



Security Code Tokyo 5020

February 10, 2022

FY2021 3Q Financial Results

Tanaka Soichiro Senior Vice President

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Highlights of Financial Results

Highlights of Financial Results

FY2021
Apr.-Dec.
(Actual)

- **Significant increase in both Operating Income and Net Income due mainly to inventory valuation effects as a result of a rise in resource prices**
- **Operating Income (excl. inventory valuation effects) ¥273.3 bn (+ ¥112.4 bn YoY)**
 - [Energy segment] Substantial decrease in profits owing to deterioration of domestic petroleum product and export margins, refinery operation trouble, etc.
 - [Oil & Natural Gas E&P segment] Significant increase in profits owing to a rise in resource prices, etc.
 - [Metals segment] Significant increase in profits due mainly to absence of impairment loss of Caserones Copper Mine, a rise in resources prices, and increased sales of advanced materials

	FY20/1Q-3Q (Actual)		FY21/1Q-3Q (Actual)	Rate of Progress*	Difference	JPY billion
Operating Income	133.8	→	530.1	113%	+396.3	
Inventory valuation effects	-27.1		256.8		+283.9	
Net Income attributable to owners of the parent	67.0	→	331.8	119%	+264.8	
Operating Income Excl. inventory valuation effects	160.9	→	273.3	88%	+112.4	
Energy	116.4	→	43.9		-72.5	
Oil and Natural Gas E&P	6.6	→	71.6		+65.0	
Metals	-5.4	→	122.7		+128.1	
Other	43.3	→	35.1		-8.2	

* Rate of progress against the full-year forecast announced in Nov.

FY2021
Apr.-Mar.
(Forecast)

■ No Change in Forecast Announced in November

- ✓ Financial results for 1-3Q FY2021 have almost exceeded the full-year forecast announced in November in terms of each income stage
- ✓ No change in forecast announced in November by considering risks such as resource price volatility as well as negative factors expected to occur during 4Q FY2021

One-time cost for optimization of refineries and plants, fixed asset tax wholly charged to expense in 4Q under IFRS, absence of profits as a result of selling the upstream business in U.K., decline in copper production at Los Pelambres copper mine, decrease in petrochemical margins, etc.

	Announced in Nov.	Forecast
Operating Income		¥470.0bn
Net Income attributable to owners of the parent		¥280.0bn
Operating Income Excl. inventory valuation effects		¥310.0bn
Index FY2021 2H	Exchange Rate ¥/\$	110 ¹
	Crude Oil (Dubai) \$/B	70 ¹
	Copper (LME) ¢/lb	407 ²

¹ From Oct. ² Oct. 440, from Nov. 400

Major Topics

Major Topics (1/2)

➤ Decision made to terminate the operation of the Wakayama Refinery (Energy Segment)

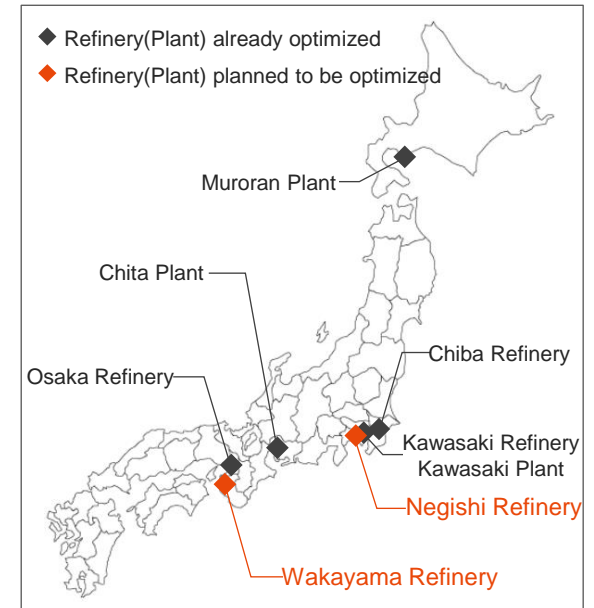
- ✓ Strengthen the competitiveness of base businesses by steadily optimizing our production and supply network with a stable supply as a major premise

Major progress in optimizing the production system (Since the integration of JX & TG)

	Apr. 2017	→	Jan. 2022	→	Oct. 2023
Refineries and Plants	15	(-4)	11	(-1)	10
Crude Refining Capacity	1,930 KBD	(-61 KBD)	1,869 KBD	(-248 KBD)	1,621 KBD

Negishi : -120 KBD
 Wakayama : -128 KBD

- Mutoran Plant Terminated Production Completed in Apr. 2019
- Kawasaki Refinery Executed organizational integration Completed in Apr. 2019
- Kawasaki Plant Executed organizational integration Completed in Apr. 2019
- Osaka Refinery Terminated production Completed in Oct. 2020
- Chiba Refinery Converted to an export-oriented refinery Completed in Dec. 2020
- Chita Plant Terminated production Completed in Oct. 2021
- **Negishi Refinery Terminated part of the equipment Planned in Oct. 2022**
- **Wakayama Refinery Terminated production Planned in Oct. 2023**



➤ Decision made to sell all shares¹ of a subsidiary in U.K. (Oil & Natural Gas E&P Segment)

- ✓ Advancing “two-pronged” business which consists of its conventional oil & natural gas E&P business and environmentally conscious businesses such as CCS²/CCUS³
- ✓ Decision made to sell its U.K. oil and natural gas E&P business as part of optimization of business portfolio
- ✓ Will lead the realization of a sustainable society through various new businesses in Southeast Asia and Oceania utilizing its CCS/CCUS expertise



▲Culzean gas field in the U.K., which JX Nippon Oil & Gas Exploration is participating in

¹ The corporate value, which is the basis for the calculation of the selling price of shares, has been agreed upon with the counterparty based on the valuation as of the end of March 2021

² Carbon dioxide Capture and Storage ³ Carbon dioxide Capture, Utilization and Storage

Major Topics (2/2)

➤ Decision made to increase production capacity for Advanced Materials (Metals Segment)

- ✓ Acceleration of digital transformation and decarbonization efforts is driving burgeoning demand for both sputtering targets for semiconductors and treated rolled copper foil
- ✓ Have already been gradually increasing production capacity for both products
- ✓ Decision made to execute further investment (total investment amount: ¥48.0 bn) to flexibly deal with rapid expansion of demand



▲ Production samples
Left : Sputtering targets for semiconductors,
Right : Treated rolled copper foil

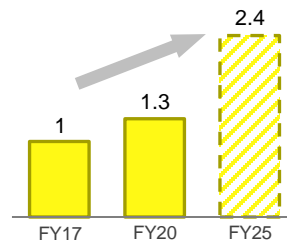
Sputtering Targets for Semiconductors

- ✓ **New factory will enhance existing sites while carrying out melting and casting and rolling processes (Investment Amount : ¥32.0bn)**



▲ Image of new Factory for sputtering targets for semiconductors (Hitachi City, Ibaraki Pref.)

Steps in capacity expansion (FY17=1.0)



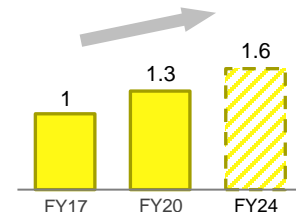
Treated Rolled Copper Foil

- ✓ **New factory with production line for rolling processes (Investment Amount : ¥16.0bn)**



▲ Image of new Factory for treated rolled copper foil (Hitachi City, Ibaraki Pref.)

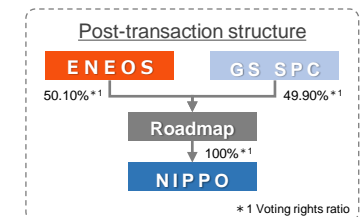
Steps in capacity expansion (FY17=1.0)



➤ Completed the tender offer for NIPPO's shares by Roadmap Holdings GK (Dec. 2021)

- ✓ Completed the settlement of the tender offer in January 2022 after ENEOS and Goldman Sachs' SPC (GS SPC) respectively made the contribution to Roadmap (Make Roadmap ENEOS' consolidated subsidiary)
- ✓ Make NIPPO go private after approval by an extraordinary general meeting of shareholders of NIPPO (Planned to be delisted in Mar. 2022)

After the transactions, NIPPO will buy all its shares* held by ENEOS through the acquisition of its treasury shares, then NIPPO will become Roadmap's wholly owned subsidiary



*67,890,336 shares (Ownership ratio: 57%)

Major Progress from October FY2021

<p>Base businesses</p> <p>(Enhance competitiveness)</p>	<p>Rationalization of production and supply system</p> <ul style="list-style-type: none"> ✓ Decision made to terminate production of the Wakayama Refinery ✓ Decision made to sell oil and natural gas E&P business in the U.K. <p>Reinforce international competitiveness by introducing DX</p> <ul style="list-style-type: none"> ✓ Achieved automatic operation of a petrochemical plant using AI 	<p>Planned to terminate in Oct. 2023</p> <p>Planned to be completed in Mar. 2022</p> <p>Announced in Dec. 2021</p>
<p>Petrochemicals Materials</p>	<p>Expand technology-based businesses</p> <ul style="list-style-type: none"> ✓ Decision made to expand production capacity of sputtering targets for semiconductors ✓ Decision made to expand production capacity of treated rolled copper foil ✓ UK start-up Alloyed Limited, in which JX Metals & Mining has invested, has succeeded in designing and manufacturing an ankle implant (artificial bone) using metal additive manufacturing 	<p>Announced in Dec. 2021</p> <p>Announced in Dec. 2021</p> <p>Announced in Oct. 2021</p>
<p>Next-Generation Energy Supply</p>	<p>Establish supply bases and network for next-generation energy</p> <ul style="list-style-type: none"> ✓ Started commercial operation of a natural gas power plant with cutting-edge high-efficient gas turbine in Ohio <p>Expand renewable energy businesses</p> <ul style="list-style-type: none"> ✓ Completed acquisition of shares of Japan Renewable Energy Corporation <p>Establish a CO2-free hydrogen supply chain</p> <ul style="list-style-type: none"> ✓ Achieved expansion of CO2-free hydrogen supply chain demonstration using a low-cost organic hydride production process¹ ✓ Concluded an agreement with Kawasaki City to promptly realize a hydrogen society in Kawasaki coastal areas ✓ Concluded an agreement with Yokohama City to establish a hydrogen supply chain in Yokohama coastal areas 	<p>Started operation in Oct. 2021</p> <p>Acquired the shares in Jan. 2022</p> <p>Announced in Nov. 2021</p> <p>Announced in Nov. 2021</p> <p>Announced in Nov. 2021</p>
<p>Environmentally conscious & next- generation businesses, etc.</p>	<p>Enhance environmentally conscious businesses</p> <ul style="list-style-type: none"> ✓ Concluded a comprehensive collaboration agreement with 8 rivers Capital, LLC to expand environmentally conscious businesses ✓ Re-signed a MOU with PT Pertamina to expand the scope of joint studies in energy segment in general utilizing CCS technology <p>Enhance next-generation businesses, etc.</p> <ul style="list-style-type: none"> ✓ Started demonstration at our Service Stations such as facility inspection services using drones and sharing drones 	<p>Announced in Nov. 2021</p> <p>Announced in Nov. 2021</p> <p>Announced in Jan. 2022</p>

Shareholder Return

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 2nd Medium-Term Mgt Plan

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

FY2020	FY2021	FY2022
--------	--------	--------

**3-year cumulative total of 50%
or more of net income, excl.
inventory valuation effects**

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

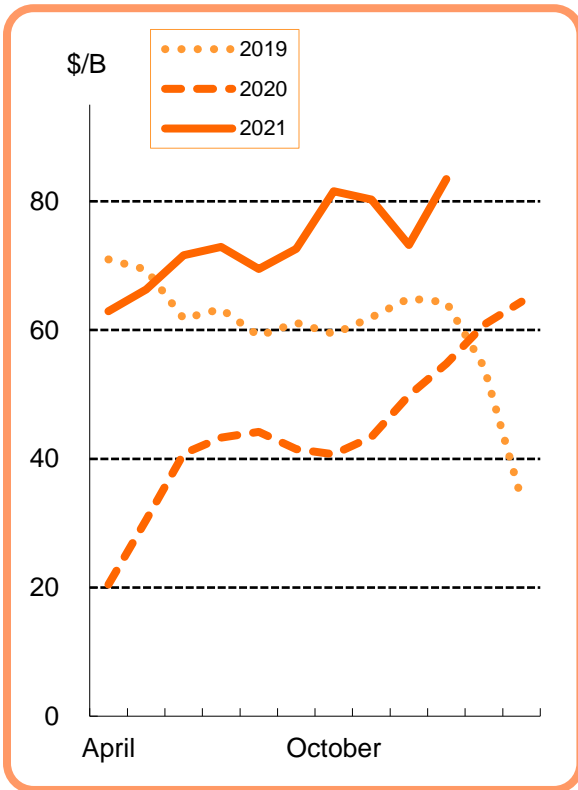
FY2020	FY2021	FY2022
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¥22/share **¥22 or More /share**

Business Environment

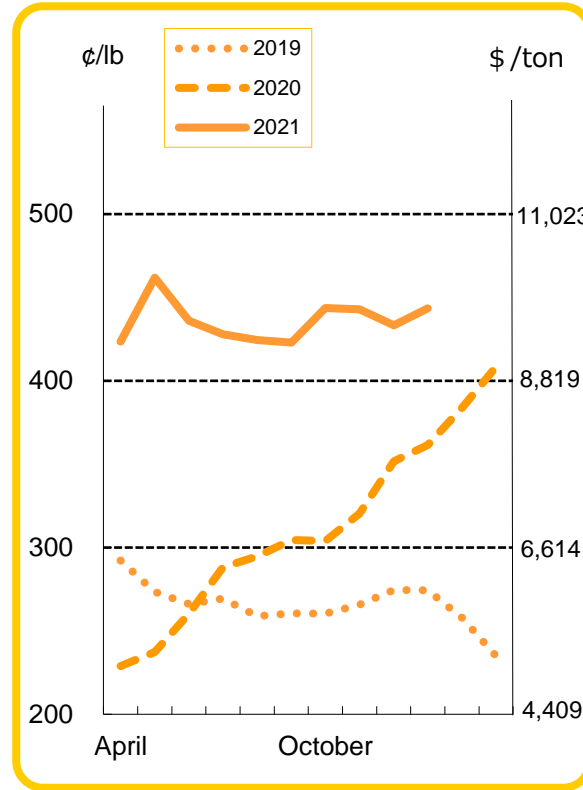
Crude Oil (Dubai), Copper (LME), Exchange Rate

Crude Oil (Dubai)



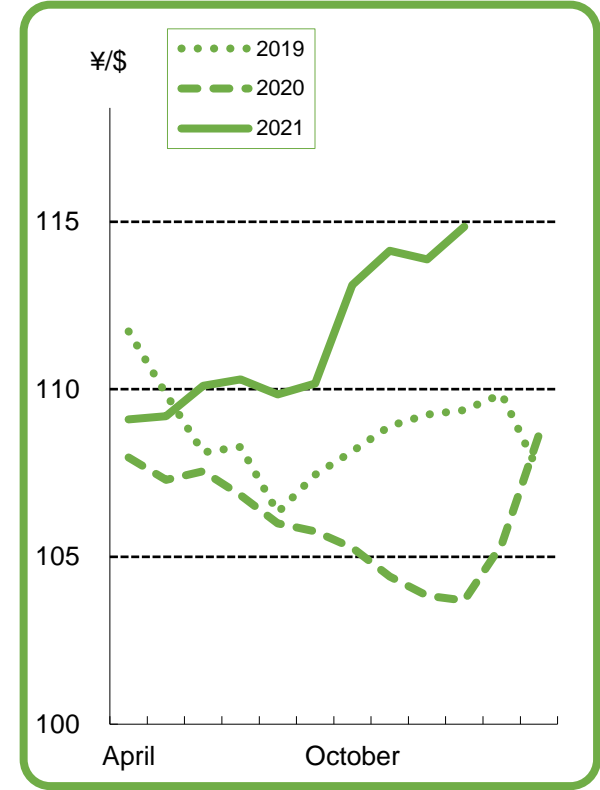
- Rose due mainly to expectations of economic recovery resulting from steady vaccination progress against COVID-19

Copper (LME)



- Reached a record high in May, then remained steady after temporarily falling

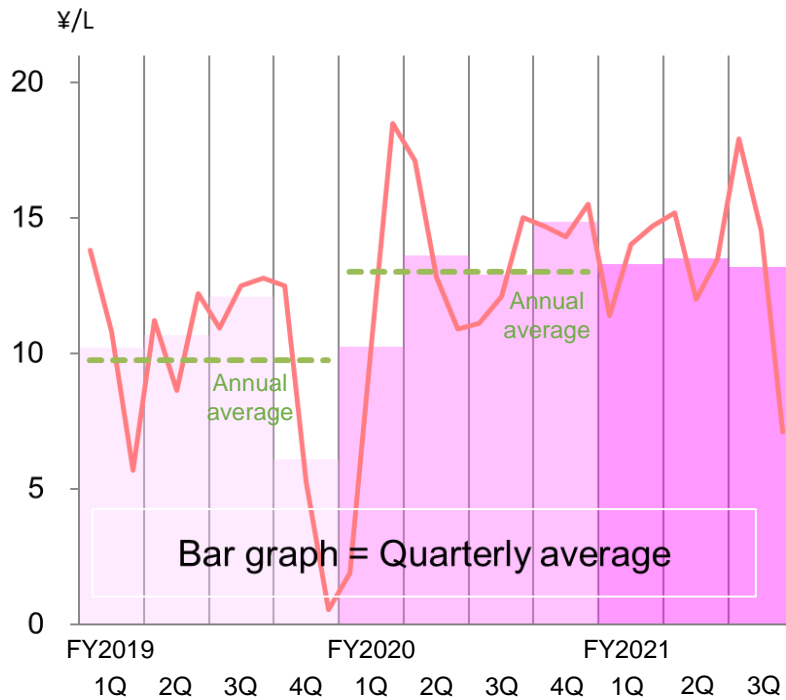
Exchange Rate



- 5 yen/\$ weaker YoY as a result of continuing the weak yen trend since October

Petroleum Product and Paraxylene Margin Indexes

Gasoline, Kerosene, Diesel Fuel and Fuel Oil A Margin Index¹

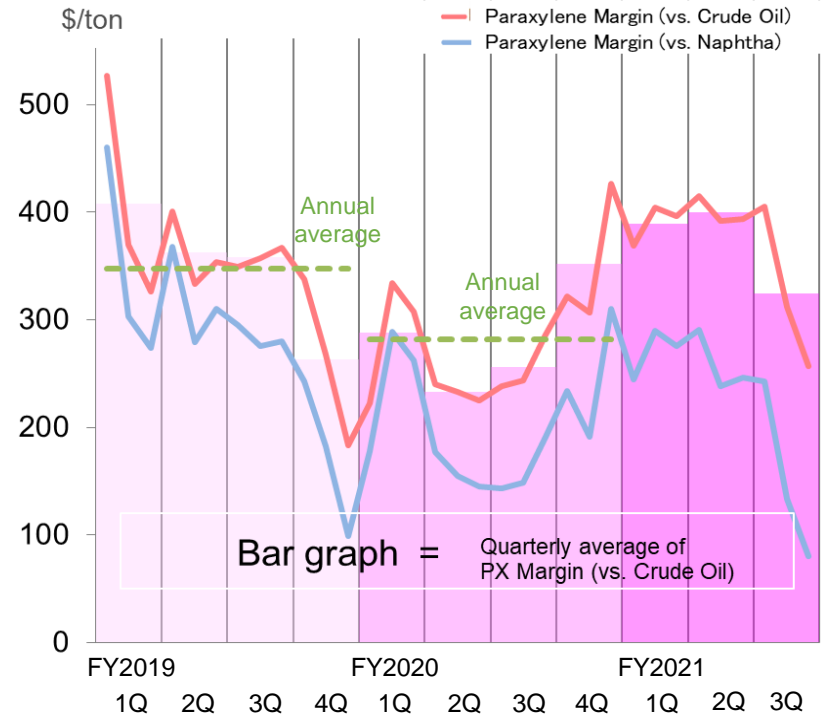


➤ Remained steady

¹ Calculated using the following formula as a reference for domestic market conditions

Spot Price – All Japan Crude CIF (including petroleum tax and interest)

Paraxylene Margin Index²



➤ Sharply declined from November

² 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 indexes above are different from our margins (Our selling price – Our cost)

Overview of Financial Results for FY2021 3Q (April 1, 2021 – December 31, 2021)

Overview of 1Q-3Q21 Financial Results vs 1Q-3Q20

		FY20 1Q-3Q (Actual)	FY21 1Q-3Q (Actual)	Changes	
Index					
Crude Oil (Dubai)	(\$/B)	39	72	+33	+85%
Copper (LME)	(¢/lb)	288	435	+147	+51%
Exchange Rate	(¥/\$)	106	111	+5	+5%

Profit and Loss Statement

Net Sales	(JPY billion)	5,367.2	7,631.3	+2,264.1	+42%
Operating Income	(JPY billion)	133.8	530.1	+396.3	+296%
Inventory Valuation	(JPY billion)	-27.1	256.8	+283.9	-
Operating Income Excl. Inventory Valuation	(JPY billion)	160.9	273.3	+112.4	+70%
Net Income	(JPY billion)	58.2	370.9	+312.7	+537%
Profit attributable to owners of the parent	(JPY billion)	67.0	331.8	+264.8	+395%

Changes in Operating Income by Segment vs 1Q-3Q20

(JPY Billion)		FY20 1Q-3Q (Actual)	FY21 1Q-3Q (Actual)	Changes	
Total Operating Income		133.8	530.1	+396.3	+296%
Excl. Inventory Valuation		160.9	273.3	+112.4	+70%
S e g m e n t s	Energy	89.3	300.7	+211.4	+237%
	Inventory Valuation	-27.1	256.8	+283.9	-
	Excl. Inventory Valuation	116.4	43.9	-72.5	-62%
	Petroleum Products	113.6	41.6	-72.0	-63%
	Petrochemicals	-16.8	-2.9	+13.9	-
	Electric Power	7.4	-6.4	-13.8	-
	Materials	12.2	11.6	-0.6	-5%
	Oil and Natural Gas E&P	6.6	71.6	+65.0	+982%
	Metals	-5.4	122.7	+128.1	-
	Functional Matls, Thin Film Matls and other	27.7	41.4	+13.7	+49%
	Mineral Resources	-43.2	50.1	+93.3	-
	Smelting and Recycling	17.5	31.4	+13.9	+79%
	Non-allocated corporate expenses and other	-7.4	-0.2	+7.2	-
Other	43.3	35.1	-8.2	-19%	

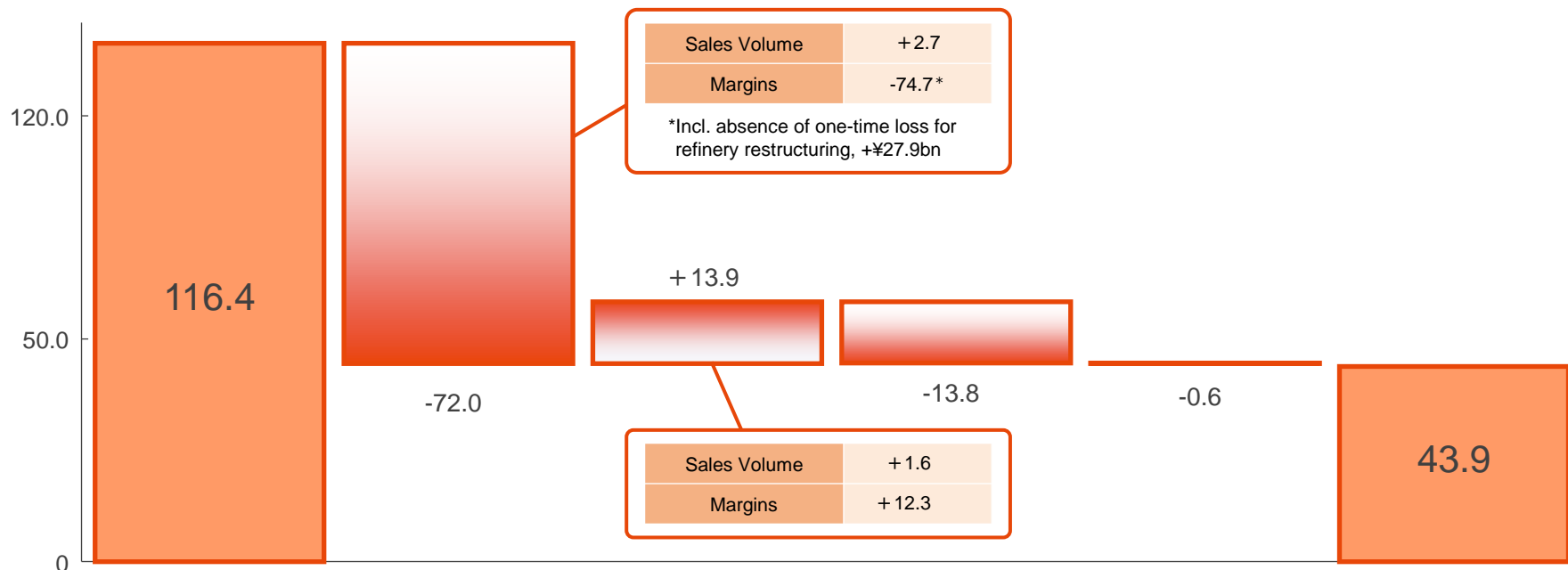
Changes in Operating Income vs 1Q-3Q20

- Energy Segment -

FY20 1Q-3Q Operating Income Excl. inventory valuation (Actual)	Energy -72.5 (116.4→43.9)				FY21 1Q-3Q Operating Income Excl. inventory valuation (Actual)
	Petroleum Products -72.0 (113.6→41.6)	Petrochemicals +13.9 (-16.8→-2.9)	Electric Power -13.8 (7.4→-6.4)	Materials -0.6 (12.2→11.6)	

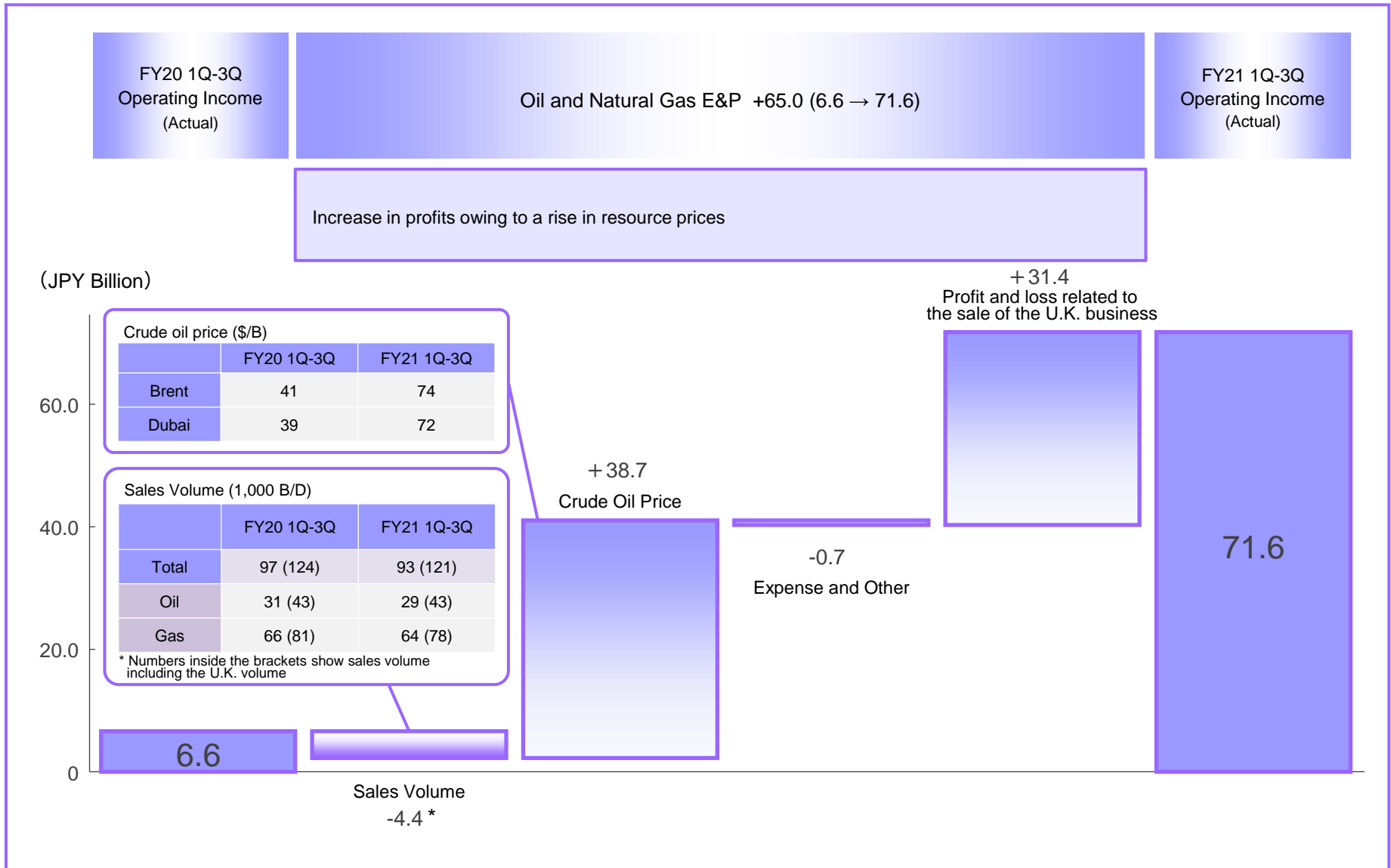
Decrease in profits due mainly to deterioration of domestic petroleum product/export margins, and refinery operation trouble resulting in lower utilization, partly offset by absence of one-time loss for refinery restructuring and an improvement in petrochemical margins

(JPY Billion)



Changes in Operating Income vs 1Q-3Q20

- Oil and Natural Gas E&P Segment -



* Sales volume excl. the U.K. sales volume

Changes in Operating Income vs 1Q-3Q20

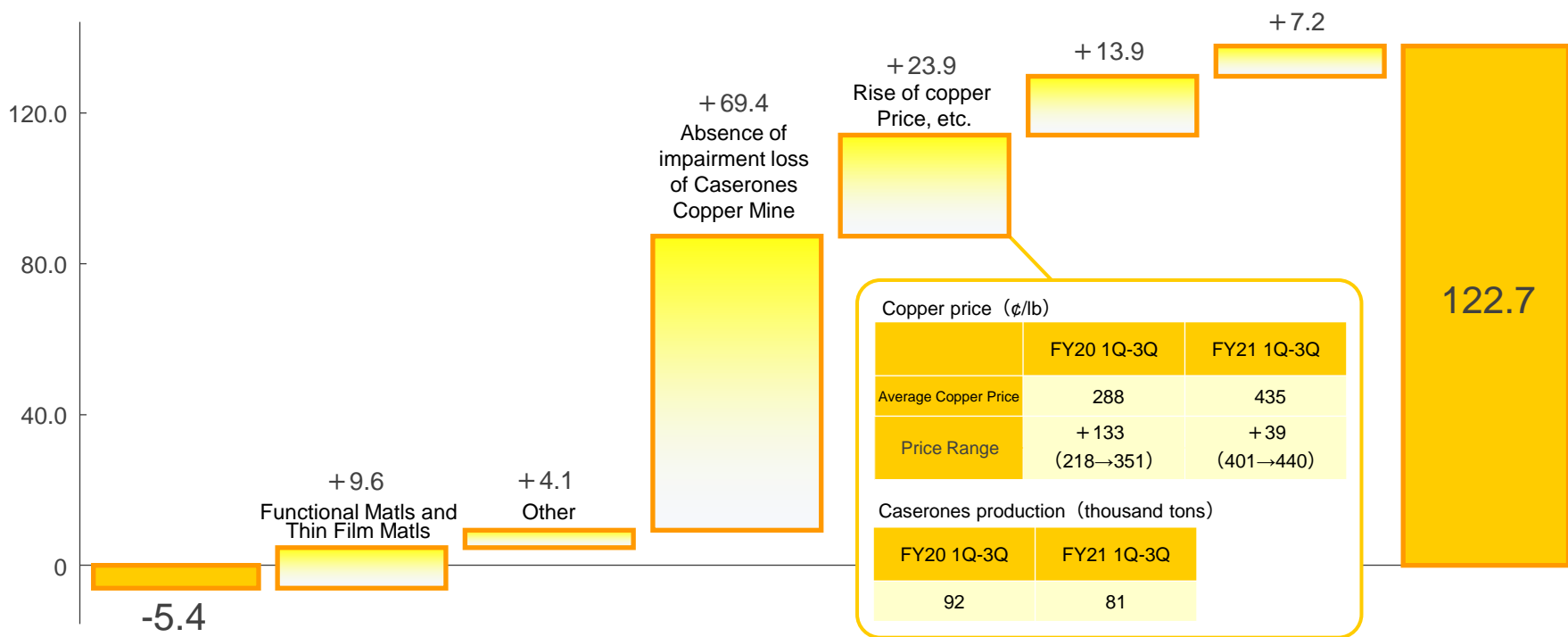
- Metals Segment -

FY20 1Q-3Q Operating Income (Actual)	Metals +128.1 (-5.4→122.7)				FY21 1Q-3Q Operating Income (Actual)
	Functional Mats, Thin Film Mats and other +13.7 (27.7→41.4)	Mineral Resources +93.3 (-43.2→50.1)	Smelting & Recycling +13.9 (17.5→31.4)	Non-allocated corporate expenses and other +7.2 (-7.4→-0.2)	

Excl. absence of impairment loss of Caserones Copper mine + 58.7

Increase in profits due mainly to absence of impairment loss of Caserones Copper Mine, a rise in copper / precious metals prices and sales increase of functional materials and thin film materials with higher demand for data communications, despite partial offset by decrease in Caserones production volume owing to the impact of COVID-19 and a labor strike

(JPY Billion)



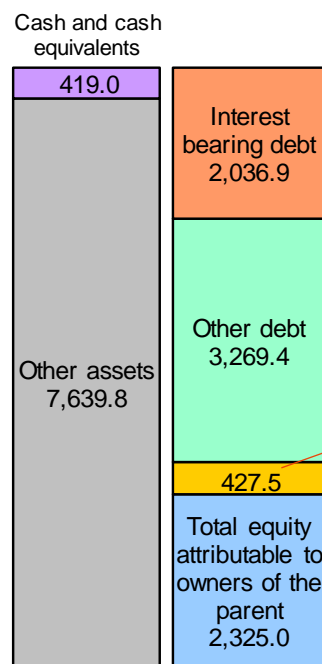
Consolidated Balance Sheets / Consolidated Cash Flows

Consolidated Balance Sheets

(JPY Billion)

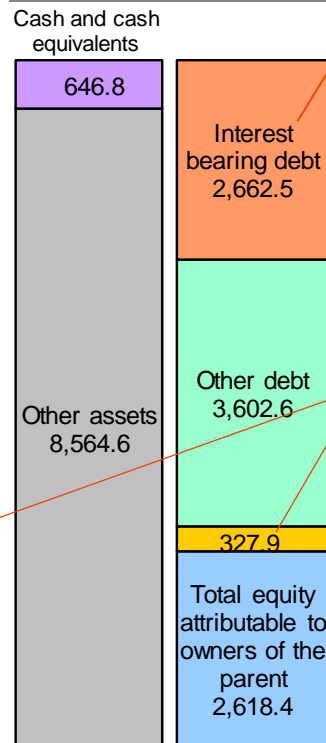
As of Mar. 31, 2021

Total : 8,058.8



As of Dec. 31, 2021

Total : 9,211.4



Net interest bearing debt was ¥2,015.7bn

Non-controlling interests

	As of Mar. 31, 2021 (Actual)	As of Dec. 31, 2021 (Actual)
Equity ratio attributable to owners of the parent	28.9%	28.4%
Net D/E ratio (capital total basis)	0.59	0.68

Adjusted for hybrid bonds : 0.60
(50% of ¥300bn is calculated as equity)

Consolidated Cash Flows

FY2021
1Q~3Q

(JPY billion)

		Excl. IFRS 16 Leases
Operating income (Excl. inventory valuation)	273.3	273.3
Depreciation and amortization	250.0	188.7
Working capital and other	-544.4	-544.4
Cash flows from operating activities	-21.1	-82.4
(without the effects of non-business days)	-25.7	-87.0
Capital investment	-191.2	-191.2
Asset sales and other	-61.1	-61.1
Cash flows from investing activities	-252.3	-252.3
Free cash flows	-273.4	-334.7
(without the effects of non-business days)	-278.0	-339.3
Dividends and other	-121.6	-60.3
Net cash flows	-395.0	-395.0
(without the effects of non-business days)	-399.6	-399.6

Reference

Key Factors

		FY2020			FY2021		
		1H	1-3Q	Full Year	1H	1-3Q	Full Year
		Actual	Actual	Actual	Actual	Actual	Forecast (Announced in Nov.)
All segments	Exchange rate [¥/\$]	107	106	106	110	111	110
Energy	Crude oil (Dubai) [\$/\$]	37	39	45	69	72	70
Oil and Natural Gas E&P	Sales volume (Crude oil equivalent) [1,000 B/day] ¹	121	124	125	94	93	93
	Crude oil (Brent) [\$/\$]	38	41	46	71	74	71
Metals	Copper (LME) [¢/lb]	269	288	312	433	435	420 ³
	Equity entitled copper mine production [1,000 tons/period or year] ²	94	141	194	90	143	202
	PPC copper cathode sales [1,000 tons/period or year]	314	469	634	306	458	619
	Precision rolled products sales [1,000 tons/month]	3.3	3.5	3.6	3.9	3.8	3.8

1 Excluding the U.K. sales volume from FY2021

2

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

3 Oct. 2021

440¢/lb

From Nov. 2021

400¢/lb

Sensitivity Analysis

■ Index (From Oct. 2021)

Oct. FY2021	440¢/lb
Nov. - Mar. FY2021	400¢/lb

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

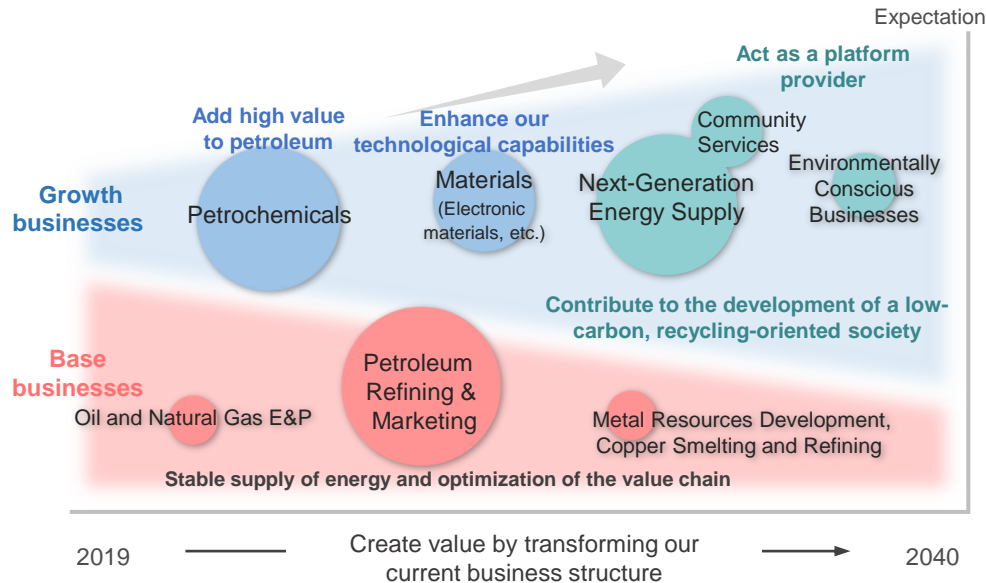
■ Sensitivity analysis (From Oct. 2021)

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
		Total	+40.0
Copper (LME)	+10 ¢/lb	Metals	+2.0
		Total	+2.0
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
		Total	+32.5

Progress in FY2021 (Summary)

➤ Steady enhancement of growth businesses and 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

Decision made to acquire elastomers business from JSR Corporation to enhance our high-performance materials business (May, 2021)



Enhancement of production capability for sputtering targets for semiconductor devices

👉 see p.6 for more details



Acquisition of the entire issued shares of Japan Renewable Energy Corporation

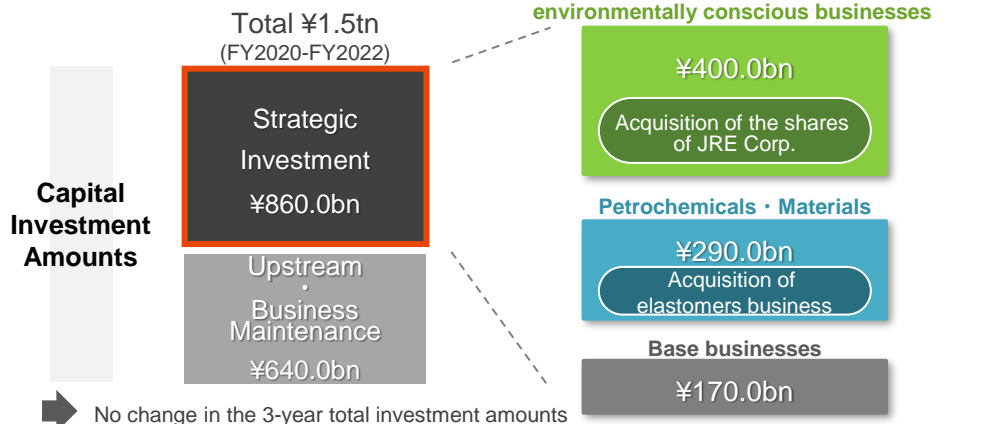
👉 see p.24 for more details



Acceleration of innovation through Green Innovation Fund

👉 see p.25 for more details

Next-generation energy supply, local services, and environmentally conscious businesses



Optimization of our business portfolio



Withdrawal from the coal business

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



Making NIPPO go private

👉 see p.6 and 26 for more details



Sale of Upstream business in the U.K.

👉 see p.5 for more details * Announced on Nov. 26, 2021

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

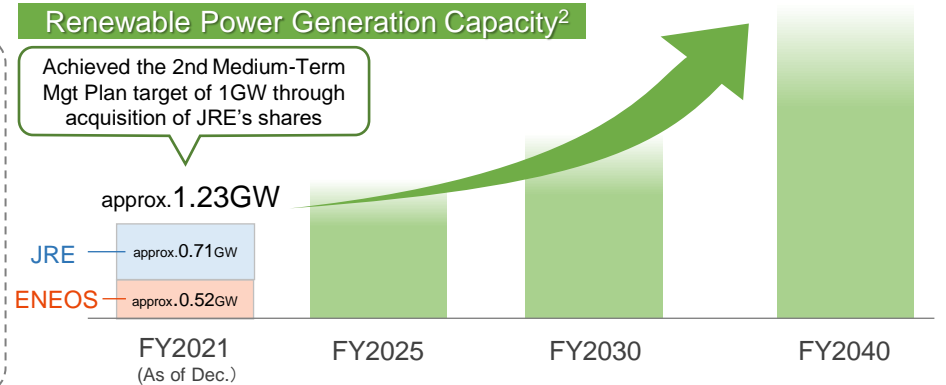
➤ Acquired shares of JRE Corporation, one of the leading renewable energy companies in Japan (Completed in Jan. 2022)

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

- Achieved 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

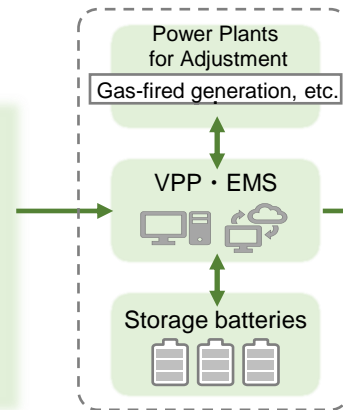
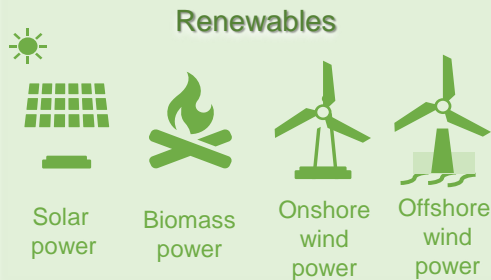
Capital : ¥21,947 million
 Consolidated Net Sales : ¥22,416 million (fiscal year ended in Dec. 2020)
 Number of employees : 194 employees¹ (as of July 2021)
 Acquisition Cost of Shares : approx. ¥191.2 bn
 Date of Acquisition : Jan. 14, 2022
 Generation Capacity : (In Operation) approx. 0.46GW (as of Dec.2021)
 (Under Construction) approx. 0.24GW (as of Dec.2021)



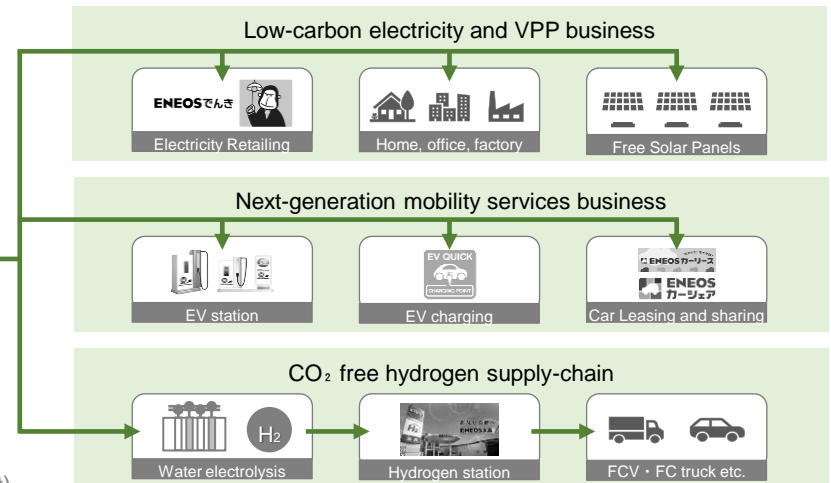
² Capacity based on capital contribution ratio (the total of power plants in operation and under construction)

Medium to Long-Term Initiatives

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



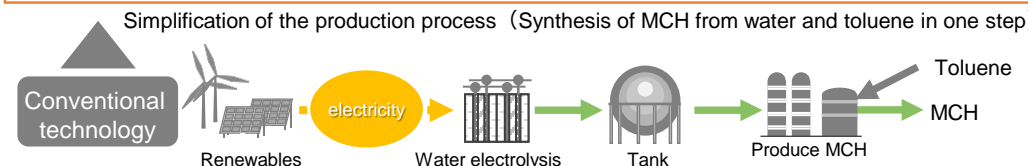
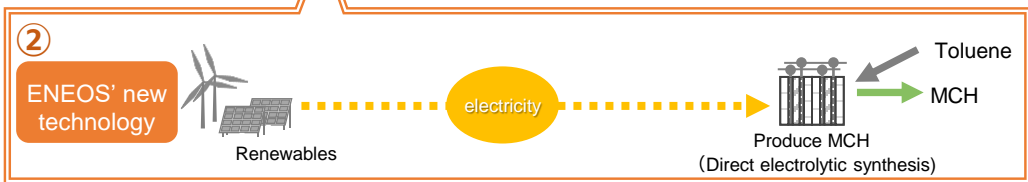
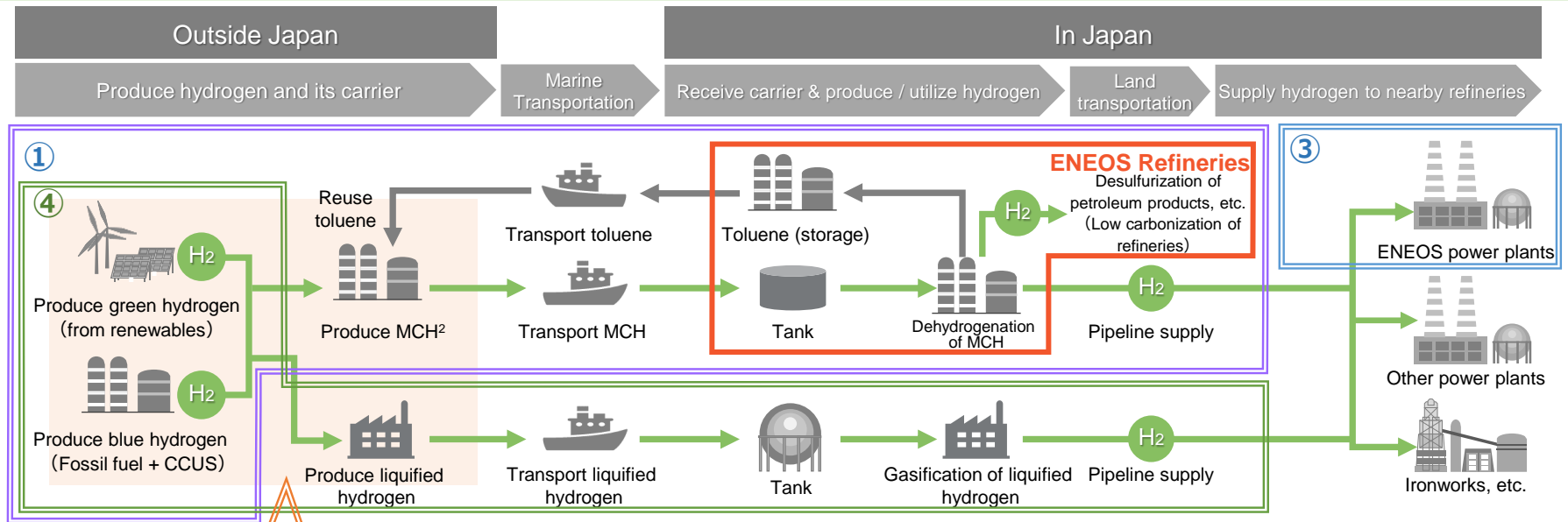
Aggregation business (concept)



Enhancement of Growth Businesses – Green Innovation Fund–

➤ Accelerate the building of a CO₂-free hydrogen supply chain through Green Innovation Fund¹

- ✓ ENEOS' four demonstration projects for building a CO₂ 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 technology³ Only ENEOS
- ③ : Equipment demonstration of hydrogen generation Only ENEOS
- ④ : Commercial demonstration of a liquefied hydrogen supply chain 3-company joint venture⁴

¹ 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".

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

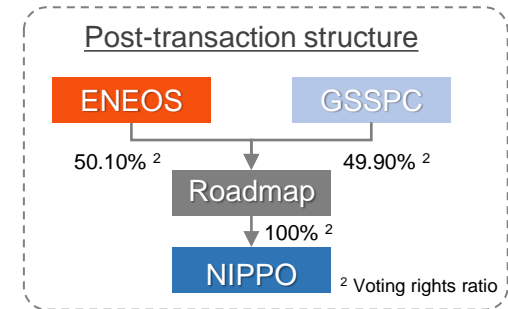
➤ Decision made to make NIPPO go private through a tender offer by Special Purpose Company (joint contribution with Goldman Sachs Group, Inc.)

- ✓ 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

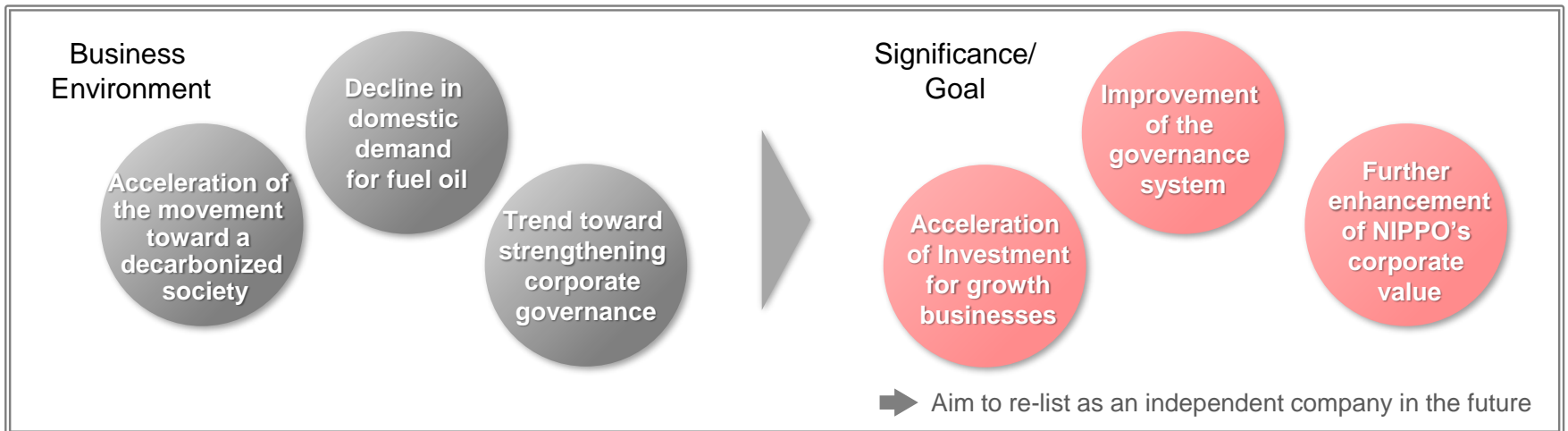


Overview of the transactions

- 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 ENEOS¹ through the acquisition of its treasury shares, then NIPPO will become Roadmap's wholly owned subsidiary



¹ Shareholding ratio: 57%



Cautionary Statement Regarding Forward-Looking Statements

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.