsibility.

(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer

As of today, the Company is not a subsidiary of Tender Offeror, and the Tender Offer does not fall under a transaction etc. with a controlling shareholder. Furthermore, given that Tender Offeror is the Company's other affiliated company holding 17,035,520 Company Shares (ownership ratio: 22.06 %) and the Company is an equity-method affiliate, that of the Company's 11 directors, one (Mr. Hiroshi Maezawa) was a managing executive officer of Tender Offeror, one (Mr. Junzo Yamamoto) concurrently serves as a managing executive officer of Tender Offeror, one (Mr. Mohammed Alshubrumi) has been seconded from the Non-Tendering Shareholder, and one (Mr. Khaled Al-Sabah) has been seconded from the shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, that some Company employees used to work for Tender Offeror or have been seconded from Tender Offeror, and other factors, in the Transactions including the Tender Offer, Tender Offeror and the Company have implemented the following measures

to ensure that the fairness of the Transactions and to avoid conflicts of interest from perspectives of ensuring the fairness of the Tender Offer from the Tender Offer stage, eliminating arbitrariness in the Company's decision-making regarding the Transactions, ensuring fairness, transparency, and objectivity in the decision-making process, and avoiding any suspicion of conflicts of interest. Also, of the following measures, those measures implemented by Tender Offeror are based on explanations received from Tender Offeror.

Tender Offeror has set 27,693,547 Company Shares (ownership ratio: 35.85%) as the minimum number of shares to be purchased in the Tender Offer, satisfying the so-called MoM level, that is, a majority of the number of Company Shares held by Company shareholders without interests in Tender Offeror (determined by subtracting from the Reference Number of Shares (77,240,335 shares) the number of Company Shares held by Tender Offeror as of today, 17,035,520 shares and the number of Non-Tendered Shares, 5,811,390 shares, resulting in 27,196,713 shares, which corresponds to a majority of 54,393,425 shares).

[1] Obtaining Stock Valuation Report from Independent Third-Party Calculation Agency by Tender Offeror

To ensure the fairness of the Tender Offer Price, Tender Offeror requested that JPMorgan Securities, which is Tender Offeror's financial advisor, calculate the share value of the Company Shares as a third-party calculation agency independent from the Tender Offeror Group and the Company Group.

As a result of examining methods of valuating the Company Shares from among multiple methods for valuating shares, JPMorgan Securities calculated the value of the Company Shares using the average market price method, which takes into account trends of the Company's market share price, and the DCF method, which reflects the circumstances of the Company's future business activities in the valuation. Tender Offeror received a share valuation report (the "Tender Offeror Valuation Report") from JPMorgan Securities on September 10, 2025. JPMorgan Securities is not a related party of Tender Offeror or the Company and does not have any material interests in the Transactions including the Tender Offer. Also, Tender Offeror determined and decided the Tender Offer Price through comprehensive consideration of the various elements discussed in "[2] Background, Purpose and Decision-Making Process Leading to Tender Offeror's Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy" in "(2) Basis and Reasons for the Opinion" and through discussions and negotiations with the Company and the Special Committee, and therefore, did not obtain an evaluation concerning the fairness of the Tender Offer Price (a fairness opinion) from JPMorgan Securities.

According to the Tender Offeror Valuation Report, the adopted methods and the ranges of the per-share valuations of the Company Shares calculated using those methods are as follows:

Market price method:	305 yen to 334 yen
DCF method:	335 yen to 617 yen

Using the market price method, on the basis of publicly available information, JPMorgan Securities analyzed the range of per-share value of the Company Shares to be 305 yen to 334 yen, which was calculated based on the closing prices for Company Shares quoted on the TSE Prime Market with September 10, 2025 as the reference date: 332● yen, the closing price of Company Shares on the reference date; 334 yen, the simple average closing price over the past one-month period up to that date; 320 yen, the simple average closing price over the past three-month period up to that date; and 305 yen, the simple average closing price over the past six-month period up to that date.

Using the DCF method, JPMorgan Securities analyzed the range of per-share value of the Company Shares to be 335 yen to 617 yen by calculating the share value by discounting free cash flows expected to be generated by the Company from the second quarter of the March 2026 term onward to present value at discount rates in a certain range, based on various factors including the Company's business plan and financial results for the March 2026 term to the March 2031 term that Tender Offeror approved for JPMorgan Securities to use, revenue and investment plans in the Company's business plan, the results of interviews and due diligence conducted on Tender Offeror and the Company, and other publicly available information.

The Company business plan and financial forecasts that JPMorgan Securities used as premises for the analysis using DCF method include fiscal years in which substantial year-on-year fluctuations in profit and free cash flows are expected. Specifically, periodic repair will be performed in the March 2026 term, the March 2028 term, and the March 2030 term, and consequently, temporary suspensions of refinery operation for certain periods are planned and substantial decreases in operating income and free cash flow are expected; operating income is projected to be -17,021 million yen, 1,945 million yen (a year-on-year decrease of 82.8%), and -5,904million yen (a year-on-year decrease of 146.9%), respectively, in the March 2026 term, the March 2028 term, and the March 2030 term, and free cash flow is projected to be -10,912 million yen (a year-on-year decrease of 150.2%), and -5,208 million yen (a year-on-year decrease of 151.5%), respectively, in the March 2026 term and the March 2030 term. Also, the Company's business plan and financial forecasts used as premises when JPMorgan Securities performed calculations using the DCF method assume that the Transactions will be implemented and project synergy effects expected from implementation of the Transactions. Supplementary explanations regarding the Tender Offeror Valuation Report and the assumptions for calculation of the share value of the Company Shares, matters considered, and limitations on the consideration that form the basis of the Tender Offeror Valuation Report are set forth in Note 15.

(Note 15) In calculating the share value of the Company Shares that is the basis for the Tender Offeror Valuation Report, publicly available information, information received from Tender Offeror or the Company, or information discussed with Tender Offeror or the Company, and all other information reviewed by or for JPMorgan Securities was assumed to be accurate and complete, and JPMorgan Securities did not independently verify the accuracy and completeness of that information (and assumes no obligation to verify the accuracy and completeness of that information). JPMorgan Securities did not evaluate or assess any of the assets and liabilities of Tender Offeror or the Company and did not receive any such evaluation or assessment, and further, JPMorgan Securities did not evaluate the creditworthiness of Tender Offeror or the Company under applicable laws and regulations relating to insolvency, suspension of payments, or any other similar matter. When relying on financial analyses and forecasts submitted by Tender Offeror and the Company or calculated based on them, JPMorgan Securities assumes that they were reasonably prepared based on the best estimates and judgments of Tender Offeror and the Company's management as of the date of the Tender Offeror Valuation Report with respect to the future performance and financial condition of Tender Offeror and the Company in relation to such analyses or forecasts. JPMorgan Securities does not express any opinion regarding such analyses or forecasts or the assumptions on which they are based, Also, JPMorgan Securities assumes that other transactions contemplated by Tender Offeror including the Tender Offer will be implemented as intended and that all effects explained in the materials received from Tender Offeror will occur. JPMorgan Securities is not an expert in legal matters, regulation by the authorities, tax matters, accounting, or other such matters and relied on the judgments of Tender Offeror's advisors with respect to those matters. Furthermore,

JPMorgan Securities assumes that all material consents or permits and approvals from governments, regulatory authorities, and other parties necessary for implementation of the Tender Offer will be obtained without adversely affecting Tender Offeror, the Company, or the benefits expected from implementation of the Tender Offer. The Tender Offeror Valuation Report and the underlying share valuation results of the Company Shares are inevitably based on the information available to JPMorgan Securities as of the date of the Tender Offeror Valuation Report and on the economic, market, and other conditions as they existed on that date. Events occurring after that date might affect the Tender Offeror Valuation Report and the underlying share valuation results of the Company Shares, but JPMorgan Securities assumes no obligation to update, revise, or reaffirm its analyses or opinions. The Tender Offeror Valuation Report and the underlying share valuation results of the Company Shares do not recommend to Tender Offeror or its Board of Directors any specific tender offer price and are not a recommendation that any particular purchase price is the only appropriate purchase price. JPMorgan Securities is the financial advisor of Tender Offeror in relation to the Tender Offer and expects to receive a fee from Tender Offeror as consideration for its services as financial advisor, but a certain portion of that fee will be payable only if the Tender Offer is implemented. Further, Tender Offeror has agreed to indemnify JPMorgan Securities for certain liabilities that might arise out of its services. During the two years preceding the date of the Tender Offeror Valuation Report, JPMorgan Securities and its affiliates did not conduct any material financial advisory, commercial banking, or investment banking business with Tender Offeror or the Company. Also, JPMorgan Securities and its affiliates hold less than 1% of the issued shares of Tender Offeror and the Company, respectively, on its own account. JPMorgan Securities and its affiliates conduct trading of bonds or shares issued by Tender Offeror or the Company on its own account or the accounts of customers in the ordinary course of business, and therefore, JPMorgan Securities and its affiliates may hold long or short positions in those securities from time to time. The financial forecasts of the Company (the “Financial Forecasts”) assumed by JPMorgan Securities when analyzing the share value of the Company Shares have been approved by Tender Offeror for use by JPMorgan Securities. It should be noted that the Financial Forecasts have not been publicly disclosed by Tender Offeror and were not prepared for the purpose of public disclosure. The Financial Forecasts are inherently uncertain and depend on numerous variables and assumptions beyond the control of Tender Offeror and the Company’s management (including but not limited to factors related to general economic conditions, competitive conditions, and prevailing interest rates). Therefore, actual performance might differ significantly from the Financial Forecasts. The above statements regarding the results of calculation of the share value of the Company Shares that is the basis of the Tender Offeror Valuation Report and the summary of the calculation methods do not include all analyses conducted or data referenced by JPMorgan Securities. The Tender Offeror Valuation Report was prepared after going through a complex process, so any partial or summarized description of the analysis results in those documents does not necessarily accurately represent the entirety of the analysis. The results of the analysis by JPMorgan Securities must be considered as a whole, and relying on only a part or a summary of those results without considering the analysis results in their entirety may result in an incorrect understanding of the processes underlying the analysis by JPMorgan Securities. In performing those analyses, JPMorgan Securities considered each analysis and factor holistically and comprehensively, without assigning undue weight to any specific analysis or factor, and JPMorgan Securities does not express an opinion on whether any particular analysis or factor was the primary basis for its opinion or the extent to which any individual analysis or factor contributed to its opinion.

In light of the calculation details and results set forth in the Tender Offeror Valuation Report received from JPMorgan Securities and giving comprehensive consideration to the results of due diligence of the Company conducted from mid-June to early September, 2025, whether the Company's Board of Directors will support the Tender Offer, market price trends of the Company Shares over the past year (highest closing price: 382 yen; lowest closing price: 242 yen), future prospects for domestic and overseas business including the Company's earnings forecasts, and the outlook for tendering of shares in the Tender Offer, and based on the results of discussions and negotiations with the Company and the Special Committee, on September 11, 2025, Tender Offeror decided to set the Tender Offer Price at 480 yen per share, which is within the range of the DCF method.

The Tender Offer Price of 480 yen per share represents a premium of 44.58% over the closing price of 332 yen for Company Shares on the TSE Prime Market on September 10, 2025, the business day preceding the date of announcement of the Tender Offer, 43.71% over the simple average of closing prices of 334 yen for the past one month up to that date, 50.00% over the simple average of closing prices of 320 yen for the past three months up to that date, and 57.38% over the simple average of closing prices of 305 yen for the past six months up to that date.

[2] Obtaining Stock Valuation Report from Independent Third-Party Calculation Agency by the Company

The Company requested Mizuho Securities, as a third-party calculation agency independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, to calculate the share value of the Company Shares and received the Company Share Valuation Report (Mizuho Securities) on September 10, 2025.

For details of the Company Share Valuation Report (Mizuho Securities) received from Mizuho Securities, see "(II) Overview of Calculation" in "[1] Obtaining Stock Valuation Report from Third-Party Calculation Agency Independent from the Company" in "(3) Matters Relating to Calculations."

[3] Obtaining Stock Valuation Report and Fairness Opinion from Independent Third-Party Calculation Agency by the Special Committee

The Special Committee engaged Plutus as a third-party calculation agency independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and requested Plutus to calculate the share value of the Company Shares and received the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion on September 10, 2025.

For details of the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion received from Plutus, see "(II) Overview of Calculation" and "(III) Overview of Fairness Opinion" in "[2] Obtaining Stock Valuation Report and Fairness Opinion from Third-Party Calculation Agency Independent from the Special Committee" in "(3) Matters Relating to Calculations."

[4] Establishment by the Company of Independent Special Committee and Procurement of a Report from the Committee

In order to exercise great care in its decision-making concerning the Transactions, eliminate arbitrariness and the risk of conflicts of interest in decision-making by the Company's Board of Directors, and ensure the fairness of such decision-making, pursuant to a resolution of the Board of Directors adopted at a meeting held on May 22, 2025, the Company established a Special Committee independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and comprising three members: Mr. Ryo Sato (an outside director of the Company), who

has extensive experience and insight as a corporate manager, Ms. Mutsumi Kanai (an outside auditor of the Company), who has extensive experience and insight as a certified public accountant, and Mr. Mikiharu Mori (attorney and representative partner at Tokyo International Law Office), who was recommended by Iwata Godo, has extensive knowledge and insight as a corporate legal affairs attorney, and was selected as an outside expert, whose appointment in addition to outside officers in order to supplement the expertise relating to M&A (specialized knowledge regarding procedural fairness and corporate valuation) is not denied by the M&A Guidelines. Among the Company's outside directors, Mr. Junzo Yamamoto, who concurrently serves as senior executive officer of Tender Offeror, Mr. Hiroshi Maezawa, who formerly worked for Tender Offeror, Mr. Mohammed Alshubrumi who is a related party of the Non-Tendering Shareholder, and Mr. Khaled Al-Sabah, who is a related party of the shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, were not selected as members of the Special Committee in order to eliminate the possibility of being affected by structural conflicts of interest in the Transactions. Further, a contingency fee was not adopted as remuneration for the members of the Special Committee. The Special Committee elected Mr. Mikiharu Mori as committee chairperson through a mutual vote among committee members. The Company selected these three individuals as members of the Special Committee at the time of its establishment, and no changes to the committee's membership have been made.

When it decided to establish the Special Committee, the Company's Board of Directors referred the following matters to the Special Committee: (i) the legitimacy and appropriateness of the objectives of the Transactions (including whether the Transactions contribute to enhancing the Company's corporate value), (ii) the fairness and appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price in the Tender Offer, (iii) the fairness of the procedures relating to the Transactions, (iv) whether conducting the Transactions can be considered to be disadvantageous to the Company's minority shareholders (Note 16), and (v) based on (i) to (iv) above and other matters, whether the Company's Board of Directors should decide to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer (the "Consultation Matters"). Further, the Company's Board of Directors resolved that when making decisions regarding the Transactions, it would give maximum deference to the opinions of the Special Committee, and if the Special Committee determined that the terms and conditions of the Transactions are not appropriate, that the Board of Directors would not make a decision to implement the Transactions (including expressing an opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer).

(Note 16) A partial revision (revision of compliance matters relating to MBO, etc.; referred to as the "Listing Regulations Revision") of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. ("TSE") came into effect on July 22, 2025, and since the Transactions correspond to a "tender offer ... where the tender offeror is ... an other associated company" (Securities Listing Regulations, Article 441, Paragraph 1, Item (2)) decided after the effective date of the Listing Regulations Revision, the Transactions are subject to application of the Listing Regulations Revision. Under the Listing Regulations Revision, the provision on a "tender offer ... where the tender offeror is ... an other associated company" requires that an opinion be obtained regarding the matter of fairness to general shareholders. Referral Matter (4) inquires as to whether the implementation of the Transactions can be considered disadvantageous to the Company's minority shareholders, but the issues of the Referral Matters were dated May 22, 2025, before the public release of the Listing Regulations

Revision, and were based on the TSE Listing Regulations at the time. Given the foregoing, it is expected that the Company's Board of Directors will provide a response that takes into account the Listing Regulations Revision. Therefore, in light of the Listing Regulations Revision, the Special Committee will respond to Referral Matter (4) by indicating whether it believes that the Transactions are fair to the Company's general shareholders.

Additionally, the Company's Board of Directors granted the following authority to the Special Committee: (i) the authority to conduct investigations relating to the Transactions at the Company's expense (including the ability to question Company officers or employees involved in the Transactions or the Company's advisors relating to the Transactions on matters necessary for consideration of the Consultation Matters and to seek explanations or advice), (ii) the authority to request that the Company (a) convey the Special Committee's proposals, other opinions, or questions to Tender Offeror and (b) arrange opportunities for the Special Committee itself to discuss and negotiate with Tender Offeror (including Tender Offeror's advisors relating to the Transactions), and even if the Special Committee does not request such arrangements, when the Company conducts discussions and negotiations with Tender Offeror, the Company shall promptly report the details to the Special Committee, and the Special Committee may, based on those details, express opinions to the Company regarding the policy on discussions and negotiations with Tender Offeror and provide necessary instructions and requests, and (iii) the authority to appoint the Special Committee's own attorneys, calculation agencies, certified public accountants, and other advisors at the Company's expense when determined to be necessary. In response, the Special Committee confirmed that Mizuho Securities, the Company's third-party calculation agency and financial advisor, and Iwata Godo, the Company's legal advisor pose no issues with respect to independence and expertise, and therefore, approved each as the Company's third-party calculation agency and financial advisor and legal advisor, respectively, and the Special Committee confirmed that it may obtain professional advice from them as necessary.

The Special Committee met a total of 18 times from May 29, 2025 to September 10, 2025 and conducted careful discussions and consideration of the Consultation Matters. Specifically, the Special Committee (i) conducted interviews with Tender Offeror regarding the background and circumstances leading to the proposal for the Transactions, synergies to be generated from implementation of the Transactions, Tender Offeror's managerial policy after the Transactions, and the conditions and anticipated structure etc. of the Transactions, (ii) conducted interviews with the Company's project team members regarding the status of evaluation and consideration of the details of the proposal from Tender Offeror by the Company's management (limited to those independent from the Tender Offeror Group, the Non-Tendering Shareholder, and the shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer), the details of discussions with Tender Offeror, and the details and methods of preparation of the Business Plan that served as the basis for the share valuation of the Company Shares by Mizuho Securities and Plutus, (iii) conducted interviews with Mizuho Securities regarding the details and progress etc. of the Transactions and the details and methods etc. of the valuation of the Company Shares; (iv) obtained the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion from Plutus and conducted interviews etc. of Plutus regarding the details and methods etc. of the valuation of the Company Shares, and (v) conducted interviews etc. of Iwata Godo regarding legal advice, including advice on measures to be taken to ensure procedural fairness in the Transactions, various procedures for the Transactions, methods for the Special Committee's deliberations regarding the Transactions, and negotiations etc. with Tender Offeror regarding the Tender Offer Price and other terms and conditions.

As a result of careful discussion and consideration of the Consultation Matters under the circumstances described above, the Special Committee unanimously submitted the Report concerning the Consultation Matters with the attached content to the Company's Board of Directors on September 10, 2025. For the content of the Special Committee's opinions regarding the Consultation Matters and the reasons therefor, please refer to the Report.

[5] Advice from an Independent Law Firm Obtained by the Company

To ensure the fairness and appropriateness of decision-making by the Company's Board of Directors, the Company engaged Iwata Godo as its legal advisor independent from the Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and received legal advice including advice on measures that should be taken to ensure the fairness of procedures in the Transactions, the various procedures of the Transactions, methods of deliberation by the Special Committee relating to the Transactions, and negotiations with Tender Offeror concerning the Tender Offer Price and other terms and conditions.

Iwata Godo is not a related party of the Company Group or the Tender Offeror Group and does not have any material interests relating to the Transactions. Iwata Godo is the Company's legal advisor, but the amount paid by the Company to Iwata Godo as consideration for legal advice is less than the Company's standard for the independence of outside officers and is not an amount that would give rise to any doubts concerning the fairness of Iwata Godo's legal advice regarding the Transactions, and the fees paid to Iwata Godo do not include contingency fees to be paid contingent on the successful completion etc. of the Transactions. Also, Iwata Godo is an external law firm that provides legal services to multiple clients not limited to the Company, and as one of Iwata Godo's clients, the Company continuously requests legal advice regarding business and management decisions, taking into account Iwata Godo's areas of expertise and specialization, and has entered into a legal advisory agreement with Iwata Godo for the receipt of legal advice from an outside legal expert, and the Company has concluded that the execution of such a legal advisory agreement does not impair Iwata Godo's independence from the Company.

[6] Establishment of an Independent Consideration Framework at the Company

As discussed above in "[3] Decision-Making Process Leading to and Reasons for the Company's Support for the Tender Offer" in "(2) Basis and Reasons for Opinion," in mid-May 2025, based on the legal advice received from Iwata Godo, including advice on measures that should be taken to ensure the fairness of procedures in the Transactions, the various procedures of the Transactions, methods of deliberation by the Special Committee relating to the Transactions, and negotiations with Tender Offeror concerning the Tender Offer Price and other terms and conditions, the Company began establishing a framework to consider, negotiate, and make decisions concerning the Transactions from a standpoint independent from Tender Offeror and from the perspectives of enhancing the Company's corporate value and protecting the common interests of the Company's shareholders.

Specifically, under instructions from the Special Committee, for the Company to consider, negotiate, and make decisions regarding the Transactions, including responding to due diligence on the Company by Tender Offer, consideration and preparation of the Business Plan, and consideration of the Company's managerial policy after the Transactions, the Company established a project team comprising 11 members in total: Senior Managing Executive Officer Takahiko Yamamoto, Executive Officer and Planning Dept. General Manager Masahiro Hirano, Executive Officer and General Affairs Dept. General Manager Motohiro Nakayama, General Affairs Dept. Section Manager Takashi Hikita, and seven other

Company employees. When selecting the members, care was taken to establish a framework that did not include any Company officers and employees who concurrently serve or previously served as officers or employees of the Tender Offeror Group (excluding the Company) including Tender Offeror. In particular, in relation to preparation of the Business Plan that serves as the basis for the share valuation of the Company Shares, the Special Committee received advice from Mizuho Securities, the Company's financial advisor, conducted multiple question and answer sessions with Mizuho Securities and Plutus, and confirmed the fairness of the preparation process, including the independence of the officers and employees involved in its preparation, with confirmation from Iwata Godo, the Company's legal advisor, and the Special Committee.

Also, based on the reasons set forth below in "[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company," Mr. Hiroshi Maezawa, Mr. Junzo Yamamoto, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah were excluded from the framework, and this treatment has continued to the current day. Further, none of Mr. Hiroshi Maezawa, Mr. Junzo Yamamoto, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah issued any instructions etc. to the framework regarding consideration, negotiation, and decision-making concerning the Transactions.

Including the handling of these matters, the framework for considering the Transactions at the Company (including the scope and roles of Company officers and employees involved in the consideration, negotiation, and decision-making concerning the Transactions) was established with advice from Iwata Goto and was approved by the Special Committee as presenting no issues from the perspectives of independence and fairness.

[7] Approval of All Directors Not Having an Interest in the Company; Opinion of No Objection by All Auditors Not Having an Interest in the Company

The Company's Board of Directors conducted careful deliberations and consideration of the Transactions from the perspective of enhancing the Company's corporate value and the appropriateness of the terms and conditions relating to the Transactions based on legal advice received from Iwata Goto and the content of the Company Share Valuation Report (Mizuho Securities), the Special Committee Share Valuation Report (Plutus), and the Fairness Opinion while giving maximum deference to the content of the Report submitted by the Special Committee.

As a result, as discussed in "[3] Decision-Making Process Leading to and Reasons for the Company's Support for the Tender Offer" in "(2) Basis and Reasons for Opinion," the Company determined that the Transactions including the Tender Offer will contribute to enhancing the Company Group's corporate value and that the Tender Offer Price is appropriate and provides a reasonable opportunity for the Company's shareholders to sell their shares, and at a meeting held on September 11, 2025, the Company's Board of Directors resolved to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

Also, seven of the Company's 11 directors excluding Mr. Hiroshi Maezawa, Mr. Junzo Yamamoto, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah attended the deliberations and resolutions, and the resolutions were adopted by all directors in attendance. All four of the Company's corporate auditors attended the above Board of Directors meeting and all of the corporate auditors in attendance expressed opinions to the effect that they had no objection to the above resolution. From the perspective of preventing the suspicion of conflicts of interests and ensuring the fairness of the Transactions, among the Company's directors, Mr. Junzo Yamamoto, who concurrently serves as senior executive officer of Tender Offeror, Mr. Hiroshi Maezawa, who formerly worked for Tender Offeror, Mr. Mohammed

Alshubrumi, who is a related party of the Non-Tendering Shareholder, and Mr. Khaled Al-Sabah, who is a related party of the shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, did not participate at all in the deliberations on proposals relating to consideration of the Transactions at the Company's Board of Directors meetings and did not participate at all in consideration of the Transactions from the Company's standpoint or in discussions and negotiations with Tender Offers regarding the Transactions.

[8] Measures for Ensuring that Other Purchasers Have an Opportunity to Purchase

Tender Offeror and the Company have not entered into any agreements etc. that include transaction protection clauses prohibiting the Company from having contact with persons who make counterproposals ("Persons Making Counterproposals") other than Tender Offeror or any agreements with terms that would restrict such Persons Making Counterproposals from having contact with the Company. By not impeding opportunities for competing purchases, consideration have been given to the fairness of the Tender Offer.

Also, while the minimum period for purchases relating to a tender offer is set at 20 business days by laws and regulations, Tender Offeror has set a tender offer period relating to the Tender Offer of 31 business days. Tender Offeror considers that setting a relatively long tender offer period that is longer than the statutory minimum period ensures that Company shareholders have an opportunity to make appropriate decisions regarding tendering their shares in the Tender Offer and ensures purchase opportunities for Persons Making Counterproposals.

[9] Consideration to Prevent Coerciveness

As discussed above in "(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition)," Tender Offeror (i) plans to request that the Company hold an Extraordinary General Shareholders' Meeting that includes proposals concerning implementation of the Share Consolidation promptly after the completion of settlement of the Tender Offer and amendment of the Company's Articles of Incorporation to abolish provisions on the number of shares per unit, subject to the Share Consolidation taking effect, and will not adopt methods that do not secure Company shareholders' share buyback request right or price determination request right, and (ii) has clarified that when implementing the Share Consolidation, it plans to request that the Company file a petition the court for approval of a voluntary sale, with the amount of cash to be delivered as consideration to Company shareholders (excluding Tender Offeror, the Non-Tendering Shareholder, and the Company) set to be equal to the price calculated by multiplying the Tender Offer Price by the number of Company Shares held by the respective shareholder, and therefore, Tender Offeror has given consideration to ensuring that Company shareholders have an appropriate opportunity to make decisions regarding whether to tender their shares in the Tender Offer, and to preventing coerciveness from arising regarding the measures in (i) and (ii) above.

4. Matters Concerning Important Agreements Relating to Tendering in the Tender Offer Between Tender Offeror and its Shareholders, Directors, and Others

Tender Offeror concluded a Non-Tendering Agreement with the Non-Tendering Shareholder regarding the tender of all the Company Shares it holds, as outlined below, on September 11, 2025. With the exception of the Non-Tendering Agreements, Tender Offeror has not made any agreements with the Non-Tendering Shareholder relating to the Transactions.

- (a) Unless prior written agreement is reached with Tender Offeror, The Non-Tendering Shareholder may not directly or indirectly tender all or some of the Company Shares that it holds and has not concluded any contract or made any agreement to implement a transaction that would have the effect of tendering those shares in the Tender Offer.
- (b) During the period from the date of conclusion of the Non-Tendering Agreement to completion of the Squeeze-Out Procedures, unless a prior written agreement is reached with Tender Offeror, the Non-Tendering Shareholder may not assign, create security interests in, or otherwise dispose of all or any part of the Company Shares that it owns, acquire Company Shares or rights relating to Company Shares, or conclude any agreement or contract to perform such conduct.
- (c) During the period from the date of conclusion of the Non-Tendering Agreement to completion of the Squeeze-Out Procedures, unless permitted by the Non-Tendering Agreement, unless required by applicable laws and regulations, or unless a prior written agreement is reached with Tender Offeror, the Non-Tendering Shareholder may not exercise the right to demand convocation of a general shareholders' meeting of the Company or a shareholder's right to make proposals, and shall not engage in any conduct intended to impede or delay the Tender Offer.
- (d) If the Tender Offer fails, the provisions of (b) and (c) above shall cease to be effective either when Tender Offeror withdraws the Tender Offer pursuant to applicable laws and regulations or when the Non-Tendering Agreement terminates pursuant to (h) below, whichever is earlier.
- (e) The Non-Tendering Shareholder may not engage in any conduct intended to impede or delay the Tender Offer or instruct or urge the Company's directors to oppose the Share Consolidation when the Company's Board of Directors convenes the Extraordinary Shareholders' Meeting for the purpose of approving the Share Consolidation, and must exercise voting rights in support of the proposal relating to the Share Consolidation at the Extraordinary Shareholders' Meeting (including the proposal to amend the Company's Articles of Incorporation in conjunction with the Share Consolidation).
- (f) After the Share Consolidation takes effect, the Non-Tendering Shareholder shall have the right to nominate one outside Director of the Company after completion of the Squeeze-Out Procedures, unless the government of the Kingdom of Saudi Arabia's ownership ratio of Company Shares falls below the ratio of shares held to the total number of issued Company Shares at the time of completion of the Squeeze-Out Procedures.
- (g) After the Share Consolidation takes effect, the Non-Tendering Shareholder and Tender Offeror will engage in good-faith discussions regarding the conclusion of an agreement setting forth the conditions governing their mutual relationship as Company shareholders after the Share Consolidation.
- (h) The Non-Tendering Agreement shall terminate when one year passes from the execution date thereof; provided, however, that if both parties agree in writing to terminate said agreement, or if the Tender Offer fails within six months from the execution date, and either party gives notice of termination to the other party, said agreement shall terminate at such time.

5. Details of Benefits Provided by Tender Offeror or its Specially Related Parties

Not applicable

6. Response Policies Regarding Basic Policies for the Control of the Company

Not applicable

7. Questions to Tender Offeror

Not applicable

8. Request for Extension of the Tender Offer Period

Not applicable

9. Future Outlook

Please refer to “[2] Background, Purpose and Decision-Making Process Leading to Tender Offeror’s Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy” in “(2) Basis and Reasons for the Opinion,” “(4) Prospects for Delisting and Reasons Therefor,” and ““(5) Post-Tender Offer Reorganization Policy (Matters Concerning so-called Two-Step Acquisition).”

10. Matters Relating to MBO, etc.

(1) Matters Concerning Measures for Ensuring Fairness and Measures for Avoiding Conflicts of Interest

Tender Offeror is an other associated company of the Company, and the Transactions including the Tender Offer are subject to the “Matters to be Observed Pertaining to Disclosure of MBO, etc.” specified in Article 441 of the Securities Listing Regulations.

As stated in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” in “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof” above, the Company has taken measures to ensure fairness and measures to avoid conflicts of interest in relation to the Transactions including the Tender Offer.

(2) Opinion of the Special Committee Regarding Fairness to General Shareholders

Furthermore, as above stated in “[4] Establishment by the Company of Independent Special Committee and Procurement of a Report from the Committee” in “(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer” in “3. Details of the Opinion Regarding the Tender Offer, and the Basis and Reasons Thereof,” the Special Committee submitted the Report regarding the fact that the Transactions including the Tender Offer are fair to the Company’s general shareholders. Please refer to Appendix 1 for details of the Report.

11. Other

(1) Release of the “Revision of Projected Dividends for Fiscal Year Ending March 31, 2026 (No Dividends)”

At a meeting of the Company’s Board of Directors held today, the Company resolved to revise the dividend forecasts for the March 31, 2026 term and not to declare a year-end dividend for the March 31, 2026 term, subject to the successful completion of the Tender Offer. For details, please refer to the “Revision of Projected Dividends for Fiscal Year Ending March 31, 2026 (No Dividends) released today.

End

Reference

Advisory Report (Appendix 1)

Summary of purchases, etc. in the “Notice of Commencement of Tender Offer for Shares of Fuji Oil Company, Ltd. (Securities Code 5017)” dated September 11, 2025 (Appendix 2)

United States Regulations

The Tender Offer is for ordinary shares of the Company, which is a company incorporated in Japan. The Tender Offer will be conducted in compliance with the procedures and information disclosure standards provided in the laws of Japan, and those procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; “U.S. Securities Exchange Act of 1934;” hereinafter the same applies) nor the rules based on these sections apply to the Tender Offer; therefore, the Tender Offer is not conducted in accordance with those procedures and standards. The financial information included in this document is based on Japanese accounting principles, which may differ significantly from generally accepted accounting principles in the United States or other countries. In addition, because Tender Offeror and the Company are corporations incorporated outside the United States and some or all of their officers are non-U.S. residents, it may be difficult to exercise rights or claims that may be asserted against them based on U.S. securities laws. It also may be impossible to initiate an action against a corporation or its officer(s) that are based outside of the United States in a court outside of the United States on the grounds of a violation of U.S. securities laws. Furthermore, there is no guarantee that a corporation that is based outside of the United States and subsidiaries and affiliated companies of such corporation may be compelled to submit themselves to the jurisdiction of a U.S. court.

Unless otherwise specified, all procedures relating to the Tender Offer are to be conducted entirely in Japanese. All or a part of the documentation relating to the Tender Offer will be prepared in the English language; however, if there is any inconsistency between the English-language documentation and the Japanese language documentation, the Japanese-language documentation will prevail.

This document includes statements that fall under “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties or other factors, actual results may differ significantly from the predictions, etc. indicated implicitly or explicitly as any “forward-looking statements.” Tender Offeror, the Company, and their affiliates do not guarantee that the predictions, etc. indicated implicitly or explicitly in those forward-looking statements will materialize. The “forward-looking statements” in this document were prepared based on information held by Tender Offeror and the Company as of today, and unless required by laws or regulations, Tender Offeror, the Company and their affiliates shall not be obligated to amend or revise such statements to reflect future circumstances or situations.

The respective financial advisors and tender offer agents (including affiliated companies thereof) of Tender Offeror and the Company may purchase or arrange to purchase Company Shares by means other than the Tender Offer, for their own account or for their client’s accounts in their ordinary course of business and to the extent permitted under the financial instrument and exchange laws and regulations and any other applicable laws and regulations in Japan as well as Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, during the period of purchase, etc. in the Tender Offer. In the event that information regarding such purchases is disclosed in Japan, such information will also be disclosed on the English website of the financial advisor or tender offer agent conducting such purchases (or by other disclosure methods).

Report

Special Committee, Fuji Oil Company, Ltd.

September 10, 2025

September 10, 2025

To Fuji Oil Company, Ltd.

The Committee hereby submits its responses to the matters referred to it by the Company's Board of Directors on May 22, 2025.

Special Committee, Fuji Oil Company, Ltd.

Chair: Mikiharu Mori [Seal]

(Attorney and representative partner, Tokyo International Law Office)

Member: Ryo Sato [Seal]

(Outside Director, Fuji Oil Company)

Member: Mutsumi Kanai [Seal]

(Outside Audit & Supervisory Board Member, Fuji Oil Company; CPA)

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Part 1. Introduction

The Committee (the “Committee”) responds as set forth below to the referral matters specified below in Part 2 (the “Referral Matters”) submitted to the Committee by the Board of Directors of Fuji Oil Company, Ltd. (the “Company”) concerning a tender offer (the “Tender Offer”) by Idemitsu Kosan Co., Ltd. (“Tender Offeror”) for ordinary shares of the Company (the “Company Shares”) and the subsequent series of procedures (collectively, the “Transactions”) for delisting the Company Shares including squeeze-out procedures (the “Squeeze-Out Procedures”).

Part 2. Referral Matters

The Referral Matters are as set forth below.

- (1) The legitimacy and appropriateness of the objectives of the Transactions (including whether the Transactions contribute to enhancing the Company’s corporate value);
- (2) The fairness and appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price in the Tender Offer;
- (3) The fairness of the procedures relating to the Transactions;
- (4) Whether conducting the Transactions can be considered to be disadvantageous to the Company’s minority shareholders; and
- (5) Based on (1) to (4) above and other matters, whether the Company’s Board of Directors should decide to express an opinion in support of the Tender Offer and recommend that the Company’s shareholders tender their shares in the Tender Offer.

A partial revision (revision of compliance matters relating to MBO, etc.; referred to as the “Listing Regulations Revision”) of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. (“TSE”) came into effect on July 22, 2025, and since the Transactions correspond to a “tender offer ... where the tender offeror is ... an other associated company” (Securities Listing Regulations, Article 441, Paragraph 1, Item (2)) decided after the effective date of the Listing Regulations Revision, the Transactions are subject to application of the Listing Regulations Revision. The provision on a “tender offer ... where the tender offeror is ... an other associated company” requires the acquisition of an opinion relating fairness to general shareholders.

Referral Matter (4) inquires whether implementation of the Transactions can be considered to be disadvantageous to the Company’s minority shareholders, but the issues of the Referral Matters were dated May 22, 2025, before the public release of the Listing Regulations Revision, and were based on the TSE Listing Regulations at the time. Considering this, it is expected that the Company’s Board of Directors will provide a response that takes into account the Listing Regulations Revision.

Therefore, in light of the Listing Regulations Revision, the Committee will respond to Referral Matter (4) by indicating whether it believes that the Transactions are fair to the Company’s general shareholders.

Part 3. Composition of the Committee

The Committee comprises the three members indicated below. All the three members indicated below are independent from the Company Group (the corporate group comprising the Company, five consolidated subsidiaries, and four affiliates (as of the date of submission of this Report); hereinafter the same applies), the Tender Offeror Group (the corporate group comprising Tender Offeror, 181 subsidiaries, and 58 affiliates (as of the date of submission of this Report); hereinafter the same applies), and the success of the Transactions.

Attorney and representative partner, Tokyo International Law Office Mikiharu Mori (chair)
Independent Outside Director, Fuji Oil Company Ryo Sato
Independent Outside Audit & Supervisory Board Member, Fuji Oil Company; CPA Mutsumi Kanai

Part 4. Background to and Methods of Investigation

To investigate the Referral Matters, the Committee convened a total of 18 times, meeting for approximately 42 hours between May 29, 2025 and September 10, 2025 (meetings of the Committee are collectively or individually referred to as “Committee Meetings”). Outside of Committee Meetings, the members expressed opinions, exchanged information, gathered information, and engaged in other activities through email and other means, held discussions from time to time as necessary, and otherwise engaged in careful investigation of and deliberation on the Referral Matters.

Considering that Mizuho Securities Co., Ltd. (“Mizuho Securities”), which the Company appointed as its financial advisor and third-party calculation agency, and Iwata Godo law firm (“Iwata Godo”), which the Company appointed as its legal advisor, each have adequate expertise, experience, etc. and are independent from the Company Group, Tender Offeror Group, and the success of the Transactions, the Committee approved the appointment of Mizuho Securities and Iwata Godo and confirmed that the Company may obtain professional advice from them as necessary. Also, on June 11, 2025, the Committee appointed K.K. Plutus Consulting (“Plutus”) as the Committee’s own third-party calculation agency, taking into consideration Plutus’ expertise, experience, etc. and the fact that it is independent from the Company Group, Tender Offeror Group, and the success of the Transactions.

The specific methods of investigation concerning the Referral Matters used by the Committee are described below.

1. Review and Investigation of the Investigation Materials

The Committee reviewed and investigated the materials and public materials (the “Investigation Materials”) set forth below.

- (1) Proposal materials relating to the initial proposal submitted by Tender Offeror (the “Proposal” prepared by Tender Offeror dated May 13, 2025; referred to as the “Initial Proposal”);
- (2) The written questions submitted by the Committee to Tender Offeror (the “Questions” dated June 11, 2025 prepared by the Committee; referred to as the “June 11, 2025 Written Questions”);
- (3) Tender Offeror’s written response to (2) (“Concerning the ‘Questions’ dated June 11, 2025” dated June 21, 2025 prepared by Tender Offeror; referred to as the “June 21, 2025 Written Response”);
- (4) The written questions submitted by the Committee to the Company (the “Questions for Suruga from the Special Committee” dated July 2, 2025 prepared by the Committee; referred to as the “July 2, 2025 Written Questions”);
- (5) The additional written questions submitted by the Committee to Tender Offeror in response to (3) (the “Second Questions” dated July 4, 2025 prepared by the Committee; referred to as the “July 4, 2025 Written Questions”);
- (6) Tender Offeror’s written response to (5) (“Concerning the ‘Second Questions’ dated July 4, 2025” dated July 9, 2025 prepared by Tender Offeror; referred to as the “July 9, 2025 Written Response”);
- (7) The additional written questions submitted by the Committee to Tender Offeror in response to (6) (the “Third Questions” dated July 24, 2025 prepared by the Committee; referred to as the “July 24, 2025 Written Questions”);
- (8) The Company’s business plan (the “Business Plan (March 2026 Term to March 2031 Term)” dated July 29, 2025 prepared by the Company; referred to as the “Business Plan”);
- (9) Tender Offeror’s written response to (7) (“Concerning the ‘Third Questions’ dated July 24, 2025” dated July 31, 2025 prepared by Tender Offeror; referred to as the “July 31, 2025 Written Response”);
- (10) Tender Offeror’s proposal of tender offer price and other terms and conditions (the “Proposal of Tender Offer Price and Other Terms and Conditions” dated August 8, 2025 prepared by Tender Offeror; referred to as the “August 8, 2025 Price Proposal”);
- (11) The written response to (10) from the Committee to Tender Offeror requesting consideration of the tender offer price and other terms and conditions (the “Response to Proposal” dated August 16, 2025 prepared by the Committee; referred to as the “August 16, 2025 Proposal Response”);
- (12) Tender Offeror’s proposal of tender offer price and other terms and conditions in

- response to (11) (the “Proposal of Tender Offer Price and Response to the ‘Response to Proposal’ dated August 16, 2025” dated August 21, 2025 prepared by Tender Offeror; referred to as the “August 21, 2025 Price Proposal”);
- (13) The written response to (12) from the Committee to Tender Offeror requesting reconsideration of the tender offer price and other terms and conditions (the “Response to Second Proposal” dated August 26, 2025 prepared by the Committee; referred to as the “August 26, 2025 Proposal Response”);
- (14) Tender Offeror’s proposal of tender offer price and other terms and conditions in response to (13) (the “Proposal of Tender Offer Price and Response to the ‘Response to Second Proposal’ dated August 26, 2025” dated August 28, 2025 prepared by Tender Offeror; referred to as the “August 28, 2025 Price Proposal”);
- (15) The written response to (14) from the Committee to Tender Offeror requesting reconsideration of the tender offer price and other terms and conditions (the “Response to Third Proposal” dated September 1, 2025 prepared by the Committee; referred to as the “September 1, 2025 Proposal Response”);
- (16) Tender Offeror’s proposal of tender offer price and other terms and conditions in response to (15) (the “Proposal of Tender Offer Price and Response to the ‘Response to Third Proposal’ dated September 1, 2025” dated September 2, 2025 prepared by Tender Offeror; referred to as the “September 2, 2025 Price Proposal”);
- (17) The written response to (16) from the Committee to Tender Offeror requesting reconsideration of the tender offer price and other terms and conditions (the “Response to Fourth Proposal” dated September 4, 2025 prepared by the Committee; referred to as the “September 4, 2025 Proposal Response”);
- (18) Tender Offeror’s proposal of tender offer price and other terms and conditions in response to (17) (the “Final Proposal of Tender Offer Price and Minimum” dated September 5, 2025 prepared by Tender Offeror; referred to as the “September 5, 2025 Price Proposal”);
- (19) The written response to (18) from the Committee to Tender Offeror (the “Response to Final Proposal” dated September 7, 2025 prepared by the Committee; referred to as the “September 7, 2025 Proposal Response”);
- (20) Tender Offeror’s written response to (19) (the “Response to Matters for Confirmation” dated September 8, 2025 prepared by Tender Offeror; referred to as the “September 8, 2025 Response”);
- (21) Materials relating to the share price valuation results by Mizuho Securities (the “Share Valuation Report” dated September 10, 2025 prepared by Mizuho Securities; referred to as the “Company Share Valuation Report (Mizuho Securities)”);
- (22) Materials relating to the share price valuation results by Plutus (the “Share Valuation Report” dated September 10, 2025 prepared by Plutus; referred to as the “Committee Share Valuation Report (Plutus)”);
- (23) The Fairness Opinion relating to the Tender Offer Price prepared by Plutus (the “Opinion”

dated September 10, 2025 prepared by Plutus; referred to as the “Fairness Opinion”);
and

(24) The Company’s draft press release concerning expression of an opinion on the Tender Offer (the “Press Release”).

(25)

2. Interviews with Company Directors, etc.

The Committee conducted interviews with members of the Company’s project team at Committee Meetings from time to time regarding the status of evaluation and consideration of the details of the proposal from Tender Offeror by the Company’s management (limited to those independent from Tender Offeror Group and the Major Shareholders (defined in Part 7.1(5) below; hereinafter the same applies), the details of discussions with Tender Offeror, and the content and methods of preparation of the Business Plan that served as the basis for the valuations of the Company Shares by Mizuho Securities and Plutus.

Also, at the June 10, 2025 Committee Meeting, the Committee received explanations from Company President and Representative Director Shigeto Yamamoto (“Mr. Shigeto Yamamoto”) regarding the status of evaluation and consideration of the Company’s business environment, impacts that the Transactions would have on the Company’s corporate value, and other matters, posed questions, and received responses. Furthermore, the Committee made inquiries to the Company through the July 2, 2025 Written Questions regarding the Company’s views on the details of the June 21, 2025 Written Response received from Tender Offeror based on the status of evaluation and consideration of the Company’s business environment and impacts that the Transactions would have on the Company’s corporate value, and at the Committee Meeting held on July 2, 2025, the Committee received responses to its inquiries from Mr. Shigeto Yamamoto and posed questions to and received responses from Mr. Shigeto Yamamoto regarding the details of those responses.

3. Interviews with Tender Offeror

The Committee made inquiries to Tender Offeror through the June 11, 2025 Written Questions regarding the background and course of events leading to the proposal for the Transactions, synergies that will be achieved through the Transactions, Tender Offeror’s management policies after the Transactions, the terms and conditions of the Transactions and the anticipated structure, and other matters, and received responses to those inquiries from Tender Offeror through the June 21, 2025 Written Response. Based on those responses, the Committee posed additional questions to Tender Offeror through the July 4, 2025 Written Questions regarding the background and course of events leading to the proposal for the Transactions, synergies that will be achieved through the Transactions, Tender Offeror’s management policies after the Transactions, the terms and conditions of the Transactions and the anticipated structure, and other matters, and received

responses to those inquiries from Tender Offeror through the July 9, 2025 Written Response.

Also, at the Committee Meeting on July 14, 2025, the Company and the Committee conducted a question and answer session with Tender Offeror regarding the details of the July 9, 2025 Written Response with Mr. Kenya Maeda, Managing Executive Officer of Tender Offeror, and others in attendance (the “July 14, 2025 Interview”) and received explanations regarding the background and course of events leading to the proposal for the Transactions, synergies that will be achieved through the Transactions, Tender Offeror’s management policies after the Transactions, and other matters.

Furthermore, based on those explanations and the responses in the July 9, 2025 Written Response, the Committee posed additional questions to Tender Offeror through the July 24, 2025 Written Questions regarding handling of the Major Shareholders in the Transactions, the minimum number of shares planned to be purchased through the Tender Offer in the Transactions, the schedule for acquisition of permits and approvals under competition law, the level of the Tender Offer Price in the Transactions in comparison to the amount of net assets per share, and other matters, and received responses to those inquiries from Tender Offeror through the July 31, 2025 Written Response.

Additionally, after the Company and Committee received an initial proposal on the Tender Offer Price and other terms and conditions from Tender Offeror in the August 8, 2025 Price Proposal, the Committee, through the August 16, 2025 Proposal Response, August 26, 2025 Proposal Response, September 1, 2025 Proposal Response, and September 4, 2025 Proposal Response, requested that Tender Offeror reconsider the Tender Offer Price and other terms and conditions presented by Tender Offeror. The Committee received responses to its requests from Tender Offeror in the form of the August 21, 2025 Price Proposal, August 28, 2025 Price Proposal, September 2, 2025 Price Proposal, and September 5, 2025 Price Proposal, and confirmed or approved the content of those proposals, requests, and responses. Subsequently, the Committee sent the September 7, 2025 Proposal Response to Tender Offeror, effectively reaching agreement with Tender Offeror on the Tender Offer Price and other terms and conditions.

4. Explanations, etc. from the Company’s Financial Advisor and Third-Party Calculation Agency

The Committee received explanations from time to time from Mizuho Securities, the Company’s financial advisor and third-party calculation agency, regarding the details and status of progress of the Transactions, the details and methods of the share valuation of the Company Shares, and other matters as well as the status of the discussions and negotiations with JPMorgan Securities Japan Co., Ltd. (“JPMorgan Securities”), Tender Offeror’s financial advisor, and conducted question and answer sessions with Mizuho Securities.

5. Explanations, etc. from the Committee's Own Third-Party Calculation Agency

The Committee received explanations from time to time from Plutus, the Committee's own third-party calculation agency, regarding the details and methods of the share valuation of the Company Shares, and other matters and conducted question and answer sessions with Plutus.

6. Explanations, etc. from the Company's Legal Advisor

The Committee received legal advice from time to time from Iwata Godo, the Company's legal advisor, including advice regarding measures for ensuring fairness in the procedures relating to the Transactions, the various procedures of the Transactions, methods of deliberation by the Committee regarding the Transactions, negotiations with Tender Offeror concerning the Tender Offer Price and other terms and conditions, and other matters and conducted question and answer sessions with Iwata Godo.

Part 5. Assumptions

In this Advisory Report, the Committee makes the following assumptions.

- (1) That the procedures of the Transactions will be implemented by the Company and Tender Offeror in compliance with the Companies Act (Act No. 86 of 2005, as amended; hereinafter the same applies), the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter the same applies), the Securities Listing Regulations, and other applicable laws and regulations; and
- (2) That the content of the Investigation Materials and information regarding which the Committee received explanations from Mizuho Securities, Plutus, Iwata Godo, Tender Offeror, JPMorgan Securities, and Tender Offeror's legal advisor Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("Nishimura & Asahi") are true, accurate, and complete as of the date of submission of this Report, no information necessary to avoid misunderstanding has been omitted, and there have been no material changes to the content of that information as of the date of submission of this Report. Further, other than the content of those materials and that information, there are no material facts or information that could have an impact on the content of the Committee's response.

Part 6. Details of Response

The Committee's responses to the Referral Matters are as set forth below (the content of the responses is referred to as the "Response Content").

1. Referral Matter (1)

The Transactions will contribute to enhancing the Company's corporate value, and the objectives of the Transactions are recognized to be legitimate and appropriate.

2. Referral Matter (2)

The Committee believes that fairness and appropriateness are ensured in the terms and conditions of the Transactions including the Tender Offer Price in the Tender Offer.

3. Referral Matter (3)

The Committee believes the fairness of the procedures relating to the Transactions is ensured.

4. Referral Matter (4)

The Committee believes that implementation of the Transactions ensures fairness for the Company's general shareholders.

5. Referral Matter (5)

Based on (1) to (4) above and other matters, the Committee believes that the Company's Board of Directors should decide to express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

Part 7. Reasons for the Response

The reasons leading to the Response Content are set forth below.

1. Legitimacy and Appropriateness of the Objectives of the Transaction (Referral Matter (1))

Regarding whether the Transactions will contribute to enhancing the Company's corporate value and whether the objectives of the Transactions are legitimate and appropriate, the Committee conducted the investigations described below, and as a result of comprehensive consideration, reached the conclusions that: (i) since there are no discrepancies between the Tender Offeror's Objectives of the Transactions and the objectives of the Transactions recognized by the Company, and in light of the Tender Offeror's Objectives of the Transactions, it seems reasonable to believe that the Transactions can be expected to improve the Management Issues Recognized by the Company (defined below in (2), hereinafter the same applies); (ii) even if

there are disadvantages to the Company from the Transactions, they can be evaluated as not posing a significant obstacle to implementation of the Transaction; and (iii) considering that no alternative measures other than the Transactions that could be expected to produce effects similar to those of the Transactions are anticipated, the Transactions will contribute to enhancing the Company's corporate value and the objectives of the Transactions are recognized as legitimate and appropriate.

(1) Course of events leading Tender Offeror to investigate the Transactions and Tender Offeror's Objectives of the Transactions

On July 1, 2019, Tender Offeror assumed all of Showa Shell Sekiyu K.K.'s business through a corporate division in which Tender Offeror was the successor company and Showa Shell Sekiyu was the dividing company, and Tender Offeror acquired 5,144,000 Company Shares (6.58% of the total number of issued shares as of that date) from Showa Shell Sekiyu. Later, on March 26, 2024, Tender Offeror made an off-market acquisition of 5,051,600 Company Shares (6.46% of the total number of issued shares on that date), which was all Company Shares held by Sumitomo Chemical K.K. As a result, Tender Offeror held 10,195,600 Company Shares (13.04% of the total number of shares issued as of that date) and became the Company's top shareholder.

In addition, Tender Offeror and the Company concluded an agreement relating to a capital and business alliance (the "Capital and Business Alliance") on April 16, 2024, and as a part of that Capital and Business Alliance, Tender Offeror made an off-market acquisition of 6,839,920 Company Shares held by K.K. JERA (8.75% of the total number of issued shares on that date) on August 1, 2024. As a result, when combined with the 10,195,600 Company Shares already held, Tender Offeror held a total of 17,035,520 Company Shares (21.79% of the total number of shares issued as of that date), and the Company became an equity-method affiliate of Tender Offeror.

Later, as part of the preparation of its next medium-term management plan, in late March 2025, Tender Offeror began examining the expected environmental conditions for petroleum products and supply systems based on those conditions. In the course of these activities, Tender Offeror determined that, although domestic fuel oil demand is gradually declining, given that the "Tourism Vision for Supporting Japan's Future" released in March 2024 by the Japan Tourism Agency of the Ministry of Land, Infrastructure, Transport and Tourism set a target of increasing the number of inbound tourists from 31.88 million in 2019 to 60 million in 2030, and that the number of flights to and from Japan is expected to increase as part of efforts to achieve this target, domestic jet fuel¹ demand is expected to increase substantially. According

¹ According to Tender Offeror, a type of liquid fuel produced by refining crude oil, similarly to gasoline and diesel, that is used to power the jet engines on aircraft.

to a fuel oil demand forecast report published in 2024 by Facts Global Energy² that takes into account the policies and economic conditions of different countries, overseas fuel oil demand, particularly in the Asia-Pacific region, is also expected to grow in the medium to long term, and thus demand is expected to remain steady, while at the same time there has been a trend toward increased activity in response to equipment problems at refineries, and the time required for periodic maintenance has been trending longer because of reformed work practices; thus, Tender Offeror concluded that strengthening the petroleum product supply system will be crucial to the fulfillment of its social responsibility for ensuring stable energy supply in the future.

Then, around mid-April 2025, Tender Offeror came to believe that, given the Company's current situation where it is operating its business independently as a listed company under the capital structure of equity-method affiliate, the two entities will be unable to reciprocally utilize each other's refinery equipment, other business foundations, talent, and information and will face certain limits on synergy creation if they each continue operating under separate managerial policies; and that delisting the Company and conducting business activities under the same corporate organization and the same managerial policy will enable them to realize even deeper collaborative structures, achieve more flexible and rapid decision-making, and further develop both companies' existing fuel oil businesses by pursuing even more synergies, such as those of (a) through (d) below, than were possible when the Company was made an equity-method affiliate.

(a) Optimization of Petroleum Product Production Structures

Tender Offeror believes that swift reciprocal exchange of products and crude oil between the two companies in the event of various changes in demand such as sudden equipment problems will make it possible to supply petroleum products both rapidly and efficiently.

(b) Establishment of a Stable Energy Supply Foundation from a Long-Term Perspective

Tender Offeror anticipates establishing a more effective stable supply foundation for energy through effective utilization of piers and tanks and otherwise through groupwide capital investment and reciprocal utilization.

(c) Improvement of Cost Competitiveness through Reciprocal Utilization and Centralization of The Two Companies' Functions and Infrastructures

Tender Offeror believes that further cost reductions can be expected through centralization of procurement of raw materials, equipment, and construction-related materials, and that

² According to Tender Offeror, a British global energy consulting company that provides leading independent research, analysis, consulting, and advisory services for oil, gas, LNG, and NGL markets.

improved competitiveness can be expected through efficient importing and exporting to be realized by utilizing the Company's large pier, one of the foremost piers in Japan.

(d) Establishment of a Low-Carbon Energy Supply Structure

Tender Offeror will consider establishing a low-carbon energy supply base through a structural reform from a long-term perspective in which the Company's Sodegaura Refinery and Tender Offeror's Chiba Site are formed into a single unit.

In light of the above considerations, on May 13, 2025, Tender Offeror presented to the Company the non-legally-binding Initial Proposal relating to the Transactions.

(2) Management Issues and Objectives of the Transactions Recognized by the Company

According to the Company, (i) building a system capable of stably supplying petroleum products amidst various anticipated changes, such as the gradual decline in domestic fuel oil demand, increased demand for jet fuel, steady demand trends overseas (particularly in the Asia-Pacific region), and decreasing demand for gasoline and kerosene, (ii) reducing the costs required for periodic refinery maintenance work, which are trending upwards due to rising personnel costs and extended maintenance periods caused by reformed work practices at a time when equipment problems at the refinery are increasing due to aging, (iii) reducing procurement costs for raw materials and equipment caused by inflationary pressures on raw materials and equipment, and (iv) adopting a long-term perspective in responding to carbon neutrality are all considered to be essential goals, and in light of the fact that the Sodegaura Refinery is the Company's only refinery, the Company recognizes that how it goes about achieving the goals of (i) to (iv) will be a key management issue (hereinafter, (i) to (iv) are collectively referred to as the "Management Issues Recognized by the Company").

Also, according to the Company, the Company recognizes that in responding to the Management Issues Recognized by the Company, it has been able to achieve certain results by collaborating with Tender Offeror, under the Capital and Business Alliance, to improve efficiency and strengthen competitiveness in petroleum product manufacturing and supply through deepened collaboration between the two companies, and to realize the functions of a flagship supply base for next-generation carbon neutral fuels. However, because the Company is an independent listed company, it has needed, even in its collaborations with Tender Offeror, to conduct its business operations with consideration for the interests of general shareholders, and when collaborative structures have been established between the Company and Tender Offeror (such as for joint management of periodic maintenance work), there have been certain constraints on Tender Offeror's ability to share information about refineries owned by Tender Offeror and other such confidential information relating to management resources, know-how, and marketing; therefore, further deepening of the collaboration under the Capital and Business

Alliance has been difficult. The Company believes that using the Transactions to bring the Company into the Tender Offeror Group can realize the synergies described in (a) to (e) below and can be expected to improve the Management Issues Recognized by the Company.

(a) Optimization of Petroleum Product Production structures

According to the Company, the Company currently has only the Sodegaura Refinery, and therefore, it is not possible to exchange crude oil with other refineries, but the Company believes that using the Transactions to bring the Company into the Tender Offeror Group will make it possible to exchange crude oil with the five refineries of the Tender Offeror Group, and to thereby respond swiftly and efficiently, in the event of any equipment problems at the Sodegaura Refinery or any sudden changes in supply and demand.

Based on the above, the Company believes that through the Transactions, optimization of petroleum product production structures will be possible and that improvement of issue (i) among the Management Issues Recognized by the Company can be expected.

(b) Establishing a Stable Energy Supply Base Rooted in a Long-Term Perspective

According to the Company, the Company has unique customers other than Tender Offeror, and therefore, believes that Tender Offeror can expand and enhance its supply structures. At the same time, the Company believes that the possibility of consolidating its customers within Tender Offeror will lead to improved sales prices and productivity for the Company. During on the July 14, 2025 Interview, the Company received from Tender Offeror a response to the effect that after implementation of the Transactions, until demand for petroleum products declines and it becomes difficult to operate both the Company's Sodegaura Refinery and Tender Offeror's Chiba Site at full capacity, Tender Offeror anticipates that the Company's Sodegaura Refinery will continue operating at full capacity in the same manner as currently to produce petroleum products.

Also, in the June 21, 2025 Written Response, the Company received from Tender Offeror a response to the effect that if demand for petroleum products declines substantially, the Company and Tender Offeror will work together to adjust production volumes and that it may be possible to prevent decreases in product prices resulting from overproduction and oversupply of petroleum products.

Based on the above, the Company believes that through the Transactions, it will be possible to stably sell large volumes of petroleum products to Tender Offeror at prices that generate a certain margin, even if demand declines substantially, it will be possible to sell petroleum products while maintaining profits, and that improvement of issue (i) among the Management Issues Recognized by the Company can be expected.

(c) Joint Management of Regular Maintenance Work

According to the Company, the costs necessary for regular maintenance work, including labor costs, have increased greatly in recent years, and reformed work practices have meant longer work periods, resulting in longer periods when refineries are unable to operate. In light of these circumstances, the Company believes that pursuing further cooperation with Tender Offeror and performing joint management initiatives, such as optimization of regular maintenance work timing and personnel allocation during regular maintenance work, will lead to reduced costs and shortened work periods in connection with regular maintenance.

Based on the above, according to the Company, through the Transactions, it will be possible to reduce costs associated with periodic maintenance and increase petroleum product manufacturing volumes in years when periodic maintenance is implemented, and improvement of issues (i) and (ii) among the Management Issues Recognized by the Company can be expected.

(d) Cost Reductions for Both Companies through Centralization of Procurement of Raw Materials, Equipment, etc. and Expansion of Both Companies' Existing Businesses through Maximally Effective Use of Facilities including the Company's Pier, One of the Foremost Piers in Japan

According to the Company, in addition to cost reductions achieved through centralization of raw material and equipment procurement, it is believed that cost reductions through centralization of subsidiary material procurement can also be expected, and while the Company has found it difficult in the past to compare costs with other refineries, the Company believes that by using information provided by Tender Offeror, which operates multiple refineries, it will be possible to identify the strengths and weaknesses of the Company's Sodegaura Refinery and by extension identify areas that should be strengthened and improved, enabling management decisions that contribute to further business development.

Also, in the June 21, 2025 Written Response and the July 14, 2025 Interview, the Company received from Tender Offeror responses to the effect that efficient export and import operations will be possible through the effective use of the Company's large pier.

Based on the above, the Company believes that through the Transactions, it will be possible to reduce costs associated with procurement of raw materials, equipment, etc. and to strengthen domestic and international petroleum product production systems using information provided by Tender Offeror and increased import and export efficiency, and that improvement of issues (i) through (iii) among the Management Issues Recognized by the Company can be expected.

(e) Transformation of the Company's Sodegaura Refinery and Tender Offeror's Chiba Site into Low-Carbon Energy Supply Sites by Implementing Structural Reforms from a Long-Term Perspective

According to the Company, the Company's Sodegaura Refinery and Tender Offeror's Chiba Site are located close to one another, and therefore, the Company believes that it will be possible for one facility to continue supplying petroleum products while the other converts to a fuel supply site for new carbon neutral fuels to replace petroleum products, and that the construction of a major carbon-neutral center that connects the Company's Sodegaura Refinery, Tender Offeror's Chiba Site, and other facilities with pipelines to enable the interchange of products and raw materials can also be expected.

Based on the above, the Company believes that the Transactions will make it possible, if long-term demand for petroleum products declines and it becomes difficult to operate both the Company's Sodegaura Refinery and Tender Offeror's Chiba Site, to make such a conversion to a carbon neutral fuel supply site and supply carbon-neutral fuel, and that the improvement of issue (iv) among the Management Issues Recognized by the Company can be expected.

(f) Summary

Based on (1) and (2) above, there are no discrepancies between the Tender Offeror's Objectives of the Transactions and the objectives of the Transactions recognized by the Company, and in light of the Tender Offeror's Objectives of the Transactions, it would seem reasonable to believe that the Transactions can be expected to improve the Management Issues Recognized by the Company.

(3) Disadvantages of the Transactions to the Company

Potential disadvantages to the Company that may arise from the Transactions are effects on the Company's ability to raise funds or capital, the Company's social credibility, and the ability to recruit human resources in conjunction with the delisting of the Company.

Regarding this point, according to the Company, the Company primarily uses borrowings from financial institutions as a means of procuring business funds, and given that, it is thought that the Company is currently not benefiting fully from the advantages of capital market access arising from being a listed company.

Also, according to Tender Offeror, after the Transactions, Tender Offeror anticipates drawing on its capital procurement abilities and financial foundations through the cash management system employed by Tender Offeror and other means, and according to the Company, in light of the disparity in creditworthiness between the Company and Tender Offeror, the Company expects to be able to favorably procure capital. In this way, the ability

to procure appropriate amounts of capital at appropriate times and at interest rates reflecting the creditworthiness of Tender Offeror is believed to be an advantage for the Company's business operations.

Furthermore, regarding social credibility and human resource recruiting capabilities, since Tender Offeror is a listed company and is considered to have high social credibility and recognition, even if the Company is delisted as a result of the Transactions, it will be possible to enhance the Company's external credibility, and it is even possible to expect that maintenance and further improvement of social credibility and human resource recruiting capabilities can be achieved.

Based on the above, even if there are disadvantages to the Company in relation to the Transactions, the Committee deems that they are not a particular impediment to execution of the Transactions.

(4) Impact on the Company Group's Employees from the Transactions

The Committee believes that, with respect to the treatment of employees following implementation of the Transactions, the knowledge and experience of the Company Group's employees are indispensable for the operation of the Company from the perspective of maintaining and enhancing corporate value, and further, it is necessary to sustain employee motivation through the establishment of appropriate employment conditions. Therefore, when implementing the Transactions, the Committee believes that it will be important that Tender Offeror continue the employment of the Company Group's employees and maintain (or improve) employment conditions.

Regarding this point, according to Tender Offeror, after implementation of the Transactions, Tender Offeror plans in principle to continue operation of the Company's Sodegaura Refinery at least until long-term demand for petroleum products declines and it becomes difficult to operate both the Company's Sodegaura Refinery and Tender Offeror's Chiba Site. Also, management structures after implementation of the Transactions are premised on continuing the employment of the Company Group's employees, and no major changes to their employment conditions are anticipated.

Based on the above, it can be said that Tender Offeror has an appropriate policy concerning the treatment of the Company Group's employees from the perspective of maintaining and enhancing the Company's corporate value, and the Committee deems that as long as those policies are carried out after implementation of the Transactions, the Transactions will contribute to maintaining and enhancing the Company's corporate value.

(5) Existence of Alternative Means Other than the Transactions

As discussed above in (1), the Transactions are the scheme adopted by Tender Offeror as the means of achieving the Tender Offeror's Objectives of the Transactions and, as discussed

above in (2), it would seem reasonable to believe that the Transactions can be expected to improve the Management Issues Recognized by the Company.

Upon investigating whether there are any alternative means other than the Transactions for achieving those objectives, possible alternative means include strengthening the Capital and Business Alliance with Tender Offeror while maintaining the Company's listing or securing additional equity contributions from Tender Offeror. With regard to these other means, however, considering that the Company is an independent listed company and its business management must give consideration to the interests of general shareholders, and that for the establishment of collaborative structures between the Company and Tender Offeror (including joint management of periodic maintenance work), there are certain constraints on the sharing of information about refineries owned by Tender Offeror and other such confidential information relating to management resources, know-how, and marketing, these are not desirable options from the perspective of maximizing the effects of collaboration with Tender Offeror.

Based on the above, the Committee believes that there are no alternative means other than the Transactions that can be expected to produce effects comparable to those of the Transactions.

At the stage where Tender Offeror presented the Initial Proposal, Tender Offeror proposed to the Company a scheme whereby Tender Offeror would acquire all Company Shares (including transfer-restricted Company Shares ("Restricted Shares") granted to Company directors and executive officers in the form of restricted stock compensation and excluding Company Shares held by Tender Offer and treasury shares held by the Company), including the Company Shares held by the government of the Kingdom of Saudi Arabia (referred to as the "Non-Tendering Shareholder"), the third largest shareholder of the Company (number of shares held: 5,811,390 shares; ownership ratio³: 7.52%), and by Kuwait Oil Company, likewise the third largest shareholder of the Company (number of shares held: 5,811,390 shares; ownership ratio: 7.52%) (hereinafter, the Non-Tendering Shareholder and Kuwait Oil Company are collectively referred to as the "Major Shareholders"), thus making the Company a wholly-owned subsidiary of Tender Offeror (the "Wholly-Owned Subsidiary Scheme"); but subsequently, in the course of investigating means of maximizing synergies and enhancing the Company Group's corporate value, Tender Offeror came to the conclusion that, with respect to the Major Shareholders, which are stable sources of supply for crude oil that support the petroleum refining businesses of the Company and the Tender Offeror Group, maintaining and strengthening the relationships with both companies and keeping the Major Shareholders as shareholders of the Company for at least a certain period after the delisting of the Company Shares would be optimal from the perspective of maintaining a stable crude oil supply to the

³ "Ownership ratio" means the ratio (rounded to the second decimal place; hereinafter the same applies in the calculation of ownership ratios) to the number of shares (77,240,335 shares) obtained by subtracting the number of treasury shares held by the Company (943,342 shares) as of June 30, 2025 as stated in the "March 2026 Term First Quarter Earnings Report (based on Japanese GAAP)" submitted by the Company on August 7, 2025 (the "Company First Quarter Earnings Report"), from the total number of issued shares of the Company as of June 30, 2025 (78,183,677 shares) as stated in the Company First Quarter Earnings Report.

Tender Offeror Group including the Company after the implementation of the Transactions, and Tender Offeror thus explained to the Committee that it anticipated a scheme whereby it would enter into non-tendering agreements with the Major Shareholders regarding the Tender Offer so that the Major Shareholders would not tender the Company Shares they held in the Tender Offer and would remain as shareholders of the Company even after the Transactions (the “Major Shareholder Non-Tendering Scheme”).

The Committee, believing that a method whereby Tender Offeror would receive equity investment from the Major Shareholders after implementation of the Transactions through the Wholly-Owned Subsidiary Scheme by Tender Offeror could also be considered, requested that Tender Offeror adopt the Wholly-Owned Subsidiary Scheme. In response to this request from the Committee, however, Tender Offeror responded that since the Major Shareholders are the government of a foreign country and a foreign oil company, the feasibility of securing equity capital after execution of the Transactions through the Wholly-Owned Subsidiary Scheme was not necessarily high; that the Major Shareholders are stable sources of supply of crude oil that support the crude oil refining business of the Company and the Tender Offeror Group, and keeping them as shareholders of the Company even after the Transactions would allow the Tender Offeror Group including the Company to maintain good relations with the Major Shareholders after the Transactions and the stability of crude oil supply, and by extension, could mean a greater ability to respond to geopolitical risks and fluctuations in international crude oil markets, and could ensure long-term stability of crude oil supply and secure a foundation for the ongoing construction of a cooperative relationship; and that Tender Offeror had determined that such a shareholder composition not only would increase the reliability of the domestic crude oil refining business and energy supply through stable crude oil procurement, but also would contribute to enhancing the Company’s corporate value.

Upon receiving this response, the Committee investigated the suitability of executing the Transactions through the Major Shareholder Non-Tendering Scheme rather than the Wholly-Owned Subsidiary Scheme. Regarding this point, according to the Company, (i) although currently no crude oil transactions are conducted between the Company and the Major Shareholders, it is conceivable that in the future, the Company will receive crude oil supply from the Major Shareholders, taking into consideration the crude oil sale prices of the Major Shareholders at the time, and therefore, it could be said that there are potential benefits for the Company in having the Major Shareholders remain shareholders of the Company after the Transactions, and (ii) even in the case where after the Transactions, the Major Shareholders remain shareholders of the Company and the secondment of directors by the Major Shareholders to the Company continues, no impairment of speedy decision-making by the Company is anticipated.

Based on the above, the Committee reached the conclusion that having the Major Shareholders remain as shareholders of the Company after the Transactions would not necessarily impede enhancement of the Company’s corporate value and that adoption of the Major Shareholder Non-Tendering Scheme rather than the Wholly-Owned Subsidiary Scheme

as the scheme for the Transactions would be acceptable.

Subsequently, in the September 5, 2025 Price Proposal, Tender Offeror explained to the Committee that Kuwait Oil Company, one of the Major Shareholders, had expressed its desire to sell Company Shares, in response to which Tender Offeror had decided that in order to maintain the longstanding good relations between the Tender Offeror Group and said company, it would respect said company's intention to sell; and in the September 8, 2025 Response, Tender Offeror explained that it did not plan to execute a tendering agreement with said company, that it anticipated said company tendering its shares in the Tender Offer in the same manner as a general shareholder, and that it would clearly state in disclosure documents that said company intended to tender its shares in the Tender Offer. Thus, the Committee considered the appropriateness of implementing the Transactions under a scheme whereby, instead of the Wholly-Owned Subsidiary Scheme, an agreement regarding non-tender of shares in the Tender Offer would be executed only with the Non-Tendering Shareholder among the Major Shareholders,⁴ and of the Major Shareholders, only the Non-Tendering Shareholder would remain a shareholder of the Company after the Transactions.

As a result, for the reasons of (i) and (ii) above, the Committee has determined that a scheme which keeps only the Non-Tendering Shareholder among the Major Shareholders as a Company shareholder will not necessarily hinder the Company from enhancing its corporate value, and that as a scheme for the Transactions, the above scheme can be accepted in lieu of the Wholly-Owned Subsidiary Scheme.

(6) Conclusion

Based on the above, the Committee recognizes that the Transactions will contribute to enhancing the Company's corporate value and that the objectives of the Transactions are legitimate and appropriate.

2. Fairness and Appropriateness of the Terms and Conditions of the Transactions (Referral Matter (2))

Regarding whether the transactional terms and conditions of the Transactions ensure fairness and appropriateness, the Committee has conducted the evaluations described below, and as a result of comprehensive consideration, the Committee is of the view that the fairness and appropriateness of the transactional terms and conditions of the Transactions, including the Tender Offer Price for the Tender Offer, have been ensured, based on the fact that the tender offer price in the Tender Offer of 480 yen per share (the "Tender Offer Price") (i) is within a reasonable range in relation to the results of the share valuation by Mizuho Securities, the Company's third-

⁴ According to Tender Offeror, on September 11, 2025, Tender Offeror plans to execute with the Non-Tendering Shareholder a non-tendering agreement, as outlined in section 4. of the Press Release, for all Company Shares held by the Non-Tendering Shareholder.

party calculation agency, (ii) is within a reasonable range in relation to the results of the share valuation by Plutus, the Committee's third-party calculation agency, (iii) is regarded, in the fairness opinion from Plutus, the Committee's third-party calculation agency, as being fair to the Company's general shareholders from a financial standpoint, (iv) can be considered, in terms of premium levels, to reflect to a reasonable degree the share price that would be achieved by the Company through the Transactions, and (v) was decided through sincere negotiations conducted by the Committee with Tender Offeror through Mizuho Securities, the Company's highly specialized financial advisor, and for these reasons can be regarded as a fair and appropriate price, while the fairness and appropriateness of the transactional terms and conditions of the Transactions other than the Tender Offer Price are also ensured.

(1) Acquisition of Share Valuation Report from the Company's Third-Party Calculation Agency

In expressing its opinion with regard to the Tender Offer, to ensure fairness in the decision-making process concerning the Tender Offer Price proposed by Tender Offeror, the Company requested Mizuho Securities, a financial advisor and third-party calculation agency independent of the Company Group, the Tender Offeror Group, and the success/failure of the Transactions, to calculate the share value of the Company Shares, and received the Company Share Valuation Report (Mizuho Securities) on September 10, 2025.

(a) Calculation Results of the Company Share Valuation Report (Mizuho Securities)

As a result of examining valuation methods in the Tender Offer and based on the belief that it is appropriate to evaluate the value of the Company Shares from multiple perspectives with the assumption that the Company is a going concern, Mizuho Securities calculated the per-share value of the Company Shares using the market price method, since the Company Shares are listed on the TSE Prime Market and market prices are available, and the discounted cash flow method (the "DCF Method"), to reflect the circumstances of the Company's future business activities in the valuation.

According to Mizuho Securities, the ranges of the per-share valuations of the Company Shares calculated using the above methods are as follows:

Market price method	305 yen to 334 yen
DCF Method	217 yen to 638 yen

The range of per-share value of the Company Shares obtained from the market price method is 305 yen to 334 yen, which using September 10, 2025 as the reference date, was calculated based on 332 yen, the closing price of Company Shares quoted on the TSE Prime Market on the reference date; 334 yen, the simple average closing price for the most recent one-month period; 320 yen, the simple average closing price for the most recent three-month

period; and 305 yen, the simple average closing price for the most recent six-month period.

Using the DCF Method, based on various factors including revenue forecasts and investment plans in the business plan for the March 2026 term to the March 2031 term (the “Business Plan”) prepared by the Company as the period that can reasonably be predicted at present, the Company’s financial information for the first quarter of the March 2026 term, and publicly available information, the Company’s corporate value and share value were calculated by discounting free cash flows expected to be generated by the Company from the second quarter of the March 2026 term onward to present value at a certain discount rate, and the range of per-share value for the Company Shares was calculated to be 217 yen to 638 yen. The discount rate was set at the weighted average cost of capital, and a rate of 2.75% to 3.25% was adopted. Also, when calculating continuing value, the perpetual growth method was adopted, and for the perpetual growth method, after comprehensively considering external environmental factors etc., the perpetual growth rate was set at -0.25% to 0.25% and the continuing value was calculated to be 125,919 million yen to 157,651 million yen. In calculating continuing value, in light of the Company’s business cycle, in which large-scale periodic maintenance is conducted once every four years and small-scale periodic maintenance is conducted in the intermediate years, in addition to financial figures for the March 2031 term, which is the final fiscal year of the Business Plan, four-year financial information for the period from the March 2028 term to the March 2031 term was taken into consideration.

When formulating the Business Plan, it was assumed that the Company’s current business, including the oil refining business, will be continued, and no large-scale changes in business activities were anticipated. Also, in light of the Company’s external environment and other factors, such as carbon neutrality, although there is a possibility of conducting concrete investigations of new businesses, such as the supply of biofuels in the future, as no new businesses are currently planned for implementation and it is difficult to make specific estimates of the impact on revenue, such new businesses have not been incorporated into the Business Plan. The Company has a business cycle of conducting large-scale periodic maintenance once every four years and small-scale periodic maintenance in the intermediate years, and accordingly, the Business Plan is premised on continuation of this business cycle.

Furthermore, to investigate the appropriateness of the terms and conditions of the Transactions, the Business Plan was formulated by a team comprising Company employees independent from the Tender Offeror Group, and the Tender Offeror Group (including personnel seconded from Tender Offeror and former employees of Tender Offeror) did not participate in the process of preparing the Business Plan. Also, when the Company formulated the Business Plan for the Transactions, the Committee conducted question and answer sessions concerning the content of the draft Business Plan, its important assumptions, and other matters and confirmed and approved the reasonableness of the content of the final Business Plan, its important assumptions, the preparation process, and other matters.

The financial forecasts based on the Business Plan that Mizuho Securities assumed when

performing calculations using the DCF Method are as follows. Such financial forecasts include fiscal years in which substantial year-on-year fluctuations in profit and free cash flow are expected. Specifically, large-scale periodic maintenance will be performed in the March 2026 term and the March 2030 term and small-scale periodic maintenance will be performed in the March 2028 term, and consequently, temporary suspensions of refinery operations for certain periods are planned and capital investment amounts are expected to increase, and as a result, operating income is projected to decrease by 10,048 million yen year-on-year in the March 2026 term, increase by 29,330 million yen year-on-year in the March 2027 term, decrease by 10,602 million yen year-on-year in the March 2028 term, increase by 10,162 million yen year-on-year in the March 2029 term, decrease by 16,557 million yen year-on-year in the March 2030 term, and increase by 14,831 million yen year-on-year in the March 2031 term, while free cash flow is projected to decrease by 38,532 million yen year-on-year in the March 2026 term, increase by 8,928 million yen year-on-year in the March 2027 term, increase by 10,424 million yen year-on-year in the March 2028 term, increase by 10,621 million yen year-on-year in the March 2029 term, decrease by 40,703 million yen year-on-year in the March 2030 term, and increase by 40,057 million yen year-on-year in the March 2031 term.

Also, with respect to the synergy effects expected to be generated from implementation of the Transactions, except for the reduction in listing expenses resulting from delisting the Company Shares, at this time, it is difficult to make specific estimates of the impact on revenue, and therefore, such effects are not incorporated into the financial forecasts in the Business Plan and are not included in the calculations performed by Mizuho Securities using the Business Plan as the basis for its calculations.

(Unit: million yen)

	March 2026 term (9 months)	March 2027 term	March 2028 term	March 2029 term	March 2030 term	March 2031 term
Net sales	504,439	787,333	693,000	787,024	631,213	786,484
Operating income	△2,195	13,713	3,111	13,273	△3,284	11,547
EBITDA	3,038	21,646	11,516	21,195	5,668	21,172
Free cash flow	△16,762	△3,714	6,710	17,332	△23,372	16,686

The details of the materials and information that Mizuho Securities analyzed and investigated and the matters it presupposed in calculating the share value of the Company Shares are as described in (Note 13) of 3(3)[1](B) of the Press Release.

(b) Reliability of the Company Share Valuation Report (Mizuho Securities)

To consider now the reliability of the Company Share Valuation Report (Mizuho Securities) as a precondition for the fairness and appropriateness of the Tender Offer Price, first, the Company has determined that Mizuho Securities is not a related party of the Company Group or the Tender Offeror Group and does not have any material interests in the Transactions (Mizuho Securities is a member of the Mizuho Financial Group, as are Mizuho Bank, Ltd. (“Mizuho Bank”) and Mizuho Trust & Banking Co., Ltd. (“Mizuho Trust & Banking”), and while Mizuho Bank has the status of a shareholder of the Company and of Tender Offeror and conducts financing transactions as part of its ordinary bank transactions with the Company and Tender Offeror, and Mizuho Trust & Banking also conducts financing transactions as part of its ordinary bank transactions with the Company, neither entity has any noteworthy material interests in the Transactions). Also, Mizuho Securities has established and implemented appropriate conflict of interest management systems, such as information barrier measures between itself and Mizuho Bank and Mizuho Trust & Banking, in accordance with Article 36 of the Financial Instruments and Exchange Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, and conducted its share valuation of the Company Shares from a standpoint independent of the statuses as shareholder and lender of Mizuho Bank and Mizuho Trust & Banking. The Company thus determined that when it conducted the share valuation of the Company Shares, Mizuho Securities had established and implemented appropriate conflict of interest management systems.

No unreasonable aspects are recognized in these determinations of the Company, and according to the Company, the remuneration paid to Mizuho Securities in relation to the Transactions does not include contingency remuneration to be paid conditionally upon the success of the Transactions, the qualifications of Mizuho Securities as a third-party calculation agency can be regarded as unproblematic, and the calculation methods used by Mizuho Securities to calculate the per-share value of the Company Shares are all recognized as general calculation methods. Also, the combination of valuation methods - that is, the market price method, which is based on market stock prices, and the DCF Method, which incorporates the present value of future cash flows into the valuation - is appropriate and follows standard approaches to corporate evaluation, and no unreasonable aspects are recognized in Mizuho Securities’ reasons for adopting each of these calculation methods.

The calculation results based on these calculation methods were calculated by Mizuho Securities, a third-party calculation agency that has extensive experience, and no unreasonable aspects are recognized in the calculation results of the per-share value of the Company Shares. Furthermore, no unreasonable aspects are recognized with regard to the above calculation methods or the financial forecasts, assumptions, etc. that served as the basis for the results of those calculations.

Based on the above, the Company Share Valuation Report (Mizuho Securities) can be

regarded as reliable.

(c) Fairness and appropriateness of the Tender Offer Price

Considering that the Tender Offer Price of 480 yen is greater than the upper limit of the range of the calculation results using the market price method in the Company Share Valuation Report (Mizuho Securities) and is greater than the median of the range of the calculation results using the DCF Method in the Company Share Valuation Report (Mizuho Securities), the Tender Offer Price can be regarded as being within a reasonable range in relation to the results of the share valuation in the Company Share Valuation Report (Mizuho Securities).

(2) Acquisition of Share Valuation Report and Fairness Opinion from the Committee's Third-Party Calculation Agency

When investigating the Referral Matters, to ensure the appropriateness of the transactional terms and conditions concerning the Tender Offer Price proposed by Tender Offeror, the Committee requested Plutus, a third-party calculation agency independent of the Company Group, the Tender Offeror Group, and the success/failure of the Transactions, to calculate the share value of the Company Shares and express an opinion concerning the fairness of the Tender Offer Price (a fairness opinion). On September 10, 2025, the Committee received the Committee Share Valuation Report (Plutus) and the Fairness Opinion, the latter of which indicated that the Tender Offer Price is fair to the Company's general shareholders from a financial standpoint.

(a) Calculation Results of the Committee Share Valuation Report (Plutus)

As a result of examining valuation methods in the Tender Offer and based on the belief that it is appropriate to evaluate the value of the Company Shares from multiple perspectives with the assumption that the Company is a going concern, Plutus conducted per-share valuations of the Company Shares using the market price method, since the Company Shares are listed on the TSE Prime Market and market prices are available, and the DCF Method, to reflect the circumstances of the Company's future business activities in the valuation.

The ranges of the per-share valuations of the Company Shares calculated by Plutus using the above methods are as follows:

Market price method	305 yen to 334 yen
DCF Method	265 yen to 618 yen

The range of per-share value of the Company Shares obtained from the market price method

is 305 yen to 334 yen, which, using September 10, 2025 as the reference date, was calculated based on 332 yen, the closing price of Company Shares quoted on the TSE Prime Market on the reference date; 334 yen, the simple average closing price for the most recent one-month period; 320 yen, the simple average closing price for the most recent three-month period; and 305 yen, the simple average closing price for the most recent six-month period.

Using the DCF Method, based on various factors including revenue forecasts and investment plans in the Business Plan, the Company's financial information for the first quarter of the March 2026 term, and publicly available information, the Company's corporate value and share value were calculated by discounting free cash flows expected to be generated by the Company from the second quarter of the March 2026 term onward to present value at a certain discount rate, and the range of per-share value for the Company shares was calculated to be 265 yen to 618 yen. The discount rate was set at the weighted average cost of capital, and a rate of 3.1% to 3.8% was adopted. Also, when calculating continuing value, the perpetual growth method was adopted, and for the perpetual growth method, after comprehensively considering external environmental factors, the perpetual growth rate was set at 0.0% and the continuing value was calculated to be 120,357 million yen to 147,364 million yen. In calculating continuing value, in light of the Company's business cycle, in which large-scale periodic maintenance is conducted once every four years and small-scale periodic maintenance is conducted in the intervening years, in addition to financial figures for the March 2031 term, which is the final year of the Business Plan, four-year financial information for the period from the March 2028 term to the March 2031 term was taken into consideration.

When formulating the Business Plan, it was assumed that the Company's current business, including the oil refining business, will be continued, and no large-scale changes in business activities were anticipated. Also, in light of the Company's external environment and other factors, such as carbon neutrality, although there is a possibility of conducting concrete investigation of new businesses, such as the supply of biofuels in the future, as no new businesses are currently planned for implementation and it is difficult to make specific estimates of the impact on revenue, such new businesses have not been incorporated into the Business Plan. The Company has a business cycle of conducting large-scale periodic maintenance once every four years and small-scale periodic maintenance in the intermediate years, and the Business Plan is premised on continuation of this business cycle.

As also discussed above in (1)(a), to investigate the appropriateness of the terms and conditions of the Transactions, the Business Plan was formulated by a team comprising Company employees independent from the Tender Offeror Group, and the Tender Offeror Group (including personnel seconded from Tender Offeror and former employees of Tender Offeror) did not participate in the process of preparing the Business Plan. When the Company formulated the Business Plan for the Transactions, the Committee conducted question and answer sessions concerning the content of the draft Business Plan, its important assumptions, and other matters and confirmed and approved the reasonableness of the content of the final Business Plan, its important assumptions, the preparation process, and other matters.

The financial forecasts based on the Business Plan that Plutus assumed when performing the DCF Method calculations are as follows. Such financial forecasts include fiscal years in which substantial year-on-year fluctuations in profit or free cash flow are expected. Specifically, large-scale periodic maintenance will be performed in the March 2026 term and the March 2030 term and small-scale periodic maintenance will be performed in the March 2028 term, and consequently, temporary suspensions of refinery operations for certain periods are planned and capital investment amounts are expected to increase, and as a result, operating income is projected to decrease by 10,048 million yen year-on-year in the March 2026 term, increase by 29,330 million yen year-on-year in the March 2027 term, decrease by 10,602 million yen year-on-year in the March 2028 term, increase by 10,162 million yen year-on-year in the March 2029 term, decrease by 16,557 million yen year-on-year in the March 2030 term, and increase by 14,831 million yen year-on-year in the March 2031 term, while free cash flow is projected to decrease by 42,137 million yen year-on-year in the March 2026 term, increase by 11,006 million yen year-on-year in the March 2027 term, increase by 9,947 million yen year-on-year in the March 2028 term, increase by 11,653 million yen year-on-year in the March 2029 term, decrease by 42,135 million yen year-on-year in the March 2030 term, and increase by 41,494 million yen year-on-year in the March 2031 term.

Also, with respect to the synergy effects expected to be generated from implementation of the Transactions, at this time, it is difficult to make specific estimates of the impact on revenue, and therefore, such effects are not incorporated into the financial forecasts in the Business Plan and are not included in the calculations made by Plutus using the Business Plan as the basis for its calculations.

(Unit: million yen)

	March 2026 term (9 months)	March 2027 term	March 2028 term	March 2029 term	March 2030 term	March 2031 term
Net sales	504,439	787,333	693,000	787,024	631,213	786,484
Operating income	△2,195	13,713	3,111	13,273	△3,284	11,547
EBITDA	3,441	21,781	11,664	21,354	5,829	21,336
Free cash flow	△17,664	△2,676	7,271	18,925	△23,211	18,283

The details of matters that Plutus presupposed and its other considerations etc. in calculating the share value of the Company Shares are as described at the end of 3(3)[2](C) of the Press Release. Plutus conducted question and answer sessions with the Company regarding the Business Plan that served as the basis of its calculations, and analyzed and examined the content thereof.

(b) Overview of the Fairness Opinion

The Fairness Opinion expresses the opinion that, in light of the results of the share valuation calculation performed based on the Business Plan prepared by the Company, the Tender Offer Price of 480 yen per share is fair to the Company's general shareholders from a financial standpoint.

The Fairness Opinion was issued by Plutus based on the results of its valuation of the Company Shares, which was conducted after receiving disclosures from the Company concerning the current status of its business, the Business Plan, and related explanations, as well as question and answer sessions conducted with the Company regarding the overview, background, and objectives of the Tender Offer, examination by Plutus, to the extent that it deemed it necessary, of the Company's business environment, economic, market, and financial conditions, and other factors, and a review process by a review committee independent from the Plutus engagement team (the matters presupposed and other considerations etc. for preparation of the Fairness Opinion are as described in (Note 14) of 3(3)[2](C) of the Press Release).

(c) Reliability of the Committee Share Valuation Report (Plutus) and Fairness Opinion

To consider now the reliability of the Committee Share Valuation Report (Plutus) and the Fairness Opinion as a precondition for the fairness and appropriateness of the Tender Offer Price, the Committee has determined that Plutus is not a related party of the Company Group or the Tender Offeror Group and does not have any material interests in the Transactions.

In addition to this determination by the Committee, according to the Company, considering that the remuneration paid to Plutus in relation to the Transactions does not include contingency remuneration to be paid conditionally upon the success of the Transactions, the qualifications of Plutus as a third-party calculation agency can be regarded as unproblematic, and the calculation methods used by Plutus to calculate the per-share value of the Company Shares are all recognized as general calculation methods. Also, the combination of valuation methods - that is, the market price method, which is based on market stock prices, and the DCF Method, which incorporates the present value of future cash flows into the valuation - is appropriate and follows standard approaches to corporate evaluation, and no unreasonable aspects are recognized in Plutus' reasons for adopting each of these calculation methods.

The calculation results based on these calculation methods were calculated by Plutus, a third-party calculation agency that has extensive experience, and no unreasonable aspects are recognized in the calculation results of the per-share value of the Company Shares. Furthermore, no unreasonable aspects are recognized with regard to the above calculation methods or the financial forecasts, assumptions, etc. that served as the basis for the results of those calculations.

Also, no unreasonable aspects are recognized with regard to the issuance procedures or content of the Fairness Opinion.

Based on the above, the Committee Share Valuation Report (Plutus) and Fairness Opinion can be regarded as reliable.

(d) Fairness and appropriateness of the Tender Offer Price

Considering that the Tender Offer Price of 480 yen is greater than the upper limit of the range of the calculation results using the market price method in the Committee Share Valuation Report (Plutus) and is greater than the median of the range of the calculation results using the DCF Method in the Committee Share Valuation Report (Plutus), the Tender Offer Price can be regarded as being within a reasonable range in relation to the results of the share valuation in the Committee Share Valuation Report (Plutus).

Further, the Fairness Opinion expresses an opinion to the effect that the Tender Offer price is fair to the Company's general shareholders from a financial standpoint, and this is also considered to support the fairness and appropriateness of the Tender Offer Price.

(3) Securing a Premium

The Tender Offer Price is a price that represents a premium over the closing price of Company Shares on the TSE Prime Market on September 10, 2025, the business day preceding the date of announcement of the Tender Offer, and the simple averages of prior closing prices.

(Reference Date: September 10, 2025)

	Closing Price on Reference Date	Simple Average of Closing Prices		
		Past Month	Past 3 Months	Past 6 Months
Market price	332 yen	334 yen	320 yen	305 yen
Premium	44.58%	43.71%	50.00%	57.38%

The above premium levels, according to Mizuho Securities, can be regarded as being comparable with the average premium levels for similar cases (specifically, the 45.42% to 59.37% levels of the mean and median values for 21 TOBs intended to delist a listed equity-method affiliate which were announced and completed between June 28, 2019, when the "Fair M&A Guidelines – Enhancing Corporate Value and Securing Shareholders' Interests" (the "M&A Guidelines") were published by the Ministry of Economy, Trade and Industry, and August 22, 2025 (excluding cases where leaked information was reported in the news) (the mean values of the premium levels in such 21 cases are: 54.58% over the share price on the business day before the announcement date, 57.06% over the simple average closing price for the one month up to the business day before the announcement date, 59.37% over the simple average closing price for the three months up to the business day before the announcement

date, and 58.55% over the simple average closing price for the six months up to the business day before the announcement date; and the median values of the premium levels in such 21 cases are: 45.42% over the share price on the business day before the announcement date, 50.64% over the simple average closing price for the one month up to the business day before the announcement date, 53.19% over the simple average closing price for the three months up to the business day before the announcement date, and 54.32% over the simple average closing price for the six months up to the business day before the announcement date)), and with these premium levels secured, it can be evaluated the Tender Offer Price will reflect to a reasonable degree the share price that would be achieved by the Company through implementation of the Transactions.

(4) Downward Revision Disclosures

As the Company stated in its “Notice Concerning Revision of Projected Earnings” dated August 9, 2024 (the “Downward Revision Disclosure (1)”), the Company made a downward revision of its forecast of consolidated performance for the cumulative second quarter and the full year of the fiscal year ending March 2025. According to the Company, this downward revision was precipitated by factors including the temporary shutdown of equipment due to a lightning strike in late July 2024, a review of production plans, and losses from the sale of all shares of Tokyo Sekiyu Kogyo K.K., which was a consolidated subsidiary of the Company at the time; and the Company has not formulated and announced this downward revision for the purpose of deliberately lowering the share price of Company Shares.

Also, as the Company stated in its “Notice Concerning Revision of Projected Earnings” dated November 8, 2024 (“Downward Revision Disclosure (2)”), the Company again made a downward revision of its forecast of full-year consolidated performance for the fiscal year ending March 2025. According to the Company, this downward revision was precipitated by factors including the recording of inventory valuation losses at the end of the first half of the fiscal year ending March 2025, as well as lower Dubai crude oil prices and revisions to exchange rate forecasts toward yen appreciation based on market trends at that time; and the Company has not formulated and announced this downward revision for the purpose of deliberately lowering the share price of the Company Shares.

According to Tender Offeror, as part of the preparation of its next medium-term management plan, beginning in late March 2025, Tender Offeror began examining the expected environmental conditions for petroleum products and supply systems based on those conditions, and Downward Revision Disclosure (1) and Downward Revision Disclosure (2) were made before Tender Offeror began considering the Tender Offer.

Based on the above, Downward Revision Disclosure (1) and Downward Revision Disclosure (2) can reasonably be considered to have not been made for the purpose of intentionally lowering the price of the Company Shares, and it can be considered unproblematic to take into account the prices of the Company Shares after Downward Revision

Disclosure (1) and Downward Revision Disclosure (2) in the calculations using the market price method by Mizuho Securities discussed above in (1), the calculations using the market price method by Plutus discussed above in (2), and the determination of the premium levels discussed in (3) above.

(5) Negotiations with Tender Offeror

Regarding the Tender Offer Price, starting on August 8, 2025, the Committee conducted multiple discussions and negotiations with Tender Offeror through Mizuho Securities, the Company's highly-specialized financial advisor, under a policy of negotiating until a fair and appropriate price and the minimum set based on MoM levels (defined below) etc. were agreed upon (that is, a policy of seeking to have all of the Company shares held by the Major Shareholders tendered in the Tender Offer and, if the Major Shareholders were to remain as Company shareholders even after the Transactions, taking such point into account when negotiating the price and setting the minimum), taking into consideration (a) the valuations of the Company Shares using the DCF Method (including the results of multifaceted analyses of losses carried forward and shares of associated companies, for which multiple valuation methods were conceivable) by Mizuho Securities, the Company's financial advisor and third-party calculation agency, and by Plutus, the Committee's third-party calculation agency; (b) the premium levels in examples of transactions similar to the Transactions (specifically, TOBs intended to delist a listed equity-method affiliate which had been announced and completed since June 28, 2019, the date the M&A Guidelines were released by the Ministry of Economy, Trade and Industry (excluding cases where leaked information was reported in the news)); (c) fluctuations in the market price of the Company Shares; and (d) the synergy effects that can be expected to be achieved through implementation of the Transactions (including, in addition to business-related synergy effects, synergy effects through further utilization of losses carried forward, which are anticipated in the case where Tender Offeror reduces the Company's capital after the Transactions).

Specifically, on August 8, 2025, the Company and the Committee received from Tender Offeror the first proposal pertaining to the Tender Offer, under which, on the assumption that the Major Shareholders would remain shareholders of the Company after the Transactions, the tender offer price was set at 400 yen per share (a 25.00% premium over the closing price of 320 yen of Company Shares on the TSE Prime Market at that time) and the minimum number of shares to be purchased was set such that Tender Offeror's ownership ratio after the completion of the Tender Offer would be 35.05%. In response to the proposal, the Committee [i] gave comprehensive consideration to the price so proposed in light of (a) through (d) above, and concluded that the increase in corporate value expected to be realized through the implementation of the Transactions was at an insufficient level as a fair distribution price to the Company's general shareholders, and [ii] with respect to the minimum number of shares to

be purchased, believed, from the perspective of the fairness and appropriateness of the transactional terms and conditions and the fairness of procedures, that it was important that the minimum be set so as to satisfy the so-called majority-of-minority (“MoM”) level (MoM, in this context, means a number of shares greater than the number equivalent to a majority (24,291,018 shares) of the 48,582,035 shares obtained by subtracting, from the Reference Number of Shares⁵ (77,240,335 shares), the number of Company Shares held by Tender Offeror as of the date of submission of this Report (17,035,520 shares), the number of Company Shares held by the Non-Tendering Shareholder (5,811,390 shares), and the number of Company Shares held by Kuwait Oil Company (5,811,390 shares)). On August 16, 2025, the Committee requested that Tender Offeror reconsider its proposal for the tender offer price and the minimum number of shares to be purchased.

Subsequently, on August 21, 2025, the Company and the Committee received from Tender Offeror a second proposal under which, on the assumption that the Major Shareholders would remain shareholders of the Company after the Transactions, the tender offer price was set at 425 yen per share (a premium of 29.97% on the closing price of 327 yen of Company Shares on the TSE Prime Market at that time), and the minimum number of shares to be purchased remained was set so that the Tender Offeror’s ownership ratio after the completion of the tender offer would be 35.05%. In response to such proposal, the Committee [i] gave comprehensive consideration to the price so proposed in light of (a) through (d) above, and concluded that the increase in corporate value expected to be realized through the implementation of the Transactions was at an insufficient level as a fair distribution price to the Company’s general shareholders, and [ii] with respect to the minimum number of shares to be purchased, believed, from the perspective of the fairness and appropriateness of the transactional terms and conditions and the fairness of procedures, that it was important that the minimum be set so as to satisfy the MoM level. On August 26, 2025, the Committee requested that Tender Offeror reconsider its proposal, including the tender offer price.

Subsequently, on August 28, 2025, the Company and the Committee received from Tender Offeror a third proposal under which, on the assumption that the Major Shareholders would remain shareholders of the Company after the Transactions, the tender offer price was set at 450 yen per share (a premium of 33.53% on the closing price of 337 yen of Company Shares on the TSE Prime Market at that time), and the minimum number of shares to be purchased remained was set so that the Tender Offeror’s ownership ratio after the completion of the tender offer would be 35.05%. In response to such proposal, the Committee [i] gave comprehensive consideration to the price so proposed in light of (a) through (d) above, and concluded that the increase in corporate value expected to be realized through the implementation of the Transactions was at an insufficient level as a fair distribution price to the Company’s general

⁵ The Reference Number of Shares means the number of shares (77,240,335 shares) obtained by subtracting, from the total number of issued shares of the Company as of June 30, 2025 (78,183,677 shares) as stated in the Company First Quarter Earnings Report, the number of treasury shares held by the Company as of June 30, 2025 (943,342 shares) as stated in the Company First Quarter Earnings Report; hereinafter the same applies.

shareholders, and [ii] with respect to the minimum number of shares to be purchased, believed, from the perspective of the fairness and appropriateness of the transactional terms and conditions and the fairness of procedures, that it was important that the minimum be set so as to satisfy the MoM level. On September 1, 2025, the Committee requested that Tender Offeror reconsider its proposal, including the tender offer price.

Subsequently, on September 2, 2025, the Company and the Committee received from Tender Offeror a fourth proposal under which, on the assumption that the Major Shareholders would remain shareholders of the Company after the Transactions, the tender offer price was set at 470 yen per share (a premium of 37.83% on the closing price of 341 yen of Company Shares on the TSE Prime Market at that time), the minimum number of shares to be purchased was set so that Tender Offeror's ownership ratio after the completion of the tender offer would be 48.05%, and it was indicated that there were no plans for any further increase of the Tender Offer Price or decrease of the minimum number of shares to be purchased. In response to such proposal, the Committee [i] gave comprehensive consideration to the price so proposed in light of (a) through (d) above, and concluded that the increase in corporate value expected to be realized through the implementation of the Transactions was at an insufficient level as a fair distribution price to the Company's general shareholders, and [ii] with respect to the minimum number of shares to be purchased, believed, from the perspective of the fairness and appropriateness of the transactional terms and conditions and the fairness of procedures, that it was important that the minimum be set so as to satisfy the MoM level. On September 4, 2025, the Committee requested that Tender Offeror reconsider its proposal, including the tender offer price.

Subsequently, on September 5, 2025, the Company and the Committee received from Tender Offeror a fifth proposal under which, on the assumption that only the Non-Tendering Shareholder would remain a shareholder of the Company after the Transactions (according to Tender Offeror, at the beginning of September, Kuwait Oil Company had expressed its policy of selling its Company Shares on the occasion of the Transactions, and Tender Offeror confirmed Kuwait Oil Company's desire to tender all of its Company Shares (5,811,390 shares; ownership ratio: 7.52%) in the Tender Offer; see 1(5) above), the tender offer price was set at 480 yen per share (a premium of 39.94% on the closing price of 343 yen of Company Shares on the TSE Prime Market at that time), the minimum number of shares to be purchased was set so that the Tender Offeror's ownership ratio after the completion of the tender offer would be 57.91%, and it was indicated that, because the content of the proposal gave utmost deference to the Committee's observations, and because Tender Offeror was accountable to its shareholders and needed to make efforts to maintain the stability of the Transactions, Tender Offeror had no intention of making any further changes to the proposal. In response to such proposal, the Committee believed [i] that the price so proposed was at an appropriate level as a price ensuring a fair distribution to the Company's general shareholders of the increase in corporate value expected to be realized through the implementation of the Transactions, and [ii] that the minimum number of shares to be purchased would satisfy the MoM level (MoM,

in this context, means a number of shares at a level greater than the number equivalent to a majority (27,196,713 shares) of the 54,393,425 shares obtained by subtracting, from the Reference Number of Shares (77,240,335 shares), the number of Company Shares held by Tender Offeror as of the date of submission of this Report (17,035,520 shares) and the number of Company Shares held by the Non-Tendering Shareholder (5,811,390 shares)) and ensure the fairness and appropriateness of the transactional terms and conditions and the fairness of procedures. On September 7, 2025, the Committee communicated to Tender Offeror that, on the condition that the commencement of the Tender Offer would be publicly announced on September 9, the Committee planned to report to the Company's Board of Directors that it believed the implementation of the Transactions would be fair to the Company's general shareholders.

Subsequently, on September 8, 2025, Tender Offeror communicated to the Company and the Committee that it was considering making the public announcement of the commencement of the Tender Offer on September 11, 2025. In response, on September 10, 2025, the Committee again considered the content of Tender Offeror's proposal and decided that it would report to the Company's Board of Directors that it believed the implementation of the Transactions would be fair to the Company's general shareholders. As a result, the Committee and Tender Offeror agreed upon the tender offer price (480 yen per share) and other terms and conditions, on the assumption that the Company's official decision would be approved by a resolution of the Company's Board of Directors.

No circumstances can be found in the course of the above negotiations concerning the Transactions which would raise doubts about transparency or fairness, the Tender Offer Price and other terms and conditions were agreed upon as a result of multiple rounds of discussions and negotiations between the Committee and Tender Offeror through Mizuho Securities, the Company's highly-specialized financial advisor and the Tender Offer Price of 480 yen per share represents a substantial increase from Tender Offeror's first proposal (400 yen per share), and hence can be regarded as a price that was determined through sincere negotiations.

(6) Comparison of the Tender Offer Price and Consolidated Net Asset Book Value Per Share

The Tender Offer Price of 480 yen per share is equivalent to 54.38% of the consolidated net asset book value per share (882.62 yen) calculated based on the Company's consolidated net asset book value as of the end of June 2025 and is less than such book value.

Regarding this point, according to the Company, the consolidated net asset book value per share is considered to correspond to the amount of value that would be expected through any dissolution or liquidation of the Company (liquidation value) at the present time, on the assumption that all assets and liabilities can be sold at book value, but (a) the Company plans to continue business operations even after the Transactions within the Tender Offeror Group, does not anticipate dissolution or liquidation after the Transactions, and has confirmed multiple times with Tender Offeror that there are no plans to dissolve or liquidate the Company after

the Transactions, and accordingly believes that it is not reasonable to emphasize the consolidated net asset book value per share when calculating the share value of the Company, which is a going concern; and (b) the liquidation value was estimated by the Company using a number of postulates, for the sole purpose of considering the appropriateness of the terms and conditions of the Transactions, and estimates were obtained in which the per-share liquidation value was lower than the Tender Offer Price, because, of the assets and liabilities held by the Company, it was found that the tangible fixed assets and intangible fixed assets (other than land), including machinery and devices, would be difficult to sell at book value because they were made according to Company-specific standards, and that the land would be difficult to sell at book value in light of information related to its current market price

No unreasonable points are recognized in the Company's explanations described above, and the fact that Tender Offer Price of 480 yen per share is less than the consolidated net asset book value per share as calculated based on the consolidated net asset book value per share as of the end of June 2025 (882.62 yen) is not a reason to deny the fairness and appropriateness of the Tender Offer Price.

(7) Past Acquisitions of Company Shares by Tender Offeror

On March 26, 2024, Tender Offeror made an off-market acquisition, at a price of 330 yen, of 5,051,600 Company Shares (6.46% of the total number of issued shares at the time), which was all Company Shares held by Sumitomo Chemical K.K.; and subsequently, on August 1, 2024, as part of the Capital and Business Alliance, Tender Offeror made an off-market acquisition, at a price of 360 yen, of all of the 6,839,920 Company Shares held by K.K. JERA (8.75% of the total number of shares issued at the time).

As indicated above, the per-share acquisition prices (330 yen and 360 yen) paid when Tender Offeror acquired Company Shares in the past are substantially lower than the Tender Offer Price of 480 yen per share, and on this point as well there is nothing unreasonable about the Tender Offer Price.

(8) Kuwait Oil Company's Desire to Tender in the Tender Offer

As discussed in (5) above, Kuwait Oil Company, the third largest shareholder of the Company, intends to tender all Company Shares held by it (5,811,390 shares; ownership ratio: 7.52%) in the Tender Offer.

Given that this intention was conveyed by Kuwait Oil Company, which is independent from the Tender Offeror Group, the fairness and appropriateness of the transactional terms and conditions of the Transactions, including the Tender Offer Price, can be considered to be supported.

(9) Transactional Terms and Conditions of the Transactions Other Than the Tender Offer Price

(a) Appropriateness of the Transaction Scheme

In light of the fact that, as discussed above in 1(5), no alternative means other than the Transactions which can be expected to produce effects comparable to those of the Transactions seem to be anticipated, and in the sense that the Transactions provide appropriate investment recovery opportunities to the Company's general shareholders, the scheme of the Transactions can be regarded as reasonable.

(b) Squeeze-Out Procedures

As discussed below in 3(7), if Tender Offeror is unable to acquire all Company Shares (including Restricted Shares but excluding shares held by Tender Offeror and Non-Tendering Shareholders and treasury shares held by the Company) through the Tender Offer even though the Tender Offer is successfully completed, then following completion of the Tender Offer, Tender Offeror plans to implement the Squeeze-Out Procedures using a share consolidation method. This method is a method commonly adopted in transactions where the delisting of the target company is contemplated, and can be considered an appropriate method for the Transactions, in which delisting of the Company is contemplated.

Also, according to Tender Offeror and the Company, (i) if the Tender Offer is completed, Tender Offeror plans to implement the Squeeze-Out Procedures promptly, and (ii) Tender Offeror plans to specify in the Press Release and other disclosure materials that the price standard for the Squeeze-Out Procedures will be based on a price the same as the Tender Offer Price. Regarding this point, as indicated above in (i), Tender Offeror plans to implement the Squeeze-Out Procedures as close in time as possible to the Tender Offer as a continuation of the Tender Offer procedures, and as indicated above in (ii), it can be considered reasonable to set the same price standard for the consideration to be given in both procedures, which will be implemented close together in time.

(c) Other Transactional Terms and Conditions.

The other terms and conditions of the Transactions other than the Tender Offer Price cannot be considered unreasonable in comparison to the terms and conditions of other transactions of the same type and scale, and the transactional terms and conditions thus cannot be regarded as lacking in fairness or appropriateness.

(10) Conclusion

Based on the above, the Committee believes that the fairness and appropriateness of the

transactional terms and conditions of the Transactions, including the Tender Offer Price for the Tender Offer, are ensured.

3. Fairness of the Procedures Relating to the Transactions (Referral Matter (3))

Regarding whether the fairness of the procedures relating to the Transactions is ensured, the Committee conducted the investigations discussed below, and as a result of comprehensive consideration, believes that the fairness of the procedures relating to the Transactions is ensured.

(1) Establishment, Deliberations, etc. of the Committee

(a) Establishment of the Committee

In light of the fact that the Transactions correspond to the acquisition of an equity-method affiliate by a principal shareholder and the largest shareholder of the Company, and that there are structural conflicts of interest and information asymmetry issues between Tender Offeror and the Company or the Company's general shareholders, in order to exercise caution in the Company's decision-making regarding the Transactions, eliminate the risk of arbitrariness and conflicts of interest in the Company's Board of Directors decision-making process, and ensure fairness in such process, pursuant to a resolution of the Board of Directors adopted at a meeting held on May 22, 2025, the Company established the Committee.

The Committee comprises three members: Mr. Ryo Sato (an outside director of the Company), who has extensive experience and insight as a corporate manager; Ms. Mutsumi Kanai (an outside auditor of the Company), who has extensive experience and insight as a certified public accountant; and Mr. Mikiharu Mori (an attorney and representative partner of Tokyo International Law Office), who has extensive knowledge and insight as a corporate legal affairs attorney, was recommended by Iwata Godo, and is serving as an outside expert, which the M&A Guidelines do not prohibit from being appointed to committees, in addition to outside officers, for the purpose of supplementing M&A expertise (specialized knowledge regarding procedural fairness and corporate valuation). According to the Company, among the Company's outside directors, Mr. Junzo Yamamoto, who concurrently serves as senior executive officer of Tender Offeror, Mr. Hiroshi Maezawa, who formerly worked for Tender Offeror, Mr. Mohammed Alshubrumi, who is a related party of the Non-Tendering Shareholder, and Mr. Khaled Al-Sabah, who is a related party of a shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, were not selected as members of the Committee with the aim of eliminating any potential impact of structural conflicts of interest in the Transactions.

All Committee members are independent from the Company Group, the Tender Offeror Group, and the success/failure of the Transactions. Also, regarding remuneration of

Committee members, a contingency fee was not adopted, and the Committee members do not have any material interests relating to the Transactions.

In addition to the above, the Board of Directors resolution establishing the Committee provided that along with submitting the Referral Matters to the Committee, when making decisions regarding the Transactions, the Board of Directors would give maximum deference to the opinions of the Committee, and if the Committee determined that the terms and conditions of the Transactions are not appropriate, that the Board of Directors would not make a decision to implement the Transactions (including expressing an opinion in support of the Tender Offer and recommending tendering of shares in the Tender Offer). Furthermore, the Committee was granted the following authority by the Company's Board of Directors: (i) the authority to conduct investigations relating to the Transactions at the Company's expense (including the ability to question Company officers or employees involved in the Transactions or the Company's advisors regarding the Transactions on matters necessary for consideration of the Referral Matters and to seek explanations or advice), (ii) the authority to request that the Company (a) convey the Committee's proposals, other opinions, or questions to Tender Offeror and (b) arrange opportunities for the Committee itself to discuss and negotiate with Tender Offeror (including Tender Offeror's advisors regarding the Transactions), and even if the Committee does not request such arrangements, when the Company conducts discussions and negotiations with Tender Offeror, the Company shall promptly report the details to the Committee, and the Committee may, based on those details, express opinions to the Company regarding the policy on discussions and negotiations with Tender Offeror and provide necessary instructions and requests, and (iii) the authority to appoint the Committee's own attorneys, calculation agencies, certified public accountants, and other advisors at the Company's expense when determined to be necessary.

Therefore, it can be said that the Committee comprises qualified individuals as special committee members and was designed to enable appropriate decisions, and the opportunity to substantively participate in the decision-making process regarding the Transactions has been ensured.

(b) Deliberations, etc. by the Committee

With the composition and design discussed in (a) above, and as discussed in Part 4 above, the Committee reviewed and investigated the Investigation Materials, received explanations from Mr. Junzo Yamamoto regarding the Company's business environment and the status of evaluation and consideration of the impacts of the Transactions on the Company's corporate value, conducted question and answer sessions, posed questions to the Company regarding the Company's business environment and the status of evaluation and consideration of the impacts of the Transactions on the Company's corporate value, received responses to those questions from Mr. Junzo Yamamoto, and posed questions to and received answers from Mr. Junzo Yamamoto regarding the details of those responses. The Committee also submitted

written questions to Tender Offeror regarding the background and circumstances leading to the proposal for the Transactions, synergies to be generated from implementation of the Transactions, Tender Offeror's managerial policy after the Transactions, and the conditions and anticipated structure of the Transactions on three occasions and received written responses from Tender Offeror each time, and at Committee Meetings, posed questions to and received responses from Tender Offeror regarding the details of its written responses.

Furthermore, the Committee received from Mizuho Securities, the Company's financial advisor and third-party calculation agency, explanations regarding the details and status of progress of the Transactions, the content of the Company Share Valuation Report (Mizuho Securities), the status of discussions and negotiations with JPMorgan Securities, Tender Offeror's financial advisor, and other matters, and posed questions and received responses concerning these points. The Committee also received explanations from Plutus, the Committee's own third-party calculation agency, regarding the content of the Committee Share Valuation Report (Plutus) and the Fairness Opinion, and posed questions and received responses regarding these points, and received legal advice from Iwata Godo, the Company's legal advisor, including advice regarding measures that should be taken to ensure the fairness of procedures in the Transactions, the various procedures of the Transactions, methods of deliberation by the Committee relating to the Transactions, and negotiations etc. with Tender Offeror concerning the Tender Offer Price and other terms and conditions and posed questions and received responses concerning these points.

Based on the above, it can be said that deliberations were carefully and appropriately conducted by the Committee.

(c) Negotiations by the Committee with Tender Offeror through the Company's Highly-Specialized Financial Advisor

The Committee negotiated with Tender Offeror regarding the Transaction terms and conditions relating to the Transactions including the Tender Offer Price through Mizuho Securities, the Company's highly-specialized financial advisor.

(e) Summary

As discussed above, the Committee comprises qualified individuals as special committee members and was designed to enable appropriate decisions, and the opportunity to substantively participate in the decision-making process regarding the Transactions has been ensured. In fact, the Committee conducted careful and appropriate deliberations and directly conducted negotiations with Tender Offeror regarding the transactional terms and conditions of the Transactions through the Company's highly-specialized financial advisor, and therefore, it can be evaluated that the establishment, deliberations, etc. of the Committee ensure the fairness of the procedures relating to the Transactions and effectively function as

means of ensuring fairness.

(2) Deliberations within the Company

In the Tender Offer, the Company conducted careful discussions and consideration regarding whether the Transactions including the Tender Offer will contribute to enhancing the Company's corporate value and whether the transactional terms and conditions relating to the Transactions including the Tender Offer Price are appropriate, taking into account legal advice received from Iwata Godo, advice from a financial perspective received from Mizuho Securities, and the content of the Company Share Valuation Report (Mizuho Securities) submitted by Mizuho Securities.

Also, under instructions from the Committee, to enable the Company to consider, negotiate, and make decisions regarding the Transactions, including responding to due diligence of the Company by Tender Offer, consideration and preparation of the Business Plan, and consideration of the Company's managerial policy after the Transactions, the Company established a project team comprising 11 members from the Company in total: Senior Managing Executive Officer Takahiko Yamamoto, Executive Officer and Planning Dep. General Manager Masahiro Hirano, Executive Officer and General Affairs Dept. General Manager Motohiro Nakayama, General Affairs Dept. Section Manager Takashi Hikita, and seven other Company employees. When selecting the members, care was taken to establish a framework that did not include any Company officers and employees who concurrently serve or previously served as officers or employees of the Tender Offeror Group (excluding the Company). In particular, in relation to preparation of the Business Plan that serves as the basis for the share valuation of the Company Shares, the Company received advice from Mizuho Securities, the Company's financial advisor, Mizuho Securities, Plutus and the Committee had multiple question and answer sessions, and furthermore, the fairness of the preparation process, including the independence of the officers and employees involved in the preparation was confirmed by legal advisor Iwata Godo and by the Committee.

Also, among the Company's directors, Mr. Junzo Yamamoto, who concurrently serves as senior executive officer of Tender Offeror, Mr. Hiroshi Maezawa, who formerly worked for Tender Offeror, Mr. Mohammed Alshubrumi, who is a related party of the Non-Tendering Shareholder, and Mr. Khaled Al-Sabah, who is a related party of a shareholder (Kuwait Oil Company) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, were excluded from the framework with a view to preventing the risk of conflicts of interest and ensuring the fairness of the Transactions, and this treatment has continued to the date of submission of this Report. Further, Mr. Junzo Yamamoto, Mr. Hiroshi Maezawa, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah did not issue any instructions to such framework regarding consideration, negotiation, and decision-making concerning the Transactions.

Based on the above, it can be said that the Company established a framework for considering,

negotiating, and making decisions relating to the Transactions from a perspective independent from Tender Offeror and the Major Shareholders, and it can be evaluated that such framework ensures the fairness of the procedures relating to the Transactions and functions effectively as a measure for ensuring fairness.

(3) Advice from Independent Outside Professional Advisors

(a) The Company's Financial Advisor and Third-Party Calculation Agency

In relation to the Transactions, the Company appointed Mizuho Securities as its financial advisor and received necessary and sufficient advice from a financial perspective from Mizuho Securities to ensure the fairness and appropriateness of the procedures relating to the Transactions and the terms and conditions of the Transactions including the Tender Offer Price. The Company also appointed Mizuho Securities as a third-party calculation agency, requested Mizuho Securities to calculate the share value of the Company Shares, and received the Company Share Valuation Report (Mizuho Securities) from Mizuho Securities on September 10, 2025.

According to the Company, Mizuho Securities is not a related party of the Company Group or the Tender Offeror Group and does not have any material interests relating to the Transactions (as discussed in 2(1)(b) above, Mizuho Securities is a member of Mizuho Financial Group, Inc., like Mizuho Bank and Mizuho Trust & Banking, but does not have any noteworthy material interests relating to the Transactions), and the remuneration paid to Mizuho Securities in relation to the Transactions does not include any contingency fees to be paid subject to the successful completion etc. of the Transactions.

Also, as discussed above in 2(1)(b), the Company determined that when conducting the share valuation of the Company Shares, Mizuho Securities established and implemented appropriate conflict of interest management systems.

Additionally, the Committee confirmed that there are no problems regarding Mizuho Securities' independence, approved Mizuho Securities as the Company's financial advisor and third-party calculation agency, and received necessary and sufficient advice from a financial perspective from Mizuho Securities to ensure the fairness and appropriateness of the procedures relating to the Transactions and the terms and conditions of the Transactions including the Tender Offer Price.

Therefore, the appointment and approval of Mizuho Securities and the advice from Mizuho Securities ensure the fairness of the procedures relating to the Transactions and can be evaluated as effectively functioning as a measure for ensuring fairness.

According to the Company, as stated in this section 3, the Company and Tender Offeror are implementing measures to ensure the fairness of the Tender Offer Price and measures for avoiding conflicts of interest, and therefore, the Company believes that ample consideration has been given to the interests of its general shareholders, and an opinion

regarding the fairness of the Tender Offer Price (a fairness opinion) has not been obtained from Mizuho Securities. No unreasonable aspects are found in this decision by the Company.

(b) The Committee's Third-Party Calculation Agency

In investigating the Referral Matters, to ensure the appropriateness of the transactional terms and conditions relating to the Transaction including the Tender Offer Price indicated by Tender Offeror, the Committee appointed Plutus as its own third-party calculation agency, requested Plutus to calculate the share value of the Company Shares and express an opinion regarding the fairness of the Tender Offer Price (a fairness opinion), and received the Committee Share Valuation Report (Plutus) and the Fairness Opinion on September 10, 2025, as well as advice based on those calculation results, the policy for negotiating with Tender Offeror, and other matters.

Plutus is not a related party of the Company Group or the Tender Offeror Group and does not have any material interests relating to the Transactions. The remuneration paid to Plutus in relation to the Transactions does not include any contingency fees to be paid subject to the successful completion etc. of the Transactions.

The Committee appointed Plutus as its own third-party calculation agency after conducting a comparative investigation of the independence, expertise, track record, etc. of multiple third-party calculation agency candidates and confirming that there were no problems regarding Plutus' independence.

Therefore, the appointment of Plutus and the advice from Plutus ensure the fairness of the procedures relating to the Transactions and can be evaluated as effectively functioning as a measure for ensuring fairness.

(c) The Company's Legal Advisor

The Company appointed Iwata Godo as its legal advisor in relation to the Transactions and received legal advice including advice regarding measures that should be taken to ensure the fairness of procedures in the Transactions, the various procedures of the Transactions, methods of decision-making by the Company relating to the Transactions, and negotiations etc. with Tender Offeror concerning the Tender Offer Price and other terms and conditions.

Iwata Godo is not a related party of the Company Group or the Tender Offeror Group and does not have any material interests relating to the Transactions. Iwata Godo is a law firm that serves as an advisor for the Company, but the amount paid by the Company to Iwata Godo as consideration for legal advice is a small amount of less than the standard of independence for an outside officer of the Company and does not raise any suspicion as to the impartiality of Iwata Godo's legal advice on the Transactions, and the remuneration paid to Iwata Godo in relation to the Transactions does not include any contingency fees to be paid subject to the successful completion etc. of the Transactions. Furthermore, Iwata Godo

is an outside law firm that provides legal services to many clients other than the Company, and as one of the clients of Iwata Godo, the Company requests legal consultation on an ongoing basis concerning its business and business decisions in view of Iwata Godo's practice areas and its expertise, and has executed a legal advisory agreement under which the Company receives legal advice from Iwata Godo as an outside legal expert. The Company determines that the fact of the execution of this legal advisory agreement does not impair Iwata Godo's independence from the Company.

Additionally, after confirming that there are no problems regarding the independence of Iwata Godo, the Committee approved the appointment of Iwata Godo as the Company's legal advisor, and the Company received necessary and sufficient advice from a legal perspective from Iwata Godo regarding measures that should be taken to ensure the fairness of procedures in the Transactions, the various procedures of the Transactions, methods of deliberation by the Committee relating to the Transactions, and negotiations etc. with Tender Offeror concerning the Tender Offer Price and other terms and conditions. Given that Iwata Godo has adequate specialized knowledge and experience as well as independence, and there are no particular circumstances requiring the Committee to appoint its own legal advisor, it can be said that the fact that the Committee did not appoint its own legal advisor does not impair the fairness of the procedures relating to the Transactions.

Based on the above, the appointment of Iwata Godo and the advice from Iwata Godo ensure the fairness of the procedures relating to the Transactions and can be evaluated as effectively functioning as a measure for ensuring fairness.

(4) Measures to Ensure Purchase Opportunities by Other Purchasers (Market Check)

While the minimum tender offer period is set at 20 business days by laws and regulations, Tender Offeror has set a tender offer period of 30 business days. It can be said that this is intended to conduct a so-called indirect market check by setting a tender offer period relatively longer than the minimum period set by laws and regulations, thereby ensuring an adequate opportunity for the Company's shareholders to make decisions regarding tendering their shares in the Tender Offer as well as opportunities for potential buyers other than the Tender Offeror ("Persons Making Counterproposals") to make competing purchases etc.; and to ensure the fairness of the Tender Offer.

Also, Tender Offeror and the Company have not entered into any agreements etc. that include transaction protection clauses prohibiting the Company from having contact with Persons Making Counterproposals or any agreements with terms that would restrict Persons Making Counterproposals from having contact with the Company.

In light of these measures etc., it can be said that opportunities for competing purchase etc. have been ensured, and it can be evaluated that the indirect market check functions accordingly in the Transactions.

Although a so-called active market check to investigate and consider the existence of

potential Persons Making Counterproposals in the market has not been conducted, such implementation is not necessarily easy in practice from the perspective of information management etc. In this case, considering that Tender Offeror holds 17,035,520 Company Shares (ownership ratio: 22.06%) and that a collaborative framework based on the Capital and Business Alliance has been established between Tender Offeror and the Company, it is believed that there are no realistic options other than the Transactions and the significance of conducting an active market check would be limited. Also, in this case, considering that the measures for ensuring fairness described in this section 3 have been implemented, even if an active market check is not implemented, it can be said that the fairness of the transactional terms and conditions has been procedurally ensured overall.

(5) Appropriate Provision of Information to the Company's General Shareholders

The Company plans to disclose, in the Company's disclosure materials (the Press Release etc.) relating to the Transactions, specific and detailed information including information relating to the Committee (independence of each Committee member, authority granted to the Committee, course of investigations by the Committee, the content of and reasons for the Committee's response, etc.) and information relating to the Transactions (objectives of the Transactions, course of events leading up to implementation of the Transactions, status of deliberations by the Board of Directors regarding the Transactions, etc.).

As stated above, it is recognized that in the Transactions, appropriate information as planned to be provided to the Company's general shareholders so that they can evaluate and make decisions regarding the Transactions, and such information provision ensures the fairness of the procedures relating to the Transactions and can be evaluated as functioning effectively as a measure for ensuring fairness.

(6) Setting a Minimum Number of Shares to be Purchased Greater than the MoM

In the Tender Offer, Tender Offeror has set the minimum number of shares to be purchased at 27,693,547 shares (ownership ratio: 35.85%), and if the sum of tendered share certificates etc. is less than the minimum number of shares to be purchased (27,693,547 shares), Tender Offeror will not purchase any of the tendered share certificates etc. It can be said that this minimum number of shares to be purchased (27,693,547 shares) will exceed the majority of Company Shares held by shareholders of the Company who do not share interests with Tender Offeror - in other words, will satisfy the MoM level (MoM, in this context, means a number of shares at a level greater than the number equivalent to a majority (27,196,713 shares) of the 54,393,425 shares obtained by subtracting, from the Reference Number of Shares (77,240,335 shares), the number of Company Shares held by Tender Offeror as of the date of submission of this Report (17,035,520 shares) and the number of Company Shares held by the Non-

Tendering Shareholder (5,811,390 shares)).

That is, regarding such minimum number, if such minimum number is reached, there will effectively be a tender of a majority of shares held by shareholders who do not share material interests with Tender Offeror, i.e., general shareholders (in other words, such minimum number will not be reached unless a majority of shares held by general shareholders are tendered), and therefore, setting such minimum number above substantively functions as setting the minimum number of shares to be purchased equivalent to the MoM, ensuring the fairness of the procedures relating to the Transactions and can be evaluated as effectively functioning as a measure for ensuring fairness.

(7) Elimination of Coerciveness

(a) Details of Squeeze-Out Procedures

In the Tender Offer, Tender Offeror has set the minimum number shares to be purchased at 27,693,547 shares (ownership ratio: 35.85%), and if the total number of tendered share certificates etc. falls short of the minimum number of shares to be purchased, Tender Offeror will not purchase any of the tendered share certificates etc. Also, Tender Offeror intends to delist the Company Shares by acquiring all Company Shares (including Restricted Shares and excluding shares held by Tender Offeror and the Non-Tendering Shareholder and treasury shares held by the Company), and consequently, Tender Offeror has not set a limit on the maximum number of shares to be purchased, and if the total number of tendered share certificates etc. exceeds the minimum number of shares to be purchased, Tender Offeror will purchase all of the tendered share certificates etc. Additionally, if Tender Offeror is unable to acquire all Company Shares (including Restricted Shares and excluding shares held by Tender Offeror and the Non-Tendering Shareholder and treasury shares held by the Company) in the Tender Offer even though the Tender Offer is completed, following completion of the Tender Offer, Tender Offeror plans to implement the Squeeze-Out Procedures by means of share consolidation.

Specifically, following completion of the Tender Offer, Tender Offeror plans to request that the Company convene an extraordinary general shareholders' meeting (the "Extraordinary General Shareholders' Meeting") that includes proposals concerning implementation of a share consolidation pursuant to Article 180 of the Companies Act (the "Share Consolidation") after the completion of settlement of the Tender Offer and amendment of the Company's Articles of Incorporation to abolish provisions on the number of shares per unit, subject to the Share Consolidation taking effect. Tender Offeror believes that from the perspective of enhancing the Company's corporate value, holding the Extraordinary General Shareholders' Meeting as early as possible would be desirable and plans to request that the Company publicly announce a record date during the tender offer period so that a date close to the Tender Offer settlement commencement date can serve as the record date for the Extraordinary General Shareholders'

Meeting, and that the Company hold the Extraordinary General Shareholders' Meeting around December 2025. If such a request is received from Tender Offeror, the Company plans to comply with the request. Tender Offeror and the Non-Tendering Shareholder plan to vote in support of the above proposals at the Extraordinary General Shareholders' Meeting.

According to Tender Offeror, (i) if the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders' Meeting, the Company's shareholders will come to hold the number of Company Shares proportional to the ratio of the Share Consolidation that is approved at the Extraordinary General Shareholders' Meeting as of the effective date of the Share Consolidation, (ii) if, due to the Share Consolidation, the number of shares is a fraction less than one share, each Company shareholder who holds such fractional shares will receive an amount of cash obtained by selling etc. the Company Shares equivalent to the sum of such fractional shares (if there is any fraction less than one share in such sum, such fraction will be rounded off; hereinafter the same applies) to Tender Offeror or the Company pursuant to the procedures specified in Article 235 of the Companies Act and other relevant laws and regulations, (iii) the sales price for the Company Shares equivalent to the sum of such fractional shares will be set at a price such that the amount of cash delivered as a result of the sale to each Company shareholder who do not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholder, and the Company) will be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares owned by each such shareholder, and Tender Offeror will request that the Company file a petition to the court for approval of such voluntary sale, and (iv) although the Share Consolidation ratio of the Company Shares has not been determined as of the date of submission of this Report, Tender Offeror intends to request the Company to determine the ratio such that Company Shares held by Company shareholders who do not tender their shares in the Tender Offer (excluding Tender Offeror, the Non-Tendering Shareholder, and the Company) become fractional shares, with the result that all Company Shares (excluding treasury shares held by the Company) will be owned only by Tender Offeror and the Non-Tendering Shareholder.

(b) Reasons for Minimum Setting Asserted by Tender Offeror

According to Tender Offeror, the reasons for setting 27,693,547 shares (ownership ratio: 35.85%) as the minimum of number of shares to be purchased (the "Minimum Setting") are as follows.

First, as the M&A Guidelines state, "as the scale of passive index funds has increased in recent years as a trend in the Japanese capital markets, some of these investors refrain, as a matter of policy, from tendering their shares in response to a tender offer regardless of the appropriateness of the transaction terms," Tender Offeror recognizes that some passive index funds generally have policies not to tender their shares in tender offers as a matter of principle, regardless of the appropriateness of the tender offer conditions, but to vote in favor of share consolidation proposals at shareholder meetings in subsequent squeeze-out procedures, and

further recognizes that this is also the case for passive index funds that hold Company Shares. Against this background, since January 1, 2020, there have been multiple instances of privatization by a tender offer without specifying the maximum number of shares to be purchased, where a certain number of shares held by passive index funds were deducted from the minimum number of shares to be purchased, and Tender Offeror has confirmed that among these cases, there are multiple instances where share consolidation proposals were approved at shareholder meetings in squeeze-out procedures, even though the tender offeror's voting rights ownership ratio after the tender offer was completed was less than two-thirds.

Additionally, with respect to passive index funds that hold Company Shares, Tender Offeror confirmed the details of the shareholder identification survey of Company shareholders as of the end of March 2025, which was conducted by the Company and shared by the Company on May 21, 2025, as well as database information regarding share ownership status organized by institutional investor fund from information vendors that provide data services for financial markets etc., and also analyzed the status of tendering of shares by institutional investors in a tender offer that Tender Offeror announced would be implemented in November 2024. Tender Offeror also conducted anonymous and general theory-based interviews with domestic institutional investors that manage such funds, asking about their general policy on the tendering of shares in tender offers and their policy on the exercise of voting rights at shareholder meetings after a tender offer is completed, without making any direct mention of the Transactions. As a result of some of the responses received, Tender Offeror recognizes that of the 7,951,600 shares in total held by passive index funds that held Company Shares (ownership ratio: 10.29%) as of the end of March 2025, for a total of 828,800 shares (ownership ratio 1.07 %), it was confirmed that such shares are held by institutional investors that answered, in anonymous and general theory-based interviews which made no direct mention of the Transactions, that they do not tender their shares in the tender offers but do, as a matter of principle, vote in favor of share consolidation proposals at shareholder meetings in subsequent squeeze-out procedures, and therefore, such investors can reasonably be expected to not tender their shares in the Tender Offer but to vote in favor of a proposal concerning the Share Consolidation.

Based on the above, Tender Offeror believes that considering the total number of shares, consisting of the number of shares held by Tender Offeror following completion of the Tender Offer (the minimum value is assumed to be 57.91% in terms of ownership ratio), the number of shares held by the Non-Tendering Shareholder (ownership ratio: 7.52%), the number of shares held by the above-mentioned passive index funds (ownership ratio: 1.07%), and the number of Restricted Shares held by Company directors and executive officers (ownership ratio: 0.16%), totaling a 66.67% ownership ratio, the proposal regarding the Share Consolidation can be approved.

In consideration of the foregoing, according to Tender Offeror's explanations, the above-mentioned passive index funds holding a total of 828,800 shares (ownership ratio: 1.07%) have answered that they withhold their shares "as a matter of principle" but vote in favor of squeeze-

out proposals in extraordinary general shareholders' meetings without tendering in the tender offers; thus, there would seem to be a certain reasonableness to the view that such passive index funds can be expected to not tender their shares in the Tender Offer but to vote affirmatively at the Extraordinary General Shareholders' Meeting.

(c) It Can be Found that Consideration Was Given to Ensure that No Coerciveness Would Arise

In the Tender Offer, to ensure that coerciveness does not arise, it is conceivable that the minimum number of shares to be purchased will be set at 28,522,347 (ownership ratio: 36.93%), which is equal to the number obtained by multiplying the Reference Number of Shares by two-thirds (51,493,557 shares, rounded to the nearest whole number), *less* the number of the Company Shares held by Tender Offeror (17,035,520 shares), the number of shares held by the Non-Tendering Shareholder (5,811,390 shares)⁶, and the number of Restricted Shares held by Company directors and executive officers (124,300 shares)⁷ as of the date of submission of this Report; but Tender Offeror's proposed Minimum Setting, i.e., 27,693,547 shares (ownership ratio: 35.85%), is less than this figure.

However, the Minimum Setting is only slightly below the above-referenced minimum setting (28,522,347 shares (ownership ratio: 36.93%)), and as set forth in (b) above, there would seem to be a certain reasonableness to the view that the above-mentioned passive index funds holding a total of 828,800 shares (ownership ratio: 1.07%) can be expected to not tender their shares in the Tender Offer but to vote affirmatively at the Extraordinary General Shareholders' Meeting, and assuming that the passive index funds do behave in such fashion, the establishment of the Minimum Setting will ensure that the proposal regarding the Share Consolidation can be approved. Thus, it would appear that the establishment of the Minimum Setting makes it likely that the resolution concerning the Share Consolidation will be approved.

Further, according to Tender Offeror, even if the resolution concerning the Share Consolidation is not approved, given that Tender Offeror's ultimate aim is to obtain all Company Shares (including Restricted Shares, but excluding Company Shares held by Tender Offeror and the Non-Tendering Shareholder and treasury shares held by the Company) and its policy is to delist Company Shares, in light of the status of tendering in the Tender Offer, the state of ownership and attributes of the Company's shareholders at the relevant point in time, and trends in market share prices, until a level where the resolution concerning the Share

⁶ According to Tender Offeror, Tender Offer plans to enter into an agreement with the Non-Tendering Shareholder that provides that the Non-Tendering Shareholder will not engage in any conduct intended to hinder or delay the Share Consolidation, that the Non-Tendering Shareholder must not instruct or encourage any director of the Company to oppose when the Company's Board of Directors convene an extraordinary general shareholders' meeting to be held for the purpose of approving the Share Consolidation, and that the Non-Tendering Shareholder must exercise its voting rights in favor of the proposal concerning share consolidation (including the proposal to amend the Company's Articles of Incorporation to reflect the Share Consolidation) at the Extraordinary General Shareholders Meeting.

⁷ According to Tender Offeror, if the Tender Offer is completed, of the Company's directors and executive officers not concurrently engaged as directors, those persons who hold Restricted Shares will be likely to support the resolution concerning the Share Consolidation at the Extraordinary General Shareholders' Meeting.

Consolidation will be realistically approved at a Company general shareholders' meeting (the specific level will be decided based on the ratio of voting rights exercises at the Extraordinary General Shareholders' Meeting and the recent composition of the shareholders of the Company) is reached, Tender Offeror plans to acquire additional Company Shares through market purchases or off-market negotiated acquisitions, with the aim of delisting Company Shares. With respect to the acquisition of such additional shares, it is Tender Offeror's policy that acquisitions of Company Shares, in the case of market transactions, will be made at the market price, and in the case of methods other than market transactions, as long as there are no circumstances necessitating a price adjustment such as a share consolidation or share split of Company Shares, will be made at a price evaluated as being economically equivalent to the Tender Offer Price (the price per one share will be the same amount as the Tender Offer Price unless there is an action by the Company that necessitates an adjustment of the consideration to be paid, such as a share consolidation or share split). Although the specific timing of such additional acquisition, and the period required until the approval of the resolution concerning the Share Consolidation at a subsequent general shareholders' meeting cannot be determined at this time because they will depend on market conditions and other circumstances, Tender Offeror has indicated that it will make the utmost effort so that the Share Consolidation is implemented as soon as practicably possible.

(d) Summary

In consideration of (a) through (c) above, (1) in the Transactions, the Squeeze-Out Procedures are planned to be implemented after the Tender Offer by means of the Share Consolidation; (2) (i) it is determined that the Minimum Setting makes it likely that the resolution concerning the Share Consolidation will be approved, and (ii) according to Tender Offeror, even if the resolution concerning the Share Consolidation is not approved, in light of the status of tendering in the Tender Offer, the state of ownership and attributes of the Company's shareholders at the relevant point in time, and trends in market share prices, until a level where the resolution concerning the Share Consolidation will be realistically approved at a Company general shareholders' meeting is reached, Tender Offeror plans to acquire additional Company Shares through market purchases or off-market negotiated acquisitions, with the aim of delisting Company Shares, and thus, in substantive terms, a scheme that will not secure Company's shareholders' share buyback request right or price determination request right has not been adopted; and (3) (i) if the Tender Offer is completed, Tender Offeror plans to implement the Squeeze-Out Procedures promptly, and (ii) it is planned to disclose that the price at the time of the Squeeze-Out Procedures will be based on the same price as the Tender Offer Price in the Press Release and other disclosure materials. Therefore, it can be said that consideration has been given such that general shareholders will not fall into a situation where they can expect to be treated disadvantageously if they do not tender their shares when deciding whether to tender in the Tender Offer, and it is recognized that in the Transactions,

consideration has been given to preventing coerciveness on general shareholders from arising.

(8) Conclusion

The measures for ensuring fairness have been taken in the Transactions, and the Committee believes that fairness is ensured in the procedures relating to the Transactions.

4. Whether the Implementation of the Transactions can be Considered to be Fair to the Company's General Shareholders (Referral Matter (4))

As discussed in 1 through 3 above, (i) it is recognized that the Transactions will contribute to enhancing the Company's corporate value and the objectives thereof have legitimacy and appropriateness (1 above), (ii) it is believed that fairness and appropriateness are ensured in the transaction terms and conditions of the Transactions including the Tender Offer Price the Tender Offer (2 above), and (iii) it is believed that fairness has been ensured in the procedures relating to the Transactions (3 above), and therefore, the Committee believes that implementation of the Transactions is fair to the Company's general shareholders.

5. Whether the Company's Board of Directors should Decide to Express an Opinion in Support of the Tender Offer and Recommend That the Company's Shareholders Tender Their Shares in the Tender Offer (Referral Matter (5))

As discussed in 1 through 4 above, considering that (i) it is recognized that the Transactions will contribute to enhancing the Company's corporate value and the objectives thereof have legitimacy and appropriateness (1 above), (ii) it is believed that fairness and appropriateness are ensured in the transaction terms and conditions of the Transactions including the Tender Offer Price the Tender Offer (2 above), (iii) it is believed that fairness has been ensured in the procedures relating to the Transactions (3 above), and (iv) it is believed that implementation of the Transactions is fair to the Company's general shareholders, the Committee believes that it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

Part 8. Disclaimers and Restrictions on Use

1. Disclaimers

This Report must be interpreted as limited to the matters stated herein, and no matters not expressly stated in this Report should be inferred or overinterpreted.

Also, this Report assumes that the content of the Investigation Materials and the information

explained to the Committee by the Company, Mizuho Securities, Plutus, Iwata Godo, Tender Offeror, JPMorgan Securities, and Nishimura & Asahi are true, accurate, and complete as of the date of submission of this Report and does not omit any information necessary to prevent misunderstanding, that no changes to the content of such information has occurred as of the date of submission of this Report, and that other than the content of those materials and that information, there are no material facts or information that could have an impact on the content of the Committee's report. The Committee has not performed any independent verification of the truth, accuracy, or completeness of such information.

Furthermore, this Report does not guarantee any interpretation or decision by a court, administrative agency, or self-regulating body etc.

The terms used by the Committee in this Report have the meanings used in Japanese laws and regulations that are directly applicable to the Company as a joint stock company listed in Japan.

2. Restrictions on Use

This Report is intended only to respond to the Referral Matters to the Company and was prepared with the assumption that the Company strictly maintains the confidentiality of the content herein. Therefore, the Company shall not use any content of this Report for any purpose other than the purpose specified above without obtaining the written consent of all Committee members, and except when required pursuant to laws and regulations or stock exchange regulations, shall not allow any third party to use this Report.

Individual members of the Committee shall not be precluded from using this Report for legitimate reasons in order to protect their own rights or interests.

End



September 11, 2025

Press Release

Company name: Idemitsu Kosan Co., Ltd.
Representative Director & Chief Executive Officer: Sakai
Noriaki
(Company Code: 5019, TSE, Prime Market)

Contact person:
Sasaki Shinko, General Manager, Investor Relations Office,
Finance Department
(TEL: +81-3-3213-9307)

**Notice Regarding Commencement of Tender Offer for
Shares of Fuji Oil Company, Ltd. (Securities Code: 5017)**

Idemitsu Kosan Co., Ltd. (the “Tender Offeror”) hereby announces that, by the board of directors’ resolution dated September 11, 2025, it decided to acquire shares of common stock (the “Target Company Shares”) of Fuji Oil Company, Ltd. (Code: 5017, Prime Market of Tokyo Stock Exchange, Inc. (the “TSE”); the “Target Company”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “Act”), as described below.

1. Purpose of Purchase
- (1) Overview of Tender Offer

As of today, the Tender Offeror is the largest shareholder of the Target Company, holding 17,035,520 Target Company Shares (ownership ratio (Note 1): 22.06%) listed on the Prime Market of the TSE and has the Target Company as its equity-method affiliate.

(Note 1) The “ownership ratio” refers to the ratio (rounded to the nearest hundredth, which also applies with regard to subsequent descriptions of ownership ratio) to the number of shares (77,240,335 shares; the “Base Number of Shares”) obtained by subtracting the number of treasury shares owned by the Target Company as of June 30, 2025 (943,342 shares) as described in the “Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)” published by the Target Company on August 7, 2025 (the “Target Company’s First-Quarter Financial Results”) from the total number of issued shares of the Target Company as of June 30, 2025 as described in the Target Company’s First-Quarter Financial Results (78,183,677 shares).

By the board of directors’ resolution dated September 11, 2025, the Tender Offeror decided to implement the Tender Offer as part of the transactions intended to acquire all of the Target Company Shares

(including shares of the Target Company with transfer restrictions that were granted to the Target Company's directors and executive officers as restricted stock-based compensation ("Restricted Shares") and excluding the Target Company Shares owned by the Tender Offeror and the Non-Tendering Shareholder (as defined below) and the treasury shares owned by the Target Company) and delist the Target Company Shares (the "Transactions").

Further, on September 11, 2025, the Tender Offeror entered into a non-tender agreement for the Tender Offer with the Government of the Kingdom of Saudi Arabia (the "Non-Tendering Shareholder") (the "Non-Tender Agreement"), which is the third largest shareholder of the Target Company (number of shares owned: 5,811,390 shares; ownership ratio: 7.52%), under which Non-Tendering Shareholder agreed in writing on matters including not tendering any of the Target Company Shares the Non-Tendering Shareholder holds in the Tender Offer, and that if the Tender Offer is completed successfully, the Non-Tendering Shareholder will support the proposals relating to the Squeeze-out Procedure (as defined below; the same applies hereinafter) at the Special Shareholders' Meeting (as defined in "(4) Post-Tender Offer Reorganization Policy (Matters Regarding "Two-Step Acquisition")" below; the same applies hereinafter). The Tender Offeror determined that, as the Non-Tendering Shareholder are stable suppliers of crude oil that supports the oil refining business of the Target Company and the Tender Offeror Group (as defined in "(I) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer" in "(2) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer, and Post-Tender Offer Management Policy" below; the same applies hereinafter), having the Non-Tendering Shareholder remain as shareholders of the Target Company after the Transactions will enable the Tender Offeror Group, including the Target Company, to maintain a good relationship with the Non-Tendering Shareholder after the Transactions and preserve the stability of crude oil supply, which will as a result enable the Tender Offeror Group to enhance its ability to respond to geopolitical risks and fluctuations in the international crude oil market and secure long-term stability of crude oil supply and the foundation to build sustainable cooperative relationships, and that such shareholder composition will not only enhance the reliability of the domestic oil refining business and energy supply through stable crude oil procurement but also contribute to improvement of corporate value; therefore, the Tender Offeror executed the Non-Tender Agreement. For an overview of the Non-Tender Agreement, please see "(6) Matters Regarding Critical Agreement Related to Tender Offer" below.

With respect to the Tender Offer, the Tender Offeror has set a minimum planned purchase quantity of 27,693,547 shares (ownership ratio: 35.85%), which is the number of shares obtained by subtracting the number of Target Company Shares owned by the Tender Offeror (17,035,520 shares), the Non-Tendering Shares (5,811,390 shares), 828,800 shares owned by passive index funds (Note 2), which are considered investors who will not tender in the Tender Offer as further described below, and the Restricted Shares owned by the Target Company's directors and executive officers (a total of 124,300 shares) as of today, from the number of shares obtained by multiplying the Base Number of Shares (77,240,335 shares) by two-thirds (51,493,557 shares; rounded up to the nearest whole number), and if the total number of shares tendered in the Tender Offer (the "Tendered Shares") falls below this minimum planned purchase quantity, the Tender Offeror will purchase no Tendered Shares. On the other hand, as described above, the Tender Offeror intends to delist the Target Company Shares and has therefore not set a maximum planned purchase quantity, and if

the total number of Tendered Shares is equal to or exceeds the minimum planned purchase quantity, the Tender Offeror will purchase all of the Tendered Shares.

(Note 2) A passive index fund is a fund that aims to secure a return on par with market averages by managing the fund for the purpose of linking investment results with indices, such as stock price indices, which serve as benchmarks for the markets for stocks and other investment assets.

The reasons for setting the minimum planned purchase quantity at 27,693,547 shares (ownership ratio: 35.85%) are as follows:

First, the “Fair M&A Guidelines” formulated by the Ministry of Economy, Trade and Industry on June 28, 2019 (the “M&A Guidelines”) indicate that “as the scale of passive index funds has increased in recent years as a trend in the Japanese capital markets, some of these investors refrain, as a matter of policy, from tendering their shares in response to a tender offer regardless of the appropriateness of the transaction terms,” so the Tender Offeror is aware that, in general, some passive index funds will not tender their shares in tender offers in principle, regardless of the tender offer terms, and instead have a policy of exercising their voting rights in support of share consolidation proposals at shareholders’ meetings in the process of squeeze-out procedures thereafter, and the Tender Offeror understands that this is also the case with the passive index funds that own Target Company Shares. The Tender Offeror understands that against this background, there have been several cases in which a certain number of shares owned by passive index funds were deducted from the minimum planned purchase quantities in cases implemented on or after January 2020 where the target companies were made wholly owned subsidiaries through tender offers in which maximum planned purchase quantities were not set, and has confirmed that among those cases, there were several cases in which share consolidation proposals were approved at shareholders’ meetings in the process of squeeze-out procedures even though the ratio of voting rights owned by the tender offerors after successful completion of the tender offers was less than two-thirds.

Second, with regard to the passive index funds that own Target Company Shares, the Tender Offeror reviewed the details of the shareholder identification survey of the Target Company shareholders as of the end of March 2025 conducted by the Target Company, which were shared by the Target Company on May 21, 2025, and the database information concerning the status of shares held by institutional investors through funds from information vendors that provide various data services such as information on financial markets, and analyzed the tendering status of institutional investors in the tender offer project of which the Tender Offeror announced the implementation in November 2024; and the Tender Offeror conducted interviews with the domestic institutional investors that manage those funds regarding their general response policy for tendering in tender offers and policy for exercising voting rights at shareholders’ meetings after successful completion of a tender offer, on the premise of anonymity and generalizations and without directly referring to the Transactions, and received responses from a portion of such investors as a result of these interviews. As a result, it has been confirmed that among the total of 7,951,600 shares (ownership ratio: 10.29%) owned by passive index funds that own Target Company Shares as of the end of March 2025, a total of 828,800 shares (ownership ratio: 1.07%) are owned by institutional investors who stated in the aforementioned interviews, premised on anonymity and generalizations and without directly referring to the Transactions, that they do not intend to tender in tender offers, but in principle intend to exercise their voting rights in support of proposals for share consolidations at shareholders’ meetings in squeeze-out procedures thereafter, and therefore, although the Tender Offeror has not confirmed their intention of not tendering their shares in the

Tender Offer and of supporting each proposal related to the Special Shareholders' Meeting, the Tender Offeror understands that those shares are reasonably expected not to be tendered in the Tender Offer and that the voting rights of those funds will be exercised in support of the proposals for the Share Consolidation (as defined in "(4) Post-Tender Offer Reorganization Policy (Matters Regarding "Two-Step Acquisition"))" below; the same applies hereinafter).

Based on the above, after the Tender Offer is successfully completed, in light of the total of the number of shares owned by the Tender Offeror (the expected minimum ownership ratio in that case is 57.91%), the number of the Non-Tendering Shares (ownership ratio: 7.52%), the number of shares owned by the aforementioned passive index funds (ownership ratio: 1.07%), and the number of Restricted Shares (Note 3) owned by directors and executive officers of the Target Company (ownership ratio: 0.16%), resulting in an expected total minimum ownership ratio of 66.67%, the Tender Offeror believes that the proposals for the Share Consolidation can be passed.

(Note 3) The Restricted Shares cannot be tendered in the Tender Offer due to the transfer restrictions; however, at the board of directors' meeting held on September 11, 2025, the Target Company passed a resolution indicating that the Target Company will express an opinion in support of the Tender Offer premised on delisting, and in the process of that resolution, seven out of 11 directors of the Target Company participated in the deliberations and resolutions, and all directors who participated in the resolutions exercised their voting rights in support of the resolution, none of the four directors who did not participate in the deliberations and resolutions hold any Restricted Shares, and one executive officer, who is the only person that owns Restricted Shares among executive officers who do not concurrently serve as directors (as described in "(VI) Establishment of Independent Consideration System at Target Company" in "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer" below, that executive officer is a member of the Target Company's project team for the Transactions) expressed their support for the Transactions. Therefore, all of the Target Company's directors and the person who owns Restricted Shares among executive officers who do not concurrently serve as directors are expected to support the proposals for the Share Consolidation if the Tender Offer is successfully completed.

Based on the above considerations, the Tender Offeror has set the minimum purchase quantity in the Tender Offer at 27,693,547 shares (ownership ratio: 35.85%) in order to maximize the possibility of achieving the purpose of the Tender Offer, which is to take the Target Company private, while respecting the decision of general shareholders of the Target Company on whether to tender.

As the Tender Offeror intends to delist the Target Company Shares, making the Tender Offeror and the Non-Tendering Shareholder the sole shareholders of the Target Company, if the Tender Offeror fails to acquire all of the Target Company Shares (including the Restricted Shares but excluding the Target Company Shares owned by the Tender Offeror and the Non-Tendering Shareholder as well as the treasury shares owned by the Target Company) through the Tender Offer, the Tender Offeror will implement the procedures described in "(4) Post-Tender Offer Reorganization Policy (Matters Regarding "Two-Step Acquisition"))" below to make the Tender Offeror and the Non-Tendering Shareholder the sole shareholders of the Target Company (the "Squeeze-out Procedure"). As described in "(4) Post-Tender Offer Reorganization Policy (Matters Regarding "Two-Step Acquisition"))" below, the Tender Offeror intends to request that the Target Company hold the

Special Shareholders' Meeting around December 2025; therefore, the Tender Offeror believes that the delisting of the Target Company Shares will be completed in around January or February 2026.

In the case of the Tender Offer, if the total number of voting rights of the Target Company owned by the Tender Offeror and the Non-Tendering Shareholder after successful completion of the Tender Offer is less than two-thirds of the total number of voting rights of all shareholders of the Target Company, the possibility of the proposals for the Share Consolidation to be carried out as a Squeeze-out Procedure not being approved at the Special Shareholders' Meeting cannot be completely ruled out. However, even if such approval cannot be obtained, the Tender Offeror aims to ultimately acquire all of the Target Company Shares (including the Restricted Shares but excluding the Target Company Shares owned by the Tender Offeror and the Non-Tendering Shareholder as well as the treasury shares owned by the Target Company), and intends to delist the Target Company Shares; as such, the Tender Offeror intends to aim to additionally acquire the Target Company Shares and delist the Target Company Shares through methods including on-market purchases or off-market over-the-counter acquisitions until the number of voting rights reaches the level at which the proposals for the Share Consolidation would be realistically approved at the Target Company's general meeting of shareholders (the specific level will be determined based on the ratio of voting rights exercised at the Special Shareholders' Meeting and the Target Company's latest shareholder composition), taking into consideration the tendering status in the Tender Offer, the ownership status and attributes of the Target Company's shareholders at that time, and trends in market stock prices. In terms of additional acquisitions, the Tender Offeror intends to acquire the Target Company Shares at their market price in the case of on-market transactions and at a price evaluated as economically equivalent to the Tender Offer Price (as defined in "(2) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer, and Post-Tender Offer Management Policy" below) in the case of methods other than on-market transactions, unless an event requiring a price adjustment, such as a share consolidation or share split of the Target Company Shares, occurs. The specific times/dates and methods of such additional acquisitions and the period required for general shareholders meeting approval of the proposals for the Share Consolidation thereafter cannot be determined at this time because they depend on various circumstances such as market conditions; however, the Tender Offeror will do its utmost to implement the Share Consolidation as soon as practicable.

Furthermore, according to the "Notice Concerning Expression of Opinion in Support of Tender Offer for Company Shares by Idemitsu Kosan, an Other Associated Company, and Recommendation to Tender Shares" published by the Target Company on September 11, 2025 (the "Target Company Press Release"), at its board of directors' meeting held on September 11, 2025, the Target Company resolved to express its opinion to support the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

For details of the Target Company's board of directors' resolutions described above, please refer to the Target Company Press Release and "(VII) Approval of All Target Company Directors Without Conflicts of Interest and Opinion of All Target Company Auditors That They Have No Objections" of "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer" below.

- (2) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer, and Post-Tender Offer Management Policy

- (I) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer

The company group composed of the Tender Offeror and its 181 subsidiaries and 58 affiliates (as of today) (collectively, the “Tender Offeror Group”) conducts (i) fuel oil business (Note 4), (ii) basic chemicals business (Note 5), (iii) functional materials business (Note 6), (iv) power and renewable energy business (Note 7), (v) resources business (Note 8), and (iv) other businesses (Note 9). The Tender Offeror was established by Mr. Sazo Idemitsu, the founder, as Idemitsu Shokai in Moji City, Fukuoka Prefecture (currently, Moji Ward, Kitakyushu City) in June 1911 and started sales of petroleum mainly in the Kanmon area. In March 1940, Mr. Sazo Idemitsu established Idemitsu Kosan Co., Ltd. in Tokyo, and Idemitsu Shokai merged with Idemitsu Kosan Co., Ltd. as a company disappearing in an absorption-type merger in November 1947. The Tender Offeror was listed on the First Section of the TSE in October 2006, and as a result of the restructuring of market divisions of the TSE as of April 4, 2022, it currently is listed on the Prime Market of the TSE.

(Note 4) “Fuel oil business” refers to the business of transportation of crude oil and petroleum products, refining of petroleum, manufacture of petroleum-related products, sale of petroleum products and service station-related products, purchase and sale of crude oil and other relevant products overseas, and manufacture and sale of petroleum products.

(Note 5) “Basic chemicals business” refers to the business of manufacture and sale of petrochemical raw materials and products.

(Note 6) “Functional materials business” refers to the business of manufacture and sale of lubricants, engineering plastics and adhesive substrates, electronic materials, high-performance asphalt, chemical pesticides, biopesticides, etc.

(Note 7) “Power and renewable energy business” refers to the business of power generation and electricity supply and sales, as well as the development and operation of renewable energy power sources.

(Note 8) “Resources business” refers to the business of survey, exploration, development, and sale of oil, natural gas, and geothermal resources, and the production, procurement, and sale of coal.

(Note 9) “Other businesses” refers to insurance agency business, etc.

On the other hand, the Target Company established AOC Holdings, Inc. through a share transfer between Fuji Oil Company, Ltd. (“Former Fuji Oil”) and Arabian Oil Company, Ltd. (“Arabian Oil”) in January 2003. In October 2013, AOC Holdings, Inc. amalgamated with Former Fuji Oil in the form of an absorption-type merger with AOC Holdings, Inc. as the surviving company and changed its company name to its current company name, Fuji Oil Company, Ltd. In April 2025, the Target Company amalgamated with Arabian Oil in the form of an absorption-type merger with the Target Company as the surviving company, and as of September 11, 2025, the Target Company has five consolidated subsidiaries and four affiliates. Further, the shares issued by the Target Company were listed on the First Section of both TSE and the Osaka Securities Exchange in January 2003 and were delisted from the Osaka Securities Exchange in April 2004. In addition, as a result of the restructuring of the TSE market segments on April 4, 2022, the Target Company is currently listed on the Prime Market of the TSE.

The Target Company Group (referring to the company group composed of the Target Company and

five consolidated subsidiaries and four affiliates (as of today); the same applies hereinafter), the main business of which is refinement, storage, procurement, sale, and purchase of petroleum and transportation, receipt, and shipment of petroleum products and other relevant products, has established its long-term management direction for 2050 as follows:

<The Target Company Group's long-term management direction for 2050>

- The Sodegaura Refinery will continue to be an important base of value creation (Note 10) to fulfill the mission of stable supply of energy.
- Recognizing that contributing to a low-carbon/recycling-oriented society is both our social responsibility and the most important management issue for the future of the Target Company, we will become a company that supplies carbon-neutral energy and oil products that reduce the amount of CO2 emissions generated during their production.

(Note 10) A base to create not only monetary value but also social and environmental value, such as contributing to a low-carbon and recycling-oriented society, for all stakeholders, including shareholders, customers, local communities, and employees, through the supply of energy needed by society, while transforming itself in accordance with social changes. In other words, the Target Company aims to increase its corporate value by positioning the Sodegaura Refinery as a core management resource and a medium- to long-term growth base to work toward “priority issues,” which are management ambidexterity for existing business (petroleum refining business) and new businesses (renewable energy supply business, etc.) pursuant to the “two basic policies” set forth based on the “long-term management direction” provided in the Third Medium-Term Business Plan.

To promote initiatives in line with this direction, under the Third Medium-Term Business Plan for four years (FY2021 to FY2024), the Target Company, with the aim of expanding earnings on a stable basis while reducing environmental burdens at the same time, set as its basic policy reinforcement of the base of its oil refining business and strengthening of efforts towards a decarbonized society, and has focused on (i) maintaining and enhancing operational reliability, (ii) strengthening cost competitiveness and establishing competitive advantages, (iii) thoroughly reducing environmental burdens at refineries, and (iv) pursuing businesses contributing to decarbonization.

On July 1, 2019, the Tender Offeror succeeded to 5,144,000 Target Company Shares (6.58% of the then total issued shares) from Showa Shell Sekiyu K.K. due to a succession of the entire business of Showa Shell Sekiyu K.K. through an absorption-type company split with the Tender Offeror as the company succeeding in the absorption-type company split and Showa Shell Sekiyu K.K. as the company splitting in the absorption-type company split. Thereafter, on March 26, 2024, the Tender Offeror acquired all of the 5,051,600 Target Company Shares (6.46% of the then total issued shares) held by Sumitomo Chemical Company, Limited in an off-market transaction. As a result, the Tender Offeror came to own 10,195,600 Target Company Shares (13.04% of the then total issued shares) and became the largest shareholder (a major shareholder) of the Target Company.

Thereafter, on April 16, 2024, the Tender Offeror and the Target Company entered into a capital and business alliance agreement, and as a part of that capital and business alliance, Tender Offeror acquired all

6,839,920 Target Company Shares owned by JERA Co., Inc. (8.75% of the then total issued shares) in an off-market transaction on August 1, 2024. As a result, together with the 10,195,600 Target Company Shares (13.04% of the then total issued shares) it had owned at that time, the Tender Offeror came to own 17,035,520 Target Company Shares (21.79% of the then total issued shares) and made the Target Company its equity-method affiliate.

As part of the preparation of the next Medium-Term Management Plan, from late March 2025, the Tender Offeror began considering the expected environmental conditions for petroleum products and the supply system based on them. During that process, the Tender Offeror reached the conclusion that it is important to strengthen its supply system for petroleum products in order for it to fulfill its social responsibility, which is to provide a stable supply of energy in the future, because although domestic demand for fuel oil is gradually declining, domestic demand for JET fuel (Note 11) is expected to increase significantly as the number of flights is expected to increase for achievement of the goal to increase the number of inbound foreign visitors to Japan to 60 million by 2030, up from 31.88 million inbound visitors in 2019, announced by the Japan Tourism Agency of the Ministry of Land, Infrastructure, Transport and Tourism in March 2024 in “Tourism Vision to Support the Future of Japan,” and according to the demand forecast report for fuel oil taking into account each country’s policy and economic conditions announced by FACTS GLOBAL ENERGY (Note 12) in 2024, mid- to long-term demand for fuel oil is expected to increase, and demand is expected to remain steady overseas, especially in the Asia-Pacific Rim, while the time required to respond to equipment problems, work style reforms, and regular repairs at refineries is on the rise. Based on these considerations, the Tender Offeror has come to believe that it is essential to build a foundation for stable supply of energy by making the Target Company its wholly owned subsidiary to make decision-making more flexible and expedited, and by developing a production system with a long-term perspective with the Tender Offeror Group and the Target Company acting in an integrated manner. Therefore, in mid-April 2025, the Tender Offeror initially communicated to the Target Company that it had begun considering the Transactions with the main purpose of strengthening the supply system.

(Note 11) “JET fuel” is a type of liquid fuel made by refining crude oil, which is the same as gasoline and light oil, and refers to the fuel that powers jet engines in aircraft.

(Note 12) “FACTS GLOBAL ENERGY” refers to a global energy consultant company of the United Kingdom, which provides major independent survey, analysis, consulting, and advisory services for the petroleum, gas/LNG, and NGL markets.

Further, in late March 2025, in order to further examine the Transactions, the Tender Offeror appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its legal advisor independent of the Tender Offeror Group and the Target Company Group, and in mid-April 2025, JPMorgan Securities Japan Co., Ltd. (“JPMorgan Securities”) as its financial advisor and third-party calculation agent independent of the Tender Offeror Group and the Target Company Group.

Then, around mid-April 2025, the Tender Offeror considered that, in the current situation where the Target Company operates its business independently as a listed company under the capital structure where it is the Tender Offeror’s equity-method affiliate, both companies operate under their individual management policies and thereby are not able to sufficiently utilize each other’s business foundations, including refining

facilities, as well as human resources and information, which will impose certain limits on the creation of synergies. As such, the Tender Offeror believes that, by engaging in business activities under the same business enterprise and the same management strategy after privatizing the Target Company, both companies will be able to realize a more in-depth collaboration system, make decision-making more flexible and expedited, and compared to the case where the Target Company is made an equity-method affiliate, further develop their fuel oil businesses, through pursuing further synergies as described below.

(i) Optimizing petroleum products production system

The Tender Offeror believes that both companies will be able to supply petroleum products in a swift and efficient manner by promptly exchanging with each other products and feedstock in response to various changes in demand and supply, including those due to unexpected equipment problems.

(ii) Developing a stable energy supply foundation with a long-term perspective

Through implementation of capital investment and mutual utilization of resources within the entire group, such as effective use of docks and tanks, a stable energy supply foundation is expected to be developed more efficiently.

(iii) Strengthening cost competitiveness by mutual utilization and centralization of functions and infrastructure of both companies

By centralizing the procurement of raw materials, materials, and equipment, and the procurement of construction-related materials, further cost reductions are expected. In addition, by utilizing the Target Company's pier, which is one of the largest in Japan, efficient import and export can be expected to strengthen competitiveness.

(iv) Developing a low-carbon energy supply system

Through a structural reform made from a long-term perspective in collaboration with the Sodegaura Refinery of the Target Company and the Chiba Complex of the Tender Offeror, developing a low-carbon energy supply base will be considered.

From the above, on May 13, 2025, the Tender Offeror presented to the Target Company a non-legally binding initial proposal document to acquire all of the Target Company Shares (excluding the treasury shares owned by the Target Company) and to take the Target Company private as a wholly owned subsidiary of the Tender Offeror (the "Initial Proposal Document").

In general, the disadvantages of delisting include a decrease in funding capacity, an impact on business partners and other stakeholders, and a decrease in employee motivation, but the Target Company has already obtained high creditworthiness from social stakeholders and after implementation of the Transactions, the Target Company will strive to enhance its corporate value at the group level through the realization of synergies with the Tender Offeror. Because the Target Company can leverage the financial strength, popularity and brand strength, and social credibility of the Tender Offeror Group, the disadvantages of taking the Target Company private through the Transactions are considered to be limited.

Initially, the Tender Offeror was proposing making the Target Company its wholly owned subsidiary; however, later, in the process of considering maximizing synergies and increasing the Target Company Group's corporate value, the Tender Offeror came to believe that it would be optimal for the Non-Tendering Shareholder and Kuwait Petroleum Corporation, which is the third largest shareholder of the Target Company (number of shares owned: 5,811,390 shares; ownership ratio: 7.52%) to remain as shareholders of the Target Company after the delisting of the Target Company Shares because they are stable suppliers of crude oil that

supports the oil refining business of the Tender Offeror Group and from the perspective of maintaining and strengthening the Tender Offeror's relationship with them and maintaining the stability of crude oil supply to the Tender Offeror Group, including the Target Company, after implementation of the Transactions. Accordingly, the Tender Offeror started discussions with the Non-Tendering Shareholder from early July 2025 and with Kuwait Petroleum Corporation from early June 2025, and explained that the Tender Offeror expects that both of them will not tender their Target Company Shares in the Tender Offer and will remain Target Company shareholders after the Transactions, and continued discussions with them. Thereafter, the Tender Offeror proceeded with discussions on the specific details of agreements; thereafter, on September 11, 2025, it executed the Non-Tender Agreement with the Non-Tendering Shareholder. On the other hand, the Tender Offeror also proceeded with discussions on the specific details of an agreement with Kuwait Petroleum Corporation, but in early September 2025, it expressed its intention to sell its Target Company Shares on the occasion of the Transactions. In response to this, the Tender Offeror confirmed that Kuwait Petroleum Corporation intended to tender all of the Target Company Shares owned by it in the Tender Offer (no agreement has been executed to agree on the tendering).

In addition, the Tender Offeror conducted due diligence on the Target Company from mid-June 2025 to early September 2025.

Thereafter, the Tender Offeror further examined the terms and conditions of, as well as other matters pertaining to, the Transactions, including the purchase price per Target Company Share in the Tender Offer (the "Tender Offer Price"). As a result, the Tender Offeror made the first proposal to the Target Company and the Special Committee (as defined in "(II) Decision-making Process Leading to Target Company's Decision to Support Tender Offer and Reason Therefor" below; the same applies hereinafter) on August 8, 2025, with the Tender Offer Price set at JPY 400, taking into account all factors as a whole, including the following: (i) the proposed price was above JPY 320, the closing price of the Target Company Shares on the Prime Market of the TSE on the same date, above JPY 325, the simple average closing price for the latest one-month period (rounded to the nearest whole number; the same applies hereinafter to calculation of simple average closing prices), above JPY 304, the simple average closing price for the latest three-month period, and above JPY 303, the simple average closing price for the past six-month period; and (ii) the following premiums have been added to the Target Company Shares: (a) 25.00% (rounded to the nearest hundredth; the same applies hereinafter to calculation of the premium rate on share prices) over JPY 320, which is the closing price of the Target Company Shares on the Prime Market of the TSE on August 8, 2025; (b) 31.58% over JPY 304, the simple average closing price for the latest three-month period; and (c) 32.01% over JPY 303, the simple average closing price for the latest six-month period. In addition, the Tender Offeror proposed to the Target Company and the Special Committee in the initial proposal that it expected the Non-Tendering Shareholder and Kuwait Petroleum Corporation to remain as shareholders of the Target Company even after the Transactions, and that the Tender Offeror would set a lower limit on the number of shares to be purchased in the Tender Offer so that the Tender Offeror's ownership ratio would be 35.05% after successful completion of the Tender Offer. Subsequently, on August 16, 2025, the Tender Offeror received from the Special Committee a request to reconsider the Tender Offer Price because the Special Committee judged the proposed price to be insufficient as a price resulting from a fair distribution of the increase in the Target Company's corporate value expected to be realized through implementation of the Transactions to general shareholders of the Target Company, as a result of comprehensively taking into consideration matters such as the following:

(i) the results of the share valuation by Mizuho Securities Co., Ltd. (“Mizuho Securities”), the financial advisor and third-party calculation agent of the Target Company, and Plutus Consulting (“Plutus”), the third-party calculation agent of the Special Committee; (ii) premium levels in cases of transactions similar to the Transactions (specifically, tender offer cases which were publicly announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry released the M&A Guidelines, in which the tender offers, contemplating to delist listed companies that were equity-method affiliates, were completed successfully (excluding cases in which leaked media coverage was made); (iii) fluctuations in the market price of the Target Company Shares (including JPY 565, the closing price of the Target Company Shares on June 14, 2024); and (iv) synergies expected to be realized through implementation of the Transactions. In addition, the Special Committee also requested that the Tender Offeror (i) reconsider the handling of the Non-Tendering Shareholder and Kuwait Petroleum Corporation because the Special Committee believed that it was important for the Tender Offeror to acquire all of the Target Company Shares in the Transactions, taking into consideration the fact that there were currently no oil transactions between the Target Company and the Non-Tendering Shareholder and Kuwait Petroleum Corporation, the perspective of giving explanations to general shareholders, and enhancing the Target Company’s corporate value; and (ii) reconsider the lower limit on the number of shares to be purchased, because the Special Committee believed it important to set a lower limit that met both the level at which the proposals related to the Share Consolidation would be surely passed (two-thirds or more of the voting rights of the Tender Offeror after the Tender Offer) and what is known as the majority of minority (“MoM”) level, from the perspective of appropriateness of the terms and conditions of the Transactions and fairness of procedures (including avoiding coercion of general shareholders).

On August 21, 2025, the Tender Offeror made the second proposal to the Target Company and the Special Committee, with the Tender Offer Price set at JPY 425, because it believed that the proposed price would provide an opportunity for shareholders of the Target Company Shares to sell their shares at a reasonable price, based on the following: (i) the proposed price was above JPY 320, the closing price of the Target Company Shares on the Prime Market of the TSE on August 20, 2025, above JPY 327, the simple average closing price for the latest one-month period, above JPY 309, the simple average closing price for the latest three-month period, and above JPY 302, the simple average closing price for the latest six-month period; and (ii) the following premiums have been added to the Target Company Shares: (a) 32.81% over JPY 320, the closing price of the Target Company Shares on the Prime Market of the TSE on the same date, (b) 37.54% over JPY 309, the simple average closing price for the latest three-month period, and (c) 40.73% over JPY 302, the simple average closing price for the latest six-month period. The Tender Offeror also proposed to the Target Company and the Special Committee in the second proposal that it was necessary to have the Non-Tendering Shareholder and Kuwait Petroleum Corporation remain as shareholders of the Target Company after the Transactions based on the following reasons, among others: (i) while the Target Company does not engage in any oil transactions with large shareholders, the Tender Offeror believes that leaving room to have diverse oil suppliers in the future, through procurement from the Non-Tendering Shareholder and Kuwait Petroleum Corporation, will be advantageous to its corporate value, from the perspective of increasing stability of oil procurement by the Target Company and enhancing its competitiveness, (ii) the Tender Offeror expects to generate synergies with the Target Company while leveraging its existing business relationships with the Non-Tendering Shareholder and Kuwait Petroleum Corporation and maintaining good relationships with them, and (iii) since the Non-Tendering Shareholder and Kuwait Petroleum Corporation consist of the

government of an oil-producing country and a state-owned oil corporation, it is possible to explain to general shareholders of the Target Company that they are shareholders of a different nature from general shareholders. The Tender Offeror further proposed to the Target Company and the Special Committee in the second proposal that it believed that it was necessary and appropriate to set a lower limit on the number of shares to be purchased in the Tender Offer so that the Tender Offeror's ownership ratio would be 35.05% after successful completion of the Tender Offer, from the perspective of enhancing the stability of successful completion of the Tender Offer and providing reasonable sales opportunities to general shareholders of the Target Company, and bringing the proposals for the Share Consolidation to a level at which they can be approved, based on matters such as the number of shares held by passive index management funds, the ratio of voting rights exercised at the most recent five ordinary shareholders meetings of the Target Company, and the ratio of voting rights exercised at special shareholders meetings at which proposals for share consolidations are made tending to decrease compared to that in ordinary shareholders meetings.

Subsequently, on August 26, 2025, the Tender Offeror received from the Special Committee a request to reconsider the Tender Offer Price because the Special Committee judged the proposed price to be still insufficient as a price resulting from a fair distribution of the increase in the Target Company's corporate value expected to be realized through implementation of the Transactions to general shareholders of the Target Company, as a result of comprehensively taking into consideration matters such as the following: (i) the results of the share valuation by Mizuho Securities, the financial advisor and third-party calculation agent of the Target Company, and Plutus, the third-party calculation agent of the Special Committee; (ii) premium levels in cases of transactions similar to the Transactions (specifically, tender offer cases which were publicly announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry released the M&A Guidelines, in which the tender offers, contemplating to delist listed companies that were equity-method affiliates, were completed successfully (excluding cases in which leaked media coverage was made); (iii) fluctuations in the market price of the Target Company Shares (including JPY 565, the closing price of the Target Company Shares on June 14, 2024); and (iv) synergies expected to be realized through implementation of the Transactions. In addition, the Special Committee also requested that the Tender Offeror (i) reconsider the handling of the Non-Tendering Shareholder and Kuwait Petroleum Corporation because the Special Committee believed that it was important for the Tender Offeror to acquire all of the Target Company Shares in the Transactions, taking into consideration the fact that there were currently no oil transactions between the Target Company and the Non-Tendering Shareholder and Kuwait Petroleum Corporation, the perspective of giving explanations to general shareholders, and enhancing the Target Company's corporate value; and (ii) reconsider the lower limit on the number of shares to be purchased, because the Special Committee believed it important to set a lower limit that met both the level at which the proposals related to the Share Consolidation would be surely passed (two-thirds or more of the voting rights of the Tender Offeror after the Tender Offer) and the MoM level, from the perspective of appropriateness of the terms and conditions of the Transactions and fairness of procedures (including avoiding coercion of general shareholders).

On August 28, 2025, the Tender Offeror made the third proposal to the Target Company and the Special Committee, with the Tender Offer Price set at JPY 450, because it believed that the proposed price would provide an opportunity for shareholders of the Target Company Shares to sell their shares at a reasonable price, based on the following: (i) the proposed price was above JPY 338, the closing price of the Target Company Shares on the Prime Market of the TSE on August 27, 2025, above JPY 332, the simple average closing price

for the latest one-month period, above JPY 313, the simple average closing price for the latest three-month period, and above JPY 303, the simple average closing price for the latest six-month period; and (ii) the following premiums have been added to the Target Company Shares: (a) 33.14% over JPY 338, the closing price of the Target Company Shares on the Prime Market of the TSE on the same date, (b) 35.54% over JPY 332, the simple average closing price for the latest one-month period, (c) 43.77% over JPY 313, the simple average closing price for the latest three-month period, and (d) 48.51% over JPY 303, the simple average closing price for the latest six-month period. The Tender Offeror also proposed to the Target Company and the Special Committee in the third proposal that it was necessary to have the Non-Tendering Shareholder and Kuwait Petroleum Corporation remain as shareholders of the Target Company after the Transactions based on the following reasons, among others: (i) while the Target Company does not engage in any oil transactions with large shareholders, the Tender Offeror believes that leaving room to have diverse oil suppliers in the future, through procurement from the Non-Tendering Shareholder and Kuwait Petroleum Corporation, will be advantageous to its corporate value, from the perspective of increasing stability of oil procurement by the Target Company and enhancing its competitiveness, and (ii) the Tender Offeror expects to generate synergies with the Target Company while leveraging its existing business relationships with the Non-Tendering Shareholder and Kuwait Petroleum Corporation and maintaining good relationships with them. The Tender Offeror further proposed to the Target Company and the Special Committee in the third proposal that setting a lower limit on the number of shares to be purchased in the Tender Offer so that the Tender Offeror's ownership ratio would be 35.05% after successful completion of the Tender Offer would be appropriate, from the perspective of enhancing the stability of successful completion of the Tender Offer, based on matters such as setting a lower limit that meets the MoM level could instead harm the sales opportunity for general shareholders of the Target Company who want to sell their Target Company Shares in the Tender Offer. Subsequently, on September 1, 2025, the Tender Offeror received from the Special Committee a request to reconsider the Tender Offer Price because the Special Committee judged the proposed price to be still insufficient as a price resulting from a fair distribution of the increase in the Target Company's corporate value expected to be realized through implementation of the Transactions to general shareholders of the Target Company, as a result of comprehensively taking into consideration matters such as the following: (i) the results of the share valuation by Mizuho Securities, the financial advisor and third-party calculation agent of the Target Company, and Plutus, the third-party calculation agent of the Special Committee; (ii) premium levels in cases of transactions similar to the Transactions (specifically, tender offer cases which were publicly announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry released the M&A Guidelines, in which the tender offers, contemplating to delist listed companies that were equity-method affiliates, were completed successfully (excluding cases in which leaked media coverage was made); (iii) fluctuations in the market price of the Target Company Shares (including JPY 565, the closing price of the Target Company Shares on June 14, 2024); and (iv) synergies expected to be realized through implementation of the Transactions. In addition, the Special Committee also requested that the Tender Offeror (i) reconsider the handling of the Non-Tendering Shareholder and Kuwait Petroleum Corporation taking into consideration the possibility that the Non-Tendering Shareholder and Kuwait Petroleum Corporation remaining as shareholders of the Target Company after the Transactions could cause general shareholders to question whether the Non-Tendering Shareholder and Kuwait Petroleum Corporation judged the Tender Offer Price to be insufficient; and (ii) reconsider the lower limit on the number of shares to be purchased, because

the Special Committee believed it important to set a lower limit that met both the level at which the proposals related to the Share Consolidation would be surely passed (two-thirds or more of the voting rights of the Tender Offeror after the Tender Offer) and the MoM level, from the perspective of appropriateness of the terms and conditions of the Transactions and fairness of procedures (including avoiding coercion of general shareholders).

On September 2, 2025, the Tender Offeror made the fourth proposal to the Target Company and the Special Committee, with the Tender Offer Price set at JPY 470, because it believed that the proposed price would provide an opportunity for shareholders of the Target Company Shares to sell their shares at a reasonable price, based on the following: (i) the proposed price was above JPY 336, the closing price of the Target Company Shares on the Prime Market of the TSE on September 1, 2025, above JPY 333, the simple average closing price for the latest one-month period, above JPY 315, the simple average closing price for the latest three-month period, and above JPY 304, the simple average closing price for the latest six-month period; and (ii) the following premiums have been added to the Target Company Shares: (a) 39.88% over JPY 336, the closing price of the Target Company Shares on the Prime Market of the TSE on the same date, (b) 41.14% over JPY 333, the simple average closing price for the latest one-month period, (c) 49.21% over JPY 315, the simple average closing price for the latest three-month period, and (d) 54.61% over JPY 304, the simple average closing price for the latest six-month period. The Tender Offeror again proposed to the Target Company and the Special Committee in the fourth proposal that it was necessary to have the Non-Tendering Shareholder and Kuwait Petroleum Corporation remain as shareholders of the Target Company after the Transactions. The Tender Offeror further proposed to the Target Company and the Special Committee in the fourth proposal to set a lower limit on the number of shares to be purchased in the Tender Offer (at the amount resulting from (i) multiplying by two-thirds the total number of issued shares of the Target Company less the number of treasury shares owned by the Target Company and (ii) then deducting the number of shares owned by the Tender Offeror, the number of shares owned by the Non-Tendering Shareholder and Kuwait Petroleum Corporation, the number of shares owned by the passive index funds which were estimated conservatively to the extent possible, and the number of Restricted Shares owned by the Target Company's directors and executive officers) so that the Tender Offeror's ownership ratio would be 48.05% after successful completion of the Tender Offer. Subsequently, on September 4, 2025, the Tender Offeror received from the Special Committee a request to reconsider the Tender Offer Price because the Special Committee judged the proposed price to be still insufficient as a price resulting from a fair distribution of the increase in the Target Company's corporate value expected to be realized through implementation of the Transactions to general shareholders of the Target Company, as a result of comprehensively taking into consideration matters such as the following: (i) the results of the share valuation by Mizuho Securities, the financial advisor and third-party calculation agent of the Target Company, and Plutus, the third-party calculation agent of the Special Committee; (ii) premium levels in cases of transactions similar to the Transactions (specifically, tender offer cases which were publicly announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry released the M&A Guidelines, in which the tender offers, contemplating to delist listed companies that were equity-method affiliates, were completed successfully (excluding cases in which leaked media coverage was made); (iii) fluctuations in the market price of the Target Company Shares (including JPY 565, the closing price of the Target Company Shares on June 14, 2024); and (iv) synergies expected to be realized through implementation of the Transactions. In addition, the Special Committee also requested that the Tender Offeror

(i) reconsider the handling of the Non-Tendering Shareholder (Kuwait Petroleum Corporation had decided that it would tender in the Tender Offer in early September 2025, and the Tender Offeror decided to respect that decision), taking into consideration the possibility that the Non-Tendering Shareholder remaining as a shareholder of the Target Company after the Transactions could cause general shareholders to question whether the Non-Tendering Shareholder judged the Tender Offer Price to be insufficient; and (ii) reconsider the lower limit on the number of shares to be purchased, because the Special Committee believed it important to set a lower limit that met both the level at which the proposals related to the Share Consolidation would be surely passed (two-thirds or more of the voting rights of the Tender Offeror after the Tender Offer) and the MoM level, from the perspective of appropriateness of the terms and conditions of the Transactions and fairness of procedures (including avoiding coercion of general shareholders).

On September 5, 2025, the Tender Offeror made the final proposal to the Target Company and the Special Committee, with the Tender Offer Price set at JPY 480, because it believed that the proposed price would provide an opportunity for shareholders of the Target Company Shares to sell their shares at a reasonable price, based on the following: (i) the proposed price was above JPY 340, the closing price of the Target Company Shares on the Prime Market of the TSE on September 4, 2025, above JPY 334, the simple average closing price for the latest one-month period, above JPY 317, the simple average closing price for the latest three-month period, and above JPY 305, the simple average closing price for the latest six-month period; and (ii) the following premiums have been added to the Target Company Shares: (a) 41.18% over JPY 340, the closing price of the Target Company Shares on the Prime Market of the TSE on the same date, (b) 43.71% over JPY 334, the simple average closing price for the latest one-month period, (c) 51.42% over JPY 317, the simple average closing price for the latest three-month period, and (d) 57.38% over JPY 305, the simple average closing price for the latest six-month period. The Tender Offeror also proposed to the Target Company and the Special Committee in the final proposal to set a lower limit on the number of shares to be purchased in the Tender Offer (at the amount resulting from (i) multiplying by two-thirds the total number of issued shares of the Target Company less the number of treasury shares owned by the Target Company and (ii) then deducting the number of shares owned by the Tender Offeror, the number of shares owned by the Non-Tendering Shareholder, the number of shares owned by the passive index funds who stated in the interviews conducted by the Tender Offeror that they do not intend to tender in tender offers, but in principle intend to exercise their voting rights in support of proposals for share consolidations at shareholders' meetings in squeeze-out procedures thereafter, and the number of Restricted Shares owned by the Target Company's directors and executive officers) so that the Tender Offeror's ownership ratio would be 57.91% after successful completion of the Tender Offer. Subsequently, on September 7, 2025, the Tender Offeror received from the Special Committee a response that it intended to submit a report dated September 10, 2025 to the Target Company's board of directors to the effect that on the premise of the proposed price in the Tender Offeror's final proposal and the minimum planned purchase quantity in the Tender Offer, implementation of the Transactions is considered to be fair for the Target Company's general shareholders. Although the Tender Offer Price is lower than the consolidated book value of net assets per share (882.62 yen) calculated based on the Target Company's consolidated book value as of the end of June 2025, given that the consolidated book value of net assets per share represents the expected value that would be realized in the case where a company is dissolved and liquidated at the present time (the "Liquidation Value") and is equivalent to the amount in the case where it is assumed that all assets and liabilities held by a company could be sold at book value, (a) the Tender Offeror intends

to have the Target Company continue business activities after the Transactions and does not intend to dissolve or liquidate the Target Company, and therefore it would not be reasonable to place importance on the consolidated book value of net assets per share in the valuation of the share value of the Target Company, which is a going concern, and further, (b) it would not be appropriate to estimate that the consolidated book value of net assets represents the Liquidation Value because the Target Company will incur costs, including substantial depreciation associated with disposals of machinery, equipment, and delivery equipment which have specifications unique to the Target Company and thereby lack versatility; due to these and other factors, the Liquidation Value per share could be below the Tender Offer Price.

Through the aforementioned process, the Tender Offeror decided to set the Tender Offer Price at JPY 480 and to implement the Tender Offer by the board of directors' resolution dated September 11, 2025.

(II) Decision-making Process Leading to Target Company's Decision to Support Tender Offer and Reason Therefor

According to the Target Company Press Release, as described in "(I) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer" above, on May 13, 2025, the Target Company received the Initial Proposal. Upon receiving the Initial Proposal, to ensure the fairness of the Tender Offer Price and the fairness of the Transactions including the Tender Offer, in mid-May 2025, the Target Company appointed Mizuho Securities as a financial advisor and third-party calculation agent independent of the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transactions, and Iwata Godo as its legal advisor independent of the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transactions.

In addition, in light of the fact that the Transactions will constitute an acquisition of an equity-method affiliate by a major shareholder and top Target Company shareholder, and the fact that there are structural conflicts of interest and information asymmetry issues between Tender Offeror and the Target Company or the Target Company's general shareholders, with the aim of exercising caution in the Target Company's decision-making regarding the Transactions, eliminating the risk of arbitrariness and conflicts of interest in the decision-making process of the Target Company's board of directors, and ensuring fairness, the Target Company established, by resolution of a meeting of its board of directors held on May 22, 2025, a special committee (the "Special Committee") that would be independent from the Target Company Group and the Tender Offeror Group, as well as from the success or failure of the Transactions, and that would consist of three members: Mr. Ryo Sato (outside director of the Target Company), Ms. Mutsumi Kanai (outside auditor of the Target Company and certified public accountant), and Mr. Mikiharu Mori (attorney and representative partner at Tokyo International Law Office), who was recommended by Iwata Godo for his extensive knowledge and insight as a corporate attorney (the "Special Committee"; please refer to "(IV) Establishment of Independent Special Committee at Target Company and Acquisition of Reports from Special Committee" in "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer" below for the circumstances of the Special Committee's establishment and other relevant factors, the details of matters considered by it, and the content of its decisions). Further, as described in "(IV) Establishment of Independent Special Committee at Target Company and Acquisition of Reports from Special Committee" in "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer"

below, the Special Committee decided on June 11, 2025 to engage Plutus Consulting (“Plutus”) as the Special Committee’s independent third-party calculation agency, in consideration of Plutus’ expertise, track record, etc. and the fact that Plutus is independent from the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transactions. In addition, as described in “(VII) Approval of All Target Company Directors Without Conflicts of Interest and Opinion of All Target Company Auditors That They Have No Objections” in “(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer” below, the Target Company established an internal framework to consider, negotiate, and make decisions regarding the Tender Offer from a perspective independent from the Tender Offeror Group and the Target Company Group (including the scope of Target Company officers and employees who would be involved in such consideration, negotiation, and decision-making relating to the Tender Offer, and their duties), and proceeded with its examination of the Tender Offer.

Following the establishment of the above-referenced internal framework, the Special Committee, while receiving advice from Mizuho Securities and Iwata Godo, conducted discussions and negotiations regarding the terms and conditions of the Transactions including the Tender Offer Price with Tender Offeror through Mizuho Securities, the Target Company’s financial advisor.

Specifically, on August 8, 2025, the Target Company and Special Committee received from Tender Offeror an initial proposal relating to the Tender Offer for Target Company Shares, under which, on the assumption that the Non-Tendering Shareholder and Kuwait Petroleum Corporation would remain shareholders of the Target Company even after the Transactions, the Tender Offer Price was set at 400 yen per share (a 25.00% premium over the closing price for the Target Company Shares on the TSE Prime Market of 320 yen at that time) and the minimum number of shares to be purchased was such that Tender Offeror’s ownership ratio after the completion of the Tender Offer would be 35.05%. In response, the Special Committee comprehensively considered the proposal, because [1] with respect to the proposed price, considering (a) the results of analyses using the DCF method of the Target Company Share valuation by Mizuho Securities and by Plutus (including the results of multi-faceted analyses of the shares of affiliated companies and loss carryforwards for which multiple valuation methods can conceivably be used) (b) the premium levels in examples of transactions similar to the Transactions (specifically, TOBs (excluding cases in which leaked media coverage was made) intended to delist a listed equity-method affiliate which were announced and successfully completed on and after June 28, 2019, the date the M&A Guidelines were released by the Ministry of Economy, Trade and Industry), (c) fluctuations in the market price of the Target Company Shares, and (d) the synergy effects expected to be achieved through implementation of the Transactions (including synergy effects in doing business as well as synergy effects from the further utilization of loss carryforwards expected in a case where Tender Offeror reduces the Target Company’s capital after the Transactions), the Special Committee believed that the increase in corporate value expected to be realized by implementation of the Transactions was at an insufficient level as a fair distribution price to the Target Company’s general shareholders; and [2] with respect to the minimum number of shares to be purchased, from the perspective of the fairness and reasonableness of the transactional terms and conditions and the fairness of procedures, the Special Committee believed that the minimum should be set so as to satisfy the MoM level (MoM here refers to the threshold number of shares that exceed the majority (24,291,018 shares) of 48,582,035 shares, calculated by subtracting the number of Target Company Shares held by Tender Offeror

(17,035,520 shares), the number of Non-Tendered Shares (5,811,390 shares) and the number of Target Company Shares held by Kuwait Petroleum Corporation (5,811,390 shares) as of the filing date of this document from the Reference Number of Shares (77,240,335 shares)), and on August 16, 2025, the Special Committee requested that Tender Offeror reconsider the details of its proposal in relation to the Tender Offer Price and minimum number of shares to be purchased.

Then, on August 21, 2025, the Target Company and the Special Committee received a second proposal from Tender Offeror setting the Tender Offer Price at 425 yen per share (a premium of 29.97% over the closing price of 327 yen for the Target Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Petroleum Corporation would remain as shareholders of the Target Company after the Transactions, and to maintain the minimum number of shares to be purchased such that Tender Offeror's ownership ratio would be 35.05% after the Tender Offer was completed. Upon receiving this proposal, the Special Committee, (1) after comprehensive consideration based on (a) to (d) above, considered the proposed price to be of an insufficient level in terms of a price that would fairly distribute to the Target Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum number of shares to be purchased that satisfies the above MoM level be set, and again requested on August 26, 2025 that Tender Offeror reconsider the details of the proposal including the Tender Offer Price.

Later, on August 28, 2025, the Target Company and the Special Committee received a third proposal from Tender Offeror setting the Tender Offer Price at 450 yen per share (a premium of 33.53% over the closing price of 337 yen for the Target Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Petroleum Corporation would remain as shareholders of the Target Company after the Transactions, and to maintain the minimum number of shares to be purchased such that Tender Offeror's ownership ratio would be 35.05% after the Tender Offer was completed. Upon receiving this proposal, the Special Committee, (1) regarding the proposed price, after comprehensive consideration based on (a) to (d) above, considered the price to be an insufficient level as a price that would fairly distribute to the Target Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) regarding the minimum number of shares to be purchased, from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum that satisfies the above MoM level be set, and again requested on September 1, 2025 that Tender Offeror reconsider the details of the proposal including the Tender Offer Price.

Subsequently, on September 2, 2025, the Target Company and the Special Committee received a fourth proposal from Tender Offeror that the Tender Offer Price be set at 470 yen per share (a premium of 37.83% over the closing price of 341 yen for the Target Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder and Kuwait Petroleum Corporation would remain as shareholders of the Target Company after the Transactions, that the minimum number of shares to be purchased would be set to make Tender Offeror's ownership ratio 48.05% after the Tender Offer was completed, and that Tender Offeror would not plan to raise the Tender Offer Price or to reduce the number of shares to be purchased going forward. Upon receiving this proposal, the Special Committee, (1) regarding the proposed price, after comprehensive consideration based on (a) to (d) above, considered the price to be an

insufficient level as a price that would fairly distribute to the Target Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) regarding the minimum number of shares to be purchased, from the perspective of the fairness and appropriateness of the transaction terms and conditions and procedural fairness, considered it important that a minimum that satisfies the above MoM level be set, and again requested on September 4, 2025 that Tender Offeror reconsider the details of the proposal including the Tender Offer Price.

Following this, on September 5, 2025, the Target Company and the Special Committee received the fifth proposal from Tender Offeror that the Tender Offer Price be set at 480 yen per share (a premium of 39.94% over the closing price of 343 yen for the Target Company Shares on the TSE Prime Market at that time), based on the premise that the Non-Tendering Shareholder would remain as a shareholder of the Target Company after the Transactions (in early September 2025, Kuwait Petroleum Corporation indicated its intent to take the Transactions as an opportunity to sell its Target Company Shares, and Tender Offeror confirmed Kuwait Petroleum Corporation's intent to tender all of the Target Company Shares held by it (5,811,390 shares; ownership ratio: 7.52%) in the Tender Offer.), that the minimum number of shares to be purchased would be set to make Tender Offeror's ownership ratio 57.91% after the Tender Offer was completed, and that Tender Offeror had no plan to make another proposal going forward, because this proposal was the result of giving maximum deference to the opinions of the Special Committee, and because Tender Offeror was accountable to its shareholders and needed to make efforts to maintain the stability of the Transactions. Upon receiving this proposal, the Special Committee, (1) believing the proposed price to be of a sufficient level as a price that would fairly distribute to the Target Company's general shareholders the increase in corporate value expected to be achieved through implementation of the Transactions, and (2) believing that the minimum number of shares to be purchased would satisfy the MoM level (MoM here refers to the threshold number of shares that exceeds the majority (27,196,713 shares) of 54,393,425 shares, calculated by subtracting the number of Target Company Shares held by Tender Offeror (17,035,520 shares) and the number of Non-Tendered Shares (5,811,390 shares) as of the filing date of this document from the Reference Number of Shares (77,240,335 shares)), and would also ensure the fairness and appropriateness of the transaction terms and conditions as well as procedural fairness, that on the presumption that the commencement of the Tender Offer would be publicly announced on September 9, 2025, it would provide the Target Company's Board of Directors with opinions including to the effect that the implementation of the Transactions appeared to be fair to the Company's general shareholders.

On September 8, 2025, the Company and the Special Committee were notified by Tender Offeror to the effect that it was considering publicly announcing the commencement of the Tender Offer on September 11, 2025, and on September 10, 2025, the Special Committee gave consideration again to the content of Tender Offeror's proposal and decided to advise the Company's Board of Directors to the effect that the implementation of the Transactions appeared to be fair to the Company's general shareholders.

Furthermore, on September 9, 2025, the Target Company carefully discussed and considered whether the Transactions would contribute to enhancement of the Target Company's corporate value and whether the terms and conditions of the Transactions were appropriate, in light of the content of the September 10, 2025 share valuation report received from Mizuho Securities (the "Company Share Valuation Report (Mizuho Securities)"), the content of the September 10, 2025 share valuation report received from Plutus (the "Special Committee Share Valuation Report (Plutus)"), and legal advice concerning points of note for the decision-

making with regard to the Transactions including the Tender Offer received from Special Committee legal advisor Iwata Godo, and with utmost deference to the content of the report submitted by the Special Committee on September 10, 2025 (the “Report”).

As a result, the Target Company has concluded, from the following perspectives, that the Transactions will contribute to enhancing the Target Company’s corporate value.

Specifically, the Target Company believes that the Transactions will enable it to achieve the synergies listed in (a) to (e) below, and based on this, has determined that the Transactions will contribute to enhancing the Target Company’s corporate value.

(a) Optimization of petroleum product production structures

Currently, the Sodegaura Refinery is the only refinery owned by the Target Company, which makes it impossible to exchange hydrocarbon oil with other refineries, but the Target Company believes that implementing the Transactions and thereby adding the Target Company to the Tender Offeror Group will enable rapid and efficient responses, through exchanges of hydrocarbon oil with five refineries owned by Tender Offeror in the event of any equipment problems or sudden changes in supply and demand at the Sodegaura Refinery.

(b) Establishing a stable energy supply foundation by building production systems rooted in a long-term perspective

The Target Company has unique customers other than Tender Offeror, and therefore believes that Tender Offeror can expand and enhance its supply structures. At the same time, the Target Company believes that being able to consolidate its customers within Tender Offeror will lead to improved sales prices and productivity for the Target Company.

(c) Joint management of regular maintenance work

The costs necessary for regular maintenance work, including labor costs, have increased greatly in recent years, and workstyle reforms have meant longer work periods, resulting in longer periods when refineries are unable to operate. In light of these circumstances, the Target Company believes that pursuing further cooperation with Tender Offeror and performing joint management initiatives such as optimization of regular maintenance work timing and personnel allocation during regular maintenance work will lead to reduced costs and shortened work periods in connection with regular maintenance.

(d) Cost reductions for both companies through completely centralization of raw material and equipment procurement and expansion of both companies’ existing businesses through maximally effective use of facilities including the Target Company’s pier which is one of the largest in Japan

In addition to cost reductions achieved through centralization of raw material and equipment procurement, it is believed that cost reductions through centralization of subsidiary material procurement can also be expected. Also, while the Target Company has found it difficult in the past to compare costs with other refineries, the Target Company believes that by using information provided by Tender Offeror, which operates multiple refineries, it will be possible to identify the strengths and

weaknesses of the Target Company's Sodegaura Refinery and by extension identify areas that should be strengthened and improved, enabling management decisions that contribute to further business development.

(e) Transformation of the Target Company's Sodegaura Refinery and Tender Offeror's Chiba Site into low-carbon energy supply sites by implementing structural reforms from a long-term perspective

The Target Company's Sodegaura Refinery and Tender Offeror's Chiba Site are located close to one another, and therefore, it is believed that it is possible for one facility to continue supplying petroleum products while the other converts to a new fuel supply site. The Target Company also believes that the establishment of a major carbon-neutral center that connects the Target Company's Sodegaura Refinery, Tender Offeror's Chiba Site, and other facilities with pipelines to accommodate products and raw materials among them can be expected.

Furthermore, with respect to the Tender Offer Price, based on the discussions and negotiations described above as well as the points discussed below in (i) to (ix), the Target Company concluded that the Tender Offer Price is appropriate and that the Target Company's shareholders are provided a reasonable opportunity to sell their shares.

(i) According to the results of the share valuation of the Target Company Shares set forth in the Target Company Share Valuation Report (Mizuho Securities) prepared by Mizuho Securities as described in "(II) Acquisition of Share Valuation Report from Target Company's Independent Third-party Calculation Agent" in "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer" below, the Tender Offer Price exceeds the upper limit of the market price method calculation results, falls within the range of the DCF method calculation results, and represents an amount that exceeds the median value;

(ii) According to the results of the share valuation of the Target Company Shares set forth in the Special Committee Share Valuation Report (Plutus) prepared by Plutus as described in "(III) Acquisition of Share Valuation Report and Fairness Opinion from Special Committee's Independent Third-party Calculation Agent" in "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer" below, the Tender Offer Price exceeds the upper limit of the market price method calculation results, falls within the range of the DCF method calculation results, and represents an amount that exceeds the median value, and further, the Fairness Opinion described in "(III) Acquisition of Share Valuation Report and Fairness Opinion from Special Committee's Independent Third-party Calculation Agent" in "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer" below expresses the opinion that the Tender Offer Price of 480 yen per share is a fair from a financial standpoint to the Target Company's general shareholders in light of the valuation results of the Target Company Shares;

(iii) The Tender Offer Price represents a price that adds the following premiums over the closing price of the Target Company Shares on the TSE Prime Market on September 10, 2025, the business

day preceding the date of announcement of implementation of the Tender Offer, and on the simple averages of past closing prices, and the levels of such premiums are considered reasonable in comparison with the average premium level in comparable cases of other companies (specifically, the average values of premium levels and median values between 45.42% and 59.37% for 21 cases of TOBs (excluding cases in which leaked media coverage was made) for delisting a listed equity-method affiliate announced and successfully completed from June 28, 2019, when the M&A Guidelines were released by the Ministry of Economy, Trade and Industry, to August 22, 2025 (the average values of premium levels of the above 21 cases: 54.48% over the share price on the business day preceding the date of announcement, 57.06% over the simple average closing price for the one month up to the business day preceding the date of announcement, 59.37% over the simple average closing price for the three months up to the business day preceding the date of announcement, and 58.55% over the simple average closing price for the six months up to the business day preceding the date of announcement; and the median values of premium levels of the above 21 cases: 45.42% over the share price on the business day preceding the date of announcement, 50.64% over the simple average closing price for the one month up to the business day preceding the date of announcement, 53.19% over the simple average closing price for the three months up to the business day preceding the date of announcement, and 54.32% over the simple average closing price for the six months up to the business day preceding the date of announcement);.

(Valuation Reference Date: September 10, 2025)

	Reference Closing Price	Simple Average of Closing Prices		
		Past 1 Month	Past 3 Months	Past 6 Months
Market Price	332 yen	334 yen	320 yen	305 yen
Premium	44.58%	43.71%	50.00%	57.38%

(iv) The Tender Offer Price is an amount that (a) exceeds the share acquisition price of 330 yen per share when Tender Offeror acquired Target Company Shares that were held by Sumitomo Chemical Co. Ltd. (5,051,600 shares, 6.46% of the total number of issued shares at the time) through an off-market transaction on March 26, 2024 and (b) exceeds the share acquisition price of 360 yen per share when Tender Offeror acquired all Target Company Shares held by K.K. JERA (6,839,920 shares, 8.75% of the total number of issued shares at the time) through an off-market transaction on August 1, 2024;

(v) Kuwait Petroleum Company, the Target Company's third-largest shareholder, is believed to be independent from Tender Offeror, and the fact that Kuwait Petroleum Company, from such a standpoint, has indicated an intent to tender all of the Target Company Shares that it holds (5,811,390 shares; ownership ratio: 7.52%) in the Tender Offer can be said to be a factor supporting the fairness of the Tender Offer Price;

(vi) It is recognized that consideration has been given to the interests of the Target Company's general shareholders by setting the minimum number of shares to be purchased at a level that satisfies the MoM and through other means, as described in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below;

(vii) The Special Committee conducted continuous discussions and negotiations with Tender Offeror through Mizuho Securities, in view of the share valuation results for the Target Company Shares obtained from the analyses conducted by Mizuho Securities and Plutus and legal advice etc. received from Iwata Godo, and the Tender Offer Price was raised to a level at which Tender Offeror asserted multiple times that it has no plans to further increase the price;

(viii) The Special Committee expressed an opinion regarding the terms and conditions of the Transactions other than the Tender Offer Price, including the minimum and maximum number of shares to be purchased, conditions for withdrawal etc., and matters relating to the two-step acquisition, to the effect that the terms and conditions do not lack consideration for preventing coercion, are not otherwise disadvantageous to general shareholders, and are appropriate; and

(ix) Although the Tender Offer Price is lower than the consolidated book value of net assets per share (882.62 yen) (the Tender Offer Price is equivalent to 54.38% of the consolidated book value of net assets per share at that time), given that the consolidated book value of net assets represents the expected value that would be realized in the case where a company is dissolved and liquidated at the present time (the “Liquidation Value”) and is considered equivalent to the amount in the case where it is assumed that all assets and liabilities held by a company could be sold at book value, (a) the Target Company as a going concern, it is planned that the Target Company will continue business activities within the Tender Offeror Group after implementation of the Transactions, and it is not anticipated that the Target Company will be dissolved and liquidated after the Transactions, and additionally, the Target Company has received confirmation from Tender Offeror on multiple occasions that it has no plans to dissolve and liquidate the Target Company after the Transactions, and therefore, valuation based on an assumption of liquidation of the Target Company would not be reasonable, and further, (b) when the Target Company performed calculations regarding the Liquidation Value using multiple hypotheses for the sole purpose of considering the reasonableness of the terms and conditions of the Transactions, among the assets and liabilities held by the Target Company, tangible fixed assets and intangible fixed assets (excluding land) are based on the Target Company’s proprietary specifications, particularly machinery and equipment, making it difficult to sell them at book value and also, regarding land, the Liquidation Value per share was roughly calculated to be below the Tender Offer Price because it is difficult to sell at book value in light of market value information.

As set forth in “Notice of Revision of Earnings Forecast” dated August 9, 2024, the Target Company revised downward its consolidated earnings forecast for the cumulative second quarter and full fiscal year through March 2025. Please note that this downward revision was due to such factors as a temporary equipment suspension and a production plan revision following a lightning strike in late July 2024, and a loss on the sale of all shares of Tokyo Sekiyu Kogyo K.K., a consolidated subsidiary of the Target Company at the time. It is not that the Target Company intentionally formulated and announced the downward revision for the purpose of lowering the Target Company’s share price. Additionally, as set forth in “Notice of Revision of Earnings Forecast” dated November 8, 2024, the Target Company again revised downward its consolidated earnings forecast for the fiscal year through March 2025. This downward revision was due to such factors as the recording of an inventory asset valuation loss at the end of the first half of the fiscal year through March 2025, as well as the reductions in Dubai crude oil prices based on market trends at the time and a revision of

the foreign exchange rate to reflect the yen's expected appreciation. The Target Company did not intentionally formulate and announce the downward revision for the purpose of lowering the Target Company's share price.

Based on the above, the Target Company concluded that the Transactions including the Tender Offer will contribute to enhancing the Target Company's corporate value and that the terms and conditions relating to the Transactions including the Tender Offer will contribute to the common interests of shareholders including general shareholders, and therefore, at a board of directors meeting held today, the Target Company resolved to express an opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer.

For details of the above board of directors resolution, please refer to "(VII) Approval of All Target Company Directors Without Conflicts of Interest and Opinion of All Target Company Auditors That They Have No Objections" in "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer" Below.

(III) Management Policy After Tender Offer

Going forward, the Tender Offeror and the Target Company will discuss and decide on specific business strategies of the Tender Offeror Group and the Target Company Group after the Tender Offeror delists the Target Company Shares. The Tender Offeror is considering, as its basic policy, to aim for optimization of the petroleum products production system by realizing a more in-depth collaboration system and making decision-making more flexible and expedited. Moreover, the Tender Offeror and the Target Company intend to build a foundation for stable supply of energy and contribute to Japan's energy security by developing a production system with a long-term perspective with the Target Company and the Tender Offeror Group acting in an integrated manner.

In addition, in terms of the Target Company's management system after the Transactions, while the Tender Offeror has agreed with the Non-Tendering Shareholder under the Non-Tender Agreement that it will have the right to nominate one outside director of the Target Company, other matters will be determined through further discussions with the Target Company. The Tender Offeror currently dispatches two part-time directors to the Target Company, and it expects to dispatch a certain number of directors to the Target Company after the Transactions, thereby attempting to enhance the collaborative framework even further. After the Transaction management structure is premised on maintaining the employment of the Target Company Group's employees and does not expect to make major changes to their employment terms.

(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer

As of today, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, it is not expected that the whole or a part of the Target Company's management will make a direct or indirect investment in the Tender Offeror, and the Transactions including the Tender Offer do not constitute a so-called Management Buyout (MBO).

However, considering various matters, including the fact that (i) the Tender Offeror is an other associated company of the Target Company holding 17,035,520 shares (ownership ratio: 22.06%), and the Target Company is an equity-method affiliate of the Tender Offeror; and (ii) the 11 directors of the Target Company include one director who served as a managing executive officer of the Tender Offeror (Mr. Hiroshi

Maezawa), one director who concurrently serves as a managing executive officer of the Tender Offeror (Mr. Junzo Yamamoto), one director who is dispatched from the Non-Tendering Shareholder (Mr. Mohammed Alshubrumi), and one director who is dispatched from the shareholder for which there was a possibility that it would enter into an agreement with the Tender Offeror not to tender shares in the Tender Offer (Kuwait Petroleum Corporation) (Mr. Khaled Al-Sabah), and other employees of the Target Company include those who came from or who are dispatched from the Tender Offeror, in the Transactions, including the Tender Offer, the Target Company and the Tender Offeror have taken the measures set forth below to ensure the fairness of the Transactions and to avoid conflicts of interest, from the perspective of ensuring the fairness of the Tender Offer Price from the time of the Tender Offer, eliminating arbitrariness in the decision-making process related to the Transactions, ensuring fairness, transparency, and objectivity in the decision-making process, and avoiding any doubts about conflicts of interest.

The Tender Offeror has set 27,693,547 shares (ownership ratio: 35.85%) as the minimum number of shares to be purchased in the Tender Offer. This figure exceeds the majority of the Target Company Shares held by the Target Company's shareholders who do not have any conflicts of interest with the Tender Offeror, i.e., the MoM, 27,196,713 shares, which is the majority of the 54,393,425 shares obtained by subtracting the number of Target Company Shares owned by the Tender Offeror as of today (17,035,520 shares) and the Non-Tendering Shares (5,811,390 shares) from the Base Number of Shares (77,240,335 shares). The measures taken by the Tender Offeror and other matters in the following descriptions are based on the explanations from the Target Company.

(I) Acquisition of Share Valuation Report from Tender Offeror's Independent Third-party Calculation Agent

Before determining the Tender Offer Price, the Tender Offeror requested that JPMorgan Securities, its third-party calculation agent independent of the Tender Offeror Group and the Target Company Group, calculate the value of the Target Company Shares in order to ensure the fairness of the Tender Offer Price.

For the details, please refer to "(I) Basis for Valuation" of "(4) Basis for Valuation of Purchase Price" of "2. Overview of Purchase" below.

(II) Acquisition of Share Valuation Report from Target Company's Independent Third-party Calculation Agent

(i) Name of Calculation Agent and Relationship with Target Company and Tender Offeror

According to the Target Company Press Release, the Target Company requested Mizuho Securities, as a third-party calculation agent independent from the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transactions, to calculate the share value of the Target Company Shares and received the Target Company Share Valuation Report (Mizuho Securities) on 10 September, 2025. Mizuho Securities is not a related party of the Tender Offeror Group or the Target Company Group, and does not have any material interests in the Transactions. Mizuho Securities is a member of the Mizuho Financial Group, Inc., as are Mizuho Bank, Ltd. ("Mizuho Bank") and Mizuho Trust & Banking Co., Ltd. ("Mizuho Trust"), and Mizuho Bank has the status of a shareholder of the Tender Offeror and of the Target Company and conducts financing transactions as a part of ordinary bank transactions with Tender Offeror and the Target Company, and Mizuho Trust conducts financing transactions as a part of ordinary bank transactions with the

Target Company, but neither of them has any noteworthy material interests in the Transactions. Also, Mizuho Securities has established and implemented appropriate conflict of interest management systems, such as information barrier measures between Mizuho Securities and Mizuho Bank and Mizuho Trust in accordance with Article 36 of the Financial Instruments and Exchange Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007; as amended), and conducted the share valuation of the Target Company Shares from a standpoint independent from Mizuho Bank's and Mizuho Trust's status as shareholders and lenders. When having the share valuation of the Target Company Shares conducted, the Target Company determined that Mizuho Securities has established and implemented appropriate conflict of interest management systems, and selected Mizuho Securities as its third-party calculation agency. As discussed in “(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer” below, Tender Offeror and the Target Company have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, and therefore, the Target Company believes that adequate consideration has been given to the interests of the Target Company's general shareholders, and no opinion concerning the fairness of the Tender offer Price (a fairness opinion) has been obtained from Mizuho Securities. In addition, the fees paid to Mizuho Securities in relation to the Transactions do not include any contingency fees paid subject to the successful completion etc. of the Transactions.

(ii) Summary of Calculation

As a result of examining valuation methods in the Tender Offer, and based on the belief that it is appropriate to evaluate the share value of the Target Company Shares from multiple perspectives with the assumption that the Target Company is a going concern, Mizuho Securities conducted per-share valuations of the Target Company Shares using the market price method, since the Target Company Shares are listed on the TSE Prime Market and market prices are available, and the DCF method to reflect the circumstances of the Target Company's future business activities in the valuation.

The ranges of the per-share valuations of the Target Company Shares calculated by Mizuho Securities using the above methods are as follows:

Market price method:	JPY 305 to JPY 334
DCF method:	JPY 217 to JPY 638

The range of per-share value of the Target Company Shares obtained from the market price method is 305 yen to 334 yen, which using September 10, 2025 as the reference date, was calculated based on 332 yen, the closing price of Target Company Shares quoted on the TSE Prime Market on the reference date, 334 yen, the simple average closing price for the most recent one-month period, 320 yen, the simple average closing price for the most recent three-month period, and 305 yen, the simple average closing price for the most recent six-month period.

Using the DCF method, based on various factors including revenue forecasts and investment plans in the business plan for the March 2026 term to the March 2031 term (the “Business Plan”) prepared by the Target Company as the period that can reasonably be predicted at present, the Target Company's financial information for the first quarter of the March 2026 term, and publicly available information, the Target

Company's corporate value and share value were calculated by discounting free cash flows expected to be generated by the Target Company from the second quarter of the March 2026 term onward to present value at a certain discount rate, and the range of per-share value for the Target Company Shares was calculated to be 217 yen to 638 yen. The discount rate was set at the weighted average capital cost, and a rate of 2.75% to 3.25% was adopted. Also, when calculating continuing value, the perpetual growth method was adopted, and for the perpetual growth method, after comprehensively considering external environmental factors etc., the perpetual growth rate was set at $\Delta 0.25\%$ to 0.25% and the continuing value was calculated to be 125,919 million yen to 157,651 million yen. In calculating the continuing value, in light of the Target Company's business cycle, in which large-scale periodic maintenance is conducted once every four years and small-scale periodic maintenance is conducted in the intermediate years, in addition to financial figures for the March 2031 term, which is the final fiscal year of the Business Plan, four-year financial information for the period from the March 2028 term to the March 2031 term was taken into consideration.

When formulating the Business Plan, it was assumed that the Target Company's current business, including the oil refining business, will be continued, and no large-scale changes in business activities were anticipated. Also, in light of the Target Company's external environment and other factors, such as carbon neutrality, although there is a possibility of conducting a concrete investigation of new businesses, such as the supply of biofuels in the future, as no new businesses are currently planned for implementation and it is difficult to make specific estimates of the impact on revenue, such new businesses have not been incorporated into the Business Plan. Furthermore, given that the Target Company has a business cycle of conducting large-scale periodic maintenance once every four years and small-scale periodic maintenance in the intermediate years, the Business Plan is premised on the continuation of this business cycle.

Furthermore, to investigate the appropriateness of the terms and conditions of the Transactions, the Business Plan was formulated by a team comprising Target Company employees independent from the Tender Offeror Group, and the Tender Offeror Group (including personnel seconded from Tender Offeror and former employees of Tender Offeror) did not participate in the process of preparing the Business Plan. When the Target Company formulated the Business Plan for the Transactions, the Special Committee conducted question and answer sessions concerning the content of the draft Business Plan, its important assumptions, and other matters and confirmed and approved the reasonableness of the content of the final Business Plan, its important assumptions, the preparation process, and other matters.

The financial forecasts based on the Business Plan that Mizuho Securities assumed when performing calculations using the DCF method are as follows. Such financial forecasts include fiscal years in which substantial year-on-year fluctuations in profit and free cash flow are expected. Specifically, large-scale periodic maintenance will be performed in the March 2026 term and the March 2030 term and small-scale periodic maintenance will be performed in the March 2028 term, and consequently, temporary suspensions of refinery operations for certain periods are planned and capital investment amounts are expected to increase, and as a result, operating income is projected to decrease by 10,048 million yen year-on-year in the March 2026 term, increase by 29,330 million yen year-on-year in the March 2027 term, decrease by 10,602 million yen year-on-year in the March 2028 term, increase by 10,162 million yen year-on-year in the March 2029 term, decrease by 16,557 million yen year-on-year in the March 2030 term, and increase by 14,831 million yen year-on-year in the March 2031 term, while free cash flow is projected to decrease by 38,532 million

yen year-on-year in the March 2026 term, increase by 8,928 million yen year-on-year in the March 2027 term, increase by 10,424 million yen year-on-year in the March 2028 term, increase by 10,621 million yen year-on-year in the March 2029 term, decrease by 40,703 million yen year-on-year in the March 2030 term, and increase by 40,057 million yen year-on-year in the March 2031 term.

Also, with respect to the synergy effects expected to be generated from implementation of the Transactions, except for the reduction in listing expenses resulting from delisting the Target Company Shares, at this time, it is difficult to make specific estimates of the impact on revenue, and therefore, such effects are not incorporated into the financial forecasts in the Business Plan and are not included in the calculations performed by Mizuho Securities using the Business Plan as the basis for its calculations (Note 13).

(Unit: million yen)

	March 2026 term (9 months)	March 2027 term	March 2028 term	March 2029 term	March 2030 term	March 2031 term
Net sales	504,439	787,333	693,000	787,024	631,213	786,484
Operating income	△2,195	13,713	3,111	13,273	△3,284	11,547
Operating income	3,038	21,646	11,516	21,195	5,668	21,172
Free cash flow	△16,762	△3,714	6,710	17,332	△23,372	16,686

(Note 13) In the calculation of the share value of the Target Company Shares, the materials and information indicated below were analyzed and examined. The materials, etc. listed below include materials relating to the Target Company's subsidiaries and affiliates (as defined in Article 8 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance No. 28 of 1976); collectively referred to as "Affiliates").

- (1) The Target Company's securities reports, quarterly reports, and other publicly-disclosed financial information;
- (2) Various materials relating to the status of business and finances prepared or produced by the Target Company and disclosed to Mizuho Securities;
- (3) Various materials relating to financial projections prepared or produced by the Target Company and disclosed to Mizuho Securities (including the Business Plan);
- (4) The result of interviews conducted with the Target Company's management team and responses to Q&A lists received from relevant departments relating to the performance and projections of the Target Company's business and financial status;
- (5) Share prices of the Target Company's ordinary shares and share trading status; and
- (6) Various other materials obtained by Mizuho Securities from the Target Company or general surveys conducted by the Target Company and determined to be necessary and appropriate by Mizuho Securities.

Also, in calculating the share value of the Target Company Shares, Mizuho Securities assumed the following matters:

- (1) Mizuho Securities relied on and assumed that all financial and other information provided by the Target Company to Mizuho Securities or discussed by Mizuho Securities with the Target Company that served as a substantial basis for the valuation (the "Information") is accurate

and complete. Mizuho Securities did not independently verify the accuracy and completeness of the Information, and assumes no responsibility or obligation to independently verify the Information. Therefore, if there are any matters that would render such information material incorrect or if there are facts or circumstances that were not disclosed as of the valuation reference date or facts or circumstances that occur after the valuation reference date (including facts that potentially existed as of the valuation reference date and subsequently became apparent), the evaluation results may differ. Furthermore, Mizuho Securities assumes that the Target Company's management is not aware of any facts that would render the financial and other information provided by the Target Company to Mizuho Securities or discussed by Mizuho Securities with the Target Company incomplete or misleading.

- (2) Mizuho Securities assumes that financial forecasts and other forward-looking information provided to Mizuho Securities (including forecasts of future revenues and expenses, expected cost reductions, and the Business Plan) were reasonably prepared and created by the Target Company's management based on the best forecasts and judgments currently available regarding the future business performance and financial condition of the Target Company and its Affiliates, and further, without independently verifying the feasibility of such financial forecasts and business plans, Mizuho Securities relied on those financial forecasts and business plans and expresses no opinion regarding the analyses of forecasts stated in the Target Company Share Valuation Report (Mizuho Securities) or the assumptions underlying them. Regarding the synergy effects for the Target Company and Tender Offeror resulting from the Transactions, other than the reduction in listing maintenance costs due to delisting of the Target Company, Mizuho Securities is not aware of any matters that can be quantitatively evaluated as potentially having a material impact on the valuation at the time of issuance of the Target Company Share Valuation Report (Mizuho Securities), and the valuation stated in the Target Company Share Valuation Report (Mizuho Securities) does not incorporate any synergy effects other than the reduction in listing maintenance costs due to delisting of the Target Company.
- (3) Among the Information that Mizuho Securities requested to prepare the Target Company Share Valuation Report (Mizuho Securities), for information that was not provided or disclosed by the Target Company, information that was provided or disclosed but whose impact on the Target Company's corporate value is uncertain at this time, or information that Mizuho Securities could not use as the basis for its evaluation through other methods, Mizuho Securities used assumptions that it deems reasonable and appropriate with the Target Company's consent. If such assumptions by Mizuho Securities differ from the facts in material respects, the evaluation results may differ.
- (4) Mizuho Securities assumes that the Transactions will not be taxable to the Target Company under Japanese corporate tax law and that other tax matters relating to the Transactions will not affect the share value of the Target Company Shares. Also, without conducting independent verification, Mizuho Securities assumes that the Transactions will be completed in a timely manner and that all material governmental, regulatory, and other consents and approvals (whether pursuant to laws and regulations or contracts) necessary for implementation of the Transactions can be obtained without any adverse impact on the Target Company or on the benefits expected from the Transactions, and that the details of such consents and approvals will not affect the share value of the Target Company Shares. Further, Mizuho Securities assumes that where orders, measures, or any other dispositions have been issued or imposed on the Target Company by regulatory authorities or otherwise, except for those disclosed by the Target Company, there is currently no impact on the Target Company's future performance or no such impact will occur in the future. Mizuho Securities is not a legal,

regulatory, or tax expert, and has relied on the assessments conducted by the Target Company's outside experts with respect to such matters.

- (5) Mizuho Securities has not conducted an independent evaluation or assessment of the assets and liabilities (including derivative transactions, off-balance sheet assets and liabilities, and other contingent liabilities) or provisions of the Target Company or its Affiliates, has not analyzed the appropriateness of their accounting or tax valuations or the appropriateness of their accounting or tax treatment, and has not independently received or requested from third parties any evaluation, assessment, or analysis. Mizuho Securities does not assume any obligation to inspect the assets or facilities of the Target Company or its Affiliates and has not conducted any evaluation of the shareholders equity or solvency of the Target Company or its affiliates under laws relating to insolvency, bankruptcy, etc.
- (6) Mizuho Securities assumes that neither the Target Company nor any of its Affiliates has previously concluded any contracts, agreements, or other written documents that would have a material impact on the share value of the Target Company Shares or made any such decisions, and will not conclude such agreements or make such decisions in the future, and that the implementation of the Transactions will not at any future point result in a breach of any material agreements to which the Target Company or its Affiliates are bound as parties and will not give rise to any right to terminate such material agreements or any right to declare a default or exercise remedial measures under such agreements.
- (7) Mizuho Securities assumes that, other than the matters disclosed in the Information, there are no lawsuits or disputes involving the Target Company or its Affiliates, no other related contingent liabilities, and no off-book liabilities relating to environmental, tax, intellectual property, or other such matters, and that the Target Company's current insurance coverage amounts relating to its business are adequate for its business operations.

(III) Acquisition of Share Valuation Report and Fairness Opinion from Special Committee's Independent Third-party Calculation Agent

(i) Name of Calculation Agent and Relationship with Target Company and Tender Offeror

According to the Target Company Press Release, the Special Committee appointed Plutus as a third-party calculation agency independent of the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transactions, and requested Plutus to express an opinion concerning the fairness of the calculation of share value of the Target Company Shares and the Tender Offer Price (a fairness opinion) and received the Special Committee Share Valuation Report (Plutus) on September 10, 2025. Plutus is not a related party of the Target Company or the Tender Offeror and does not have any material interests in the Transactions including the Tender Offer. As described in "(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer" below, Tender Offeror and the Target Company have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, and therefore, the Special Committee believes that adequate consideration has been given to the interests of the Target Company's general shareholders, and a fairness opinion (the "Fairness Opinion") was obtained from Plutus. In addition, the fees paid to Plutus in relation to the Transactions do not include any contingency fees paid subject to the successful completion etc. of the Transactions.

(ii) Summary of Calculation

As a result of examining valuation methods in the Tender Offer, and based on the belief that it is appropriate to evaluate the share value of the Target Company Shares from multiple perspectives with the assumption that the Target Company is a going concern, Plutus conducted per-share valuations of the Target Company Shares using the market price method, since the Target Company Shares are listed on the TSE Prime Market and market prices are available, and the DCF method to reflect the circumstances of the Target Company's future business activities in the valuation.

The ranges of the per-share valuation of the Target Company Shares calculated by Plutus using the above methods are as follows:

Market price method:	JPY 305 to JPY 334
DCF method:	JPY 265 to JPY 618

The range of per-share value of the Target Company Shares obtained from the market price method is 305 yen to 334 yen, which using September 10, 2025 as the reference date, was calculated based on 332 yen, the closing price of Target Company Shares quoted on the TSE Prime Market on the reference date, 334 yen, the simple average closing price for the most recent one-month period, 320 yen, the simple average closing price for the most recent three-month period, and 305 yen, the simple average closing price for the most recent six-month period.

Using the DCF method, based on various factors including revenue forecasts and investment plans in the business plan for the March 2026 term to the March 2031 term (the "Business Plan") prepared by the Target Company as the period that can reasonably be predicted at present, the Target Company's financial information for the first quarter of the March 2026 term, and publicly available information, the Target Company's corporate value and share value were calculated by discounting free cash flows expected to be generated by the Target Company from the second quarter of the March 2026 term onward to present value at a certain discount rate, and the range of per-share value for the Target Company Shares was calculated to be 265 yen to 618 yen. The discount rate was set at the weighted average capital cost, and a rate of 3.1% to 3.8% was adopted. Also, when calculating continuing value, the perpetual growth method was adopted, and for the perpetual growth method, after comprehensively considering external environmental factors etc., the perpetual growth rate was set at 0.0% and the continuing value was calculated to be 120,357 million yen to 147,364 million yen. In calculating the continuing value, in light of the Target Company's business cycle, in which large-scale periodic maintenance is conducted once every four years and small-scale periodic maintenance is conducted in the intermediate years, in addition to financial figures for the March 2031 term, which is the final fiscal year of the Business Plan, four-year financial information for the period from the March 2028 term to the March 2031 term was taken into consideration.

When formulating the Business Plan, it was assumed that the Target Company's current business, including the oil refining business, will be continued, and no large-scale changes in business activities were anticipated. Also, in light of the Target Company's external environment and other factors, such as carbon neutrality, although there is a possibility of conducting a concrete investigation of new businesses, such as the supply of biofuels in the future, as no new businesses are currently planned for implementation and it is difficult to make specific estimates of the impact on revenue, such new businesses have not been incorporated

into the Business Plan. Furthermore, given that the Target Company has a business cycle of conducting large-scale periodic maintenance once every four years and small-scale periodic maintenance in the intermediate years, the Business Plan is premised on the continuation of this business cycle.

Furthermore, to investigate the appropriateness of the terms and conditions of the Transactions, the Business Plan was formulated by a team comprising Target Company employees independent from the Tender Offeror Group, and the Tender Offeror Group (including personnel seconded from Tender Offeror and former employees of Tender Offeror) did not participate in the process of preparing the Business Plan. When the Target Company formulated the Business Plan for the Transactions, the Special Committee conducted question and answer sessions concerning the content of the draft Business Plan, its important assumptions, and other matters and confirmed and approved the reasonableness of the content of the final Business Plan, its important assumptions, the preparation process, and other matters.

The financial forecasts based on the Business Plan that Plutus assumed when performing calculations using the DCF method are as follows. Such financial forecasts include fiscal years in which substantial year-on-year fluctuations in profit and free cash flow are expected. Specifically, large-scale periodic maintenance will be performed in the March 2026 term and the March 2030 term and small-scale periodic maintenance will be performed in the March 2028 term, and consequently, temporary suspensions of refinery operations for certain periods are planned and capital investment amounts are expected to increase, and as a result, operating income is projected to decrease by 10,048 million yen year-on-year in the March 2026 term, increase by 29,330 million yen year-on-year in the March 2027 term, decrease by 10,602 million yen year-on-year in the March 2028 term, increase by 10,162 million yen year-on-year in the March 2029 term, decrease by 16,557 million yen year-on-year in the March 2030 term, and increase by 14,831 million yen year-on-year in the March 2031 term, while free cash flow is projected to decrease by 42,137 million yen year-on-year in the March 2026 term, increase by 34,779 million yen year-on-year in the March 2027 term, increase by 9,947 million yen year-on-year in the March 2028 term, increase by 11,653 million yen year-on-year in the March 2029 term, decrease by 42,135 million yen year-on-year in the March 2030 term, and increase by 41,494 million yen year-on-year in the March 2031 term.

Also, with respect to the synergy effects expected to be generated from implementation of the Transactions, at this time, it is difficult to make specific estimates of the impact on revenue, and therefore, such effects are not incorporated into the financial forecasts in the Business Plan and are not included in the calculations made by Plutus using the Business Plan as the basis for its calculations.

(Unit: million yen)

	March 2026 term (9 months)	March 2027 term	March 2028 term	March 2029 term	March 2030 term	March 2031 term
Net sales	504,439	787,333	693,000	787,024	631,213	786,484
Operating income	△2,195	13,713	3,111	13,273	△3,284	11,547
Operating income	3,441	21,781	11,664	21,354	5,829	21,336
Free cash flow	△17,664	△2,676	7,271	18,925	△23,211	18,283

(iii) Summary of Fairness Opinion

On September 10, 2025, the Special Committee received from Plutus the Fairness Opinion, which states that the Tender Offer Price of 480 yen per share is fair to the Target Company's general shareholders from a financial perspective. The Fairness Opinion expresses the opinion that, in light of the results of the share valuation calculation performed based on the Business Plan prepared by the Target Company, the Tender Offer Price of 480 yen per share is fair to the Target Company's general shareholders from a financial perspective. The Fairness Opinion was issued by Plutus based on the results of its valuation of the Target Company Shares, which was conducted after receiving disclosures from the Target Company concerning the current status of its business, the Business Plan, and related explanations, as well as question and answer sessions conducted with the Target Company regarding the overview, background, and objectives of the Tender Offer, examination by Plutus, to the extent that it deemed it necessary, of the Company's business environment, economic, market, and financial conditions, and other factors, and a review process by a review committee independent from the Plutus engagement team (Note 14).

(Note 14) In preparing the Fairness Opinion, Plutus assumes that all basic information received from the Target Company, publicly available materials, and information heard from the Target Company is accurate and complete and did not independently investigate or verify the accuracy and completeness of such information and materials and assumes no obligation to do so. Therefore, Plutus does not assume any responsibility arising from any deficiency in these materials or non-disclosure of material facts.

Plutus assumes that the business plan and other materials used as foundational materials for the Fairness Opinion were reasonably prepared based on the best projections and judgments available at the time of their preparation and do not guarantee the feasibility of their realization, and expresses no opinions regarding the analyses or projections that served as the basis for their preparation or the underlying assumptions that form the foundation therefor.

Plutus is not a professional legal, accounting, or tax agency, does not express any opinions whatsoever concerning legal, accounting, or tax issues relating to the Tender Offer, and assumes no obligation to do so.

Plutus has not performed any analysis or evaluation of the individual assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company or its affiliated companies or any other independent evaluation or appraisal and has not received any evaluation reports or appraisal reports regarding such assets and liabilities, and therefore, the payment capacity of the Target Company and its affiliated companies has not been evaluated.

The Fairness Opinion expresses an opinion from a financial perspective regarding the fairness of the Tender Offer Price for the purpose of consideration when the Target Company expresses an opinion regarding the Tender Offer, and consequently, does not express any opinion as to whether the Tender Offer is superior to any transactions that could be alternative thereto, the benefits that may arise from implementation of the Tender Offer, or whether the Tender Offer should be implemented or not.

The Fairness Opinion expresses no opinion whatsoever to the holders of securities issued by the Target Company, creditors, or other related parties, and therefore, Plutus bears no

responsibility whatsoever to shareholders or third parties who relied on the Fairness Opinion. Plutus does not intend to solicit investment etc. in the Target Company and does not have the authority to do so, and therefore, the Fairness Opinion does not recommend that shareholders tender their shares in the Tender Offer or take any other action in relation to the Tender Offer. The Fairness Opinion expresses an opinion as of the date of its submission regarding whether the Tender Offer Price is fair from a financial perspective to the Target Company's general shareholders based on financial and capital markets, economic conditions, and other circumstances as of the date of submission and based on information provided to or obtained by Plutus as of that date. Plutus bears no obligation to revise, modify, or supplement its opinion, even if these underlying assumptions change due to future changes in circumstances. The Fairness Opinion does not imply or suggest any views other than those expressly stated therein and does not imply or suggest any views with respect to matters arising after the date of its submission.

On September 10, 2025, the Special Committee received from Plutus the Fairness Opinion, which states that the Tender Offer Price of 480 yen per share is fair to the Target Company's general shareholders from a financial perspective. The Fairness Opinion expresses the opinion that, in light of the results of the share valuation calculation performed based on the Business Plan prepared by the Target Company, the Tender Offer Price of 480 yen per share is fair to the Target Company's general shareholders from a financial perspective. The Fairness Opinion was issued by Plutus based on the results of its valuation of the Target Company Shares, which was conducted after receiving disclosures from the Target Company concerning the current status of its business, the Business Plan, and related explanations, as well as question and answer sessions conducted with the Target Company regarding the overview, background, and objectives of the Tender Offer, examination by Plutus, to the extent that it deemed it necessary, of the Company's business environment, economic, market, and financial conditions, and other factors, and a review process by a review committee independent from the Plutus engagement team (Note 14).

When calculating the share value of the Target Company Shares, in principle, Plutus adopted the information provided by the Target Company, publicly available information, and other information as is and did not independently verify the accuracy or completeness of such materials and information on the assumption that all such information was accurate and complete. Further, Plutus did not independently evaluate or assess, and did not request any third-party institution to appraise or assess, the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Company and its affiliated companies. In addition, Plutus assumes that the information relating to Target Company's financial forecasts was reasonably prepared based on the best available projections and judgments of the Target Company's management, and the Special Committee conducted question and answer sessions with the Target Company regarding those financial forecasts and confirmed the reasonableness of their content and assumptions. Plutus conducted question and answer sessions with the Target Company regarding the Business Plan that served as the basis for its calculations, and analyzed and examined the content thereof.

(IV) Establishment of Independent Special Committee at Target Company and Acquisition of Report from

Special Committee

According to the Target Press Release, in order to exercise great care in its decision-making concerning the Transactions, eliminate arbitrariness and the risk of conflicts of interest in decision-making by the Target Company's board of directors, and ensure the fairness of such decision-making, pursuant to a resolution of the board of directors adopted at a meeting held on May 22, 2025, the Target Company established a Special Committee independent from the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transactions, and comprising three members: Mr. Ryo Sato (an outside director of the Target Company), who has extensive experience and insight as a corporate manager, Ms. Mutsumi Kanai (an outside auditor of the Target Company), who has extensive experience and insight as a certified public accountant, and Mr. Mikiharu Mori (attorney and representative partner at Tokyo International Law Office), who was recommended by Iwata Godo, has extensive knowledge and insight as a corporate legal affairs attorney, and was selected as an outside expert to serve as a member of the special committee, whose appointment in addition to outside officers in order to supplement the expertise relating to M&A (specialized knowledge regarding procedural fairness and corporate valuation) is not denied by the M&A Guidelines. Among the Target Company's outside directors, Mr. Junzo Yamamoto, who concurrently serves as senior executive officer of Tender Offeror, Mr. Hiroshi Maezawa, who formerly worked for Tender Offeror, Mr. Mohammed Alshubrumi who is a related party of the Non-Tendering Shareholder, and Mr. Khaled Al-Sabah, who is a related party of the shareholder (Kuwait Petroleum Corporation) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, were not selected as members of the Special Committee in order to eliminate the possibility of being affected by structural conflicts of interest in the Transactions. Further, a contingency fee was not adopted as remuneration for the members of the Special Committee. The Special Committee elected Mr. Mikiharu Mori as committee chairperson through a mutual vote among committee members. The Target Company selected these three individuals as members of the Special Committee at the time of its establishment, and no changes to the committee's membership have been made.

When it decided to establish the Special Committee, the Target Company's board of directors referred the following matters to the Special Committee: (i) the legitimacy and appropriateness of the objectives of the Transactions (including whether the Transactions contribute to enhancing the Target Company's corporate value), (ii) the fairness and appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price in the Tender Offer, (iii) the fairness of the procedures relating to the Transactions, (iv) whether conducting the Transactions can be considered to be disadvantageous to the Target Company's minority shareholders (Note 15), and (v) based on (i) to (iv) above and other matters, whether the Target Company's board of directors should decide to express an opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer (the "Consultation Matters"). Further, the Target Company's board of directors resolved that when making decisions regarding the Transactions, it would give maximum deference to the opinions of the Special Committee, and if the Special Committee determined that the terms and conditions of the Transactions are not appropriate, that the Target Company's board of directors would not make a decision to implement the Transactions (including expressing an opinion in support of the Tender Offer and recommending that the Target Company's shareholders tender their shares in the Tender Offer).

(Note 15) A partial revision (revision of compliance matters relating to MBO, etc.; referred to as

the “Listing Regulations Revision”) of the Securities Listing Regulations of TSE came into effect on July 22, 2025, and since the Transactions correspond to a “tender offer ... where the tender offeror is ... an other associated company” (Securities Listing Regulations, Article 441, Paragraph 1, Item (2)) decided after the effective date of the Listing Regulations Revision, the Transactions are subject to application of the Listing Regulations Revision. Under the Listing Regulations Revision, the provision on a “tender offer ... where the tender offeror is ... an other associated company” requires that an opinion be obtained regarding the matter of fairness to general shareholders. Referral Matter (4) inquires as to whether the implementation of the Transactions can be considered disadvantageous to the Target Company’s minority shareholders, but the issues of the Referral Matters were dated May 22, 2025, before the public release of the Listing Regulations Revision, and were based on the TSE Listing Regulations at the time. Given the foregoing, it is expected that the Target Company’s board of directors will provide a response that takes into account the Listing Regulations Revision. Therefore, in light of the Listing Regulations Revision, the Special Committee will respond to Referral Matter (4) by indicating whether it believes that the Transactions are fair to the Target Company’s general shareholders.

Additionally, the Target Company’s board of directors granted the following authority to the Special Committee: (i) the authority to conduct investigations relating to the Transactions at the Target Company’s expense (including the ability to question Target Company officers or employees involved in the Transactions or the Target Company’s advisors relating to the Transactions on matters necessary for consideration of the Consultation Matters and to seek explanations or advice), (ii) the authority to request that the Target Company (a) convey the Special Committee’s proposals, other opinions, or questions to Tender Offeror and (b) arrange opportunities for the Special Committee itself to discuss and negotiate with Tender Offeror (including Tender Offeror’s advisors relating to the Transactions), and even if the Special Committee does not request such arrangements, when the Target Company conducts discussions and negotiations with Tender Offeror, the Target Company shall promptly report the details to the Special Committee, and the Special Committee may, based on those details, express opinions to the Target Company regarding the policy on discussions and negotiations with Tender Offeror and provide necessary instructions and requests, and (iii) the authority to appoint the Special Committee’s own attorneys, calculation agencies, certified public accountants, and other advisors at the Target Company’s expense when determined to be necessary. In response, the Special Committee confirmed that Mizuho Securities, the Target Company’s third-party calculation agency and financial advisor, and Iwata Godo, the Target Company’s legal advisor pose no issues with respect to independence and expertise, and therefore, approved each as the Target Company’s third-party calculation agency and financial advisor and legal advisor, respectively, and the Special Committee confirmed that it may obtain professional advice from them as necessary.

The Special Committee met a total of 18 times from May 29, 2025 to September 10, 2025 and conducted careful discussions and consideration of the Consultation Matters. Specifically, the Special Committee (i) conducted interviews with Tender Offeror regarding the background and circumstances leading to the proposal for the Transactions, synergies to be generated from implementation of the Transactions, Tender Offeror’s managerial policy after the Transactions, and the conditions and anticipated structure etc. of the Transactions, (ii) conducted interviews with the Target Company’s project team members regarding the status of evaluation and consideration of the details of the proposal from Tender Offeror by the Target Company’s management (limited to those independent from the Tender Offeror Group, the Non-Tendering

Shareholder, and the shareholder (Kuwait Petroleum Corporation) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer), the details of discussions with Tender Offeror, and the details and methods of preparation of the Business Plan that served as the basis for the share valuation of the Target Company Shares by Mizuho Securities and Plutus, (iii) conducted interviews with Mizuho Securities regarding the details and progress etc. of the Transactions and the details and methods etc. of the valuation of the Target Company Shares; (iv) obtained the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion from Plutus and conducted interviews etc. of Plutus regarding the details and methods etc. of the valuation of the Target Company Shares, and (v) conducted interviews etc. of Iwata Godo regarding legal advice, including advice on measures to be taken to ensure procedural fairness in the Transactions, various procedures for the Transactions, methods for the Special Committee's deliberations regarding the Transactions, and negotiations etc. with Tender Offeror regarding the Tender Offer Price and other terms and conditions.

As a result of careful discussion and consideration of the Consultation Matters under the circumstances described above, the Special Committee unanimously submitted the Report concerning the Consultation Matters with the content attached to the Target Company Press Release to the Target Company's board of directors on September 10, 2025. For the content of the Special Committee's opinions regarding the Consultation Matters and the reasons therefor, please refer to the Report attached to the Target Company Press Release.]

(V) Acquisition of Advice from Target Company's Independent Law Firm

According to the Target Company Press Release, to ensure the fairness and appropriateness of decision-making by the Target Company's board of directors, the Target Company engaged Iwata Godo as its legal advisor independent from the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transactions, and received legal advice including advice on measures that should be taken to ensure the fairness of procedures in the Transactions, the various procedures of the Transactions, methods of deliberation by the Special Committee relating to the Transactions, and negotiations with Tender Offeror concerning the Tender Offer Price and other terms and conditions.

Iwata Godo is not a related party of the Tender Offeror Group or the Target Company Group and does not have any material interests relating to the Transactions. Iwata Godo is the Target Company's legal advisor, but the amount paid by the Target Company to Iwata Godo as consideration for legal advice is less than the Target Company's standard for the independence of outside officers and is not an amount that would give rise to any doubts concerning the fairness of Iwata Godo's legal advice regarding the Transactions, and the fees paid to Iwata Godo do not include contingency fees to be paid contingent on the successful completion etc. of the Transactions. Also, Iwata Godo is an external law firm that provides legal services to multiple clients not limited to the Target Company, and as one of Iwata Godo's clients, the Target Company continuously requests legal advice regarding business and management decisions, taking into account Iwata Godo's areas of expertise and specialization, and has entered into a legal advisory agreement with Iwata Godo for the receipt of legal advice from an outside legal expert, and the Target Company has concluded that the execution of such a legal advisory agreement does not impair Iwata Godo's independence from the Target Company.

(VI) Establishment of Independent Consideration System at Target Company

As stated in “(II) Decision-making Process Leading to Target Company’s Decision to Support Tender Offer and Reason Therefor” in “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer, and Post-Tender Offer Management Policy” above, in mid-May 2025, the Target Company started to establish a system for considering, negotiating, and making decisions related to the Transactions from the perspective of enhancing the Target Company’s corporate value and ensuring the common interests of the Target Company’s shareholders, from a position independent of the Tender Offeror, in consideration of legal advice from Iwata Godoon measures to be taken to ensure the fairness of the proceedings in the Transactions, various procedures for the Transactions, methods of deliberation by the Special Committee in relation to the Transactions, and negotiations with the Tender Offeror regarding the Tender Offer Price and other terms.

Specifically, in accordance with the Special Committee’s instructions, the Target Company established a project team consisting of eleven members in total (Mr. Takahiko Yamamoto, Senior Managing Executive Officer, Mr. Masahiro Hirano, Executive Officer and Head of the Planning Department, Mr. Motohiro Nakayama, Executive Officer and Head of the General Affairs Department, Mr. Takashi Hikita, Head of the General Affairs Section, and seven other employees of the Target Company) for the Target Company to consider, negotiate, and make decisions on the Transactions, including responses to due diligence on the Target Company conducted by the Tender Offeror, consideration and preparation of the Business Plan, and consideration of the Target Company’s management policy after the Transactions. In establishing that system, the Target Company was careful not to appoint a team member who concurrently serves as an officer or employee of the Tender Offeror Group, including the Tender Offeror (excluding the Target Company), or who used to serve as an officer or employee of the same. In particular, the Target Company prepared the Business Plan, which is the basis for the calculation of the Target Company’s share value, with advice from Mizuho Securities, its financial advisor, and by carrying out multiple question-and-answer sessions with Mizuho Securities, Plutus, and the Special Committee. In addition, the Target Company proceeded with such preparations with the confirmation of Iwata Godo, its legal advisor, and the Special Committee regarding the fairness of the preparation process, including the independence of officers and employees involved in its preparation.

In addition, for the reasons stated in “(VII) Approval of All Target Company Directors Without Conflicts of Interest and Opinion of All Target Company Auditors That They Have No Objections” below, four people (i.e., Mr. Hiroshi Maezawa, Mr. Junzo Yamamoto, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah) were not appointed as members of that system, and this treatment continues to date; also, none of those four people has given any instructions or the like on the system in relation to the consideration and negotiation of, or the decision-making process for, the Transactions.

When establishing the consideration system for the Transactions (including the scope of officers and employees of the Target Company involved in the consideration and negotiation of, and the decision-making process for, the Transactions, and their duties), including the afore-mentioned treatment, the Target Company took into consideration advice from and obtained the Special Committee’s confirmation that there were no problems in terms of independence or fairness.

(VII) Approval of All Target Company Directors Without Conflicts of Interest and Opinion of All Target

Company Auditors That They Have No Objections

According to the Target Company Press Release, the Target Company's Board of Directors conducted careful deliberations and consideration of the Transactions from the perspective of enhancing the Target Company's corporate value and the appropriateness of the terms and conditions relating to the Transactions based on legal advice received from Iwata Goto and the content of the Target Company Share Valuation Report (Mizuho Securities), the Special Committee Share Valuation Report (Plutus), and the Fairness Opinion while giving maximum deference to the content of the Report submitted by the Special Committee.

As a result, as discussed in "(II) Decision-making Process Leading to Target Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer, and Post-Tender Offer Management Policy", the Target Company determined that the Transactions including the Tender Offer will contribute to enhancing the Target Company Group's corporate value and that the Tender Offer Price is appropriate and provides a reasonable opportunity for the Target Company's shareholders to sell their shares, and at a meeting held on September 11, 2025, the Target Company's board of directors resolved to express an opinion in support of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer.

Also, seven of the Target Company's 11 directors excluding Mr. Hiroshi Maezawa, Mr. Junzo Yamamoto, Mr. Mohammed Alshubrumi, and Mr. Khaled Al-Sabah attended the deliberations and resolutions, and the resolutions were adopted by all directors in attendance. All four of the Target Company's corporate auditors attended the above board of directors meeting and all of the corporate auditors in attendance expressed opinions to the effect that they had no objection to the above resolution. From the perspective of preventing the suspicion of conflicts of interests and ensuring the fairness of the Transactions, among the Target Company's directors, Mr. Junzo Yamamoto, who concurrently serves as senior executive officer of Tender Offeror, Mr. Hiroshi Maezawa, who formerly worked for Tender Offeror, Mr. Mohammed Alshubrumi, who is a related party of the Non-Tendering Shareholder, and Mr. Khaled Al-Sabah, who is a related party of the shareholder (Kuwait Petroleum Corporation) which was potentially to execute with Tender Offeror a non-tendering agreement in relation to the Tender Offer, did not participate at all in the deliberations on proposals relating to consideration of the Transactions at the Target Company's board of directors meetings and did not participate at all in consideration of the Transactions from the Target Company's standpoint or in discussions and negotiations with Tender Offers regarding the Transactions.

(VIII) Measures to Ensure Opportunities for Purchases by Other Purchasers

The Tender Offeror has not made an agreement with the Target Company that restricts bidders other than the Tender Offeror ("Counterbidders") from making contact with the Target Company, such as an agreement containing transaction protection clauses that prohibit the Target Company from making contact with counterbidders. Furthermore, the Tender Offeror set the tender offer period as 30 business days, which is longer than 20 business days, the minimum period required by law. By setting a tender offer period longer than the minimum period required by law, the Tender Offeror intends to ensure the appropriateness of the Tender Offer Price by ensuring opportunities for any persons other than the Tender Offeror to make competitive purchases, etc. of the Target Company Shares, while ensuring opportunities for the Target Company's shareholders to make appropriate decisions on whether to tender their shares in the Tender Offer.

(IX) Consideration to Avoid Coercion

As described in “(4) Post-Tender Offer Reorganization Policy (Matters Regarding “Two-Step Acquisition”)” below, the Tender Offeror (i) will, promptly after completion of the settlement of the Tender Offer, request that the Target Company hold the Special Shareholders’ Meeting, the proposals to be made at which will include the Share Consolidation and, subject to the Share Consolidation being effective, changes to the Target Company’s articles of incorporation that will eliminate provisions on share unit number, and will not adopt a method that does not ensure the Target Company shareholders’ right to demand a purchase of shares and right to demand pricing; and (ii) when consolidating the shares, the Tender Offeror will request that the Target Company petition a court for permission for a voluntary sale, after ensuring that, as a result of such sale, the monetary amount provided to Target Company shareholders (excluding the Tender Offeror, the Non-Tendering Shareholder, and the Target Company) will be the same as the value obtained when the number of Target Company Shares held by each shareholder is multiplied by the Tender Offer Price. Therefore, the Tender Offeror has ensured the opportunity for the Target Company’s shareholders to appropriately decide on whether to tender their shares in the Tender Offeror, and to the extent of the measures stated in (i) and (ii) above, has given consideration to avoid coercion.

(4) Post-Tender Offer Reorganization Policy (Matters Regarding “Two-Step Acquisition”)

As stated in “(1) Overview of Tender Offer” above, if the Tender Offeror fails to acquire all of the Target Company Shares through the Tender Offer (including the Restricted Shares but excluding the Target Company Shares held by the Tender Offeror and the Non-Tendering Shareholder and treasury shares held by the Target Company), once the Tender Offer is completed successfully, the Tender Offeror will implement the Squeeze-out Procedure to acquire all of the Target Company Shares using the following methods:

Specifically, following successful completion of the Tender Offer, the Tender Offeror will, promptly after completion of the settlement of the Tender Offer, request that the Target Company hold a special shareholders’ meeting (the “Special Shareholders’ Meeting”), the proposals to be made at which will include (i) consolidation of the Target Company Shares in accordance with Article 180 of the Companies Act (the “Share Consolidation”), and (ii) subject to the Share Consolidation being effective, changes to the Target Company’s articles of incorporation that will eliminate provisions on share unit number. The Tender Offeror considers that it is desirable for the Target Company to hold the Special Shareholders’ Meeting as soon as possible from the perspective of improving the Target Company’s corporate value. Therefore, the Tender Offeror plans to ask the Target Company to make a public notice during the tender offer period setting the record date for the Special Shareholders’ Meeting so that the record date will be a date shortly after the commencement date of the settlement of the Tender Offer (the “Settlement Commencement Date”) and to target to hold the Special Shareholders’ Meeting around December 2025. According to the Target Company Press Release, if the Tender Offeror makes that request, the Target Company will respond to it. The Tender Offeror and the Non-Tendering Shareholder will support each of the proposals above at the Special Shareholders’ Meeting.

If the proposals concerning the Share Consolidation are approved at the Special Shareholders’ Meeting, the Target Company shareholders will each, as of the effective date of the Share Consolidation, hold a number of Target Company Shares corresponding to the share consolidation ratio approved at the Special Shareholders’

Meeting. If the Share Consolidation results in fractional shares that are less than one share, in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations, the Target Company shareholders holding such fractional shares will be provided with money to be obtained through the sale of Target Company Shares equivalent to the sum of such fractional shares (if the sum of such fractional shares is less than one share, such fractional shares will be discarded; the same applies hereinafter) to the Target Company or the Tender Offeror. With respect to the sale price of the Target Company Shares equivalent to the sum of such fractional shares, the Tender Offeror will request that the Target Company petition a court for permission for a voluntary sale, after ensuring that, as a result of such sale of fractional shares, the monetary amount provided to Target Company shareholders who did not apply for the Tender Offer (excluding the Tender Offeror, the Non-Tendering Shareholder, and the Target Company) will be the same as the value obtained when the number of Target Company Shares held by each shareholder is multiplied by the Tender Offer Price. Furthermore, although the consolidation ratio of the Target Company Shares has not yet been decided as of today, the Tender Offeror will request that the consolidation ratio be determined such that as a result of the Share Consolidation, the shareholders of the Target Company who did not tender their Target Company Shares in the Tender Offer (excluding the Tender Offeror, the Non-Tendering Shareholder, and the Target Company) will each hold fractional shares less than one share and that after the settlement of the sale of the sum of such fractional shares, the Tender Offeror and the Non-Tendering Shareholder will own all of the Target Company Shares (excluding treasury shares owned by the Target Company).

For the purpose of protecting the rights of general shareholders in relation to the Share Consolidation, if the Share Consolidation is implemented and results in fractional shares that are less than one share, the Companies Act allows Target Company shareholders to demand that the Target Company purchase all fractional shares less than one share held by them at a fair price, as well as to petition a court for a decision regarding the sale price of their Target Company Shares, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. As described above, in connection with the Share Consolidation, the Target Company Shares to be owned by Target Company shareholders who did not apply for the Tender Offer (excluding the Tender Offeror, the Non-Tendering Shareholder, and the Target Company) will be fractional shares less than one share. Therefore, the Target Company shareholders who oppose the Share Consolidation will be able to petition a court for a decision regarding the sale price of their Target Company Shares, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If any such petition is filed, the purchase price will be ultimately determined by the court.

In addition, the Tender Offer is not intended to solicit the Target Company shareholders to approve the relevant proposals at the Special Shareholders' Meeting.

Implementing the procedures described above may take extra time, or the implementation methods may change, depending on the status of amendments to, execution of, and interpretation by relevant authorities of the relevant laws and regulations. However, even in such event, if the Tender Offer is completed successfully, measures will be taken by which monetary consideration will be ultimately provided to Target Company shareholders who did not apply for the Tender Offer (excluding the Tender Offeror, the Non-Tendering Shareholder, and the Target Company), and the value of such consideration will be calculated to be the price obtained when the number of Target Company Shares owned by the relevant Target Company shareholders is multiplied by the Tender Offer Price.

Under an allotment agreement for the Restricted Shares, (a) if, during the transfer restriction period, matters related to a share consolidation (limited to the case where, as a result of the share consolidation, the Restricted Shares owned by the parties who are allotted Restricted Shares will be in fractions of less than one share) is approved at a general shareholders meeting of the Target Company (however, limited to the case where the effective date of the share consolidation falls before expiration of the transfer restriction period), the transfer restriction will be lifted for all of the Restricted Shares held by the allottees as of the date of such approval, as at the time immediately before the business day preceding the effective date of the share consolidation, with a resolution of the Target Company's board of directors, (b) in the case set forth under (a) above, the Target Company will acquire, as of the business day preceding the effective date of the share consolidation, and without consideration, all of the Restricted Shares held by the allottees as of the same date, in relation to which the transfer restriction is not lifted. In accordance with provision (a) of the aforementioned allotment agreement, the Restricted Shares will be subject to the Share Consolidation as the transfer restriction is expected to be lifted as at the time immediately before the business day preceding the effective date of the Share Consolidation.

The Target Company will promptly announce the specific procedures, implementation timing, and other matters concerning the above once they are determined after consultation between the Tender Offeror and the Target Company. The Target Company shareholders are each personally responsible for consulting with tax experts regarding the handling of taxes relating to applications for the Tender Offer, and the procedures described above.

(5) Likelihood of and Reasons for Delisting

As of today, the Target Company Shares are listed on the Prime Market of the TSE. However, since the Tender Offeror has not set a maximum limit on the planned purchase quantity in the Tender Offer, depending on the result of the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting standards set out by the TSE. In addition, even if the Target Company Shares do not fall under the delisting standards at the time of the successful completion of the Tender Offer, as described in “(4) Post-Tender Offer Reorganization Policy (Matters Regarding “Two-Step Acquisition”)” above, the Tender Offeror plans to implement procedures with the aim of acquiring all of the Target Company Shares (including the Restricted Shares but excluding the Target Company Shares held by the Tender Offeror, the Non-Tendering Shareholder, and treasury shares held by the Target Company) after the successful completion of the Tender Offer, in which case, the Target Company Shares will be delisted through prescribed procedures in accordance with the TSE's delisting standards. It will not be possible to trade the Target Company Shares on the Prime Market of the TSE after the delisting. For the reasons for aiming at the delisting, as well as the impact on general shareholders and the view thereof, please see “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer, and Post-Tender Offer Management Policy” and “(4) Post-Tender Offer Reorganization Policy (Matters Regarding “Two-Step Acquisition”)” above.

(6) Matters Regarding Critical Agreement Related to Tender Offer

On September 11, 2025, the Tender Offeror executed the Non-Tender Agreement with the Non-Tendering Shareholder, regarding all of the Target Company Shares owned by the Non-Tendering Shareholder,

the outlines of which are as provided below. The Tender Offeror has not executed any agreements regarding the Transactions with the Non-Tendering Shareholder other than the Non-Tender Agreement.

- (a) Except with the Tender Offeror's prior written consent, the Non-Tendering Shareholder shall not, directly or indirectly, tender all or part of their Target Company Shares in the Tender Offer or enter into any agreement, transaction or arrangement that results in such Target Company Shares being tendered in the Tender Offer.
- (b) From the execution date of the Non-Tender Agreement until completion of the Squeeze-out Procedure, except with the Tender Offeror's prior written consent, the Non-Tendering Shareholder shall not assign, grant security over, or otherwise dispose of all or part of their Target Company Shares, and it shall not acquire any Target Company Shares or any rights pertaining to Target Company Shares, or enter into any arrangement or agreement to do any of these acts.
- (c) From the execution date of the Non-Tender Agreement until completion of the Squeeze-out Procedure, except (i) as permitted by the Non-Tender Agreement, (ii) as required by applicable laws, or (iii) with the Tender Offeror's prior written consent, the Non-Tendering Shareholder shall refrain from exercising its right to request the convening of a general meeting of shareholders of the Target Company, or to propose agenda items, and from taking any action that is intended to prevent or delay the Tender Offer.
- (d) The provisions of (b) and (c) above shall cease to apply on the earliest to occur of the following: (i) the Tender Offer failing to be completed, (ii) the Tender Offeror withdrawing the Tender Offer pursuant to applicable law, and (iii) the Non-Tender Agreement terminating pursuant to (h) below.
- (e) The Non-Tendering Shareholder shall (a) not take any action that is intended to prevent or delay the Share Consolidation, (b) not direct or encourage any member of the Target Company's board of directors to object to the Target Company's board of directors convening a special meeting of the Target Company's shareholders for the purpose of approving the Share Consolidation, and (c) at such Special Shareholder Meeting, vote in support of the proposals for the Share Consolidation, including proposals with respect to the Target Company amending its articles of incorporation in accordance with the Share Consolidation.
- (f) Following the Consolidation of Shares, the Non-Tendering Shareholder will have the right to nominate one outside director of the Target Company so long as its shareholding ratio after completion of the Squeeze-out Procedure does not fall below the ratio to the total number of issued shares of the Target Company at the time of the Squeeze-out Procedure.
- (g) Following the Consolidation of Shares, the Non-Tendering Shareholder and the Tender Offeror shall discuss in good faith to enter into an agreement that sets forth terms for regulating their relationship with each other as shareholders of the Target Company following the Consolidation of Shares.
- (h) Unless terminated earlier (i) by mutual agreement of the parties in writing or (ii) by either party giving written notice to the other party if the Tender Offer is not successfully completed within six months of the date of the Non-Tender Agreement, the Non-Tender Agreement shall continue until the first anniversary of the date of the Non-Tender Agreement.

2. Overview of Purchase

(1) Overview of Target Company

(I)	Name	Fuji Oil Company, Ltd.	
(II)	Address	7-29, Kitashinagawa 6-chome, Shinagawa-ku, Tokyo	
(III)	Title and name of representative	Shigeto Yamamoto, Representative Director, President, and Presidential Executive Officer	
(IV)	Business outline	Import of crude oil, refining of oil, and production, processing, storage, import and export, and sale of petroleum products and petrochemical basic products	
(V)	Capital stock	JPY 24,467 million	
(VI)	Date of establishment	January 31, 2003	
(VII)	Major shareholders and shareholding ratios (as of March 31, 2025)	Idemitsu Kosan Co., Ltd.	22.01%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	8.90%
		Kuwait Petroleum Corporation	7.50%
		Government of the Kingdom of Saudi Arabia	7.50%
		Nippon Yusen Kabushiki Kaisha	3.55%
		Custody Bank of Japan, Ltd. (Trust Account)	3.29%
		Kiyo Koyama	1.80%
		ENEOS Holdings, Inc.	1.74%
		Yusuke Kida	1.35%
		Japan Airlines Co., Ltd.	1.33%
(VIII)	Relationship between Tender Offeror and Target Company		
	Capital relationship	As of today, the Tender Offeror is the largest shareholder of the Target Company, holding 17,035,520 Target Company Shares (ownership ratio: 22.06%), and has the Target Company as its equity-method affiliate.	
	Personnel relationship	One outside director of the Target Company has the status of an employee of the Tender Offeror, and one other employee came from the Tender Offeror. In addition, as of August 31, 2025, three employees of the Tender Offeror are dispatched to the Target Company, and one employee of the Target Company is dispatched to the Tender Offeror.	
	Business relationship	The Target Company entered into a capital and business alliance agreement with the Tender Offeror on April 16, 2024. The Target Company also has a product sales agreement with the Tender Offeror in place, and engages in continuous trading of main fuel products.	
	Status as related party	Since the Target Company is an equity-method affiliate of the Tender Offeror, it constitutes a related party.	

(Note) Information in “(VII) Major shareholders and shareholding ratios (as of March 31, 2025)” is cited from “Major Shareholders” in the Target Company’s annual securities report.

(2) Schedule, Etc.

(I) Schedule

Date of resolution by board of directors	September 11, 2025 (Thursday)
Date of public notice of commencement of Tender Offer	September 12, 2025 (Friday)
Name of newspaper in which public notice is to be published	Public notice will be made electronically via the Internet, and a notice to that effect will be published in the Nihon Keizai Shimbun. URL of the electronic notice: (https://disclosure2.edinet-fsa.go.jp/)
Filing date of tender offer registration statement	September 12, 2025 (Friday)

(II) Purchase Period Originally Specified in Registration Statement

From September 12, 2025 (Friday) to October 28, 2025 (Tuesday) (30 business days)

(III) Possibility of Extension Upon Request of the Target Company

Not applicable.

(3) Purchase Price

JPY 480 per share of common stock

(4) Basis for Valuation of Purchase Price

(I) Basis for the Valuation

In order to secure the fairness of the Tender Offer Price, in determining it, the Tender Offeror requested that JPMorgan Securities, its financial advisor and third-party calculation agent independent of the Tender Offeror Group and the Target Company Group, calculate the value of the Target Company Shares.

As a result of JPMorgan Securities considering the methods to calculate the value of the Target Company Shares from among multiple share valuation methods, it calculated the value of the Target Company Shares using the average market price method, to take into account trends in the market prices of the Target Company Shares, and the DCF Method, to reflect the status of future business activities in the calculation, as the calculation methods. The Tender Offeror obtained the share valuation report dated September 10, 2025 (the “Tender Offeror Valuation Report”) from JPMorgan Securities. JPMorgan Securities is not a related party of the Tender Offeror or the Target Company and does not have a material interest in the Transactions, including the Tender Offer. Further, since the Tender Offeror assessed and determined the Tender Offer Price through discussions and negotiations with the Target Company after comprehensively taking into account the factors described in “(II) Details of Valuation” below, the Tender Offeror has not obtained an opinion on the fairness of the Tender Offer Price (a fairness opinion) from JPMorgan Securities.

According to the Tender Offeror Valuation Report, the applied methods and the range of the per share value of the Target Company Shares calculated using those methods are as described below.

Average market share price method: JPY 305 to JPY 334
DCF method: JPY 335 to JPY 617

Under the average market share price method, JPMorgan Securities set the base date as September 9, 2025, based on publicly available information, and assessed the range of the per share value of the Target Company Shares to be JPY 305 to JPY 334 based on the closing price of JPY 332 of the Target Company Shares on the Prime Market of the TSE on the base date, JPY 334, the simple average closing price for the past one month up to the same date, JPY 320, the simple average closing price for the past three months up to the same date, and JPY 305, the simple average closing price for the past six months up to the same date.

Under the DCF method, based on the Target Company's business plan and financial forecast during the fiscal year ending March 2026 and the fiscal year ending March 2031, profits and investment plans in the Business Plan, and the results of interviews with the Tender Offeror and the Target Company and of due diligence procedures, the use of all of which by JPMorgan Securities was consented to by the Tender Offeror, as well as other various factors, including publicly available information, JPMorgan Securities assessed the range of the per share value of the Target Company Shares to be JPY 335 to JPY 617 through a share value calculation that discounted to the present value using a discount rate for a certain range of the free cash flows expected to be generated by the Target Company in and after the second quarter of the fiscal year ending March 2026.

The Target Company's business plan and financial forecast, which JPMorgan Securities used as the assumption for its analysis using the DCF method, included fiscal years in which a substantial decrease in profit and free cash flow compared to the previous fiscal year is expected. Specifically, in the fiscal years ending March 2026, March 2028, and March 2030, a significant decrease in both operating profit and free cash flow is expected due to the planned suspension of operations of the Target Company's refinery for a certain period for regular maintenance, and the operating profit for the fiscal years ending March 2026, March 2028, and March 2030 is expected to be 17,021 million yen, 1,945 million yen (a 82.8% reduction compared to the previous period), and 5,904 million yen (a 146.9% reduction compared to the previous period), respectively. The free cash flow for the fiscal years ending March 2026 and March 2030 is expected to be 10,912 million yen (a 150.2% reduction compared to the previous period) and 5,208 million yen (a 151.5% reduction compared to the previous period). The Target Company's future financial forecasts relied on under the DCF method assume that the Transactions would be implemented and anticipate the synergy effects expected to be realized by the implementation of the Transactions. A supplementary explanation of the Tender Offeror Valuation Report and the underlying preconditions for calculating the value of the Target Company Shares, the matters considered, and the consideration limitations are as described in (Note 16).

Based on the calculation details and results described in the Tender Offeror Valuation Report obtained from JPMorgan Securities, the Tender Offeror has decided to set the Tender Offer Price as JPY 480 per share, which is the range of DCF method on September 11, 2025, by comprehensively taking into account, among others, the results of due diligence conducted on the Target Company from mid-June 2025 to early September 2025, whether the Target Company's board of directors was in support of the Tender Offer, trends in the market prices of the Target Company Shares for the last one year (highest closing price: JPY 382; lowest closing price: JPY 242), the future outlook of the Target Company's domestic and overseas businesses, including earnings forecasts, and the prospect of shareholders tendering in the Tender Offer, as well as through

discussions and negotiations with the Target Company.

The Tender Offer Price of JPY 480 per share is an amount that includes the following premiums: a premium of 44.58% over the closing price of the Target Company Shares on the Prime Market of the TSE of JPY 332 as of September 10, 2025, the business day immediately preceding the announcement date of the Tender Offer; a premium of 43.71% over the simple average closing price of JPY 334 for the latest one-month period until that date; a premium of 50.00% over the simple average closing price of JPY 320 for the latest three-month period until that date; and a premium of 57.38% over the simple average closing price of JPY 305 for the latest six-month period until that date.

(Note 16) In conducting the valuation of the share price of the Target Company Shares, which is the basis for the Tender Offeror Valuation Report, JPMorgan Securities has relied upon and assumed the accuracy and completeness of all information that was publicly available information or furnished to or discussed with JPMorgan Securities by the Tender Offeror or the Target Company, or otherwise reviewed by or for JPMorgan Securities, and JPMorgan Securities has not independently verify (nor has it assumed responsibility or liability for independently verifying) the accuracy or completeness of such information. JPMorgan Securities has not conducted or been provided with any valuation or appraisal of any assets or liabilities of the Tender Offeror or the Target Company, nor has it provided with such an evaluation or appraisal; nor has not evaluated the solvency of the Tender Offeror or the Target Company under any applicable laws relating to bankruptcy, insolvency, or similar matters. In relying on financial analyses or forecasts provided to JPMorgan Securities or derived from, the Tender Offeror and the Target Company, JPMorgan Securities has assumed that they had been reasonably prepared based on assumptions reflecting the best currently available estimates and judgements by management of the Tender Offeror and of the Target Company, as of the date of the Tender Offeror Valuation Report, as to the expected future results of operations and financial condition of the Tender Offeror and the Target Company to which such analyses or forecasts relate. JPMorgan Securities expresses no view as to any such analyses or forecasts or the assumptions on which they were based. JPMorgan Securities has also assumed that the Tender Offer and other transactions contemplated by the Tender Offeror would be consummated as contemplated, and will have all of the effects described in the related materials furnished to JPMorgan Securities by the Tender Offeror. JPMorgan Securities is not an expert in legal, regulatory, tax, accounting, or other matters, and has relied on the assessments made by advisors to the Tender Offeror with respect to such matters. JPMorgan Securities further assumes that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Tender Offer will be obtained without any adverse effect on the Tender Offeror or the Target Company or on the contemplated benefits of the Tender Offer. The Tender Offeror Valuation Report, and the results of the valuation of the share price of the Target Company Shares that was the basis of such report, are necessarily based on the information available to JP Morgan as of the date of such report and the economic, market and other conditions in effect as of such date. It should be understood that subsequent developments may affect the Tender Offeror Valuation Report, and the results of the valuation of the share price of the Target Company Shares that was the basis of such report, and that JPMorgan Securities does not have any obligation to update, revise or reaffirm its analyses and valuation. Furthermore, the Tender Offeror Valuation Report, and the results of the

valuation of the share price of the Target Company Shares that was the basis of such report, do not recommend a specific purchase price to the Tender Offeror or its board of directors, nor recommend that a specific purchase price is the sole appropriate purchase price. JPMorgan Securities has acted as the financial advisor to the Tender Offeror with respect to the Tender Offer and will receive a fee from the Tender Offeror for the services as such financial advisor, and a certain portion of which will become payable only if the Tender Offer is consummated. In addition, the Tender Offeror has agreed to indemnify JPMorgan Securities for certain liabilities that may arise from such services. During the two year preceding the date of the Tender Offeror Valuation Report, neither JPMorgan Securities nor its affiliates have provided any other material financial advisory, commercial banking service, or investment banking services to the Tender Offeror or the Target Company. In addition, JPMorgan Securities and its affiliates hold, on a proprietary basis, less than 1% of the outstanding shares of each of the Tender Offeror and the Target Company. In the ordinary course of their business, JPMorgan Securities and its affiliates may actively trade the debt and equity securities issued by the Tender Offeror or the Target Company for its own account or for the accounts of their customers and, accordingly, JPMorgan Securities and its affiliates may at any time hold long or short positions in such securities. The Target Company's financial forecast on which JPMorgan Securities based its analysis of the value of the Target Company Shares (the "Financial Forecast") was approved by the Tender Offeror for JPMorgan Securities' use. The Tender Offeror has not released the Financial Forecast to the public, and it was not prepared for the purpose of being made available to the public. The Financial Forecast is inherently uncertain and relies on many variables and preconditions that cannot be managed or controlled by management of the Tender Offeror or of the Target Company (including but not limited to the general economy, competitive conditions, and factors relating to current interest rates). Therefore, the Target Company's actual performance may be significantly different from the Financial Forecast. The above calculation results of the valuation of the share price of the Target Company Shares, on which the Tender Offeror Valuation Report is based, and the descriptions of the outlined calculation methods do not include all of the analyses performed by JPMorgan Securities or the reference data. Since the Tender Offeror Valuation Report was prepared through a complicated process, a part of the analysis results or the summarized descriptions do not necessarily represent all of the content of the analysis accurately. The results of JPMorgan Securities' analysis should be considered as a whole, and if only a part of the analysis results or their summaries is referenced instead of considering the analysis results as a whole, the process on which JPMorgan Securities' analysis was based may not necessarily be understood accurately. JPMorgan Securities performed the analysis by comprehensively taking into consideration the respective analyses and factors as a whole without putting a particular emphasis on a specific analysis or factor. In addition, JPMorgan Securities neither asserts that each of the analyses or factors it considered individually contributes to JPMorgan Securities' analysis nor expresses an opinion on how much they contribute.

(II) Details of Valuation

Through the aforementioned process set forth in "(I) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer" of "(2) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer, and Post-Tender Offer Management Policy" of "1.

Purpose of Purchase” above, the Tender Offeror decided to set the Tender Offer Price at JPY 480 and to implement the Tender Offer by the board of directors’ resolution dated September 11, 2025.

(III) Relationship with Calculation Agent

JPMorgan Securities, the Tender Offeror’s third-party calculation agent, is not a related party of the Tender Offeror or the Target Company, and it has no material interest in the Transactions, including the Tender Offer.

(5) Number of Shares Planned for Purchase

Share Type	Planned Purchase Quantity	Minimum Planned Purchase Quantity	Maximum Planned Purchase Quantity
Common stock	54,393,425 (shares)	27,693,547 (shares)	- (shares)
Total	54,393,425 (shares)	27,693,547 (shares)	- (shares)

(Note 1) If the total number of Tendered Shares does not reach the minimum planned purchase quantity (27,693,547 shares), none of the Tendered Shares will be purchased. If the total number of Tendered Shares equals or exceeds the minimum planned purchase quantity (27,693,547 shares), all Tendered Shares will be purchased.

(Note 2) No maximum planned purchase quantity has been set with respect to the Tender Offer. Therefore, the planned purchase quantity indicates the maximum number of Target Company Shares that the Tender Offeror can purchase through the Tender Offer (54,393,425 shares). The planned purchase quantity is the remainder after subtracting the number of Target Company Shares owned by the Target Company as of today (17,035,520 shares) and the number of Non-Tendering Shares (5,811,390 shares) from the Base Number of Shares (77,240,335 shares).

(Note 3) Shares constituting less than one unit are also targets of the Tender Offer. In the event that the Target Company shareholders exercise their right to demand a purchase of shares of less than one unit in accordance with the Companies Act, the Target Company may purchase its own shares during the tender offer period in accordance with the relevant laws and regulations.

(Note 4) There are no plans for the Tender Offeror to acquire the treasury shares owned by the Target Company through the Tender Offer.

(6) Changes in Ownership Ratio as a Result of Purchase

Number of voting rights associated with shares owned by Tender Offeror prior to Tender Offer	170,355	(Percentage of shares owned prior to Tender Offer 22.06%)
Number of voting rights associated with shares owned by specially related parties prior to Tender Offer	59,108	(Percentage of shares owned prior to Tender Offer 7.65%)
Number of voting rights associated with shares owned by Tender Offeror following Tender Offer	714,289	(Percentage of shares owned following Tender Offer 92.48%)

Number of voting rights associated with shares owned by specially related parties following Tender Offer	58,113	(Percentage of shares owned following Tender Offer 7.52%)
Number of voting rights held by all shareholders of Target Company	772,071	

(Note 1) “Number of voting rights associated with shares owned by Tender Offeror prior to Tender Offer” indicates the number of voting rights associated with shares owned by the Tender Offeror (17,035,520 shares) as of today (170,355 voting rights).

(Note 2) “Number of voting rights associated with shares owned by specially related parties prior to Tender Offer” indicates the total number of voting rights associated with shares owned by specially related parties (excluding, however, specially related parties who are excluded from being a specially related party under Article 3(2)(i) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers, as amended; the “Cabinet Office Order”) for the purpose of calculating the percentage of ownership of shares under each item of Article 27-2(1) of the Act). However, since the shares owned by specially related parties (excluding the Non-Tendering Shares and the treasury shares owned by the Target Company) are also subject to the Tender Offer, the “Number of voting rights associated with shares owned by Tender Offeror prior to Tender Offer” indicates the number of voting rights associated with the Non-Tendering Shares (58,113 voting rights). Furthermore, the Tender Offeror will check shares of the Target Company owned by specially related parties, and if it is necessary to make any corrections, the Tender Offeror will promptly publish such corrections.

(Note 3) “Number of voting rights associated with shares owned by Tender Offeror following Tender Offer” indicates the number of voting rights obtained by adding the “Number of voting rights associated with shares owned by Tender Offeror prior to Tender Offer” to the number of voting rights associated with the planned purchase quantity for the Tender Offer (54,393,425), as described in “(5) Number of Shares Planned for Purchase” above.

(Note 4) “Number of voting rights held by all shareholders of Target Company” indicates the number of voting rights held by all shareholders (number of one unit: 100 shares) as of March 31, 2025, as described in the annual securities report for the 23rd period submitted by the Target Company on June 25, 2025. However, given that shares of less than one unit are also targets of the Tender Offer, for the purpose of calculating the “Percentage of shares owned prior to Tender Offer” and the “Percentage of shares owned following Tender Offer,” the “Number of voting rights held by all shareholders of Target Company” was calculated to be the number of voting rights (772,403 shares) associated with the Base Number of Shares (77,240,335 shares) .

(Note 5) “Percentage of shares owned prior to Tender Offer” and “Percentage of shares owned following Tender Offer” are both rounded to the nearest hundredth.

(7) Amount of Consideration for Tender Offer

JPY 26,108,844,000

(Note) The amount of consideration for the Tender Offer is calculated by multiplying the planned

purchase quantity (54,393,425 shares) by the Tender Offer Price (JPY 480).

(8) Settlement Method

(I) Name and Head Office Location of Financial Instruments Business Operators, Banks, and Other Institutions Conducting Settlement of Purchases

Daiwa Securities Co. Ltd. 1-9-1 Marunouchi, Chiyoda-ku, Tokyo

(II) Commencement Date of Settlement

November 5, 2025 (Wednesday)

(III) Settlement Method

Following expiration of the tender offer period, without delay, notifications of the purchases through the Tender Offer will be mailed to the addresses or locations of those who consent to an offer to purchase or make an offer to sell shares in connection with the Tender Offer (“Tendering Shareholders”) (or the addresses of the standing proxies for foreign shareholders). Purchases will be made in cash. At the Tendering Shareholders’ instruction (or the instruction of standing proxies for foreign shareholders) and on or after the Settlement Commencement Date, without delay, proceeds from sales of shares subject to the purchases will be (i) remitted from the tender offer agent to a place designated by the Tendering Shareholders (or standing proxies for foreign shareholders) (after subtracting any applicable remittance fees) or (ii) paid into accounts of the Tendering Shareholders opened with the tender offer agent at which those shareholders’ applications to tender their shares in the Tender Offer were accepted.

(IV) Method of Return of Shares

If no shares are purchased in accordance with the conditions described in “(I) Existence of Conditions Described in Each Item of Article 27-13(4) of the Act and Details Thereof” and “(II) Existence of Conditions for Withdrawal of Tender Offer, Details Thereof, and Method for Disclosing Withdrawal” of “(9) Other Conditions and Methods for Purchase” below, the shares that need to be returned will be returned by restoring them to the state they were in at the time of the tender in the accounts of the Tendering Shareholders opened with the tender offer agent without delay, on or after the second business day following the last day of the tender offer period (or, if the Tender Offer is withdrawn, the date of such withdrawal).

(9) Other Conditions and Methods for Purchase

(I) Existence of Conditions Described in Each Item of Article 27-13(4) of the Act and Details Thereof

If the total number of Tendered Shares does not reach the minimum planned purchase quantity (27,693,547 shares), none of the Tendered Shares will be purchased. If the total number of Tendered Shares equals or exceeds the minimum planned purchase quantity (27,693,547 shares), all Tendered Shares will be purchased.

(II) Existence of Conditions for Withdrawal of Tender Offer, Details Thereof, and Method for Disclosing Withdrawal

If any of the matters set forth in Articles 14(1)(i)(a) to (j) and (m) to (t), 14(1)(iii)(a) to (h) and (j), and

14(2)(iii) to (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Order”) should occur, the Tender Offer may be withdrawn. “Facts equivalent to those set forth in sub-items (a) through (i)” as set forth in Article 14(1)(iii)(j) of the Order means (i) cases where it is found that past statutory disclosure documents submitted by the Target Company contain false statements regarding material matters or omit statements regarding material matters to be stated, and the Tender Offeror did not know, and could not have known even with the exercise of reasonable care, that such statements were false or omitted, and (ii) cases where any of the facts set forth in (a) through (g) of the same item occurs in any of the Target Company’s material subsidiaries.

If the Tender Offer is withdrawn, an electronic public notice will be made, and notice of such electronic public notice will be published in the Nihon Keizai Shimbun. However, if issuing the public notice by the last day of the tender offer period proves difficult, an announcement will be made via the methods prescribed in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter.

(III) Existence of Conditions for Reduction in Purchase Price, Details Thereof, and Method for Disclosing Reduction

In accordance with Article 27-6(1)(i) of the Act, in the event that the Target Company engages in any of the actions described in Article 13(1) of the Order during the tender offer period, the purchase price may be reduced in accordance with the standards provided in Article 19(1) of the Cabinet Office Order. If the purchase price is reduced, an electronic public notice will be made, and notice of such electronic public notice will be published in the Nihon Keizai Shimbun. However, if issuing the public notice by the last day of the tender offer period proves difficult, an announcement will be made via the methods prescribed in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter. If the purchase price is reduced, purchases will be made at the reduced price even with respect to Tendered Shares that were tendered on or before the date on which such public notice was made.

(IV) Matters Regarding Rights Held by Tendering Shareholders to Terminate Their Agreements

The Tendering Shareholders may terminate their agreements related to the Tender Offer at any time during the tender offer period. When terminating an agreement to tender shares, please complete the termination via the following procedure, by no later than 4:00 pm on the last day of the tender offer period.

If terminating an agreement through an operation in Online Trade, please carry out the termination procedure by 4:00 pm on the last day of the tender offer period in accordance with the method stated on that screen. For an issue handled in Online Trade, it is also possible to terminate an agreement that was tendered at your transacting branch by carrying out the termination procedure through an operation in Online Trade. However, if applying to terminate an agreement involving shares of less than one unit, that will be accepted at your transacting branch.

If terminating an agreement by mail or at the head office of the tender offer agent or one of its branch offices nationwide, please fill out the necessary matters in the prescribed termination document and terminate the agreement by 4:00 pm on the last day of the tender offer period by mailing the termination document or bringing it in person to the head office of the tender offer agent or one of its branch offices nationwide where your tender was accepted. However, the case of mailing will be conditional upon the termination document arriving by 4:00 pm on the last day of the tender offer period. Business hours will differ depending on the

head office or nationwide branch office, so please confirm them in advance before terminating.

It is also possible to terminate an agreement that was tendered in Online Trade by carrying out the termination procedure by mailing the termination document or bringing it in person to the head office or a branch.

*When visiting the head or branch office, please make an appointment in advance in order for the tender offer agent to improve the quality of its services. Please check the tender offer agent's website (<https://www.daiwa.jp/doc/230313.html>) for details.

Party authorized to receive the termination documents:

Daiwa Securities Co. Ltd. 1-9-1 Marunouchi, Chiyoda-ku, Tokyo
(Or other domestic branches of Daiwa Securities Co. Ltd.)

(V) Disclosure Method Where Terms and Conditions of Purchase are Changed

Except when prohibited under Article 27-6(1) of the Act and Article 13 of the Order, the Tender Offeror may change the purchase conditions during the tender offer period.

If the Tender Offeror changes any purchase conditions, an electronic public notice will be made regarding such changes, and notice of such electronic public notice will be published in the Nihon Keizai Shimbun. However, if issuing the public notice by the last day of the tender offer period proves difficult, an announcement will be made via the methods prescribed in Article 20 of the Cabinet Office Order, and a public notice will be issued immediately thereafter. If the Tender Offeror changes any purchase conditions, purchases of Tendered Shares will be made in accordance with the changed purchase conditions even with respect to Tendered Shares that were tendered on or before the date on which such public notice was made.

(VI) Disclosure Method Where an Amended Statement is Submitted

If an amended statement is submitted to the Director-General of the Kanto Local Finance Bureau (excluding, however, the cases set forth in the proviso to Article 27-8(11) of the Act), details indicated in the amended statement relating to the content described in the public notice for commencing a tender offer will be immediately announced via the methods prescribed in Article 20 of the Cabinet Office Order. Furthermore, the Tender Offeror will immediately amend the tender offer explanation statement, and any Tendering Shareholders who have already received an original tender offer explanation statement will be provided with an amended version thereof. However, if the scope of the amendment is narrow, a document containing the reasons for the amendment, the amended items, and the content following the amendment will be prepared, and such document will be sent to the Tendering Shareholders for the purpose of amending the previously provided tender offer explanation statement.

(VII) Disclosure Method for Results of Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the tender offer period in accordance with the methods prescribed in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order.

- (10) Date of Public Notice for Commencement of Tender Offer
September 12, 2025
- (11) Tender Offer Agent
Daiwa Securities Co. Ltd. 1-9-1 Marunouchi, Chiyoda-ku, Tokyo
- 3. Post-Tender Offer Policies and Future Outlook
 - (1) Post-Tender Offer Policies
Please refer to “(2) Background, Purpose, and Decision-Making Process Leading to Decision to Implement Tender Offer, and Post-Tender Offer Management Policy,” “(4) Post-Tender Offer Reorganization Policy (Matters Regarding “Two-Step Acquisition”),” and “(5) Likelihood of and Reasons for Delisting” of “1. Purpose of Purchase” above.
 - (2) Future Outlook
Any facts concerning the impact of the Tender Offer on the Tender Offeror’s performance that should be disclosed will be promptly published if they arise.
- 4. Other Information
 - (1) Existence and Details of Agreements Between Tender Offeror and Target Company or Target Company Officers
 - (I) Existence and Details of Agreements Between Tender Offeror and Target Company
According to the Target Company Press Release, at the board of directors’ meeting held on September 11, 2025, the Target Company resolved to (i) express its opinion to support the Tender Offer and (ii) recommend that its shareholders tender their shares in the Tender Offer.
For details, please refer to the Target Company Press Release as well as “(VII) Approval of All Target Company Directors Without Conflicts of Interest and Opinion of All Target Company Auditors That They Have No Objections” of “(3) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest, and Other Measures to Ensure Fairness of Tender Offer” of “1. Purpose of Purchase” above.
 - (II) Existence and Details of Agreements Between Tender Offeror and Target Company Officers
Not applicable
 - (2) Other Information Deemed Necessary for Investors in Deciding Whether to Apply for Tender Offer
 - (I) Publication of “Consolidated Financial Results for Three Months Ended June 30, 2026 (Under Japanese GAAP)”
The Target Company published the Target Company’s First-Quarter Financial Results on August 7, 2025. An outline of the Target Company’s First-Quarter Financial Results based on this publication is as indicated below. For further details, please see the contents of the publication.

Outline of Consolidated Financial Results for Three Months Ended June 30, 2026 (Under

Japanese GAAP)

(i) Profit and Loss (Consolidated)

(In millions of yen)

Fiscal Year	Fiscal Year Ending March 2026 (first cumulative quarterly consolidated accounting period)
Net sales	63,705
Operating profit	(13,422)
Ordinary profit	(13,703)
Profit attributable to owners of parent	(14,585)

(ii) Per Share (Consolidated)

(In yen)

Fiscal Year	Fiscal Year Ending March 2026 (first cumulative quarterly consolidated accounting period)
Quarterly earnings per share	(188.83)
Dividends per share	—

(II) Publication of “Notice of Revision of Projected Dividends for Fiscal Year Ending March 2026 (No Dividends)”

The Target Company resolved at its board of directors’ meeting held on September 11, 2025 to amend the year-end dividend forecast for the fiscal year ending March 2026 and not to pay year-end dividends for the fiscal year ending March 2026, if the Tender Offer is successfully completed. For further details, please refer to “Notice of Revision of Projected Dividends for Fiscal Year Ending March 2026 (No Dividends)” published by the Target Company on September 11, 2025.

(Reference) Idemitsu Kosan Co., Ltd.’s Forecasts of Consolidated Financial Results for Fiscal Year Ending March 2026 (from April 1, 2025 to March 31, 2026) (published on August 8, 2025) and Consolidated Financial Results for Previous Fiscal Year

(In millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (In yen)
Consolidated Financial Forecast for Current Fiscal Year (Fiscal Year Ending March 2026)	7,900,000	37,000	56,000	50,000	40.83

(In millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share (In yen)
Consolidated Financial Results for Previous Fiscal Year (Fiscal Year Ending March 2025)	9,190,225	162,185	214,764	104,055	77.83

End

Soliciting Regulations

This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should read the tender offer explanation statement concerning the Tender Offer first and make an offer to sell their shares at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase any securities, and neither this press release (or a part of this press release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this press release may not be relied upon at the time of entering into any such agreement.

Forward-Looking Statements

This press release contains forward-looking statements concerning future plans and strategies of the Tender Offeror and the Tender Offeror Group in the case of acquisition by the Tender Offeror of Target Company Shares. These statements are the Tender Offeror's expectations based on its assumptions and beliefs in light of information currently available to the Tender Offeror. The Tender Offeror, therefore, wishes to caution readers that actual results might differ materially from the Tender Offeror's expectations due to various risks and uncertainty. The Tender Offeror is under no obligation to update the information in the forward-looking statements to reflect matters such as actual performance or other circumstances, or changes in terms.

U.S. Regulations

The shares of common stock of the Target Company, a company incorporated in Japan, are subject to the Tender Offer. The Tender Offer will be implemented in compliance with the procedures and information disclosure standards set forth in Japanese law, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the "1934 Securities Exchange Act") or the rules promulgated under such Article do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. The financial information contained in this press release and the documents referenced herein is based on Japanese GAAP, which may differ significantly from GAAP in the U.S. and other countries. In addition, because the Tender Offeror is a corporation incorporated outside the United States and all or part of its officers are non U.S. residents, it may be difficult for shareholders to exercise rights or demands against them that can be asserted based on U.S. securities laws. It may also not be possible to initiate an action against a corporation that is based outside of the U.S. or its officers in a court outside of the U.S. on the grounds of a violation of U.S. securities-related laws. Furthermore, there is no guarantee that a corporation that is based outside of the U.S. or its affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court.

Unless otherwise stated, all procedures in connection with the Tender Offer shall be conducted in the Japanese language. While a part or all of the documents in connection with the Tender Offer may be prepared in English, the Japanese-language documents shall prevail in case of any discrepancies between the Japanese-language documents and the corresponding English-language documents.

There is a possibility that the Tender Offeror, the financial advisors of the Tender Offeror and the Target Company, and the tender offer agent (including their affiliates) may, including in the scope of their ordinary business, to the extent permitted by laws and regulations relating to financial instruments transactions and other applicable laws and regulations of Japan and in accordance with the requirements of Rule 14e-5(b) of the 1934 Securities Exchange Act, on their own account or on their customers' account, purchase or take any action aimed at purchasing shares of common stock of the Target Company outside the Tender Offer prior to commencement of or during the tender offer period of the Tender Offer. There is a possibility that such a purchase may be made at the market price through a market transaction or at a price determined through off-market negotiations. If information regarding such a purchase is disclosed in Japan, it will also be disclosed on the English website of the relevant purchaser (or via any other public disclosure method).

If a shareholder exercises its right to demand the purchase of shares of less than one unit in accordance with the Companies Act, the Target Company may buy back its own shares during the tender offer period of the

Tender Offer in accordance with the procedures required by laws and regulations.

This press release and the documents referenced herein contain “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the 1934 Securities Exchange Act. The actual results may differ materially from the projections implied or expressly stated as “forward-looking statements” due to known or unknown risks, uncertainties, or other factors. The Tender Offeror and its affiliates do not guarantee that the projections implied or expressly stated as “forward-looking statements” will be achieved. “Forward-looking statements” contained herein and the documents referenced herein were prepared based on information available to the Tender Offeror as of the date of this press release and, unless required by laws and regulations, neither the Tender Offeror nor its affiliates shall not be obliged to amend or revise the statements in order to reflect future events or circumstances.

Other Countries

The announcement, issuance, or distribution of this press release may be legally restricted in some countries or territories. In such cases, shareholders should be aware of, and comply with, such restrictions. The announcement, issuance, or distribution of this press release shall not be interpreted as an offer to purchase or a solicitation of an offer to sell shares in connection with the Tender Offer, but simply as the dissemination of information.