



# FY2021 1H Financial Results

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# Agenda

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## Highlights of Financial Results

# Key Headlines

## Business Environment

- Rise in resource prices owing to the global economic recovery
- Demand for domestic petroleum products is still weak, and is still below the level seen before the COVID-19 pandemic
- The COVID-19 has accelerated
  - Movement toward a decarbonized and recycling-oriented society
  - Advancements in the data society  
(increase in demand for advanced materials in the field of IT)

## Financial Results Summary

- Substantial Increase in profits for FY2021 1H (YoY) and FY2021 forecast (vs. forecast in May 2021) due mainly to a rise in resource prices, and increased sales of advanced materials such as functional materials / thin-film materials, etc.

(JPY billion)	1H (Actual)	Current Forecast
Operating Income	337.8 +248.9 <sup>1</sup>	470.0 +210.0 <sup>2</sup>
Excl. Inventory Valuation effects	168.6 +42.7 <sup>1</sup>	310.0 +80.0 <sup>2</sup>

<sup>1</sup> vs. 1H2020 (Actual)  
<sup>2</sup> vs. Forecast (May 2021)

## Progress of the 2<sup>nd</sup> Medium-Term Mgt Plan

- Steadily executed measures based on the 2nd Medium-Term Management Plan in order to contribute to a decarbonized and recycling-oriented society, enhance growth businesses and optimize our business portfolio
  - Acquisition of Japan Renewable Energy's shares, enhancement of innovation through the GI fund, acquisition of elastomers business, withdrawal from the coal business, and making NIPPO, our subsidiary, go private, etc.

# Overview of Financial Results

## FY2021 1H (Actual)

- **Significant increase in Operating Income and Net Income year-on-year**
- **Operating Income (Excl. Inventory Valuation Effects) ¥168.6bn (vs.FY20/1H + ¥42.7bn)**
  - ✓ Increase in profits of Oil & Natural Gas E&P and Metals segments due mainly to a rise in resource prices, increased sales of advanced materials, etc.
  - ✓ Decrease in energy segment profits owing mainly to deterioration of domestic petroleum product and export margins, refinery operation trouble, etc.

	<u>FY20/1H (Actual)</u>		<u>FY21/1H (Actual)</u>	<u>Difference</u>	JPY billion
Operating Income	88.9	→	<b>337.8</b>	+ 248.9	
Inventory valuation effects	-37.0		<b>169.2</b>	+ 206.2	
Net Income attributable to owners of the parent	36.4	→	<b>211.4</b>	+ 175.0	
<hr/>					
Operating Income Excl. inventory valuation effects	125.9	→	<b>168.6</b>	+ 42.7	
Energy	57.1	→	<b>27.3</b>	-29.8	
Oil and Natural Gas E&P	1.5	→	<b>38.8</b>	+ 37.3	
Metals	36.9	→	<b>78.7</b>	+ 41.8	
Other	30.4	→	<b>23.8</b>	-6.6	

# Overview of Financial Results

## FY2021 (Forecast)

### ■ Operating Income (Excl. Inventory Valuation Effects) ¥310.0bn (vs. Forecast (May 2021) + ¥80.0 bn)

- ✓ Significant increase in profits of Oil & Natural Gas E&P and Metals segments due to factors such as a rise in resource prices, and increased sales of advanced materials

Index:	Upper row: FY2021 Lower row: FY2021/2H	Forecast (May 2021)	Current Forecast	<Reference> As of the end of Oct.
Crude Oil (Dubai) \$/B	60 60	70 70	83	
Copper (LME) ¢/lb	340 320	420 407 <sup>1</sup>	452	
Exchange Rate ¥/\$	105 105	110 110	114	

<sup>1</sup>Oct.=440¢/lb, Nov.~Mar.=400¢/lb

	Forecast (May2021)		Current Forecast	Difference	JPY billion
Operating Income	260.0	→	470.0	+ 210.0	
Inventory valuation effects	30.0		160.0	+ 130.0	
Net Income attributable to owners of the parent	140.0	→	280.0	+ 140.0	
Operating Income Excl. inventory valuation effects	230.0	→	310.0	+ 80.0	
Energy	75.0	→	75.0	±0	
Oil and Natural Gas E&P	45.0	→	75.0	+ 30.0	
Metals	60.0	→	110.0	+ 50.0	
Other	50.0	→	50.0	±0	

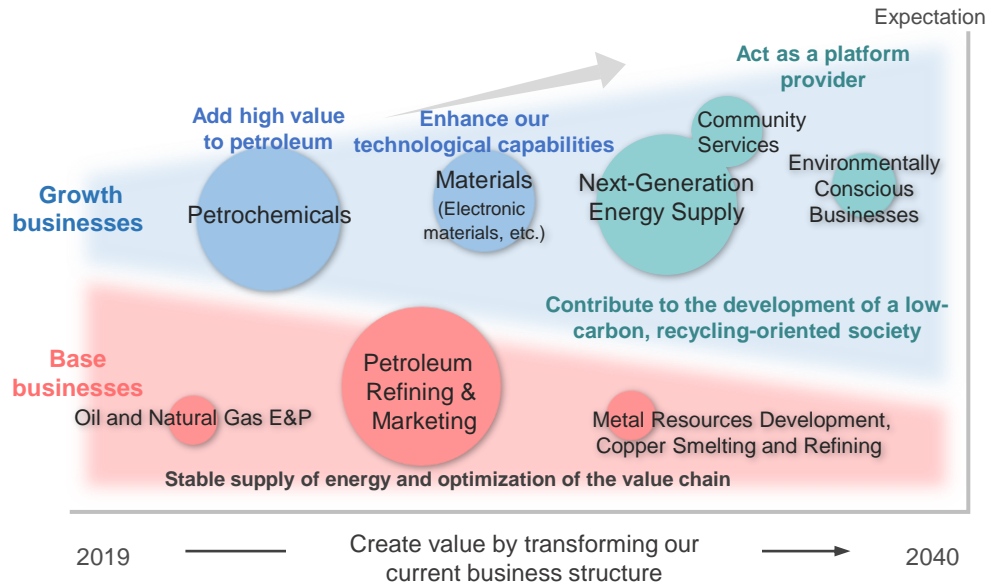
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## Progress of the Second Medium-Term Management Plan

# Progress in 1H2021 (Summary)

## ➤ Steady enhancement of growth businesses and the business portfolio optimization in line with the Second Medium-Term Management Plan

### Long-Term Vision (Future businesses of the ENEOS Group)



### Enhancement of growth businesses



#### Acquisition of elastomers business

See p.33 for more information

Decision made to acquire elastomers business from JSR Corporation to enhance our high-performance materials business (Announced in May)



#### Enhancement of production capabilities of sputtering targets for semiconductor devices

Accelerating production capacity increase schedule, which was in preparation during the 2nd Medium-Term Management Plan, to meet rapidly rising demand for advanced materials



#### Acquisition of the entire issued shares of Japan Renewable Energy Corporation

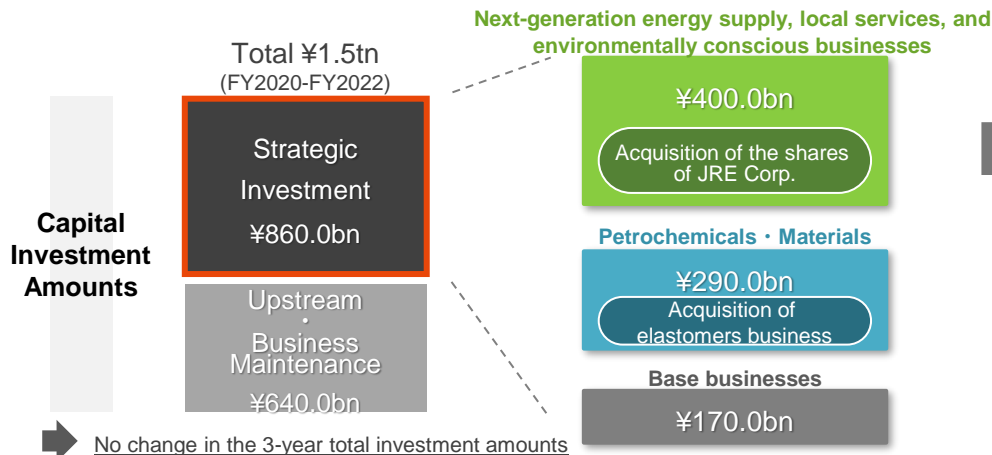
☞ see p.8 for more details



#### Acceleration of innovation through Green Innovation Fund

☞ see p.9 for more details

See p.10-11 for other main measures



### Optimization of our business portfolio



#### Withdrawal from the coal business

Sold overseas coal mine interests in July, 2021 following changes in the business environment toward a decarbonized society



#### Making NIPPO go private

☞ see p.12 for more details



# Enhancement of Growth Businesses -Acquisition of Japan Renewable Energy's shares-

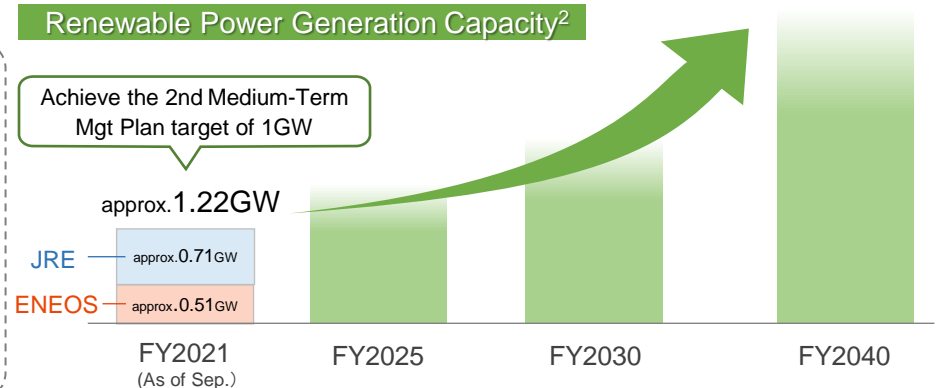
➤ Decision made to acquire all shares of JRE Corp., one of the leading renewable energy companies in Japan

✓ **Aiming to become a leading renewable energy company in Japan through the acquisition**

- Achieve the total renewable power generation capacity target set in the Second Medium-Term Management Plan; over 1GW by the end of FY2022

## ■ Overview of JRE

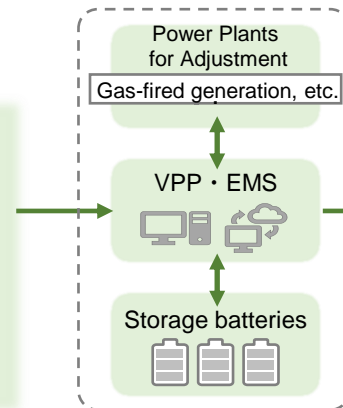
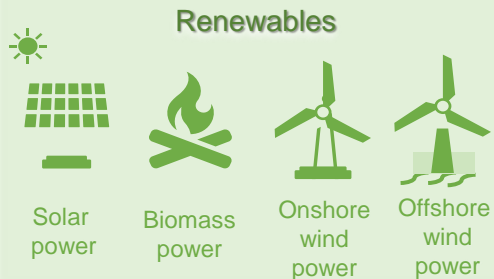
Capital	: ¥21,947 million
Consolidated Net Sales	: ¥22,416 million (fiscal year ended in Dec. 2020)
Number of employees	: 194 employees <sup>1</sup> (as of July 2021)
Acquisition Cost of Shares	: approx. ¥200.0 bn
Date of Acquisition	: Around late Jan. 2022 (planned)
Generation Capacity	: (In Operation) approx. 0.38GW (as of Sep.2021) (Under Construction) approx. 0.33GW (as of Sep.2021)



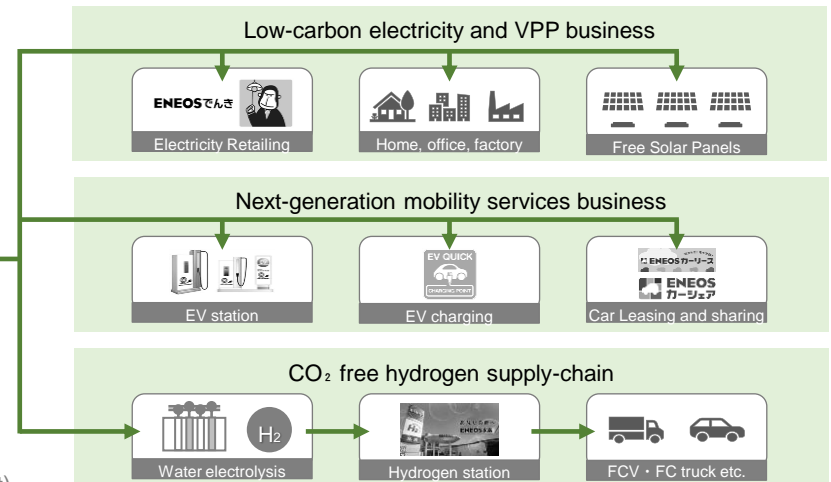
<sup>2</sup> Capacity based on capital contribution ratio (the total of power plants in operation and under construction)

## Medium to Long-Term Initiatives

Based on the renewable energy business, ENEOS will advance the next generation energy supply business



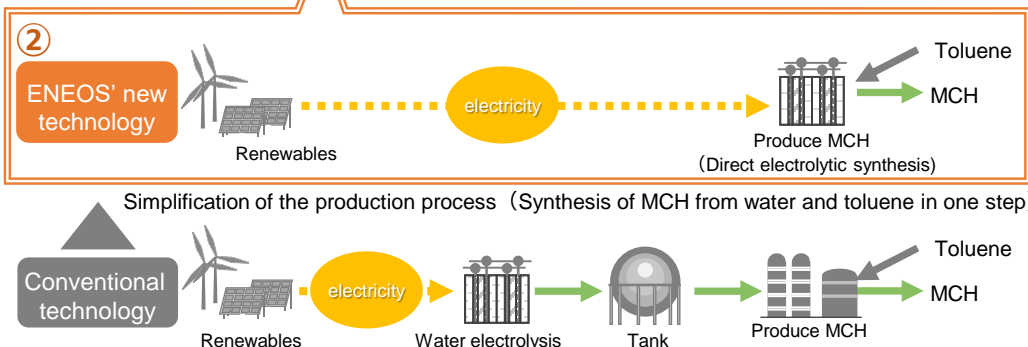
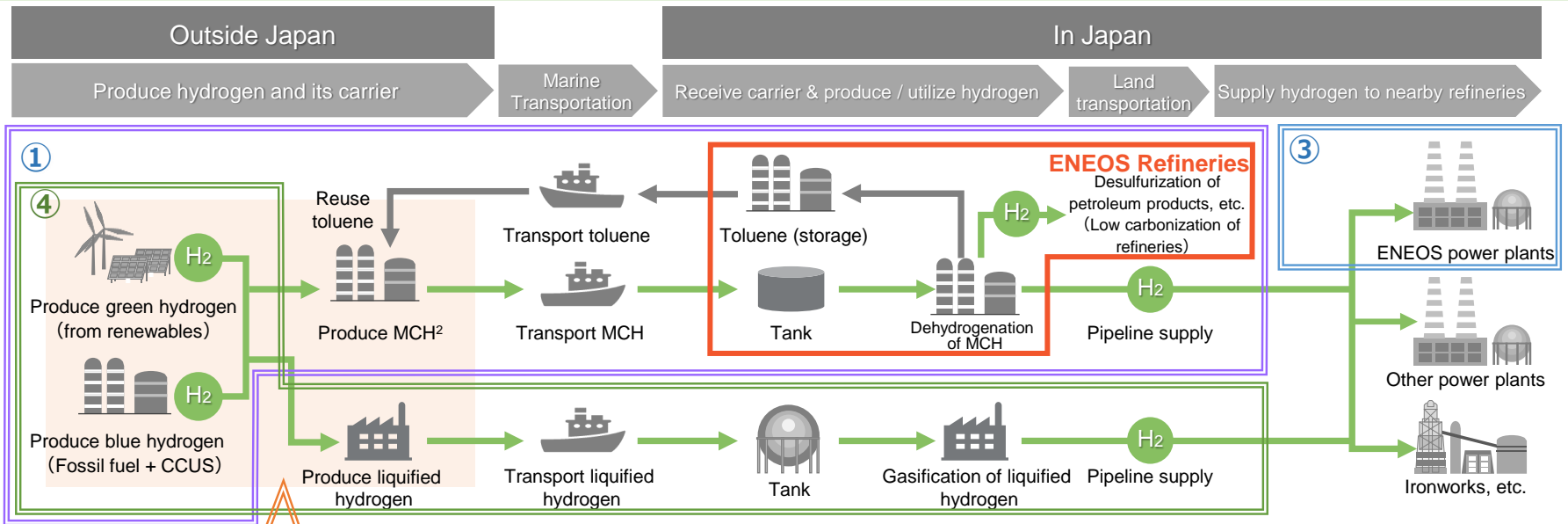
Aggregation business (concept)



# Enhancement of Growth Businesses – Green Innovation Fund–

## ➤ Accelerate the building of a CO<sub>2</sub>-free hydrogen supply chain through Green Innovation Fund<sup>1</sup>

- ✓ ENEOS' four demonstration projects for building a CO<sub>2</sub> free hydrogen supply chain have been selected as GI fund projects
- ✓ ENEOS will play the central role in the demonstration projects, and accelerate innovation and social implementation



- Demonstration Projects selected by the GI fund**
- ① : Large-scale demonstration of the MCH supply chain Only ENEOS
  - ② : Development of direct MCH electrolytic synthesis technology<sup>3</sup> Only ENEOS
  - ③ : Equipment demonstration of hydrogen generation Only ENEOS
  - ④ : Commercial demonstration of a liquefied hydrogen supply chain 3-company joint venture<sup>4</sup>

<sup>1</sup> Green Innovation Fund : a 10 year project in which the Japanese government provides support, ranging from R&D to social implementation, to companies working toward "Carbon Neutrality 2050".

# 【Reference】 Major Business Progress in FY2020

<b>Base businesses</b> (Enhancement of competitiveness)	<ul style="list-style-type: none"> <li>✓ Restructuring our production/supply network              【Osaka】 Termination of the manufacturing functions 【Chiba】 Taking over the OIREC business              【Chita】 Decision made to terminate the manufacturing functions (Oct. 2021 (completed))              【Negishi】 Decision made to terminate the part of the equipment of the Negishi refinery (Oct. 2022 (planned))</li> <li>✓ Acquired all interests of the Caserones Copper mine</li> </ul>
<b>Petrochemicals Materials</b>	<ul style="list-style-type: none"> <li>✓ Completed facility expansion to enhance production capacity of rolled copper foil, high-performance copper alloy strips and sputtering targets for semiconductors</li> <li>✓ Started collaboration with Novel Crystal technology Inc. for practical application of the power semiconductor device materials</li> <li>✓ Decision made to enhance the production capacity of sputtering targets for semiconductors</li> </ul>
<b>Renewable energy &amp; Hydrogen</b>	<ul style="list-style-type: none"> <li>✓ Signed a basic agreement with Shizuoka Prefecture on the promotion of next-generation energy and community development</li> <li>✓ Signed a business and capital alliance agreement with Loop Inc.</li> <li>✓ Started operation of 3 Mega-solar power plants in Japan</li> <li>✓ Participated in a Mega-solar power generation project in Ako District, Hyogo</li> <li>✓ Participated in onshore wind power generation projects in Kamikita District, Aomori and Obanazawa City, Yamagata.</li> <li>✓ Participated in an offshore wind power project off the coast of Happo Town and Noshiro City in Akita</li> <li>✓ Started commercial operation of the Muroran biomass power plant</li> <li>✓ Started collaborative studies with erex Co., Ltd., on establishing a joint business through a large-scale biomass power plant</li> <li>✓ Started collaborative studies with Saudi Aramco on establishing a CO<sub>2</sub>-free hydrogen and ammonia supply chain</li> <li>✓ Started collaborative studies with SEDC Energy Corp. and Sumitomo Corp. on establishing a CO<sub>2</sub>-free hydrogen supply chain</li> </ul>
<b>Environmentally conscious &amp; next generation businesses, etc.</b>	<ul style="list-style-type: none"> <li>✓ Started “ENEOS Laundry”; Laundromat attached to service stations</li> <li>✓ Started an ultra-compact EV sharing service demonstration project</li> <li>✓ Decision made to establish a logistics base for receiving recycled raw materials in Oita Port, Ozai West Area<sup>1</sup></li> <li>✓ Augmented collection / treatment capacity at the Taiwan recycling center</li> <li>✓ Invested in multiple start-up companies in anticipation of a decarbonized, recycling-oriented society</li> <li>✓ Decision made to issue publicly offered hybrid bonds (¥300billion)</li> </ul>

# Major Progress in 1H2021

## Petrochemicals Materials

### <Acquire and expand technology based businesses>

- ✓ Increased production capacity of polyethylene for ultra-high and high voltage wire insulation
- ✓ Started a joint chemical recycling of plastic waste with Mitsubishi Chemical Corp.
- ✓ Conducted a joint feasibility study on ethylene derivatives derived from bio-based raw materials.

Start Operation from FY2023

Start Operation from FY2023

Commercialize  
on and after FY2027

## Renewable energy & Hydrogen

### <Establish supply bases and network for the next generation energy>

- ✓ Signed a basic agreement with Shizuoka city on the promotion of next-generation energy and community development

Start Operation from FY2024

### <Expand renewable energy businesses>

- ✓ Participated in a Mega-solar power project in Sanda City, Hyogo
- ✓ Participated in a Mega-solar power project in Texas
- ✓ Participated in a Mega-solar power project in Queensland, Australia
- ✓ Consortium, in which ENEOS is a participant, was selected as an operator for an offshore wind farm project in Goto City, Nagasaki
- ✓ Signed an agreement with BW Ideol on joint development of floating offshore wind power generation

Start operation from  
latter half of FY2023Start operation from  
latter half of FY2022Start operation from  
latter half of FY2022

### <Establish a CO<sub>2</sub> free hydrogen supply chain>

- ✓ Started the feasibility study on extracting hydrogen from hydrogen carriers (organic hydride) in our refineries
- ✓ Started to explore the utilization of hydrogen energy at Woven City
- ✓ Started collaborative studies toward the development of a CO<sub>2</sub>-free hydrogen supply chain between Japan and Australia, and Japan and Malaysia
- ✓ Achieved expansion of CO<sub>2</sub>-free hydrogen supply chain demonstration using a low-cost organic hydride production process<sup>1</sup>

Until the end of FY2023

## Environmentally conscious & next generation businesses, etc.

### <Enhance environmentally conscious businesses>

- ✓ Signed a joint study agreement for a CO<sub>2</sub> capture and storage hub project in offshore Australia
- ✓ Received approval for the development plan of the Tangguh LNG project, including a CCUS project
- ✓ Established a new company in Europe to promote LIB Recycling and battery materials projects

Start making the basic design  
from FY2022

### <Enhance the next generation businesses, etc.>

- ✓ Started collaborative studies on expanding EV charging network mainly at service stations
- ✓ Started "ENEOS Car Lease" using service stations as sales center
- ✓ Started to provide Matlantis™, a high-speed universal atomistic simulator through Preferred Computational Chemistry, a joint venture of ENEOS and PFN Inc.,

# Optimization of the Business Portfolio – Making NIPPO, our listed subsidiary, go private –

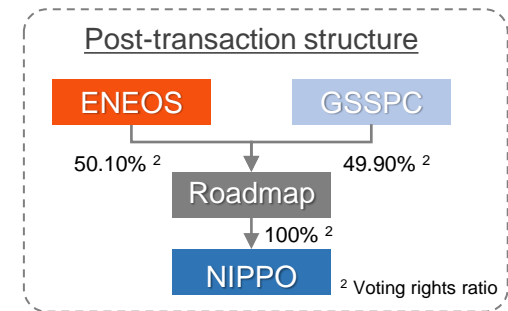
## ➤ Decision made to make NIPPO go private through a tender offer by Special Purpose Company (joint contribution with Goldman Sachs Group, Inc.)

- ✓ Announced a decision to make NIPPO, ENEOS' listed subsidiary, go private and re-list it in the future in order to accelerate investments in growth businesses, and enhance the governance structure

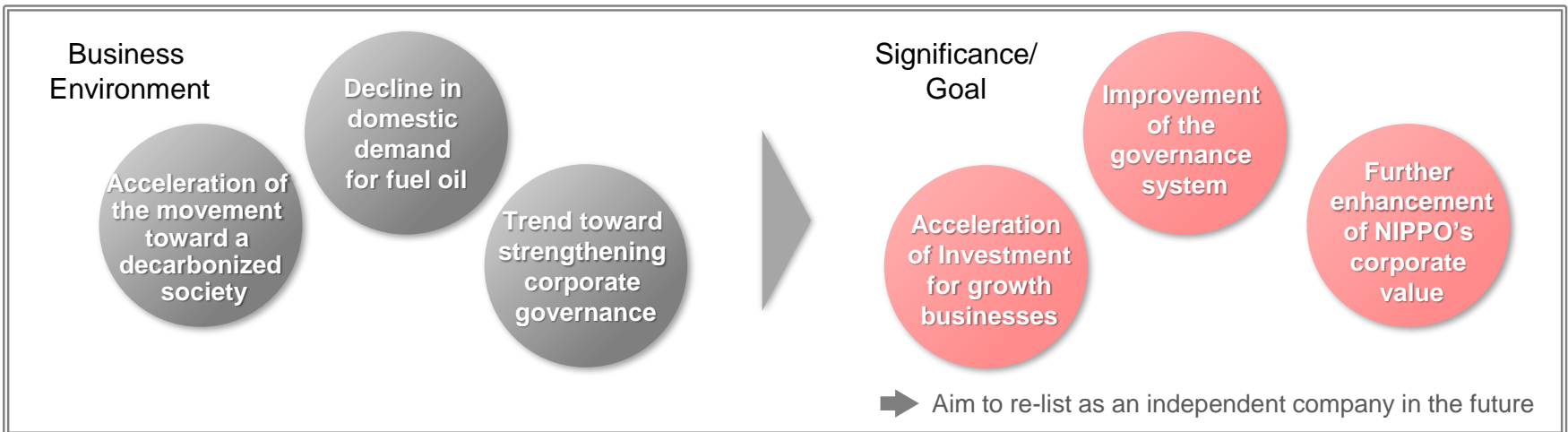


### Overview of the transactions

- Roadmap Holdings GK, in which ENEOS and Goldman Sachs' SPC (GSSPC) have jointly made a capital contribution, will implement a tender offer for the shares of NIPPO and subsequently carry out a squeeze-out (going private)
- After the transactions, NIPPO will buy all its shares held by ENEOS<sup>1</sup> through the acquisition of its treasury shares, then NIPPO will become Roadmap's wholly owned subsidiary



<sup>1</sup> Shareholding ratio: 57%



# Shareholder Return

## ➤ No change in our return policy

### Return Policy

Based on the understanding that return of profits to shareholders is a material management task, the ENEOS Group will redistribute profits by reflecting changes in medium-term consolidated business results and prospects as a basic policy, while striving to maintain stable dividends.

### Direction of Shareholder Return During the 2<sup>nd</sup> Medium-Term Mgt Plan

【Total payout ratio】 3 year cumulative total  
50% or more of net income, excl. inventory  
valuation effects

FY2020	FY2021	FY2022
<b>3-year cumulative total of 50% or more of net income, excl. inventory valuation effects</b>		

【Dividend】  
No lower than the current level (¥22/share))

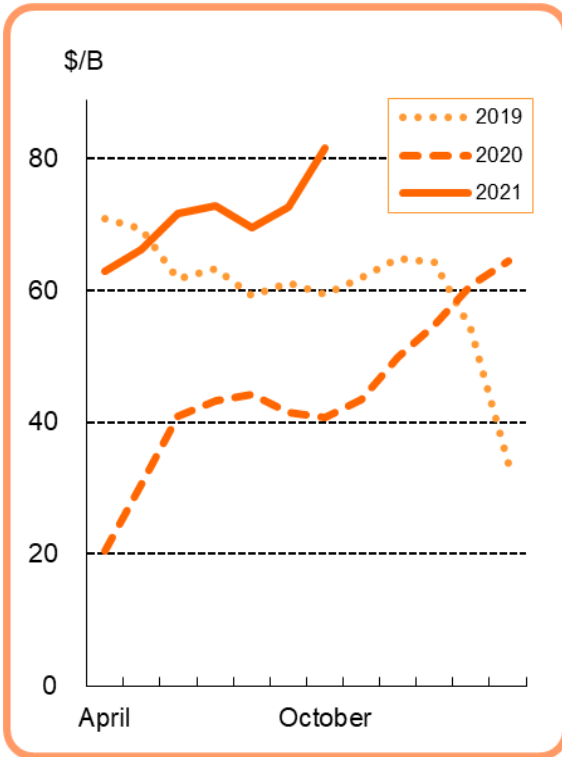
FY2020	FY2021	FY2022
¥22/share	<b>¥22 or more /share</b>	

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## Business Environment

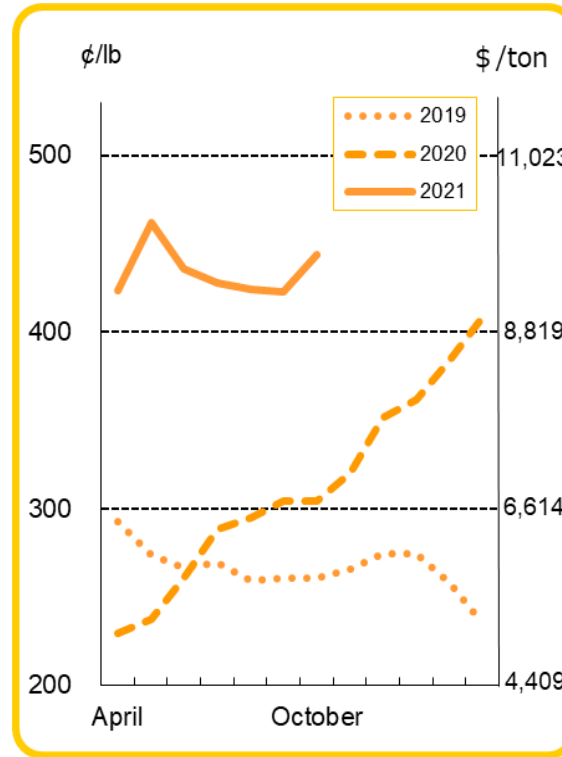
# Crude Oil (Dubai), Copper (LME), Exchange Rate

Crude Oil (Dubai)



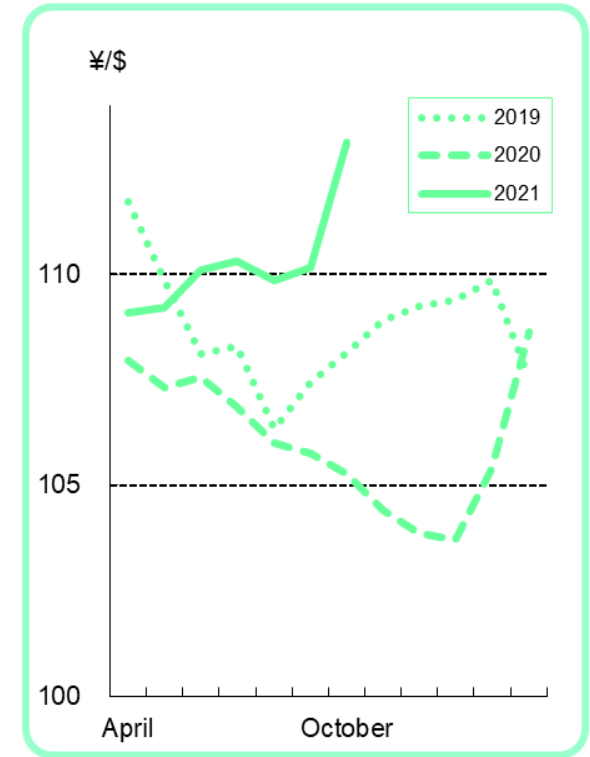
➤ Remained in high price range due to expectations of economic recovery resulting from steady vaccination progress against COVID-19

Copper (LME)



➤ Reached a record high in May, then transitioned in high price range after temporarily falling

Exchange Rate

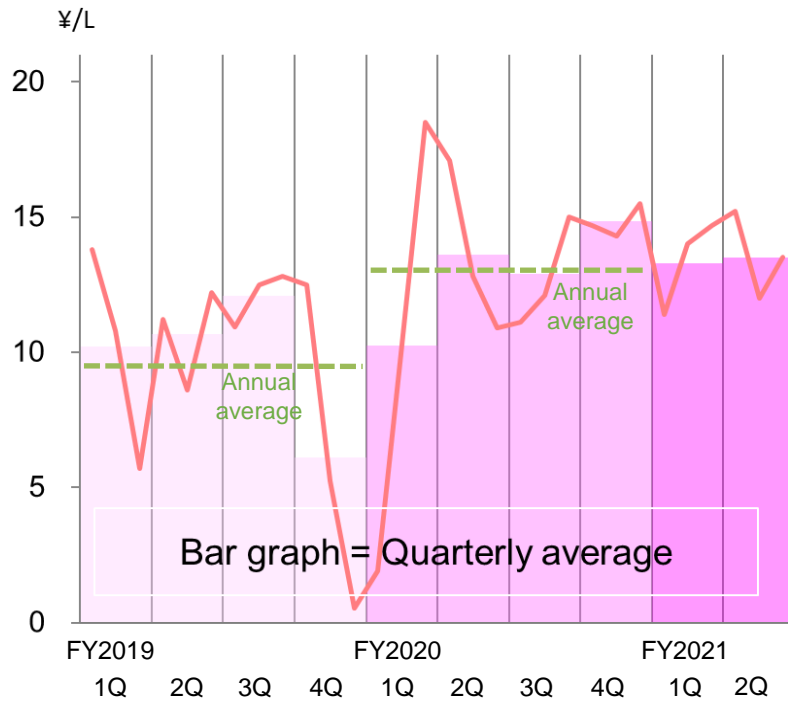


➤ Hovered around 110 yen/\$, but rapidly weakened in October



# Petroleum Product and Paraxylene Margin Indexes

Gasoline, Kerosene, Diesel Fuel and Fuel Oil A Margin Index<sup>1</sup>

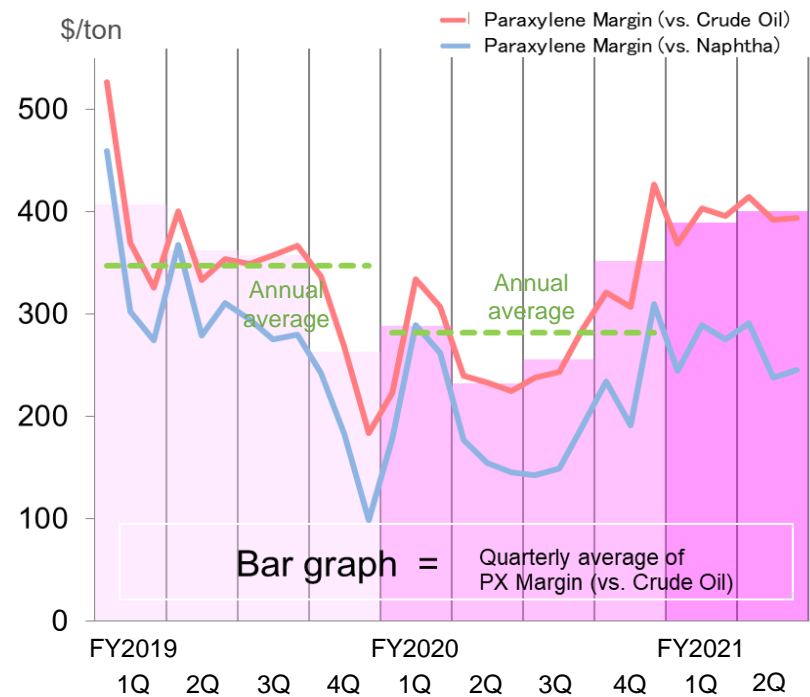


➤ Remained steady

<sup>1</sup> Calculated using the following formula as a reference for domestic market conditions  
 Spot Price – All Japan Crude CIF (including petroleum tax and interest)

Note: The above is different from our margins (Our selling price – Our cost)

Paraxylene Margin Index<sup>2</sup>



➤ Remained at around the same level as 2021/1Q

<sup>2</sup> Calculated using the following formula as a reference for Asian market conditions

ACP (Asian Contract Price) – Crude Oil or Naphtha Price  
 If ACP is undecided, average spot market price is used.

Note: The above is different from our margins (Our selling price – Our cost)

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Financial Results for FY2021 1H  
(April 1, 2021 – September 30, 2021)

## Overview of 1H21 Financial Results vs 1H20

		1H20 (Actual)	1H21 (Actual)	Changes	
<b>■ Index</b>					
Crude Oil (Dubai)	(\$/B)	37	69	+32	+86%
Copper (LME)	(¢/lb)	269	433	+164	+61%
Exchange Rate	(¥/\$)	107	110	+3	+3%

**■ Profit and Loss Statement**

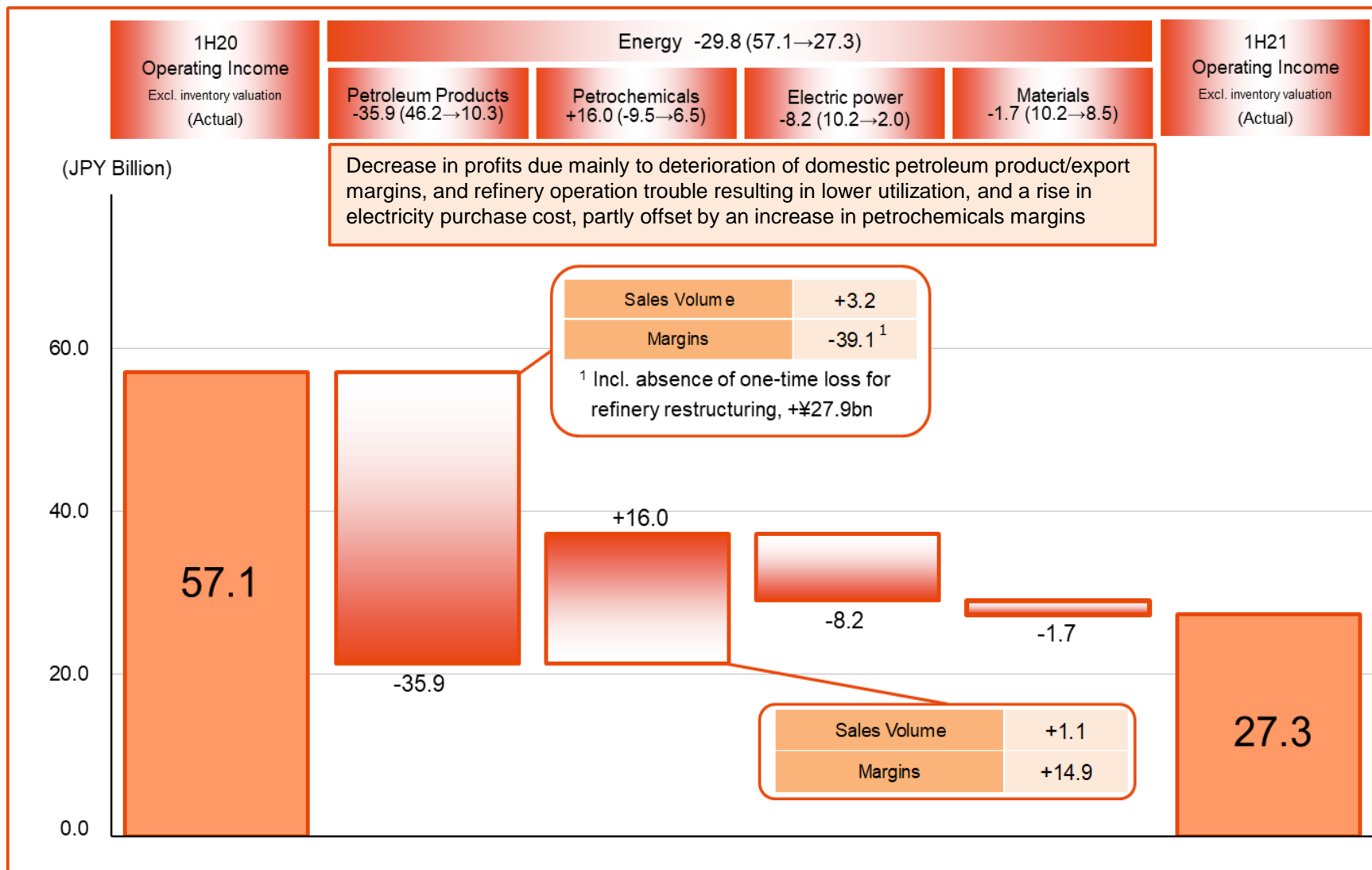
Net Sales	(JPY billion)	3,362.3	4,731.4	+1,369.1	+41%
Operating Income	(JPY billion)	88.9	337.8	+248.9	+280%
Inventory Valuation	(JPY billion)	-37.0	169.2	+206.2	-
<b>Operating Income Excl. Inventory Valuation</b>	<b>(JPY billion)</b>	<b>125.9</b>	<b>168.6</b>	<b>+42.7</b>	<b>+34%</b>
Net Income	(JPY billion)	51.2	235.8	+184.6	+360%
Profit attributable to owners of the parent	(JPY billion)	36.4	211.4	+175.0	+480%

## Changes in Operating Income by Segment vs 1H20

(JPY Billion)		1H20 (Actual)	1H21 (Actual)	Changes	
Total Operating Income		88.9	337.8	+248.9	+280%
<b>Excl. Inventory valuation</b>		<b>125.9</b>	<b>168.6</b>	<b>+42.7</b>	<b>+34%</b>
S e g m e n t s	Energy	20.1	196.5	+176.4	+878%
	Inventory Valuation	-37.0	169.2	+206.2	-
	<b>Excl. Inventory Valuation</b>	<b>57.1</b>	<b>27.3</b>	<b>-29.8</b>	<b>-52%</b>
	Petroleum Products	46.2	10.3	-35.9	-78%
	Petrochemicals	-9.5	6.5	+16.0	-
	Electric Power	10.2	2.0	-8.2	-80%
	Materials	10.2	8.5	-1.7	-17%
	<b>Oil and Natural Gas E&amp;P</b>	<b>1.5</b>	<b>38.8</b>	<b>+37.3</b>	<b>+2413%</b>
	<b>Metals</b>	<b>36.9</b>	<b>78.7</b>	<b>+41.8</b>	<b>+113%</b>
	Functional Matls, Thin Film Matls and other	17.3	27.4	+10.1	+58%
	Mineral Resources	14.0	29.2	+15.2	+109%
	Smelting and Recycling	10.8	20.0	+9.2	+85%
Non-allocated corporate expenses and other	-5.2	2.1	+7.3	-	
<b>Other</b>	<b>30.4</b>	<b>23.8</b>	<b>-6.6</b>	<b>-21%</b>	

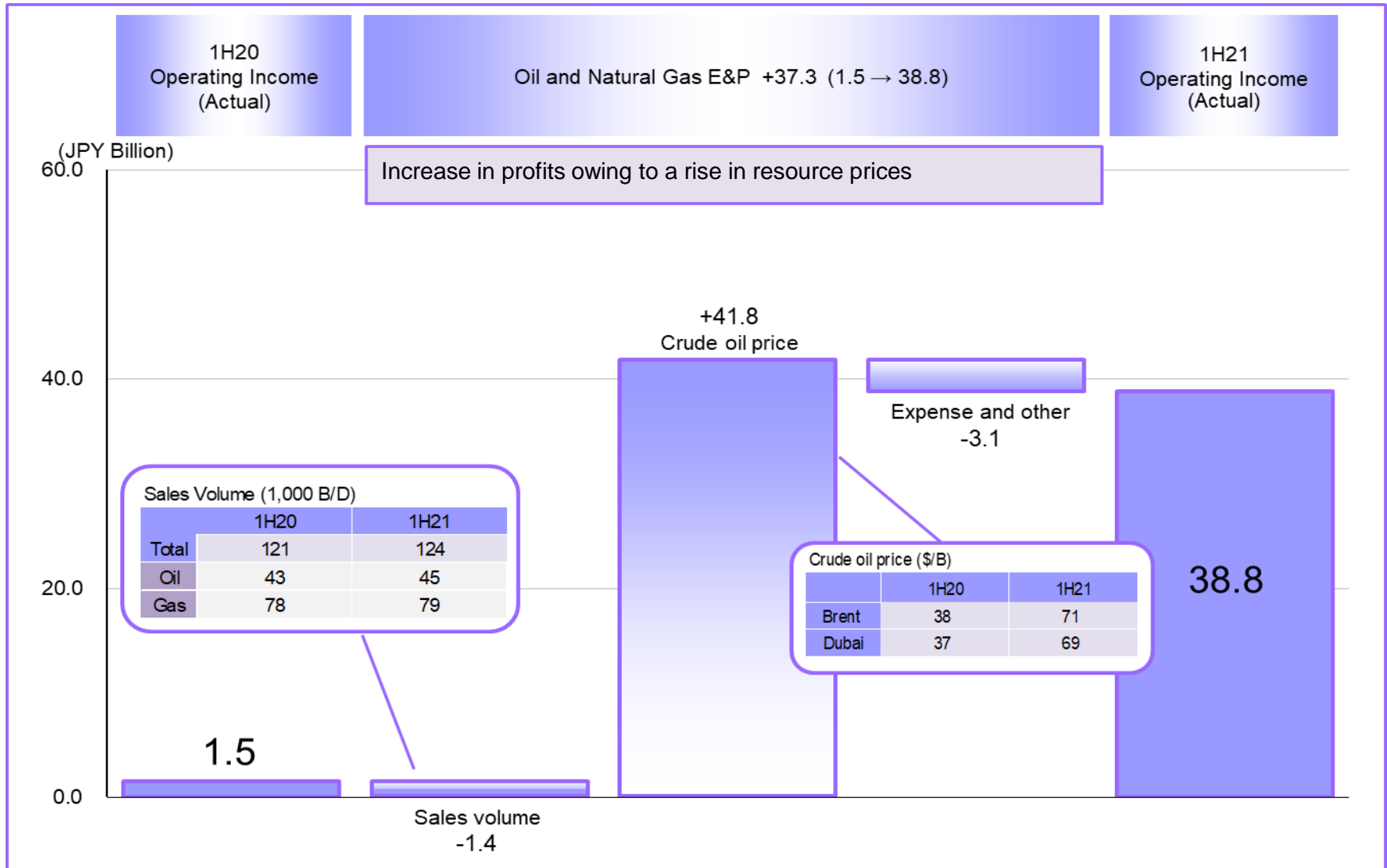
# Changes in Operating Income vs 1H20

## - Energy Segment -



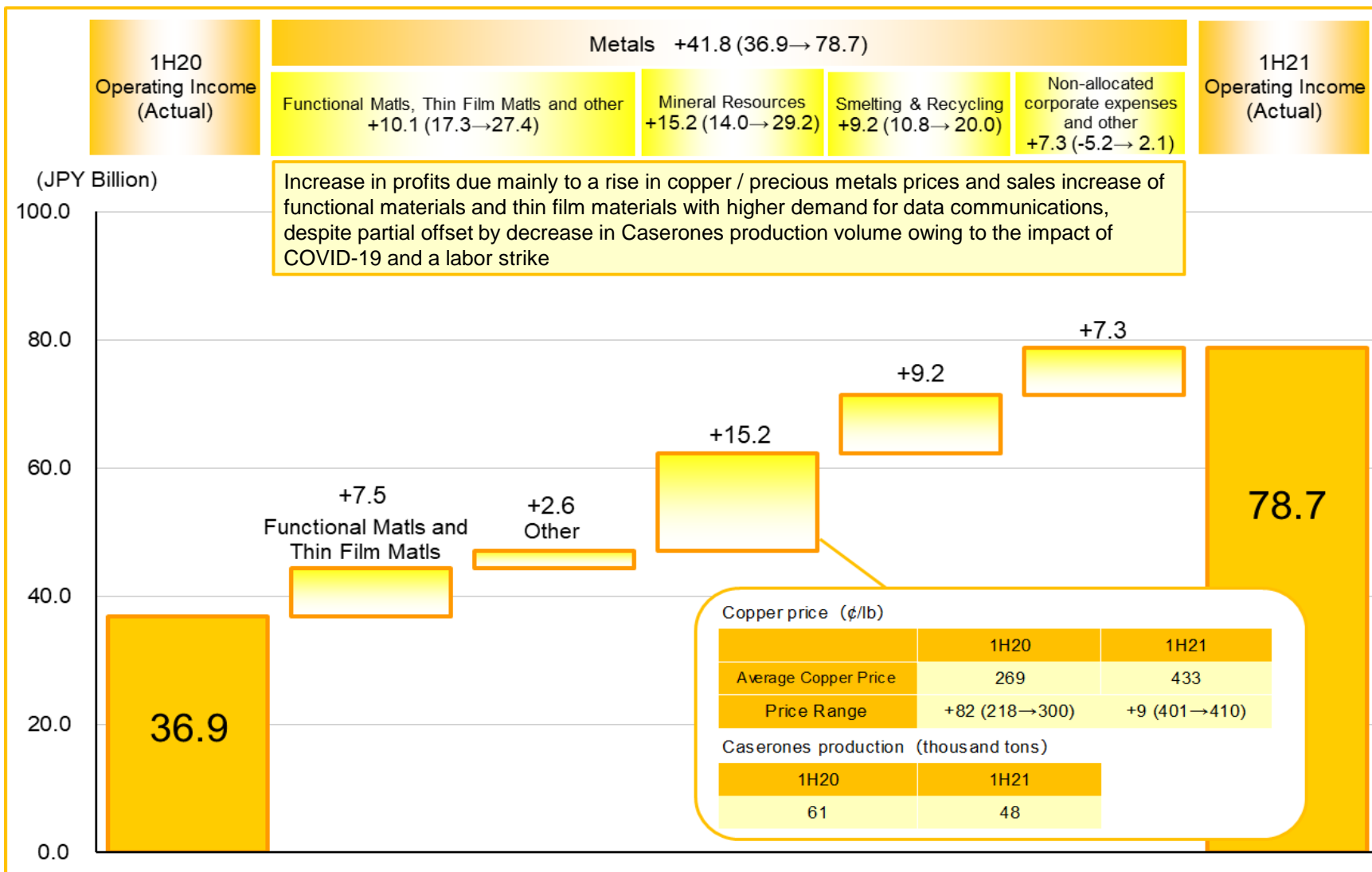
# Changes in Operating Income vs 1H20

## - Oil and Natural Gas E&P Segment -



# Changes in Operating Income vs 1H20

## - Metals Segment -



# Consolidated Balance Sheets / Consolidated Cash Flows

## Consolidated Balance Sheets

(JPY Billion)

As of Mar. 31, 2021

Total : 8,058.8

Cash and cash equivalents

419.0

Interest bearing debt  
2,036.9

Other debt  
3,269.4

427.5

Total equity attributable to owners of the parent  
2,325.0

Other assets  
7,639.8

As of Sep. 30, 2021

Total : 8,579.2

Cash and cash equivalents

370.9

Interest bearing debt  
2,281.3

Other debt  
3,326.8

440.3

Total equity attributable to owners of the parent  
2,530.8

Other assets  
8,208.3

Net interest bearing debt was ¥1,910.4bn

Non-controlling interests

As of Mar. 31, 2021  
(Actual)

As of Sep. 30, 2021  
(Actual)

Equity ratio attributable to owners of the parent

28.9%

29.5%

Net D/E ratio  
(capital total basis)

0.59

0.64

Adjusted for hybrid bonds : 0.56  
(50% of ¥300bn is calculated as equity)

## Consolidated Cash Flows

FY2021  
1H

(JPY billion)

Excl.  
IFRS 16  
Leases

Operating income (Excl. inventory valuation)	168.6	168.6
Depreciation and amortization	165.7	123.2
Working capital and other	-373.3	-373.3
Cash flows from operating activities (without the effects of non-business days)	-39.0 -26.0	-81.5 -68.5
Capital investment	-135.6	-135.6
Asset sales and other	-28.7	-28.7
Cash flows from investing activities	-164.3	-164.3
Free cash flows (without the effects of non-business days)	-203.3 -190.3	-245.8 -232.8
Dividends and other	-93.0	-50.5
Net cash flows (without the effects of non-business days)	-296.3 -283.3	-296.3 -283.3



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## Forecast for FY2021 (From April 1, 2021 – March 31, 2022)

Key factors from Oct. 2021: Crude Oil (Dubai) : 70 \$/B, Copper Price (LME) : 407¢/lb, Exchange Rate: 110 yen/\$

## Overview of FY2021 Forecast vs. May 2021 Forecast

Index		FY2021 Forecast (May 2021)	Changes		FY2021 Current Forecast (Nov. 2021)		Ref. FY2020 Actual
					2H		
Crude Oil (Dubai)	(\$/B)	60	+10	+17%	70	70	45
Copper	(¢/lb)	340	+80	+24%	407	420	312
Exchange Rate	(¥/\$)	105	+5	+5%	110	110	106

Oct. 2021 (Actual) 440¢/lb  
From Nov.2021 (Forecast) 400¢/lb

## Profit and Loss Statement

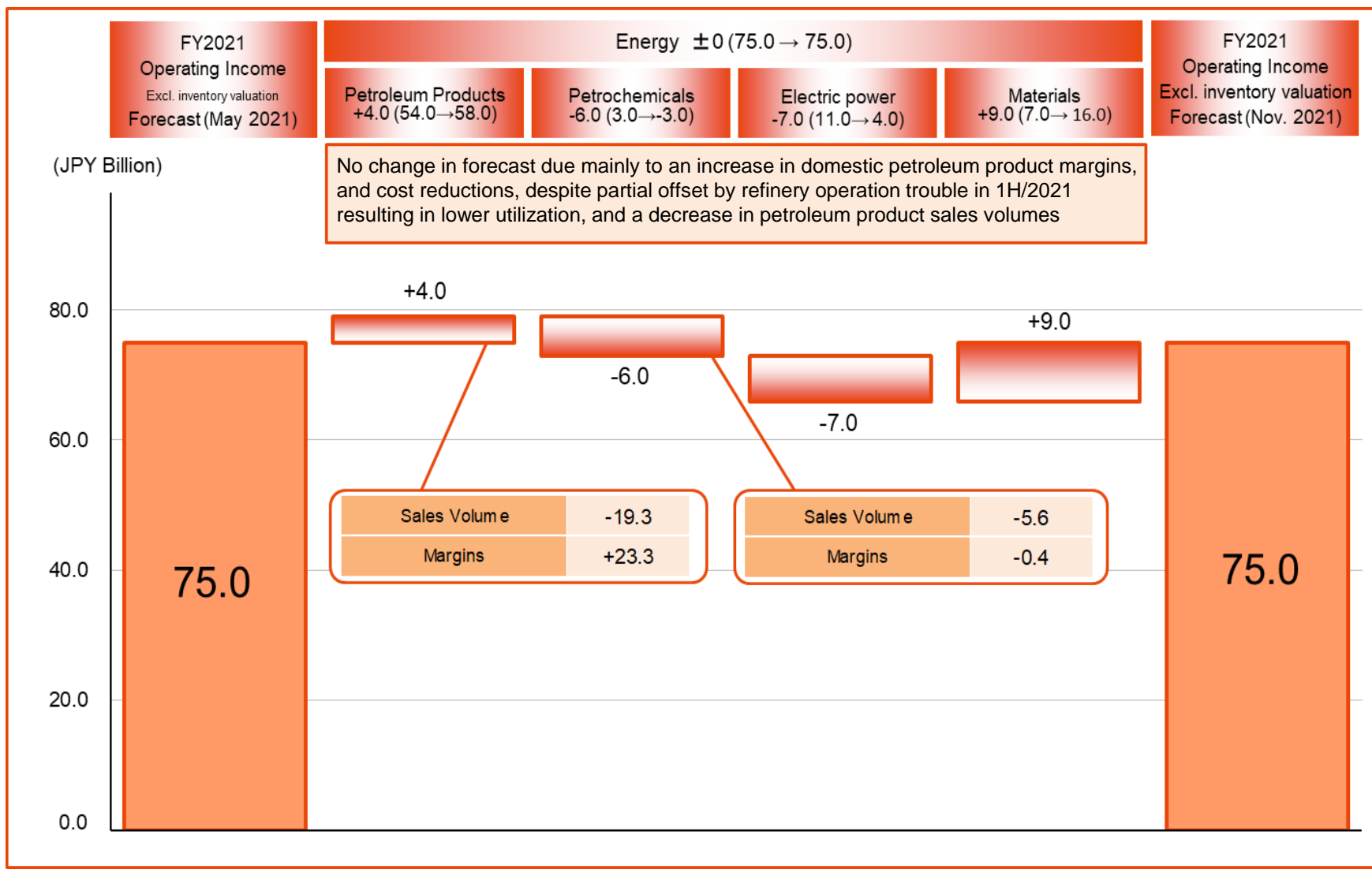
Net Sales	(JPY billion)	9,500.0	+800.0	+8%	10,300.0	7,658.0
Operating Income	(JPY billion)	260.0	+210.0	+81%	470.0	254.2
Inventory Valuation	(JPY billion)	30.0	+130.0	+433%	160.0	38.7
<b>Operating Income Excl. Inventory Valuation</b>	<b>(JPY billion)</b>	<b>230.0</b>	<b>+80.0</b>	<b>+35%</b>	<b>310.0</b>	<b>215.5</b>
Net Income	(JPY billion)	170.0	+150.0	+88%	320.0	112.9
Profit attributable to owners of the parent	(JPY billion)	140.0	+140.0	+100%	280.0	114.0

## Changes in Operating Income by Segment vs. May 2021 Forecast

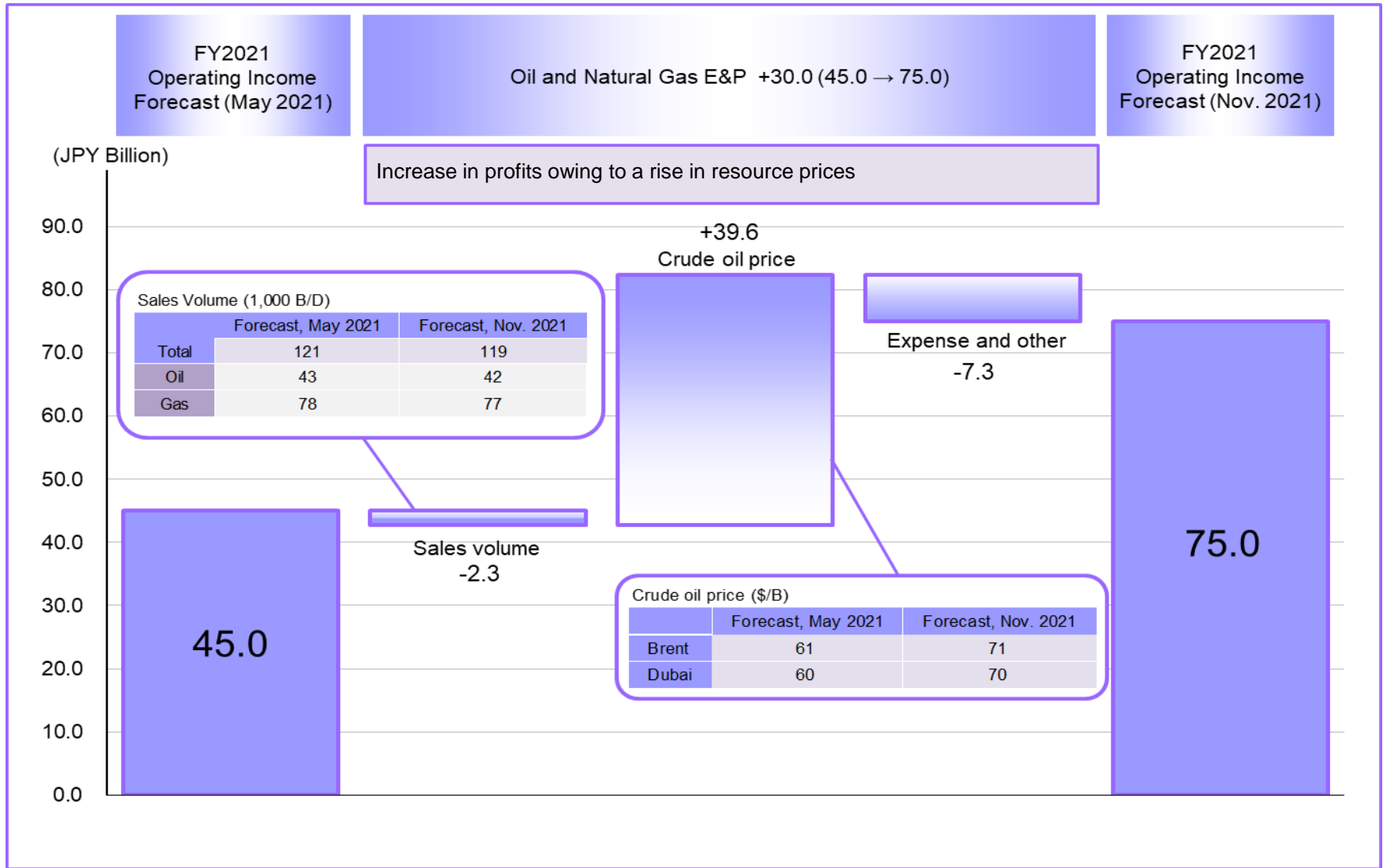
(JPY billion)

	FY2021 Forecast (May 2021)	Changes		FY2021 Current Forecast (Nov. 2021)	Ref. FY2020 (Actual)
Total Operating Income	260.0	+210	+81%	470.0	254.2
<b>Excl. Inventory valuation</b>	<b>230.0</b>	<b>+80</b>	<b>+35%</b>	<b>310.0</b>	<b>215.5</b>
<b>Energy</b>	105.0	+130	+124%	235.0	121.1
Inventory Valuation	30.0	+130	+433%	160.0	38.7
<b>Excl. Inventory Valuation</b>	<b>75.0</b>	<b>±0</b>	<b>±0%</b>	<b>75.0</b>	<b>82.4</b>
Petroleum Products	54.0	+4	+7%	58.0	124.2
Petrochemicals	3.0	-6	-	-3.0	-25.8
Electric Power	11.0	-7	-64%	4.0	-27.2
Materials	7.0	+9	+129%	16.0	11.2
<b>Oil and Natural Gas E&amp;P</b>	<b>45.0</b>	<b>+30</b>	<b>+67%</b>	<b>75.0</b>	<b>2.8</b>
<b>Metals</b>	<b>60.0</b>	<b>+50</b>	<b>+83%</b>	<b>110.0</b>	<b>78.1</b>
Functional Mats, Thin Film Mats and other	36.0	+13	+36%	49.0	31.1
Mineral Resources	32.0	+26	+81%	58.0	34.9
Smelting and Recycling	18.0	+14	+78%	32.0	27.3
Non-allocated corporate expenses and other	-26.0	-3	-	-29.0	-15.2
<b>Other</b>	<b>50.0</b>	<b>±0</b>	<b>±0%</b>	<b>50.0</b>	<b>52.2</b>

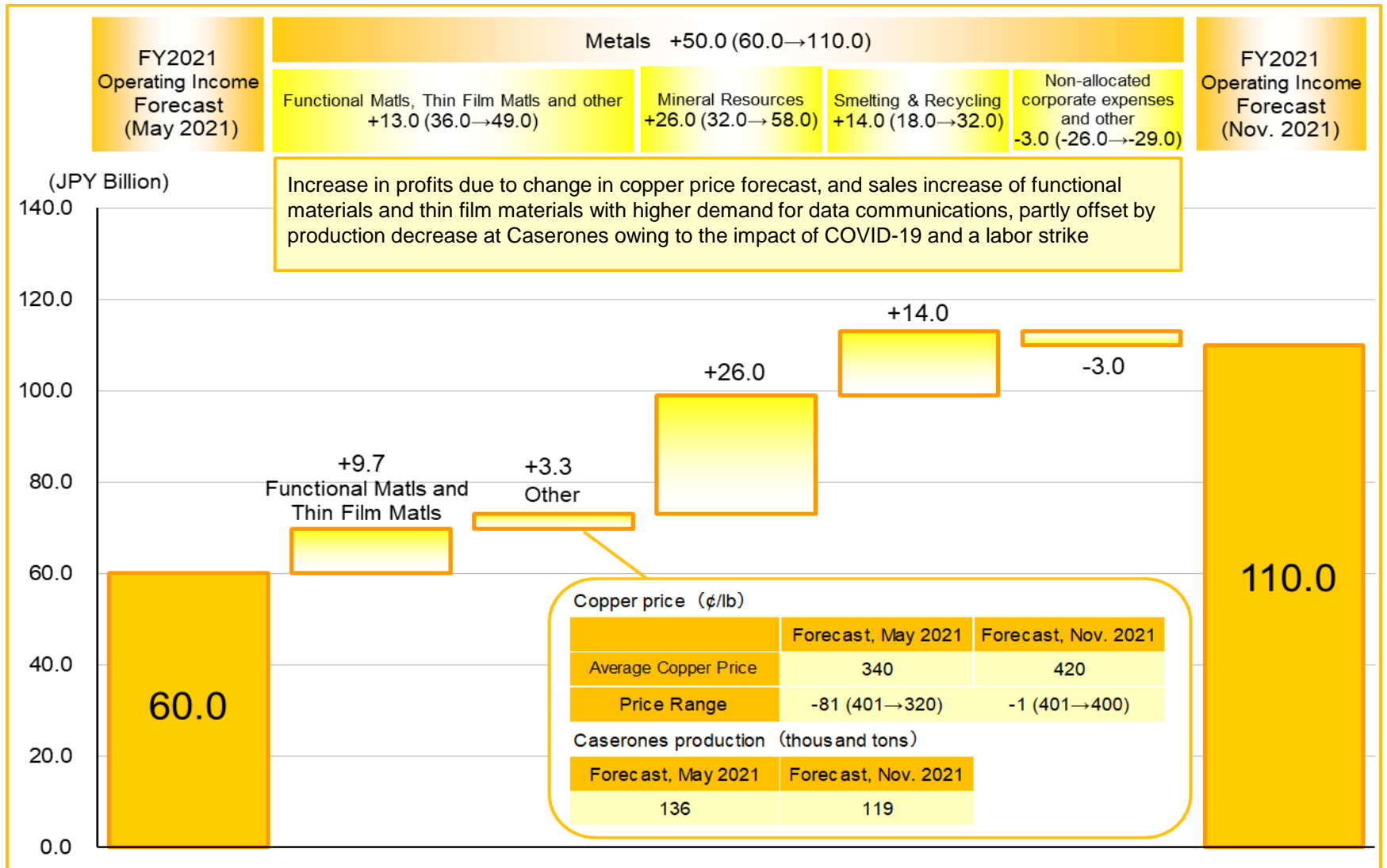
# Changes in Operating Income vs May 2021 Forecast - Energy Segment -



# Changes in Operating Income vs May 2021 Forecast - Oil and Natural Gas E&P Segment -



# Changes in Operating Income vs May 2021 Forecast - Metals Segment -



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## Reference

## Key Factors

		FY2020			FY2021		
		1Q	1H	Full Year	1Q	1H	Full Year
		Actual	Actual	Actual	Actual	Actual	Current Forecast
All segments	Exchange rate [¥/\$]	108	107	106	109	110	110
Energy	Crude oil (Dubai) [\$ /B]	31	37	45	67	69	70
Oil and Natural Gas E&P	Sales volume (Crude oil equivalent) [1,000 B/day]	120	121	125	124	124	119
	Crude oil (Brent) [\$ /B]	33	38	46	69	71	71
Metals	Copper (LME) [¢/lb]	242	269	312	440	433	420 <sup>2</sup>
	Equity entitled copper mine production <sup>1</sup> [1,000 tons/period or year]	51	94	194	48	90	202
	PPC copper cathode sales [1,000 tons/period or year]	144	314	634	148	306	619
	Precision rolled products sales [1,000 tons/month]	3.3	3.3	3.6	3.9	3.9	3.8

1

	Full-Year
Caserones / Los Pelambres	Apr. - Mar.
Escondida	Jan. - Dec.

2

Oct. 2021 (Actual)	440¢/lb
From Nov.2021	400¢/lb



# Sensitivity Analysis

## ■ Index (From Oct. 2021)

Oct. FY2021(Actual) 440¢/lb  
Nov. - Mar. FY2021 400¢/lb

Crude Oil: 70 \$/B      Copper Price (LME) : 407 ¢/lb      Exchange Rate: 110 yen/\$

## ■ Sensitivity analysis (From Oct. 2021)

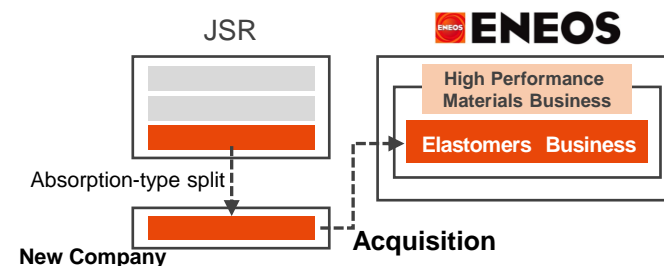
Index	Change	Segment	(JPY Billion) Impact
Crude Oil (Dubai)	+5 \$/B	Energy	+1.0
		Oil and Natural Gas E&P	+3.0
		Subtotal	+4.0
		Inventory valuation	+36.0
		<b>Total</b>	<b>+40.0</b>
Copper (LME)	+10 ¢/lb	Metals	+2.0
		<b>Total</b>	<b>+2.0</b>
Exchange Rate	5 yen/\$ yen depreciation	Energy	+3.0
		Oil and Natural Gas E&P	+1.5
		Metals	+5.0
		Subtotal	+9.5
		Inventory valuation	+23.0
<b>Total</b>	<b>+32.5</b>		

# Acquisition of Elastomers business (Initiatives to Strengthen the Materials Business)

## Agreement reached to acquire JSR Corporation's elastomers business

### Overview

- ✓ Revenue : ¥143.2 billion (FY2020)  
\*domestic and overseas (China, Thailand, the U.S., etc.) total basis
- ✓ Sales Volume : approx. 530 thousand tons (FY2020)
- ✓ Number of Employees : approx. 3,000 employees (As of March 2021)



### Strengths of JSR's Elastomers Business

- Leading position in the field of high-performance materials
- Wide range of products mainly focused on synthetic rubber for tires
- "SSBR" technology with the world's highest level of performance



### Strengths of ENEOS' High-Performance Materials Business

- Abundant basic chemical raw materials produced from petroleum refining
- R&D technologies in the field of monomers and polymers (high-heat-resistant materials, tire additives, etc.)
- Highly functional products with in-house technology (petroleum resin, ENB, etc.)

Create synergies by improving product development capabilities and reducing costs as a company that develops and manufactures technology-based products in the value chain from petroleum to materials

Implement structural reforms by reviewing existing businesses and R&D portfolio, with elastomers business at the core

Aiming to quickly establish a worldwide business scale and presence as a manufacturer of high-performance materials

## Cautionary Statement Regarding Forward-Looking Statements

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This notice contains certain forward-looking statements, however, actual results may differ materially from those reflected in any forward-looking statement, due to various factors, including but not limited to, the following:

- (1) macroeconomic conditions and changes in the competitive environment in the energy, resources and materials industries;
- (2) the impact of COVID-19 on economic activity;
- (3) changes in laws and regulations; and
- (4) risks related to litigation and other legal proceedings.