



ENEOS Holdings, Inc.

FY2021 Financial Results

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Key Headlines

Progress of the 2nd Mid-Term Mgmt Plan (Financial Side)

- Expect to achieve the 2nd Mid-Term Mgmt Plan target for Operating Income excl. inventory valuation (3-year cumulative total: ¥970bn)
- Decision made to implement share buyback up to ¥100 billion based on the return policy¹

¹ Total Return Ratio : 3-year cumulative total of 50% or more of net income, excl. inventory valuation

Progress of the 2nd Mid-Term Mgmt Plan (Business Side)

- Executed business portfolio strategies such as reinforcing base businesses through optimization of petroleum product manufacturing and supply network, developing and strengthening growth businesses by enhancing production capacity of advanced materials, multiple M&A deals and asset sales

Carbon Neutrality

- Formulated a New Carbon Neutrality Plan
 - Scope 1, 2 : (New) FY2030 : 46% Reduction² / FY2040 : Achieve carbon neutrality
 - Scope 3 : (New) Aiming for realization of carbon neutrality by the end of FY2050 in step with the government and other companies ² Base Year : FY2013
- Aiming to start CCS businesses by the end of FY2030

Agenda

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Progress Summary of the 2nd Mid-Term Mgmt Plan (Financial side)

Highlights of Financial Results of the 2nd Mid-Term Mgmt Plan

Operating Income (Excl. Inventory Valuation) : Expect to achieve the 2nd Mid-Term Mgmt Plan target

- ✓ Impact of COVID-19 and one-time loss due to optimization of petroleum product manufacturing and supply network were offset by several factors, such as improved petroleum product margins including a positive time lag resulting from a rise in resource prices, profit growth in the Oil and Gas E&P and Metals businesses, and increased profits and sales in the advanced materials businesses as a consequence of strong demand for data communications

ROE: 11% (3-year average)

Net D/E Ratio: expected to keep 0.8 or less

Main Financial Targets in the 2nd Mid-Term Mgmt Plan

	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Forecast)	Current Forecast (Announced in May 2022)	Mid-Term Mgmt Plan (Announced in May 2020)
Operating Income ¥bn (excl. inventory valuation effects)	215.5	415.6	340.0	(3-year cumulative total) 971.1	(3-year cumulative total) 970.0
ROE %	5	21	6	(3-year average) 11	10 or more
Net D/E Ratio -	0.59	0.68 <u>0.60</u>	0.78 <u>0.71</u>	0.78 <u>0.71</u>	0.8 or below

* Underlined numbers: Adjusted for hybrid bonds

Shareholder Return

- Decision made to implement share buyback under the return policy in anticipation of achieving the profit target

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.

Return Policy in the 2nd Mid-Term Mgmt Plan Period

【Dividend】 No lower than the current level

FY2020	FY2021	FY2022
(Actual) ¥22/share	(Scheduled) ¥22/share	(Scheduled) ¥22/share

【Total Return Ratio】 50% or more of net income, excl. inventory valuation

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

Net Income excl. Inventory valuation

Net Income excl. Inventory valuation

FY2020	FY2021	FY2022
(Actual) ¥135.6 bn	(Actual) ¥239.1 bn	(Forecast) ¥167.0 bn

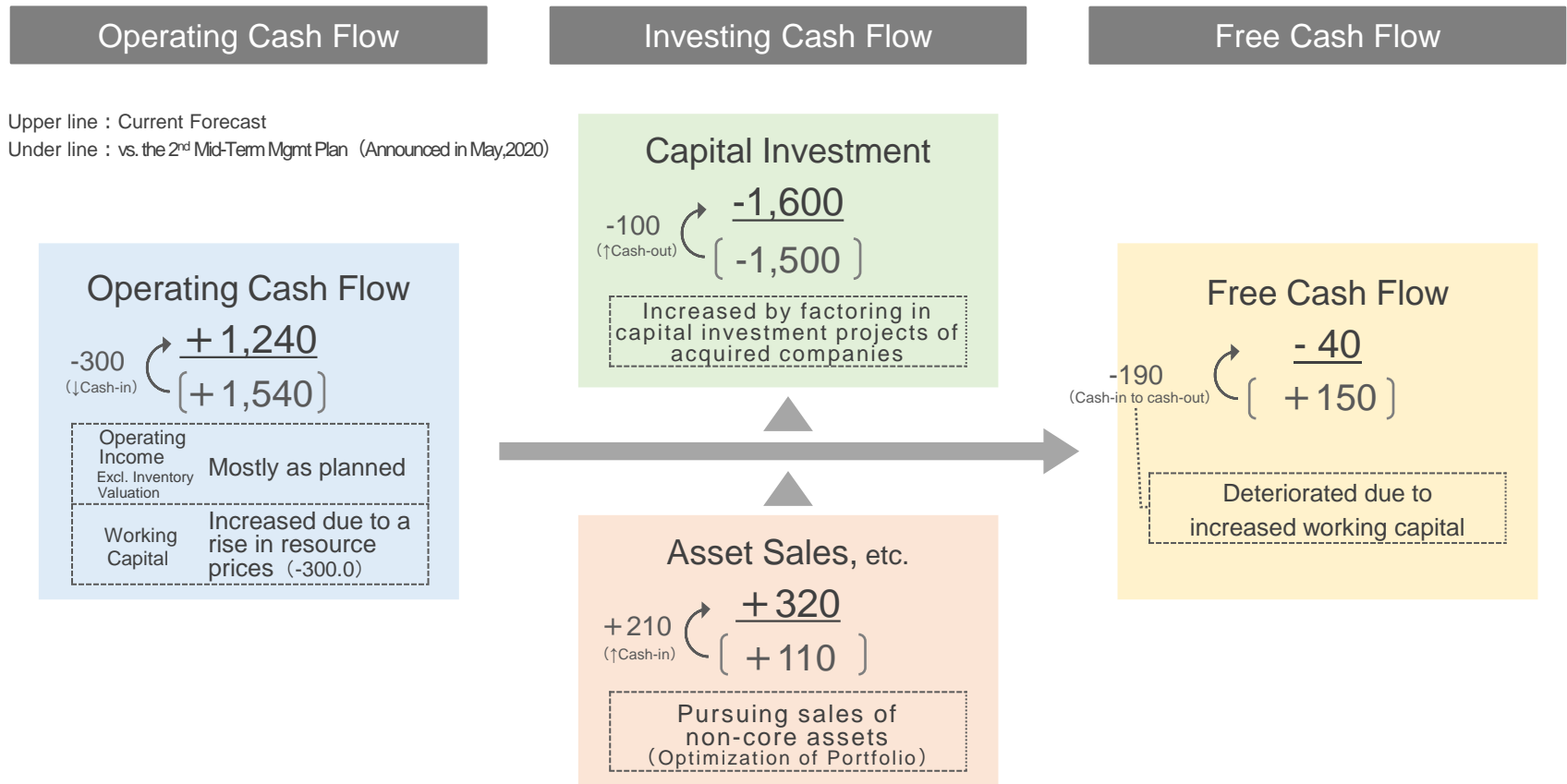
Plan for FY2022

Execute ¥100.0bn share buy-back in addition to ¥22/share dividend based on the Return Policy and the current business forecast

		3-year cumulative total (Forecast)
Net Income excl. inventory valuation	¥bn	541.7
Dividend	¥bn	210.0 (¥22/share)
<u>Share buyback</u>	¥bn	<u>100.0</u>
Total Return Amount	¥bn	310.0
<u>Total Return Ratio</u>	-	<u>57%</u>

Cash flow in the 2nd Mid-Term Mgmt Plan

- Operating CF and Free CF: Profits and other are basically in line with the plan, while an increase in working capital due to a rise in resource prices is a variable factor.
- Investing CF: Decrease in cash-out amounts compared with the plan due to increased sales assets



Progress Summary of the 2nd Mid-Term Mgmt Plan (business side)

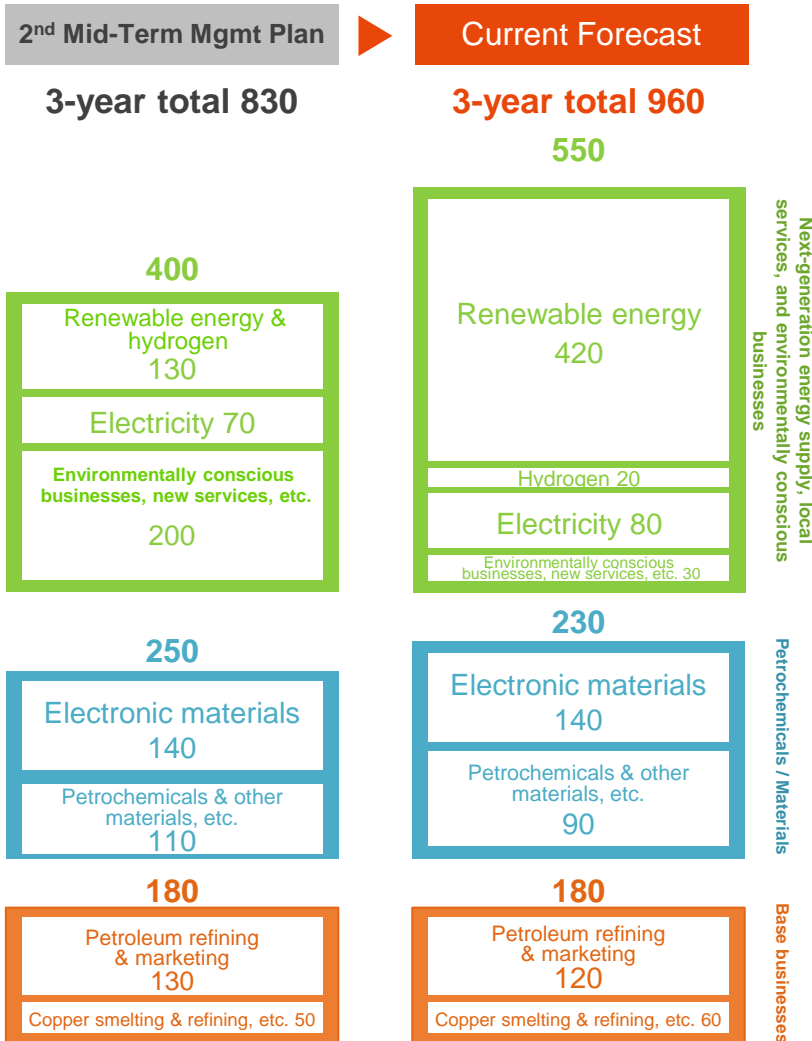
Strategic Investment in the 2nd Mid-Term Mgmt Plan

Concretized and executed projects based on business strategies

(Total Investment Outlook: ¥960bn¹)

¹ vs. the 2nd Mid-Term Mgmt Plan: +¥130bn

Breakdown of Strategic Investment (unit: ¥bn)



Key Strategic Investment Projects

Renewable Energy

- ✓ **Acquisition of JRE (Japan Renewable Energy)**
 - Achieved the 2nd Mid-Term Mgmt Plan target of 1GW in renewable energy generation capacity²
 - Aim to further build up generation capacity by leveraging JRE's business development expertise

² Incl. power plants under construction

Electronic Materials, Petrochemicals/Materials

- ✓ **Enhancement of production capabilities for Advanced Materials (electronic materials)**
 - Reinforce production capacity for sputtering targets for semiconductors and treated rolled copper foil to capture rapidly increasing demand
- ✓ **Acquisition of JSR's elastomers business**
 - Aiming to quickly create business synergies by combining JSR's technology and ENEOS' elastomer-related R&D technology

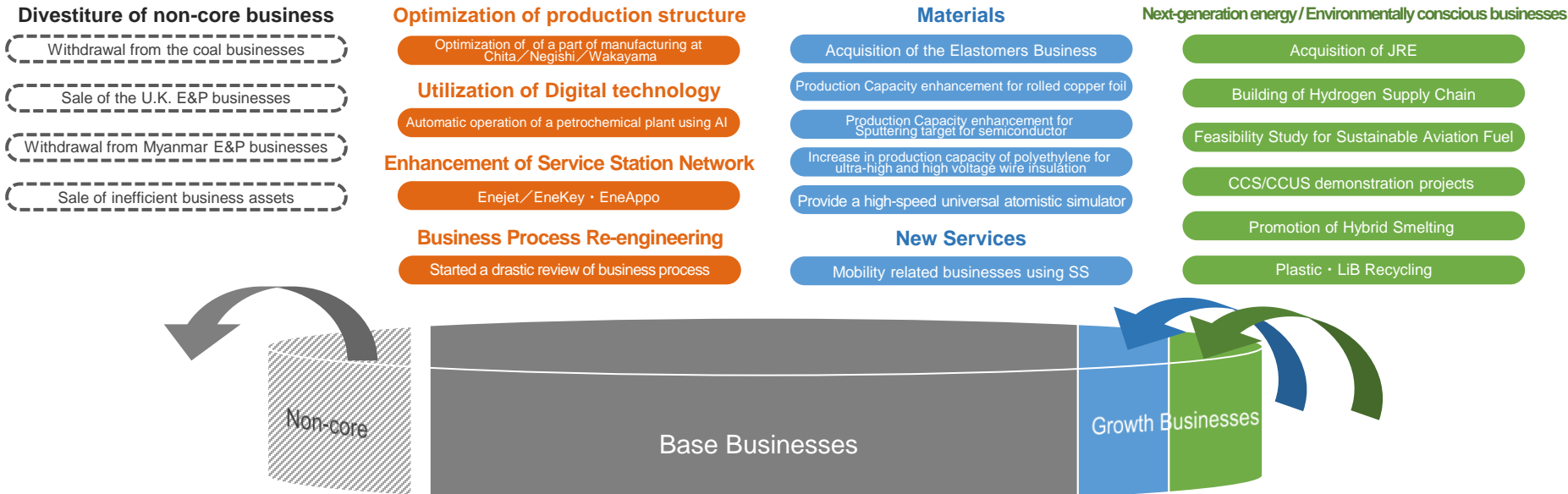
Realization of improvement in corporate value by fostering and enhancing growth businesses

Business Strategies in the 2nd Mid-Term Mgmt Plan

- Executed a business portfolio strategy that combines enhancing base businesses, developing and strengthening growth businesses, multiple M&A deals / asset sales



Transition



Carbon Neutrality Plan

Carbon Neutrality Plan (Target Setting & Definition)

Global Movement	Domestic Movement
<ul style="list-style-type: none"> ✓ IPCC¹ released “Special Report on Global Warming of 1.5°C” ✓ “Glasgow Climate Pact” adopted at COP26 ✓ Advances in creation of mechanism for SBTi² Criteria and Recommendations 	<ul style="list-style-type: none"> ✓ “Declaration of Carbon Neutrality by 2050” announced ✓ “The Sixth Strategic Energy Plan” approved by the Cabinet ✓ Interim report on long-term road map for CCS announced

		Carbon Neutrality Plan	Announced in May 2020 (Reference) Environmental Vision
Target Setting	FY2030	Scope 1,2 <u>46% reduction in net CO₂ emissions</u> <div style="border: 1px dashed gray; padding: 2px; display: inline-block; margin-left: 10px;">Adjusting to the government target</div>	—
	FY2040	Scope 1,2 Carbon neutrality (Net zero CO ₂ emissions) <div style="border: 1px dashed gray; padding: 2px; display: inline-block; margin-left: 10px;">Adjusting to the government target</div>	Realization of carbon neutrality for own emissions
	FY2050	Scope 1,2 Carbon neutrality (Net zero CO ₂ emissions) Scope 3 <u>Aiming for realization of carbon neutrality in step with the government and other companies</u>	—
Definition	Target Management	The amount of CO ₂ emissions ³	CO ₂ reduction amounts ⁴
	CO ₂ Removal Measures	<u>Counting only “measures for directly removing CO₂”</u>	Counting “sales of renewable energy” and “eco-friendly products”

¹ Intergovernmental Panel on Climate Change

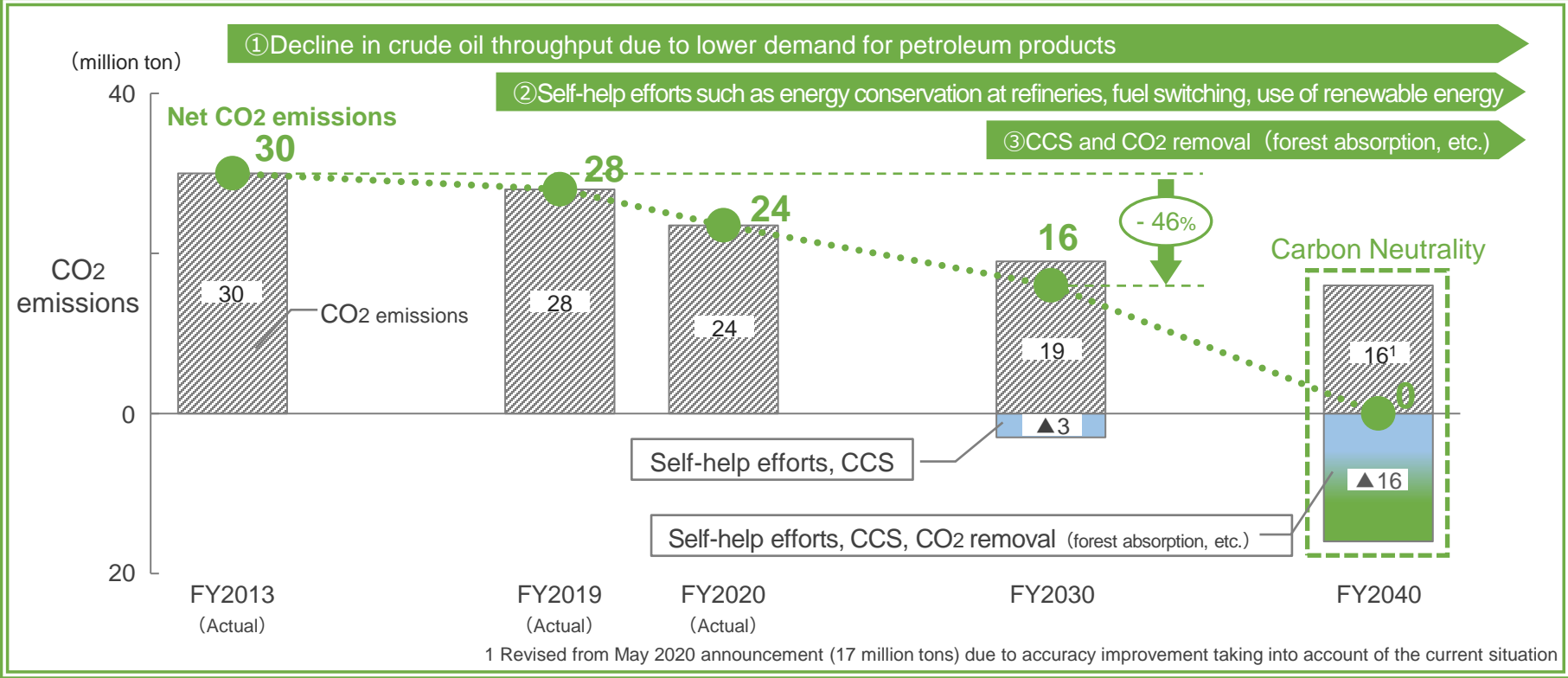
² Science Based Targets initiative: initiatives for establishing reduction targets through scientific expertise

³ Base Year : FY2013 ⁴ Base Year : FY2009

Carbon Neutrality Plan

Scope 1, 2

- ✓ In order to achieve 46% reduction in CO2 emissions, we aim to start CCS businesses by the end of FY2030.
- ✓ Realization of carbon neutrality through self-help efforts, CCS and CO2 removal (forest absorption, etc.)

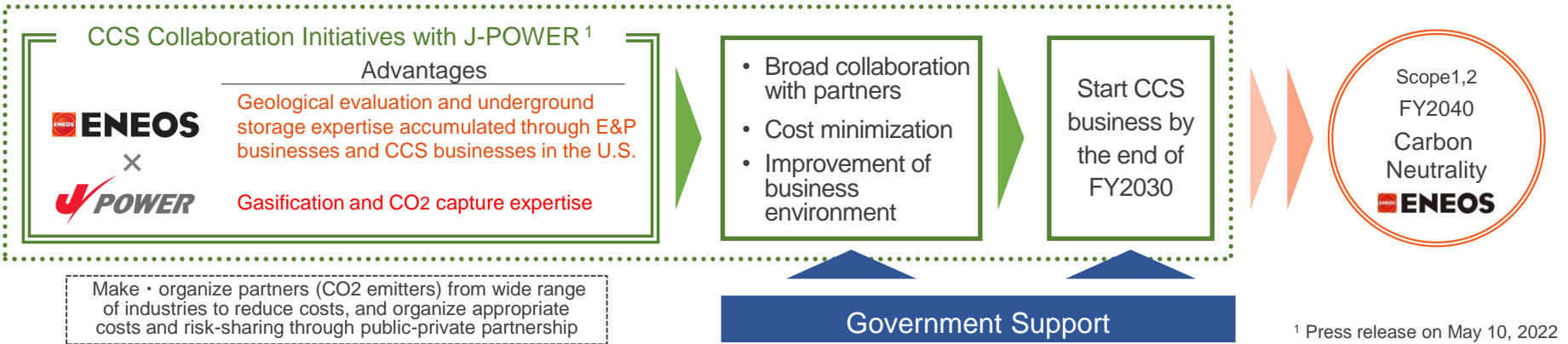


Scope 3

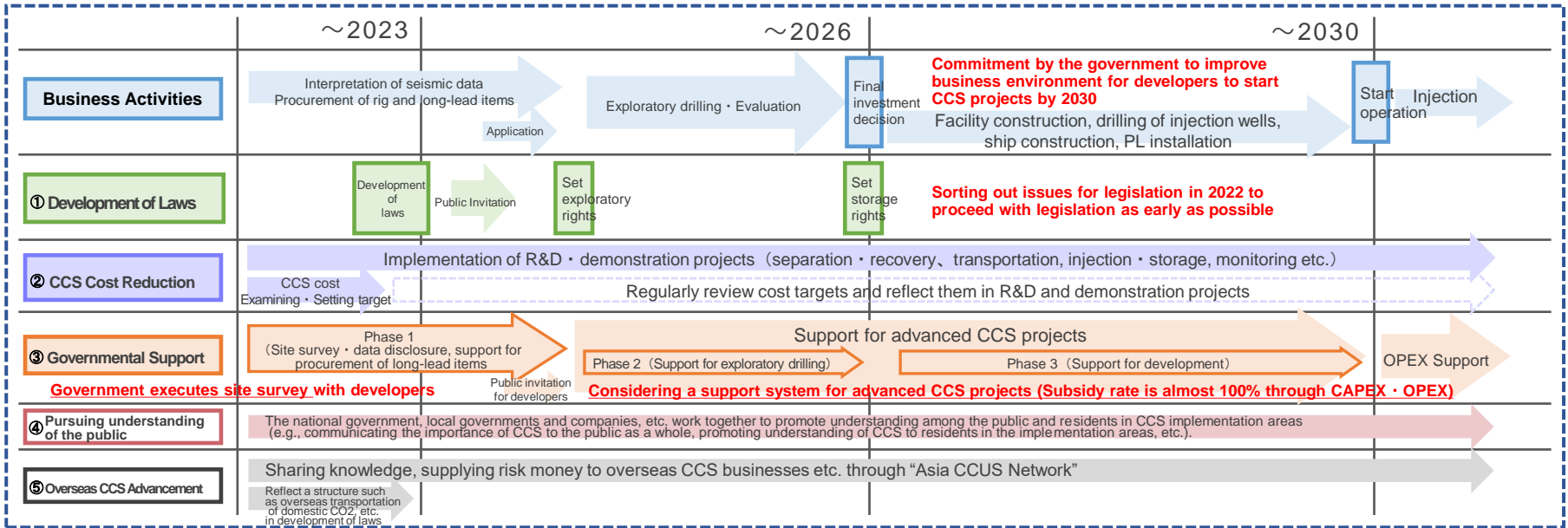
- ✓ Working together with the government and other companies for the realization of Carbon Neutrality by the end of FY2050
- ✓ Pursuing energy transition through expansion of renewable energy and early commercialization of hydrogen, SAF and synthetic fuels

Initiatives for Starting CCS Businesses

- In order to achieve carbon neutrality while maintaining a stable energy supply base, under the government support, we are pursuing CCS businesses with a wide range of partners



<Reference> METI Long-Term Road Map for CCS²



² Developed by ENEOS based on METI's interim report on long-term road map for CCS

【Reference】 Petra Nova CCUS Project

- Establishing a track record as a front-runner of CCS technology

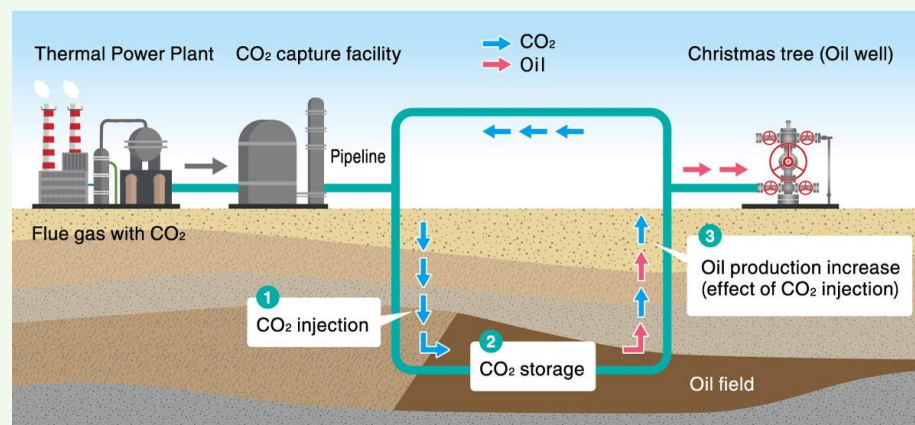
Brief description: Petra Nova CCUS Project

~Pursuing both CO₂ Reduction and Expanded Crude Oil Production ~



Petro Nova Petra Nova CCUS Project Facility (Texas, USA)

- ✓ Implementing CO₂-EOR project by capturing CO₂ emitted from a thermal power station and injecting it into an oil field with declining production to increase oil production since Dec. 2016
- ✓ The carbon capture system for this project is the world's largest post-combustion carbon capture facility at an existing thermal power plant
- ✓ We have injected 3.77 million tons of CO₂



CO₂-EOR Process

Utilize accumulated technology and operation expertise
to accelerate projects around the world

【Reference】 Issuance of Transition-linked Bonds

■ Planning to raise funds by issuing transition-linked bonds

- ✓ The first publicly offered transition-linked bonds in Japan

As we are strongly committed to “contributing to a low-carbon, recycling-oriented society”, we are raising the necessary long-term capital to realize this commitment.

● Overview of the bonds

Term	10 years	20 years
Target (Scope1, Scope2)	46% reduction in CO2 emissions by the end of FY2030 (vs. FY2013)	Net Zero CO2 emissions by the end of FY2040
If target is not reached	Make donations or purchase carbon credits / renewable energy certificates	
Issue Amount	Approx. ¥100.0 billion	

● Comparison of transition-linked bonds, transition bonds and sustainability-linked bonds

	Transition-linked bonds	Transition bonds	Sustainability-linked bonds
Targets Setting related to issuance	Targets specifically set for climate change materiality	None	Targets not only set for climate change, but also for ESG materiality in general
Use of Proceeds	Unspecified	Specified	Unspecified

Highlights of Financial Results / Business Environment

Highlights of Financial Results for FY2021 and Forecast for FY2022

FY2021 (Actual)		FY2020 (Actual)		FY2021 (Actual)		YoY
	Operating income (excl. inventory valuation)	¥215.5 billion	▶	¥415.6 billion		+ ¥200.1 billion

- Increase in profits due mainly to absence of one-time loss caused by the optimization of petroleum product manufacturing and supply network in the previous fiscal year, a rise in resource prices which advanced profit growth in upstream businesses and clean fuel¹/export margins owing to a positive time lag, and steady sales of advanced materials.

FY2022 (Forecast)		FY2021 (Actual)		FY2022 (Forecast)		YoY
	Operating income (excl. inventory valuation)	¥415.6 billion	▶	¥340.0 billion		- ¥75.6 billion

- Decrease in profits due mainly to disappearance of a positive time lag in the previous fiscal year and absence of profits owing to the sale of the U.K. business in FY2021

- Improvement in substantial profitability

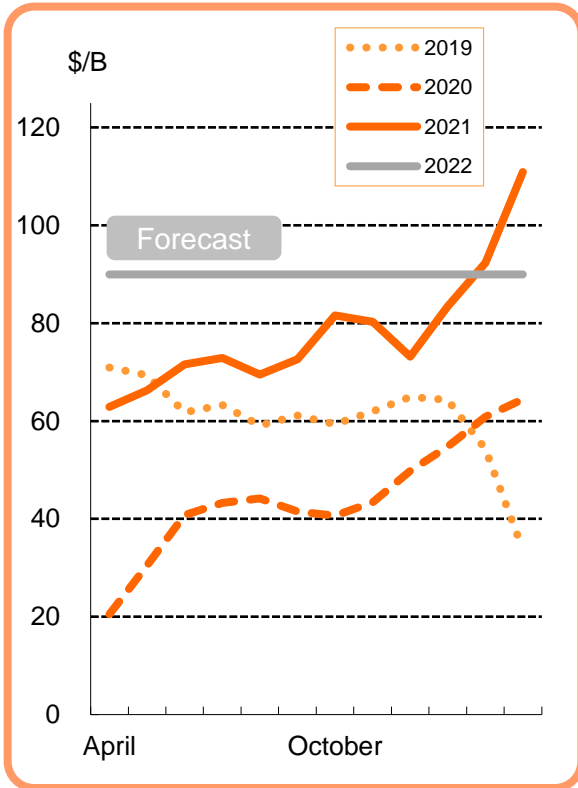
Stable operation of refineries (absence of trouble impact • increased export volumes)

Recovery of copper production volumes

Profit contribution from the Elastomers business

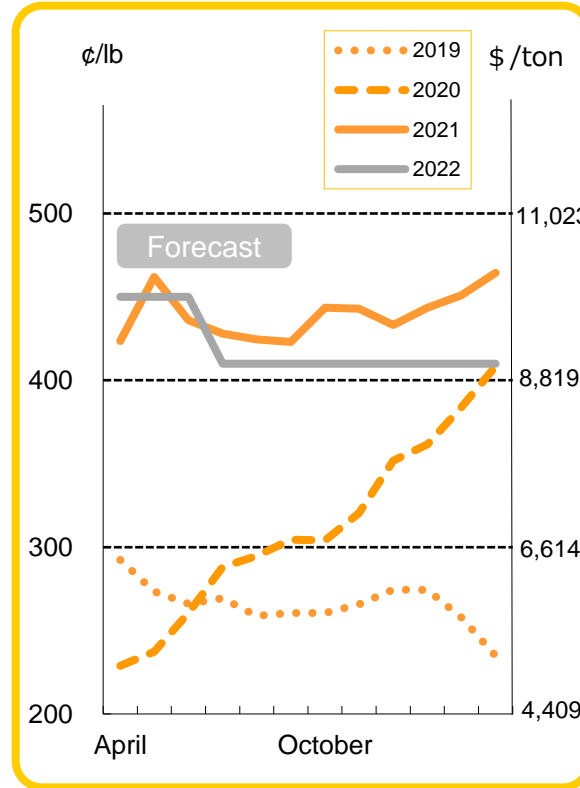
Crude Oil (Dubai), Copper (LME), Exchange Rate

Crude Oil (Dubai)



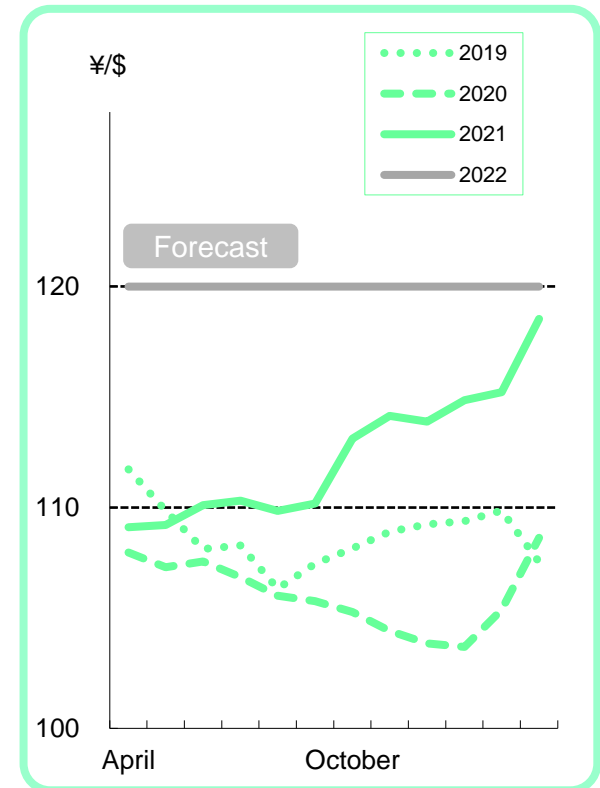
- Rose due mainly to expectations of economic recovery resulting from steady vaccination progress against COVID-19
- Surged toward the end of the March owing to higher geopolitical risks

Copper (LME)



- Remained steady due to expectations of higher demand associated with China's economic recovery and EV proliferation in the future

Exchange Rate

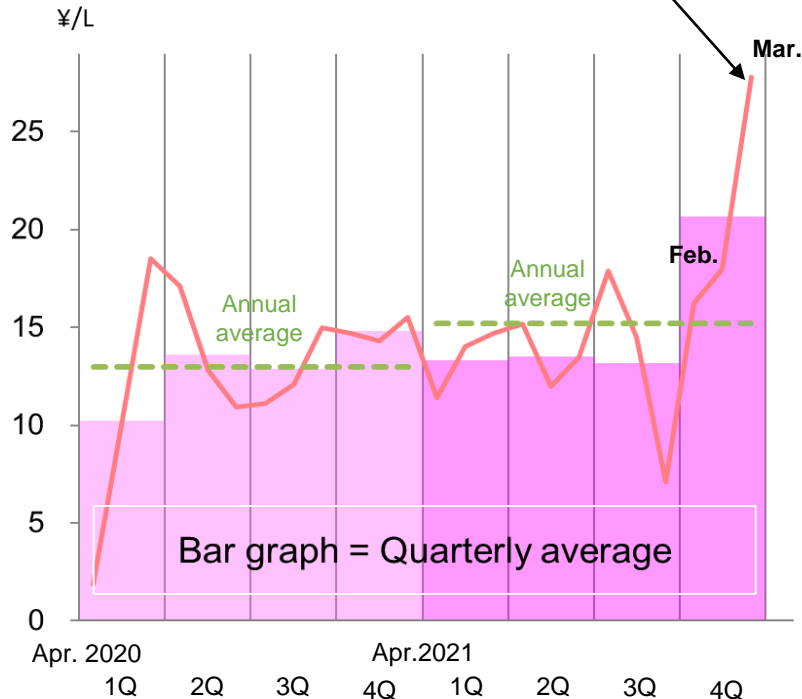


- 6 yen/\$ weaker YoY in the yearly average as a result of fast-paced depreciation of yen since October

Petroleum Product and Paraxylene Margin Indexes

Clean Fuel¹ Margin Index²

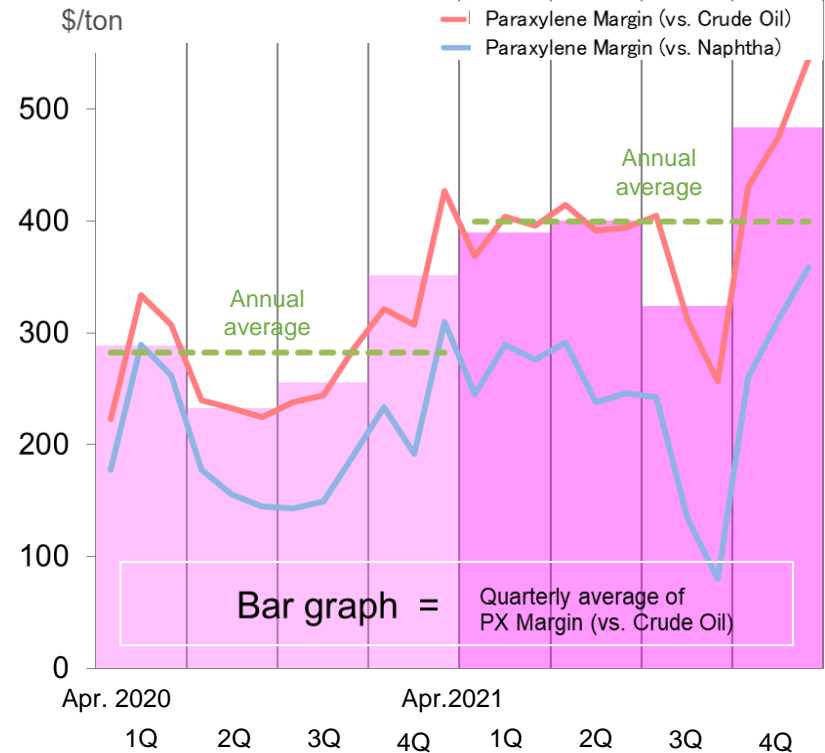
※ Temporary change in petroleum product margins due mainly to a positive time lag³ owing to a sharp rise in oil prices



➤ Remained steady despite a sharp rise in March due mainly to a positive time lag

- 1 Clean fuel: gasoline, kerosene, diesel fuel and fuel oil A
- 2 Calculated using the following formula as a reference for domestic market conditions
Spot Price – All Japan Crude CIF (including petroleum tax and interest)
- 3 Sales prices of oil products are reflected in crude oil prices in real time. On the other hand, accounting cost of sales is based on crude oil prices that are approximately one month before, such that oil product earnings are affected by a time lag between sales price and cost of sales.

Paraxylene Margin Index⁴



➤ Transitioned at lower level despite the year-on-year improvement

- 4 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 (April 1, 2021 – March 31, 2022)

Overview of FY2021 Financial Results vs FY2020

		FY2020 (Actual)	FY2021 (Actual)	Difference	
■ Index					
Crude Oil (Dubai)	(\$/B)	45	78	+33	+73%
Copper (LME)	(¢/lb)	312	440	+128	+41%
Exchange Rate	(¥/\$)	106	112	+6	+6%
■ Profit & Loss Statement					
Net Sales	(¥bn)	7,658.0	10,921.8	+3,263.8	+43%
Operating Income	(¥bn)	254.2	785.9	+531.7	+209%
Inventory Valuation	(¥bn)	38.7	370.3	+331.6	+857%
Operating Income (excl. inventory valuation effects)	(¥bn)	215.5	415.6	+200.1	+93%
Income before tax	(¥bn)	230.9	771.8	+540.9	+234%
Net Income attributable to owners of the parent	(¥bn)	114.0	537.1	+423.1	+371%

Changes in Operating Income by Segment vs FY2020

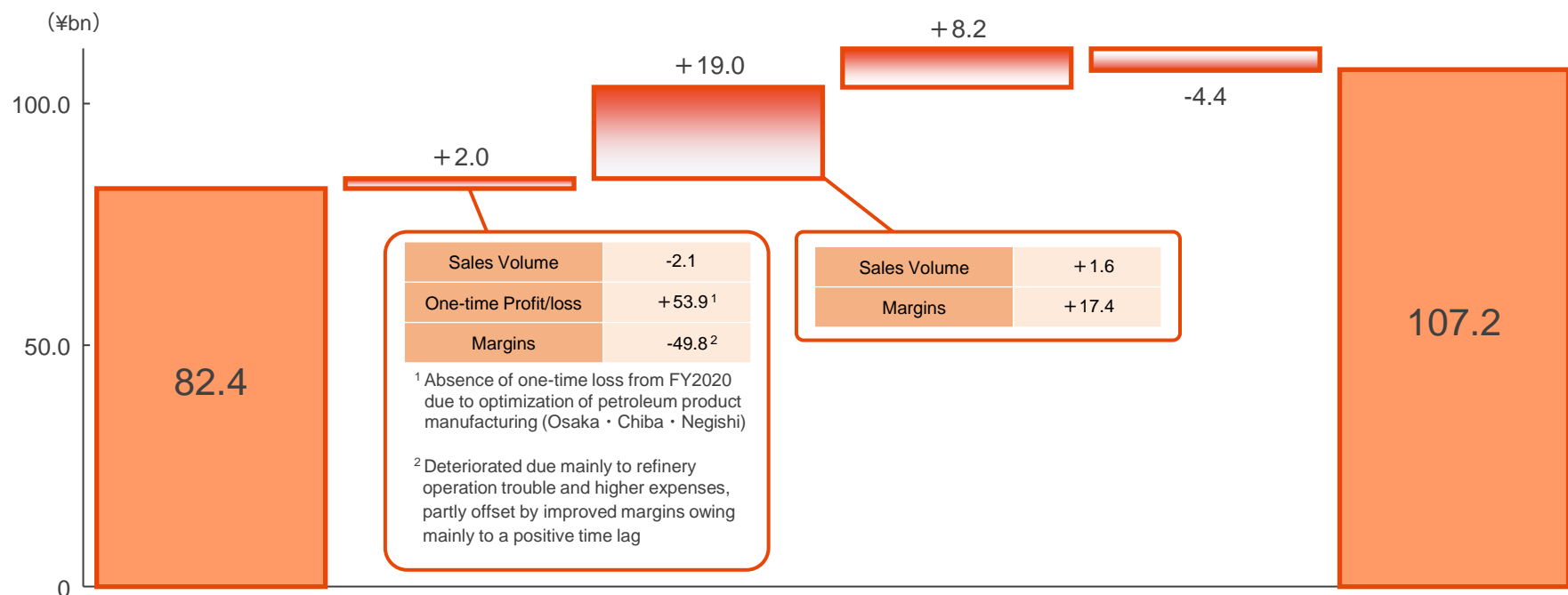
		FY2020 (Actual)	FY2021 (Actual)	Difference		【Reference】 Announced in Mar. (Revised Forecast)
(¥bn)						
Total Operating Income Excl. Inventory valuation		215.5	415.6	+200.1	+93%	410.0
Segments	Energy	121.1	477.5	+356.4	+294%	450.0
	Inventory Valuation	38.7	370.3	+331.6	+857%	330.0
	Excl. Inventory Valuation	82.4	107.2	+24.8	+30%	120.0
	Petroleum Products	124.2	126.2	+2.0	+2%	
	Petrochemicals	-25.8	-6.8	+19.0	-	
	Electric Power	-27.2	-19.0	+8.2	-	
	Materials	11.2	6.8	-4.4	-39%	
	Oil and Natural Gas E&P	2.8	97.0	+94.2	+3316%	90.0
	Metals	78.1	158.2	+80.1	+103%	150.0
	Functional Matls, Thin Film Matls and other	31.1	54.5	+23.4	+75%	
	Mineral Resources	34.9	72.1	+37.2	+107%	
	Smelting and Recycling	27.3	41.0	+13.7	+50%	
	Non-allocated corporate expenses and other	-15.2	-9.4	+5.8	-	
Other	52.2	53.2	+1.0	+2%	50.0	

Changes in Operating Income vs FY2020

- Energy Segment -

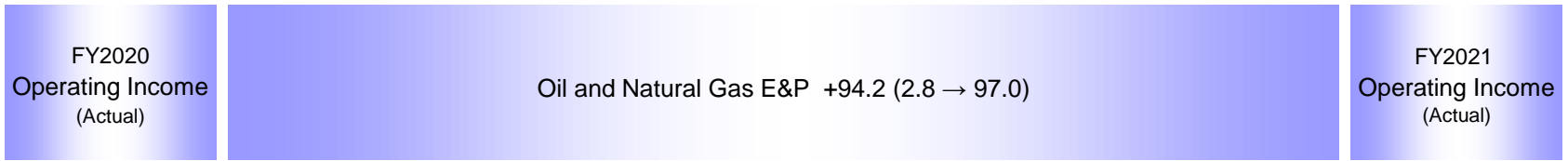
FY2020 Operating Income Excl. inventory valuation (Actual)	Energy +24.8 (82.4→107.2)				FY2021 Operating Income Excl. inventory valuation (Actual)
	Petroleum Products +2.0 (124.2→126.2)	Petrochemicals +19.0 (-25.8→ -6.8)	Electric power +8.2 (-27.2→ -19.0)	Materials -4.4 (11.2→6.8)	

Slight increase in profits due mainly to absence of one-time loss from FY2020 and improved petroleum product margins owing to a positive time lag, partly offset by negative factors such as refinery operation trouble in the first half of FY2021 resulting in lower utilization and higher expenses

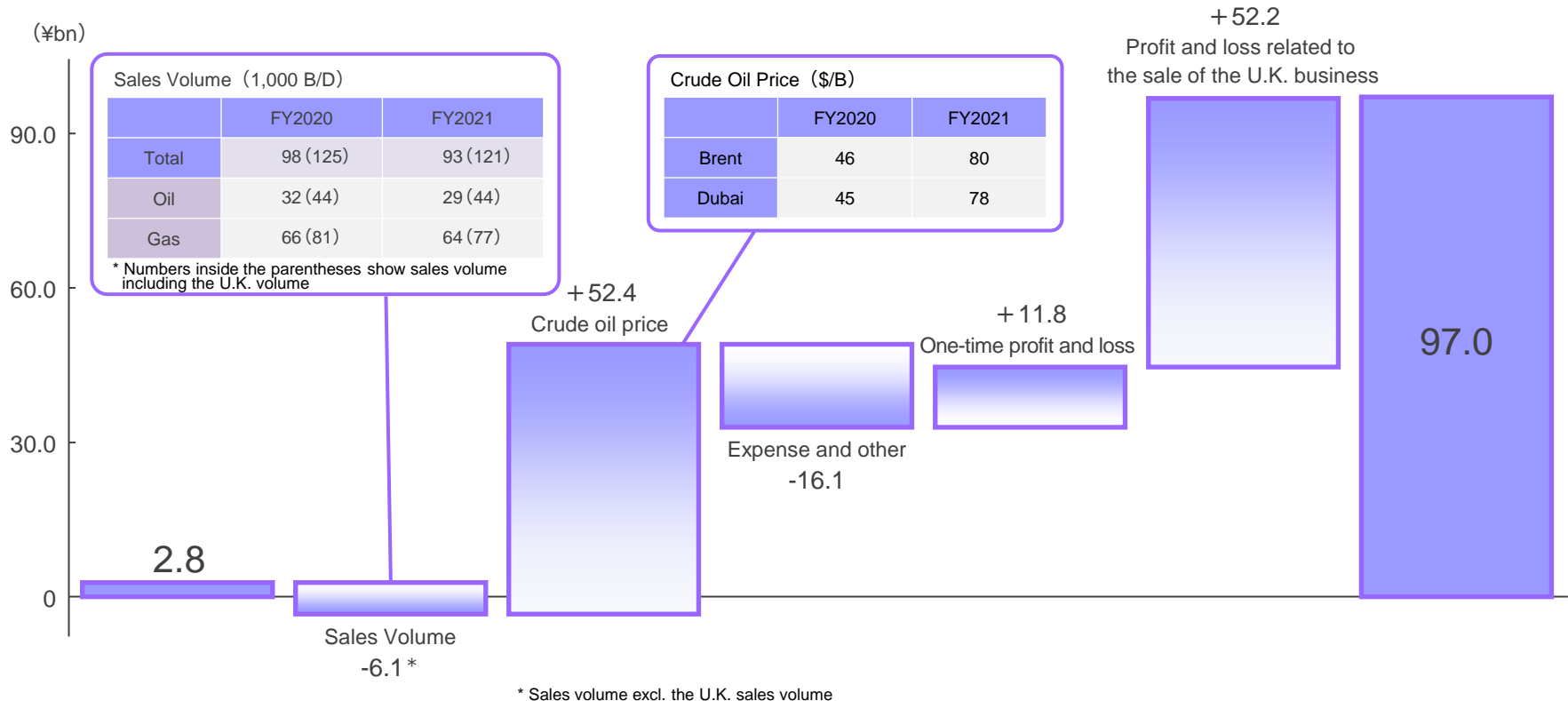


Changes in Operating Income vs FY2020

- Oil and Natural Gas E&P Segment -



Significant increase in profits due mainly to a rise in resource prices, profit and loss related to the sale of the U.K. business

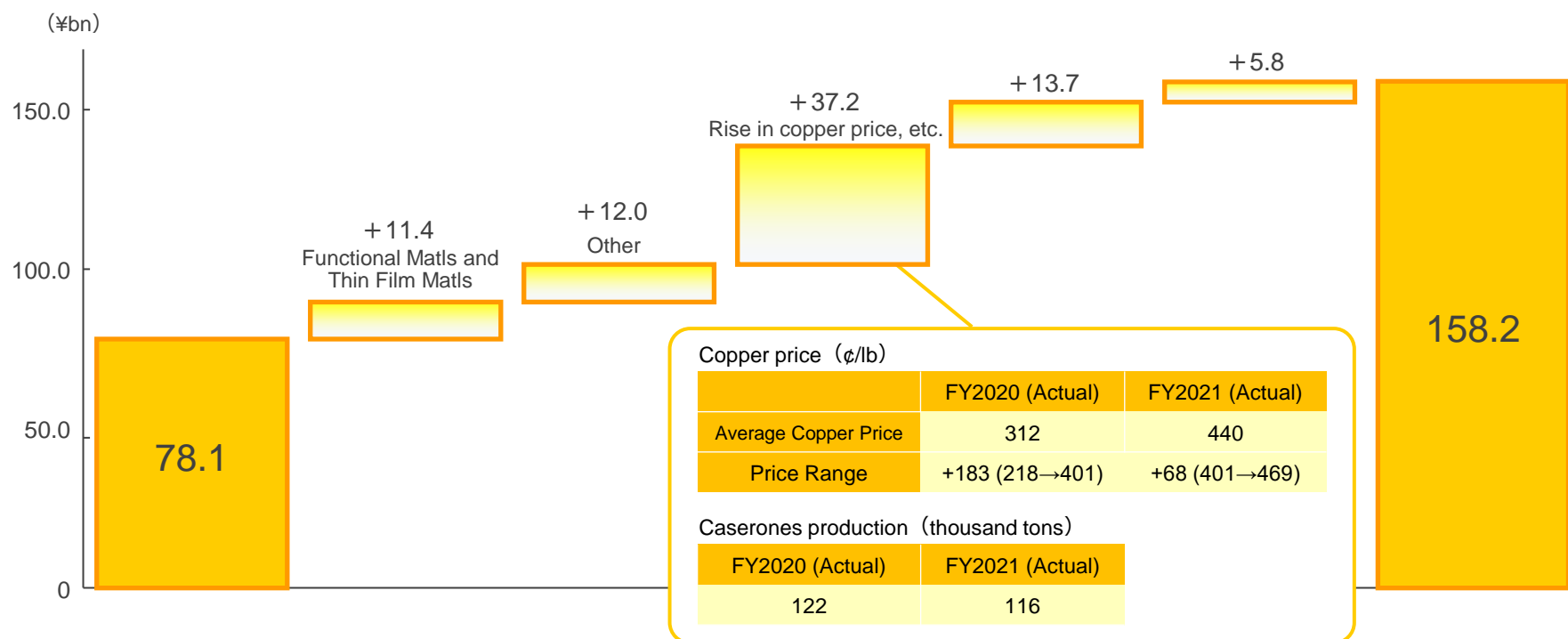


Changes in Operating Income vs FY2021

- Metals Segment -

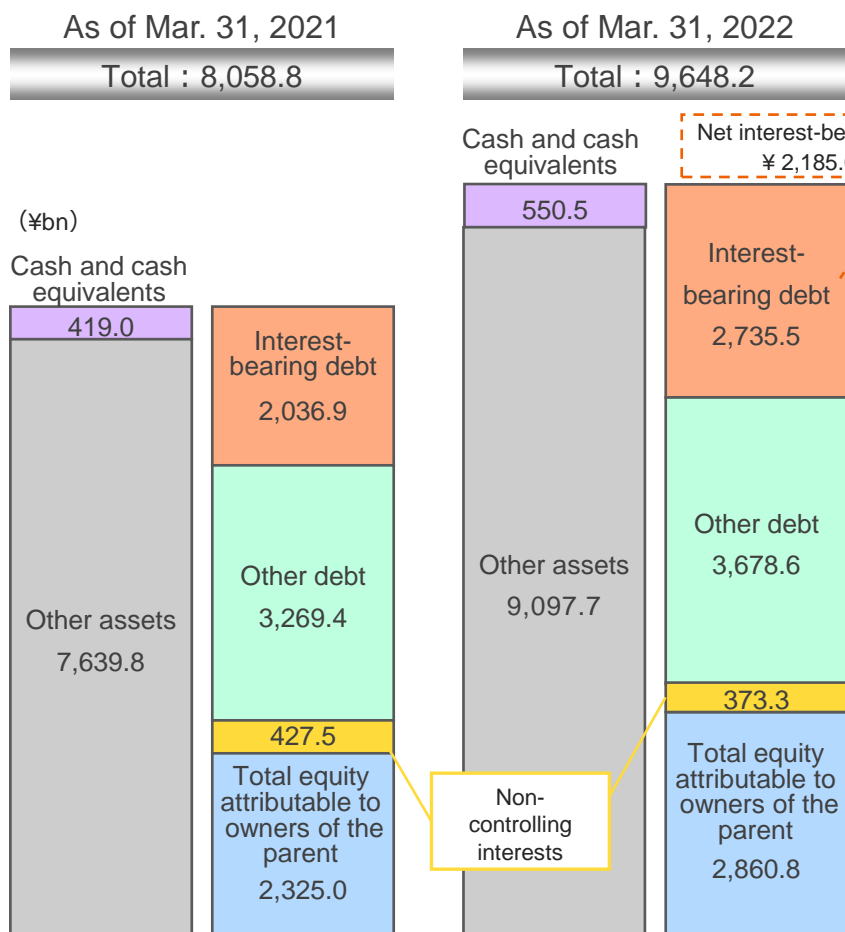
FY2020 Operating Income (Actual)	Metals +80.1 (78.1→158.2)				FY2021 Operating Income (Actual)
	Functional Mats, Thin Film Mats and other +23.4 (31.1→54.5)	Mineral Resources +37.2 (34.9→72.1)	Smelting & Recycling +13.7 (27.3→41.0)	Non-allocated corporate expenses and other +5.8 (-15.2→-9.4)	

Increase in profits due mainly to sales increase of functional materials and thin film materials and a rise in resource prices such as copper etc., despite a decrease in copper mine production volume



Consolidated Balance Sheets / Consolidated Cash Flows

Consolidated Balance Sheets



Consolidated Cash Flows

	FY2021 (Actual)	
Operating income (Excl. inventory valuation)	415.6	415.6
Depreciation and amortization	332.0	252.2
Working capital and other	-538.1	-538.1
Cash flows from operating activities without the effects of non-business days	209.5	129.7
	316.3	236.5
Capital investment	-498.2	-498.2
Asset sales and other	148.3	148.3
Cash flows from investing activities	-349.9	-349.9
Free cash flows without the effects of non-business days	-140.4	-220.2
	-33.6	-113.4
Dividends and other	-306.4	-226.6
Net cash flows without the effects of non-business days	-446.8	-446.8
	-340.0	-340.0

Excl. IFRS 16 Leases

	As of Mar. 31, 2021	As of Mar. 31, 2022
Equity ratio attributable to owners of the parent	28.9 %	29.7 %
Net D/E ratio (capital total basis)	0.59	0.68 <u>0.60</u>

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Forecast for FY2022 (From April 1, 2022 – March 31, 2023)

(Index) Crude Oil (Dubai) 90\$/B Copper Price : 420¢/lb Exchange Rate : 120¥/\$

Forecast For FY2022 vs FY2021

		FY2021 (Actual)	FY2022 (Forecast)	Difference	
■ Index					
Crude Oil (Dubai)	(\$/B)	78	90	+ 12	+ 15%
Copper (LME)	(¢/lb)	440	420	- 20	- 5%
Exchange Rate	(¥/\$)	112	120	+ 8	+ 7%
<div style="border: 1px dashed gray; padding: 2px; display: inline-block; margin-left: 100px;"> Apr.-Jun. 450¢/lb From Jul. 410¢/lb </div>					
■ Profit & Loss Statement					
Net Sales	(¥bn)	10,921.8	12,800.0	+ 1,878.2	+ 17%
Operating Income	(¥bn)	785.9	340.0	- 445.9	- 57%
Inventory Valuation	(¥bn)	370.3	0.0	- 370.3	-
Operating Income (excl. inventory valuation)	(¥bn)	415.6	340.0	- 75.6	- 18%
Income before tax	(¥bn)	771.8	310.0	- 461.8	- 60%
Net Income attributable to owners of the parent	(¥bn)	537.1	170.0	- 367.1	- 68%

Changes in Operating Income by Segment vs FY2021

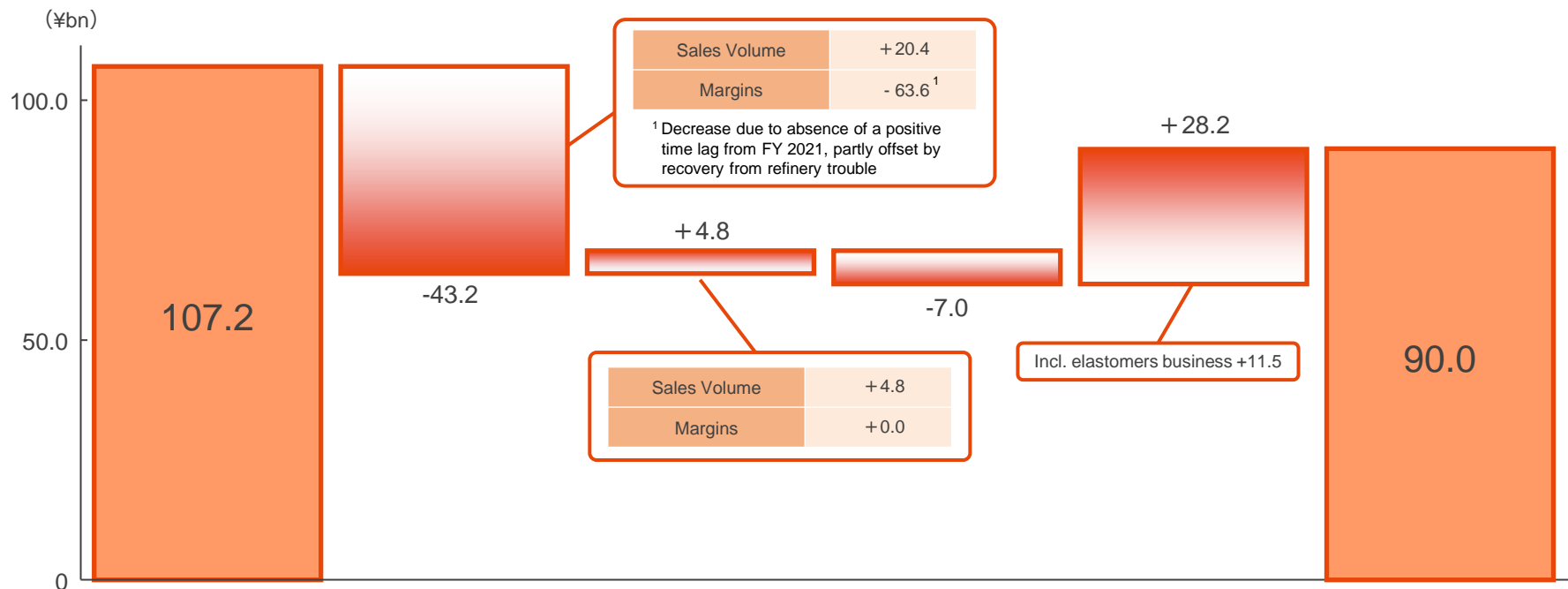
		FY2021 (Actual)	FY2022 (Forecast)	Difference	
(¥bn)					
Total Operating Income Excl. Inventory valuation		415.6	340.0	- 75.6	- 18%
Segments	Energy	477.5	90.0	- 387.5	- 81%
	Inventory Valuation	370.3	0.0	- 370.3	-
	Excl. Inventory Valuation	107.2	90.0	- 17.2	- 16%
	Petroleum Products	126.2	83.0	- 43.2	- 34%
	Petrochemicals	- 6.8	- 2.0	+ 4.8	-
	Electric Power	- 19.0	- 26.0	- 7.0	-
	Materials	6.8	35.0	+ 28.2	+ 415%
	Oil and Natural Gas E&P	97.0	70.0	- 27.0	- 28%
	Metals	158.2	130.0	- 28.2	- 18%
	Functional Mats, Thin Film Mats and other	54.5	57.0	+ 2.5	+ 5%
	Mineral Resources	72.1	80.0	+ 7.9	+ 11%
	Smelting and Recycling	41.0	32.0	- 9.0	- 22%
	Non-allocated corporate expenses and other	- 9.4	- 39.0	- 29.6	-
Other	53.2	50.0	- 3.2	- 6%	

Changes in Operating Income vs FY2021

- Energy Segment -

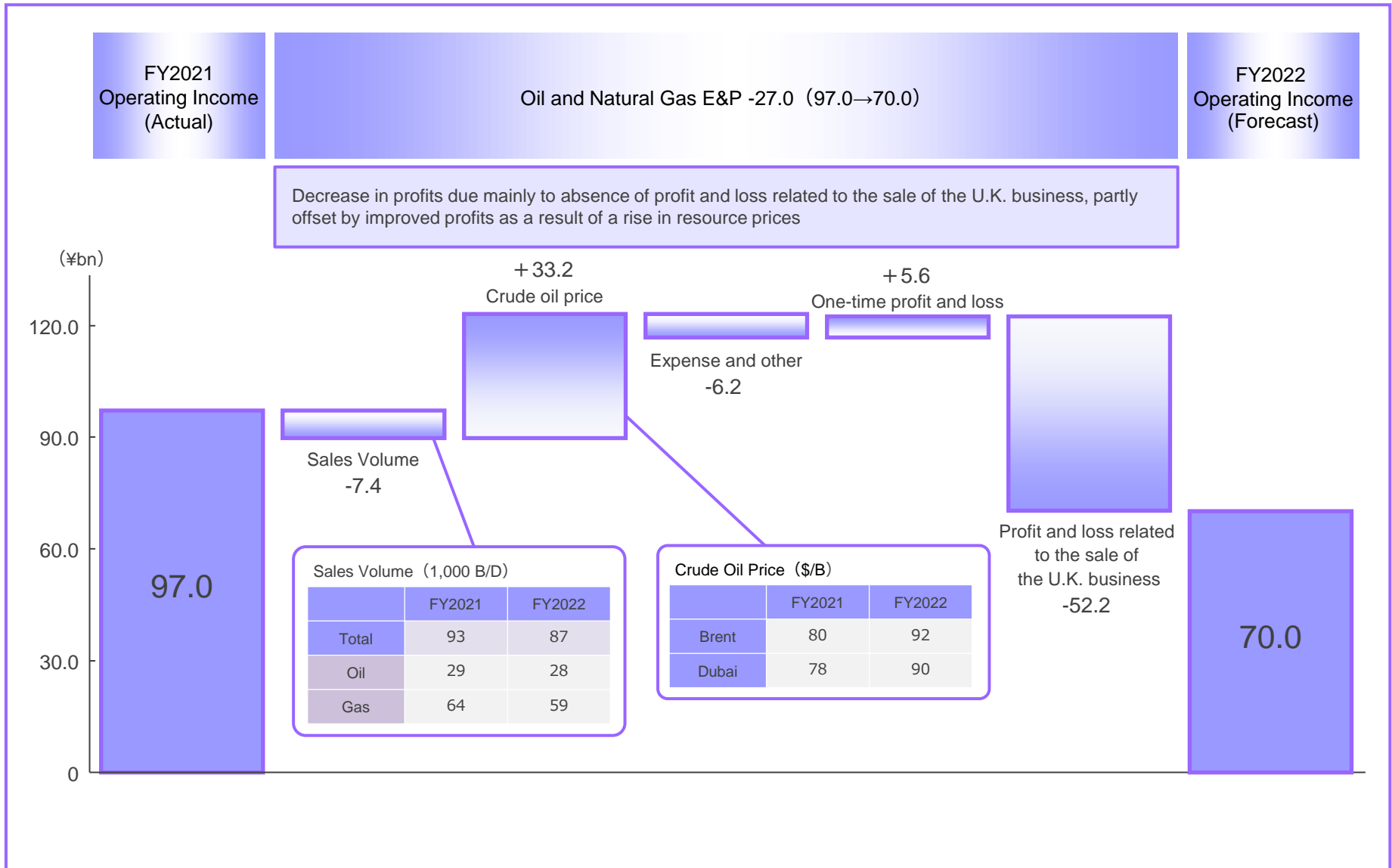
FY2021 Operating Income Excl. inventory valuation (Actual)	Energy -17.2 (107.2→90.0)				FY2022 Operating Income Excl. inventory valuation (Forecast)
	Petroleum Products -43.2 (126.2→83.0)	Petrochemicals +4.8 (-6.8→-2.0)	Electric Power -7.0 (-19.0→-26.0)	Materials +28.2 (6.8→35.0)	

Decrease in profits due mainly to absence of a positive time lag from FY2021. However, improvement in substantial profit is expected due mainly to improved utilization of refineries, increased export volume and profit contribution from acquisition of the elastomers business.



Changes in Operating Income vs FY2021

- Oil and Natural Gas E&P Segment -

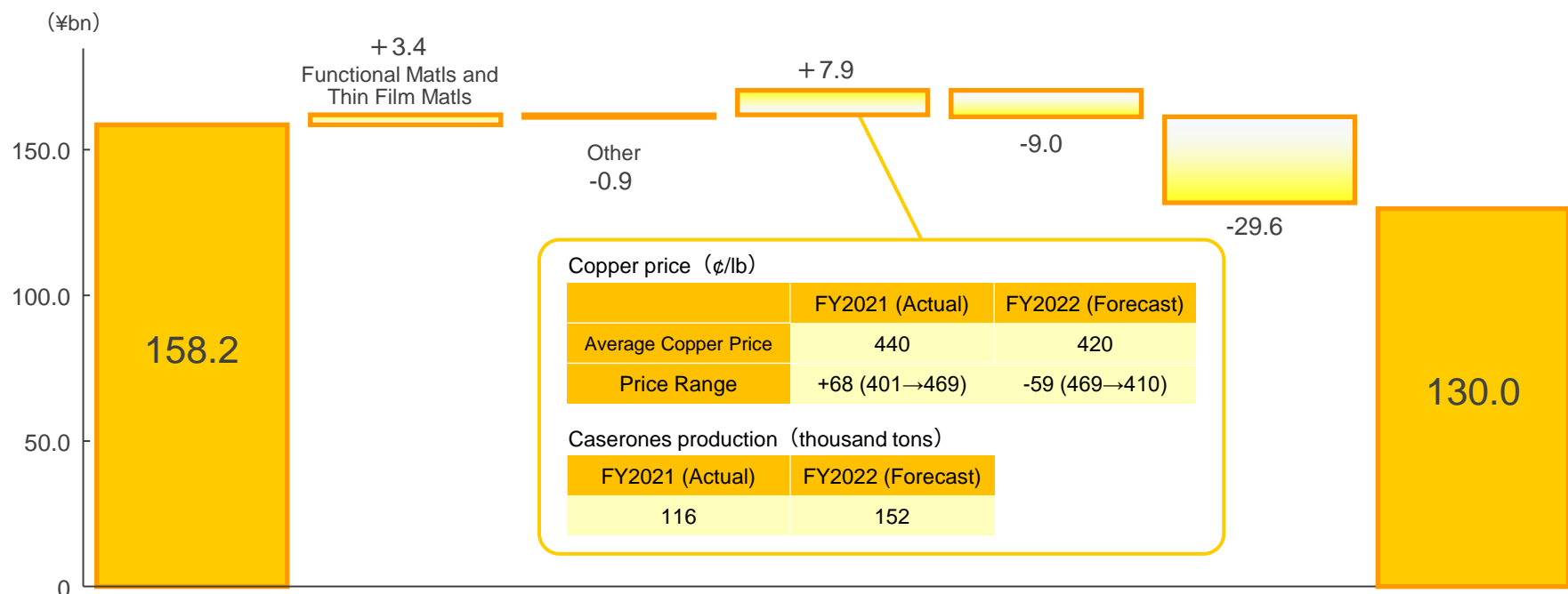


Changes in Operating Income vs FY2021

- Metals Segment -

FY2021 Operating Income (Actual)	Metals -28.2 (158.2→130.0)				FY2022 Operating Income (Forecast)
	Functional Mats, Thin Film Mats and other +2.5 (54.5→57.0)	Mineral Resources +7.9 (72.1→80.0)	Smelting & Recycling -9.0 (41.0→32.0)	Non-allocated corporate expenses and other -29.6 (-9.4→-39.0)	

Decrease in profits due mainly to a fall in resource prices such as copper, etc. and higher expenses, partly offset by improvement in production of Caserones copper mine.



Consolidated Statement of Cash Flows

Consolidated Cash Flows

FY2022 (Forecast)

(¥bn)		Excl. IFRS 16 Leases
Operating income (Excl. inventory valuation)	340.0	340.0
Depreciation and amortization	350.0	280.0
Working capital and other	-110.0	-110.0
Cash flows from operating activities	580.0	510.0
without the effects of non-business days	580.0	510.0
Capital investment	-776.4	-776.4
Asset sales and other	156.4	156.4
Cash flows from investing activities	-620.0	-620.0
Free cash flows	-40.0	-110.0
without the effects of non-business days	-40.0	-110.0
Dividends and other	-290.0	-220.0
Net cash flows	-330.0	-330.0
without the effects of non-business days	-330.0	-330.0

Incl. -¥100.0 bn share buyback

Reference

Key Factors

			FY2019	FY2020	FY2021	FY2022
			Actual	Actual	Actual	Forecast
All segments	Exchange rate	¥/\$	109	106	112	120
Energy	Crude oil (Dubai)	\$/B	60	45	78	90
Oil and Natural Gas E&P	Sales volume (Crude oil equivalent) ¹	1,000 B/day	106	125	93	87
	Crude oil (Brent)	\$/B	62	46	80	92
Metals	Copper (LME)	¢/lb	266	312	440	420 ³
	Equity entitled copper mine production ²	1,000 tons/period or year	213	194	195	243
	PPC copper cathode sales	1,000 tons/period or year	630	634	586	647
	Precision rolled products sales	1,000 tons/month	3.3	3.6	3.9	3.9

1 Excluding the U.K. sales volume from FY2021

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

3 Apr.~ Jun. FY2022 450¢/lb
From Jul. FY2022 410¢/lb

Sensitivity Analysis

■ Impact of index change on operating income in FY2022 (From Apr. 2022)

Index	Change	Segment	Impact	(¥bn)
Crude Oil (Dubai)	+ 5\$/B	Energy	-	4.0
		Oil & Natural Gas E&P	+	7.0
		Subtotal	+	3.0
		Inventory Valuation	+	39.0
		Total	+	42.0
Copper (LME)	+ 10¢/lb	Metals	+	5.0
		Total	+	5.0
Exchange Rate	5¥/\$ Yen Depreciation	Energy	+	6.0
		Oil & Natural Gas E&P	+	3.0
		Metals	+	9.0
		Subtotal	+	18.0
		Inventory Valuation	+	29.0
Total	+	47.0		

Major Progress from April 2021 ~ May 2022 ①

<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 the functions (refinery / plant / logistics) of Wakayama Refinery <p>Reinforce international competitiveness by introducing DX</p> <ul style="list-style-type: none"> Achieved automatic operation of a petrochemical plant using AI <p>Divestiture of non-core businesses</p> <ul style="list-style-type: none"> Decision made to sell oil and natural gas E&P business in the U.K. Withdrawal from the E&P business in Myanmar Privatization of NIPPO Corporation 	<p>Plan to terminate in Oct. 2023</p> <p>Announced in Dec. 2021</p> <p>Completed in Mar. 2022</p> <p>Announced in May 2022</p> <p>Completed in Mar. 2022</p>
<p>Petrochemicals</p> <p>Materials</p>	<p>Expansion / Acquisition of technology-based businesses</p> <p>Petrochemicals</p> <ul style="list-style-type: none"> Started joint chemical recycling of plastic waste with Mitsubishi Chemical Corp. Conducted a joint feasibility study on ethylene derivatives derived from bio-based raw materials. <p>Materials (Energy segment)</p> <ul style="list-style-type: none"> Increased production capacity of polyethylene for ultra-high and high-voltage wire insulation Acquisition of JSR Corporation's elastomers business <p>Materials (Metals segment)</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 <p style="text-align: center;"> { New Factory : Hitachi City, Ibaraki Acquisition of large site : Hitachinaka City, Ibaraki / Arizona, the U.S } </p>	<p>Start operation from FY 2023</p> <p>Commercialize in and after FY 2027</p> <p>Start operation from 2023</p> <p>Completed in April 2022</p> <p>Start operation in and after FY2024</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 Signed a basic agreement with Shizuoka City on the promotion of next-generation energy and community development <p>Feasibility study for commercialization of next-generation fuel</p> <ul style="list-style-type: none"> Started a joint feasibility study with TotalEnergies for commercialization of sustainable aviation fuel 	<p>Started operation in Oct. 2021</p> <p>Plan to start operation from 2024</p> <p>Announced in Apr. 2022</p>

Major Progress from April 2021 ~ May 2022 ②

Next-Generation Energy Supply

Expand renewable energy businesses

- ✓ Completed acquisition of shares of Japan Renewable Energy Corporation
- ✓ Participated in domestic and international solar-power projects (Domestic) Sanda City, Hyogo, etc. (International) Texas, etc.
- ✓ 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

Acquired the shares in Jan. 2022

In operation / Start operation sequentially

Start operation from Jan. 2024

Announced in Jul. 2021

Establish a CO2-free hydrogen supply chain

- ✓ Achieved expansion of CO2-free hydrogen supply chain demonstration using a low-cost organic hydride production process¹
- ✓ Collaboration for expansion of hydrogen usage with (Municipalities) Kawasaki City, Yokohama City, etc., (Company) TOYOTA (Woven City), etc.
- ✓ Started collaborative studies toward the development of a CO2-free hydrogen supply chain between Japan and Australia, and Japan and Malaysia

Announced in Nov. 2021

As occasion calls

Announced in Sep. 2021

Environmentally conscious & next-generation businesses, etc.

Enhance environmentally conscious businesses

CCS/CCUS

- ✓ Concluded a comprehensive collaboration agreement with 8 Rivers Capital, LLC to expand environmentally conscious businesses
- ✓ Re-signed an MOU with PT Pertamina to expand the scope of joint studies in energy segment in general utilization of CCS technology
- ✓ Signed a joint study agreement for a CO2 capture and storage hub project in offshore Australia
- ✓ Received approval for the development plan of the Tangguh LNG project, including a CCUS project
- ✓ Started CCS feasibility study for carbon neutral energy supply with J-POWER

Announced in Nov. 2021

Announced in Nov. 2021

Announced in Aug. 2021

Start making basic design from 2022

Announced in May 2022

Recycling

- ✓ Established a new company in Europe to promote LiB recycling and battery materials projects
- ✓ Start joint project with Bridgestone Corp. focused on producing raw materials for tire from used tires

Announced in Jul. 2021

Commercialize in and after FY2030

Pursue new services

- ✓ Development / demonstration of new services using Service Stations (In commercial operation) Car-lease, etc. (In demonstration/under consideration) Expansion of EV charging network, drone sharing/facility inspection
- ✓ Established Gachaco, Inc. with Honda Motor Co., Ltd., providing sharing service of standardized swappable batteries for electric motorcycles
- ✓ Started to provide "Matlantis™", a high-speed universal atomistic simulator, through PFCC¹

As occasion calls

Announced in Mar. 2022

Start operation from Jul. 2021

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.