

# Presentation on Results for the 1<sup>st</sup> Quarter FY2022

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## ■ Highlights

# Results for the 1Q FY2022

## ■ Summary

- ✓ Quarterly operating + equity income (“segment income”) increased by ¥124.5 billion, driven by inventory impact (YoY+¥89.9 billion) due to crude oil price increase
- ✓ Segment income excluding inventory impact increased by only ¥34.6 billion. Coal price increase and Petroleum segment’s positive time-lag and improved export margin supported income, which was partially offset by cost increase such as refining fuel

[¥ billions]

	FY2021 1Q	FY2022 1Q	Change
<b>Operating Income + Equity Income</b>	119.6	244.1	124.5
<i>Inventory impact</i>	69.3	159.2	89.9
<i>Excluding inventory impact</i>	50.3	84.9	34.6
<b>Net Income Attributable to Owners of the Parent</b>	88.4	179.3	90.9
<i>Excluding inventory impact</i>	40.3	68.9	28.6

# Forecasts for FY2022

## ■ Summary

- ✓ Performance forecasts were revised upwards in light of the large discrepancy between current market and the latest forecasts on resource prices, Singapore product margins, and foreign exchange rates, as well as 1Q progress toward full-year forecasts
- ✓ The outperformed earnings will be allocated to strategic investment related to carbon neutrality and shareholder returns

[¥ billions]

	5/10 Forecast	Revised Forecast	Change
<b>Operating Income + Equity Income</b>	210.0	400.0	190.0
<i>Inventory impact</i>	50.0	140.0	90.0
<i>Excluding inventory impact</i>	160.0	260.0	100.0
<b>Net Income Attributable to Owners of the Parent</b>	165.0	280.0	115.0
<i>Excluding inventory impact</i>	130.0	180.0	50.0

## ■ FY2022 shareholder returns / dividends forecast

- ✓ No change from the previous disclosure
- ✓ Total payout ratio of over 50% on cumulative net income excluding inventory impact from FY2020-22 and stable dividends of ¥120 per share

# Forecasts for FY2022

## ■ Major items affecting performance by changes in assumptions (FY2022 2-4Q)

- ✓ While we have revised our forecasts, the environment remains unclear due to various factors including the Russia/Ukraine situation and global inflation
- ✓ Key assumptions may change significantly in the future, involving the following expected impacts:

	Assumption Items	Revised assumption (from Jul. )	Range of fluctuation	Segment	Income impact (¥ billions)	Contents
Excluding inventory impact	Crude oil price	100.0\$/bbl	±10\$/bbl	Petroleum	±10.0	Refining fuel cost, time-lag
	Singapore product margin	—	±5\$/bbl		±30.0	Export (core products and jet)
	Exchange rate	135.0¥/\$	±5¥/\$		±10.0	Refining fuel cost, time-lag, export
	Thermal coal price	300.0\$/t	±10\$/t	Resources (Coal)	±3.5	Thermal coal
Inventory impact	Crude oil price	100.0\$/bbl	±10\$/bbl	Petroleum	±50.0	
	Exchange rate	135.0¥/\$	±5¥/\$		±20.0	

\* In the petroleum segment, only performance impacts on products made in domestic refineries are shown. In addition to the above, income will also be affected by sales of overseas locations

\* Impact during 3-4Q shown for the resources segment (coal), as its fiscal year ends in Dec.

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## ■ Results for the 1Q FY2022

# Key Topics

## ■ Trends in Petroleum Demand

- ✓ Easing of restricted activities under COVID-19 led to recovery of demand for core products and jet fuel in 1Q
- ✓ Demand recovery continued in July due to growth supported by weather trends

	FY20	FY21	FY22 1Q results	FY22 Jul. (flash)
Core products	94.6%	98.6%	<b>101.2%</b>	<b>105.4%</b>
Gasoline	90.4%	99.6%	<b>102.4%</b>	<b>103.1%</b>
Jet fuel	54.2%	126.0%	<b>141.6%</b>	<b>138.9%</b>

\* Idemitsu sales growth rate (y-o-y)

## ■ P/L impact of terminating refinery operations at Seibu Oil's Yamaguchi Refinery

- ✓ Reached a decision to terminate refinery operations by March 2024, in light of a decrease in structural demand (due to the aging society and decreasing population) and the global trend towards decarbonization
- ✓ Reported ¥7.2 billion in extraordinary losses for revaluation of existing shares associated with becoming a subsidiary

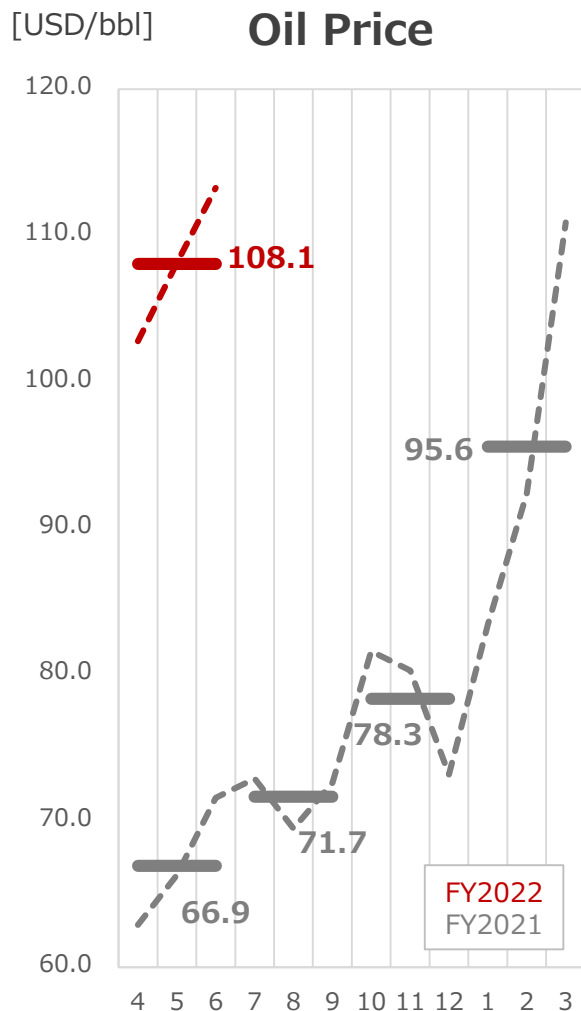
## ■ Nghi Son Refinery in Vietnam

- ✓ Jan-Mar equity income basically at break-even supported by time lag effects and strong product margins in Singapore, despite a temporary decrease in capacity utilization
- ✓ Apr-Jun margins improved further and operations have been at full capacity since May

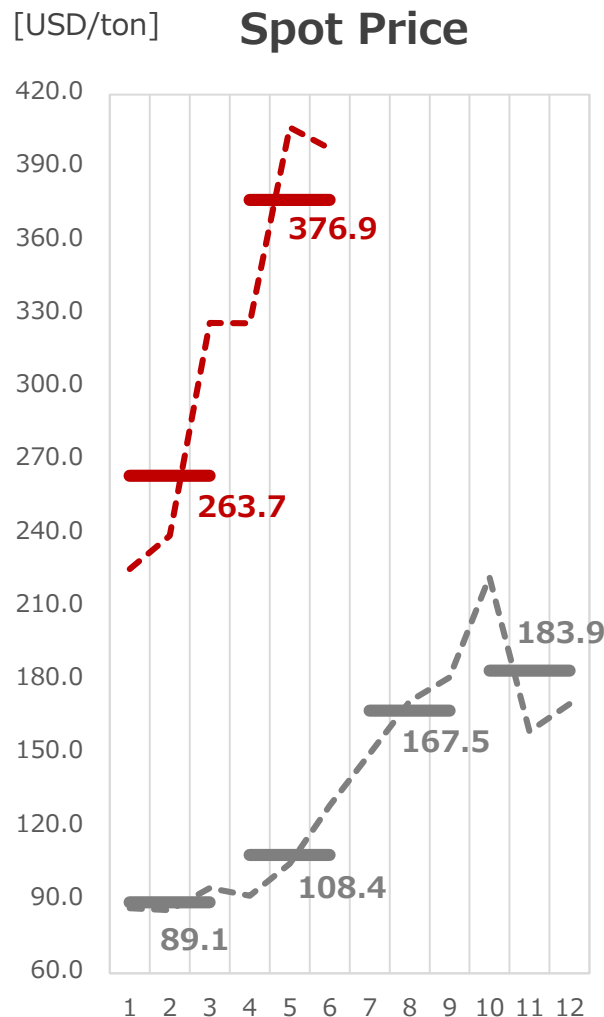


# Operating Environment

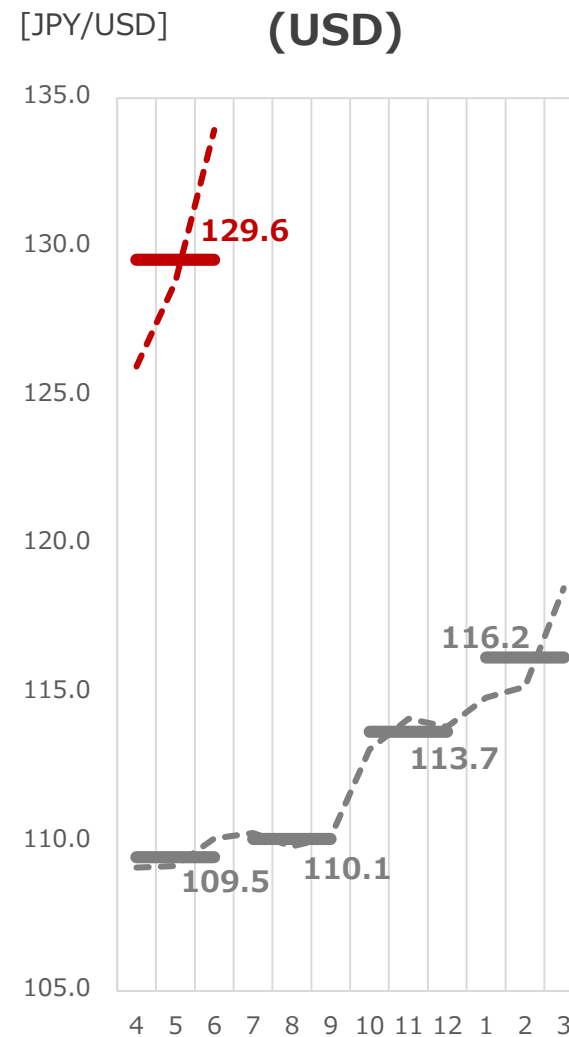
## Dubai Crude



## Australian Coal



## Exchange Rate



# Overview

## ■ Crude Oil/Coal/Exchange Rate

[USD/bbl, USD/ton, JPY/USD]

	FY2021 1Q	FY2022 1Q	Change	
Crude Oil (Dubai)	66.9	108.1	41.1	+61.4%
Crude Oil (Brent)*	60.9	101.4	40.5	+66.6%
Australian Coal Spot Price*	89.1	263.7	174.6	+196.0%
Exchange Rate (TTM)	109.5	129.6	20.1	+18.3%

\*Brent prices and Australian coal spot prices are averages based on the calendar year (Jan-Mar).

## ■ Consolidated Income Statement(Summary)

[¥ billions]

	FY2021 1Q	FY2022 1Q	Change	
Net Sales	1,302.3	2,204.7	902.4	+69.3%
Operating Income	111.3	233.6	122.3	+109.9%
<i>Inventory impact</i>	69.3	159.2	89.9	+129.8%
Equity Income	8.3	10.5	2.2	+26.7%
<b>Operating Income + Equity Income</b>	<b>119.6</b>	<b>244.1</b>	<b>124.5</b>	<b>+104.2%</b>
<b><i>Excluding inventory impact</i></b>	<b>50.3</b>	<b>84.9</b>	<b>34.6</b>	<b>+68.8%</b>
Ordinary Income	123.6	245.0	121.4	+98.2%
Extraordinary Gain/Loss	7.5	8.9	1.4	+18.9%
<b>Net Income Attributable to Owners of the Parent</b>	<b>88.4</b>	<b>179.3</b>	<b>90.9</b>	<b>+102.9%</b>
<b><i>Excluding inventory impact</i></b>	<b>40.3</b>	<b>68.9</b>	<b>28.6</b>	<b>+70.8%</b>

# Segment Information

## ■ Operating + Equity Income

[¥ billions]

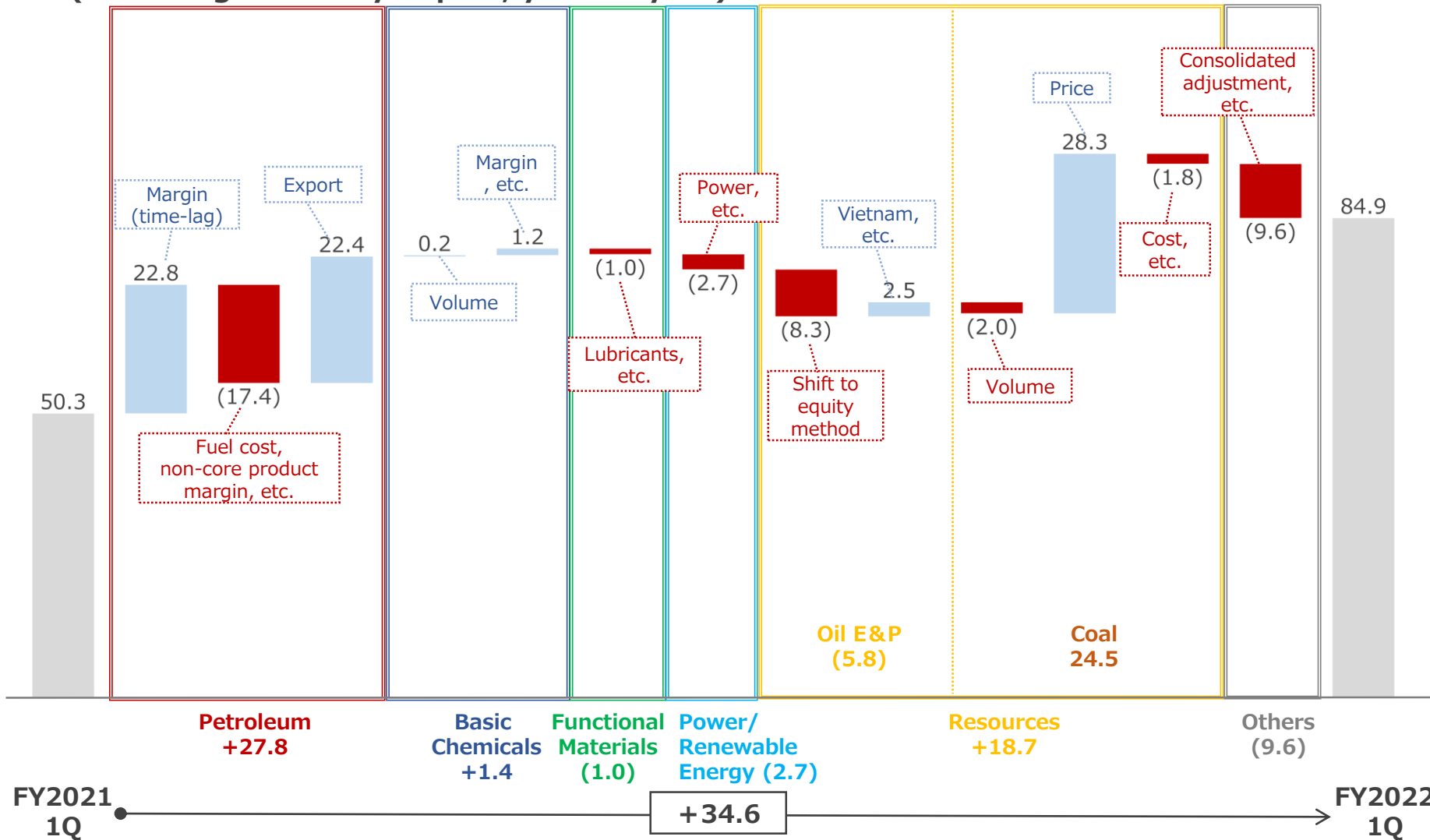
	FY2021 1Q	FY2022 1Q	Change	
<b>Petroleum</b>	<b>98.9</b>	<b>216.6</b>	<b>117.7</b>	<b>+119.1%</b>
<i>Excluding inventory impact</i>	<i>29.6</i>	<i>57.4</i>	<i>27.8</i>	<i>+93.9%</i>
<b>Basic Chemicals</b>	<b>6.7</b>	<b>8.1</b>	<b>1.4</b>	<b>+20.6%</b>
<b>Functional Materials</b>	<b>4.3</b>	<b>3.3</b>	<b>(1.0)</b>	<b>(23.7%)</b>
<b>Power and Renewable Energy</b>	<b>(1.0)</b>	<b>(3.7)</b>	<b>(2.7)</b>	<b>—</b>
<b>Resources*</b>	<b>13.0</b>	<b>31.7</b>	<b>18.7</b>	<b>+144.4%</b>
<i>Oil Exploration and Production</i>	<i>12.4</i>	<i>6.5</i>	<i>(5.8)</i>	<i>(47.0%)</i>
<i>Coal</i>	<i>0.6</i>	<i>25.1</i>	<i>24.5</i>	<i>—</i>
<b>Others/Reconciliation</b>	<b>(2.3)</b>	<b>(11.9)</b>	<b>(9.6)</b>	<b>—</b>
<b>Total</b>	<b>119.6</b>	<b>244.1</b>	<b>124.5</b>	<b>+104.2%</b>
<i>Excluding inventory impact</i>	<i>50.3</i>	<i>84.9</i>	<i>34.6</i>	<i>+68.8%</i>

\*Fiscal year for Coal Oil E&P and Coal included in the Resources Segment end in Dec.

# Segment Information

## Factors Affecting Operating + Equity Income (excluding inventory impact, year on year)

[ ¥ billions ]



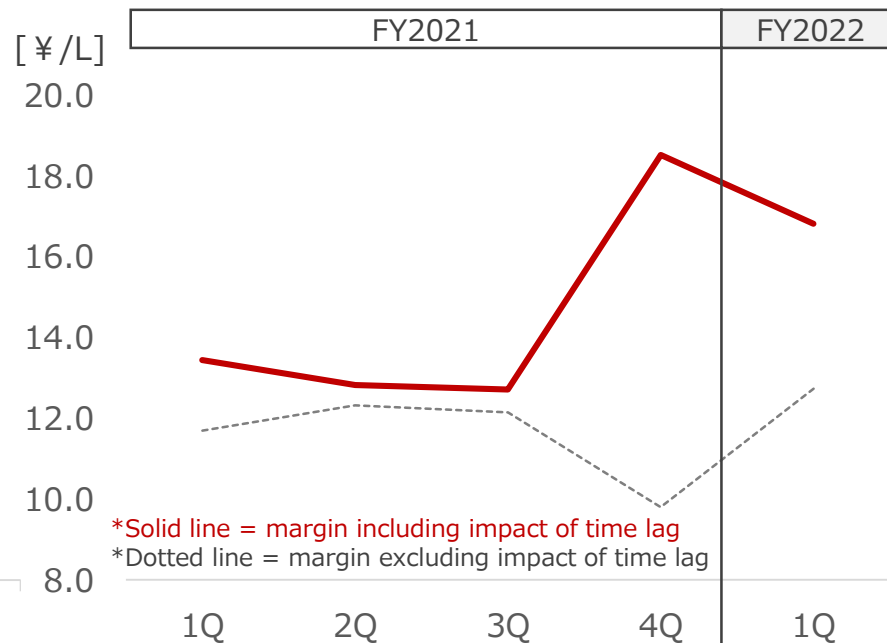
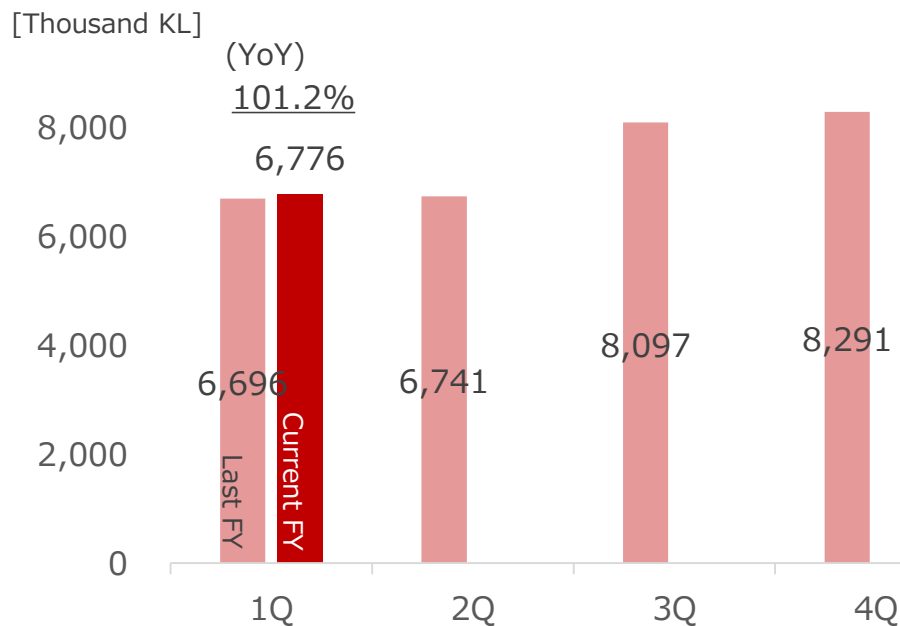
# Segment Information

**[Petroleum]** YoY + ¥27.8bn (FY21 1Q : ¥29.6bn → FY22 1Q : ¥57.4bn)

[Y-o-y change in Petroleum sales volume (core products)]

[Trends in Domestic Petroleum Product Margin\*]

\*Average margin of gasoline, diesel oil, kerosene, and heavy oil A (domestic spot - crude oil)



- ✓ Sales volume of core products increased y-o-y, due to easing of activity restrictions under COVID-19
- ✓ Domestic product margins improved y-o-y, mainly due to positive time-lag effects resulting from increased crude oil prices, which was partially offset by increased refining fuel costs
- ✓ Totally increased supported by improved export income as a result of increased product margins in Singapore

# Segment Information

**[Basic Chemicals]** YoY ¥1.4 bn (FY21 1Q : ¥6.7 bn ➔ FY22 1Q : ¥8.1 bn)

- ✓ PX and MX margins increased due to tighter supply/demand balance, while SM margin decreased in response to major SDMs in Asia in the last FY
- ✓ Increase in fuel costs, etc. offset improvements in product margins

[USD/ton]

Product	FY2021 1Q		FY2022 1Q		Change	
	Price	Margin	Price	Margin	Price	Margin
PX	859	<b>253</b>	1,259	<b>384</b>	+400	<b>+131</b>
MX	768	<b>162</b>	1,200	<b>324</b>	+432	<b>+162</b>
SM	1,260	<b>655</b>	1,417	<b>541</b>	+156	<b>(113)</b>

**[Functional Materials]** YoY -¥1.0 bn (FY21 1Q : ¥4.3 bn ➔ FY22 1Q : ¥3.3 bn)

- ✓ Lubricants: Decreased due to negative time-lag effects associated with increased crude oil prices
- ✓ Functional chemicals: Decreased due to reduced spreads for some products
- ✓ Electronic materials: Unchanged due to lockdowns in China, etc.

**[Power and Renewable Energy]** YoY -¥2.7 bn (FY21 1Q : -¥1.0 bn ➔ FY22 1Q : -¥3.7 bn)

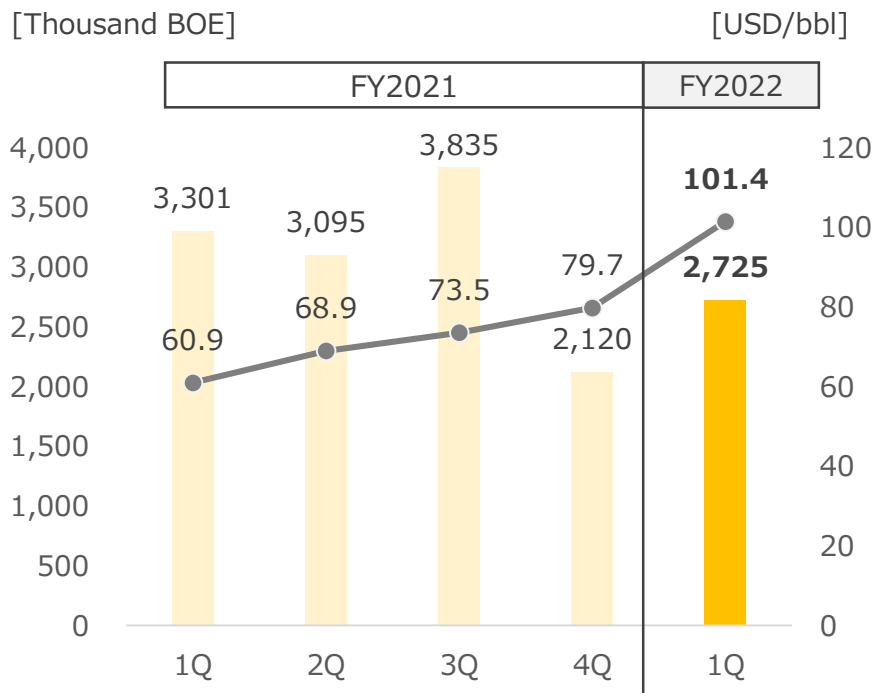
- ✓ Power business: Decreased mainly due to increased procurement costs
- ✓ Solar Frontier: terminated solar panel production in June as planned. P/L remained largely unchanged

# Segment Information

**[Oil E&P]** YoY -¥5.8 bn

(FY21 1Q : ¥12.4bn ➔ FY22 1Q : ¥6.5 bn)

**<Crude Oil Production Volume and Brent Crude Oil Price Trends>**



- ✓ Decreased due to Norwegian subsidiary becoming an equity-method affiliate
- ✓ Production volume recovered in Vietnam

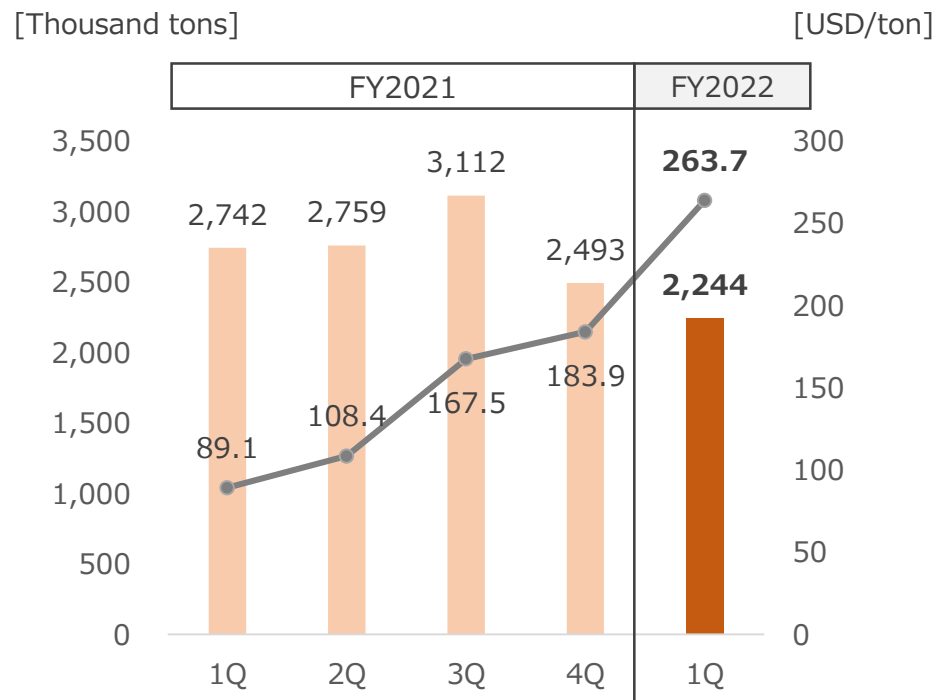
\*Figures reflect share of rights owned in resource development affiliates

\*IIN became an equity-method affiliate in FY2021 4Q

**[Coal]** YoY ¥24.5 bn

(FY21 1Q : ¥0.6bn ➔ FY22 1Q : ¥25.1 bn)

**<Coal Production Volume and Australian Coal Spot Price Trends>**



- ✓ Increased due to soaring coal prices
- ✓ Production volume decreased due to poor weather and scale reduction of mines

\*Shares of Malinau mines in Indonesia (Mitrabara) sold during FY2021

# Balance Sheet

[¥ billions]

	3/31/2022	6/30/2022	Change		3/31/2022	6/30/2022	Change
Cash and Deposits	140.3	161.4	21.1	Total Current Liabilities	2,061.3	2,402.2	340.9
Receivables, Inventory, etc.	2,227.8	2,670.2	442.4	Total Fixed Liabilities	1,103.4	1,156.0	52.6
Total Current Assets	2,368.1	2,831.6	463.5	Total Liabilities	3,164.7	3,558.2	393.5
Tangible Fixed Assets	1,437.8	1,472.7	34.9	Shareholders' Equity and Other Comprehensive Income	1,412.1	1,570.7	158.6
Other Fixed Assets	795.3	849.3	54.0	Non-controlling Interests	24.4	24.7	0.3
Total Fixed Assets	2,233.1	2,322.0	88.9	Total Net Assets	1,436.5	1,595.4	158.9
Total Assets	4,601.2	5,153.6	552.4	Total Liabilities and Net Assets	4,601.2	5,153.6	552.4

Impact of Seibu Oil becoming a subsidiary  
Both assets and liabilities are increased by around +¥150 billion\*

\*amount after the elimination of transactions among companies

Net D/E ratio	0.87	0.91	0.04
Total Interest-bearing debt	1,364.9	1,586.4	221.5
Equity ratio	30.7%	30.5%	(0.2%)



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## ■ Forecasts for FY2022

# Forecasts for FY2022

## ■ Crude Oil/Coal/Exchange Rate

[USD/bbl, USD/ton, JPY/USD]

	5/10 Forecasts	Revised Forecasts	Change		Assumptions (from Jul.)
Crude Oil (Dubai)	100.0	102.0	2.0	+2.0%	100.0
Crude Oil (Brent)*	102.5	105.1	2.6	+2.5%	102.5
Australian Coal Spot Price *	180.0	310.1	130.1	+72.3%	300.0
Exchange Rate (TTM)	120.0	133.6	13.6	+11.4%	135.0

\*Brent prices and Australian coal spot prices are averages based on the calendar year (Jan-Dec).

## ■ Consolidated Income Statement(Summary)

[¥ billions]

	5/10 Forecasts	Revised Forecasts	Change	
Net Sales	8,600.0	9,260.0	660.0	+7.7%
Operating Income	190.0	375.0	185.0	+97.4%
<i>Inventory impact</i>	<i>50.0</i>	<i>140.0</i>	<i>90.0</i>	<i>+180.0%</i>
Equity Income	20.0	25.0	5.0	+25.0%
<b>Operating Income + Equity Income</b>	<b>210.0</b>	<b>400.0</b>	<b>190.0</b>	<b>+90.5%</b>
<b><i>Excluding inventory impact</i></b>	<b><i>160.0</i></b>	<b><i>260.0</i></b>	<b><i>100.0</i></b>	<b><i>+62.5%</i></b>
Ordinary Income	210.0	400.0	190.0	+90.5%
Extraordinary Gain/Loss	10.0	4.0	(6.0)	(60.0%)
<b>Net Income Attributable to Owners of the Parent</b>	<b>165.0</b>	<b>280.0</b>	<b>115.0</b>	<b>+69.7%</b>
<b><i>Excluding inventory impact</i></b>	<b><i>130.0</i></b>	<b><i>180.0</i></b>	<b><i>50.0</i></b>	<b><i>+38.5%</i></b>

# Segment Information

## ■ Operating + Equity Income

[¥ billions]

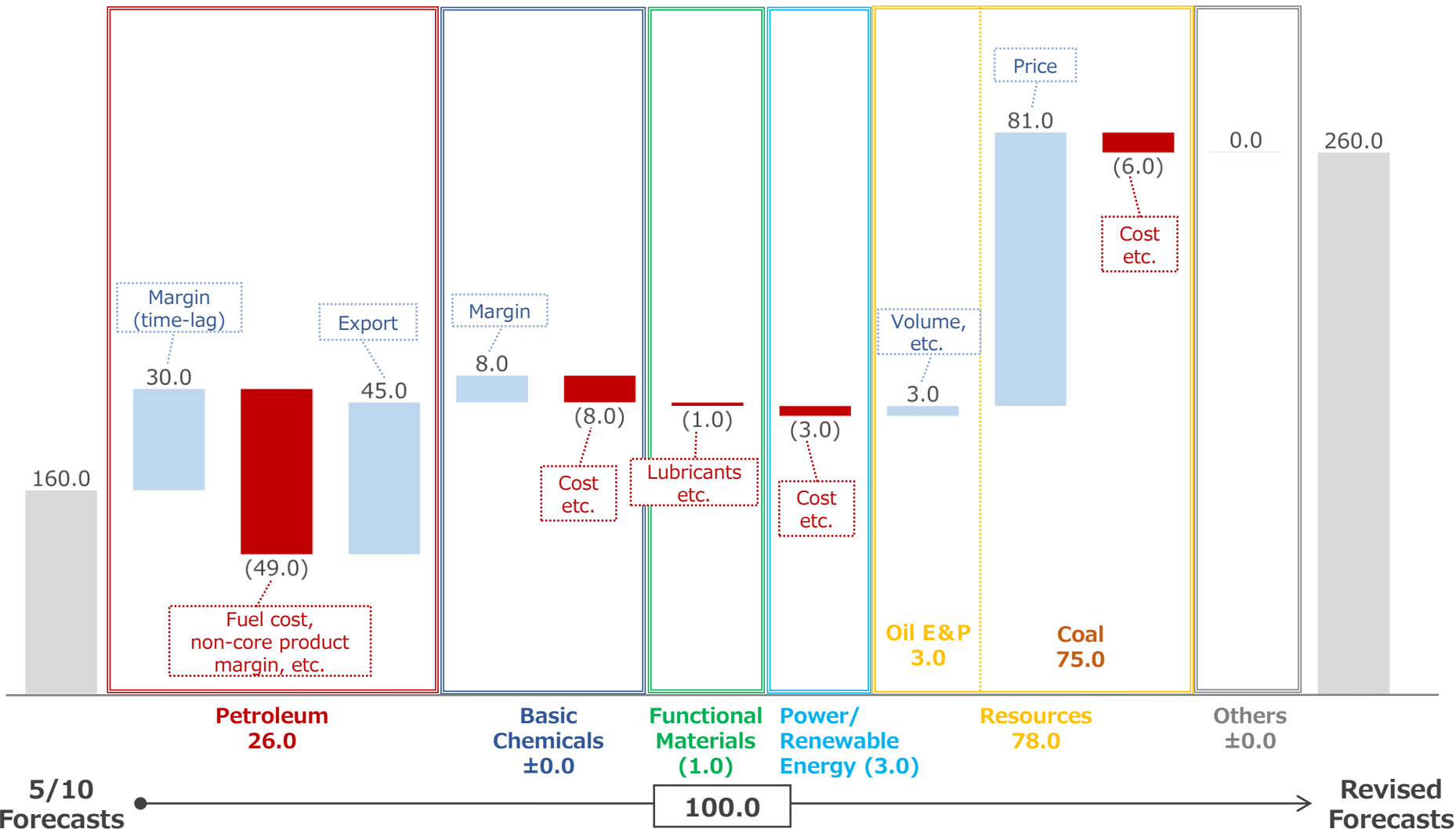
	5/10 Forecasts	Revised Forecasts	Change	
<b>Petroleum</b>	<b>100.0</b>	<b>216.0</b>	<b>116.0</b>	<b>+116.0%</b>
<i>Excluding inventory impact</i>	<i>50.0</i>	<i>76.0</i>	<i>26.0</i>	<i>+52.0%</i>
<b>Basic Chemicals</b>	<b>10.0</b>	<b>10.0</b>	<b>–</b>	<b>–</b>
<b>Functional Materials</b>	<b>20.0</b>	<b>19.0</b>	<b>(1.0)</b>	<b>(5.0%)</b>
<b>Power and Renewable Energy</b>	<b>(6.0)</b>	<b>(9.0)</b>	<b>(3.0)</b>	<b>–</b>
<b>Resources*</b>	<b>100.0</b>	<b>178.0</b>	<b>78.0</b>	<b>+78.0%</b>
<i>Oil Exploration and Production</i>	<i>20.0</i>	<i>23.0</i>	<i>3.0</i>	<i>+15.0%</i>
<i>Coal</i>	<i>80.0</i>	<i>155.0</i>	<i>75.0</i>	<i>+93.8%</i>
<b>Others/Reconciliation</b>	<b>(14.0)</b>	<b>(14.0)</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>210.0</b>	<b>400.0</b>	<b>190.0</b>	<b>+90.5%</b>
<i>Excluding inventory impact</i>	<i>160.0</i>	<i>260.0</i>	<i>100.0</i>	<i>+62.5%</i>

\*Fiscal year for Oil E&P and Coal included in the Resources Segment end in Dec.

# Segment Information

- Factors Affecting Operating + Equity Income (excluding inventory impact, Compared to the 5/10 forecasts)

[¥ billions]



# Segment Information

**[Petroleum]** YoY +¥26.0 bn (5/10 forecast: ¥50.0 bn ➔ Revised forecast: ¥76.0 bn)

- ✓ Expected positive time-lag effects and higher Singapore product margins are partially offset by increases in refining fuel costs and non-core products margins

**[Basic Chemicals]** YoY ±¥0.0 bn (5/10 forecast : ¥10.0 bn ➔ Revised forecast : ¥10.0 bn)

- ✓ While assumptions for margins improved relative to those announced on May 10, forecasts remained unchanged due to fuel costs and so on

[USD/ton]

Product	5/10 Forecasts		Revised Forecasts		Change	
	Price	Margin	Price	Margin	Price	Margin
PX	1,160	<b>240</b>	1,210	<b>330</b>	50	<b>90</b>
MX	1,030	<b>110</b>	1,140	<b>260</b>	110	<b>150</b>
SM	1,360	<b>440</b>	1,340	<b>460</b>	(20)	<b>20</b>

**[Functional Materials]** YoY -¥1.0 bn (5/10 forecast : ¥20.0 bn ➔ Revised forecast: ¥19.0 bn)

- ✓ Forecasts were revised in light of negative time-lag in the lubricant business

# Segment Information

## [Power and Renewable Energy]

YoY -¥3.0 bn (5/10 forecast : -¥6.0 bn ➡ Revised forecast: -¥9.0 bn)

- ✓ Forecasts were revised downward due to increased procurement costs in the power business

## [Oil E&P] YoY +¥3.0 bn (5/10 forecast : ¥20.0 bn ➡ Revised forecast : ¥23.0 bn)

- ✓ Forecasts were revised upward in light of 1Q performance

## [Coal] YoY +¥75.0 bn (5/10 forecast : ¥80.0 bn ➡ Revised forecast : ¥155.0 bn)

- ✓ Forecasts were revised upward due to the coal market assumption revised to \$300/t after July
- ✓ On the other hand, increased royalties and risk of decrease in production were also considered into forecasts

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## ■ Reference Materials

# Topics on the progress in the mid-term plan

## ■ **Announcement on the Acquisition of Shares in Seibu Oil Company Limited (to make it a subsidiary) (Petroleum/Basic Chemicals)**

- ✓ Review the Idemitsu group's manufacturing and supply frameworks in response to reduced domestic demand for petroleum products
- ✓ Terminate refiner operations at Yamaguchi Refinery by March 2024

(Link to our press release)

<https://www.idemitsu.com/en/news/2022/220614.html>

## ■ **Discussions toward establishing a hydrogen supply chain based in the Ise Bay Area with JERA (Petroleum/Basic Chemicals)**

- ✓ Selected the Ise Bay Area, where many industries are concentrated
- ✓ Establishing hydrogen receiving/storage/processing/exhaustion centers to rapidly establish a supply chain

(Link to our press release)

<https://www.idemitsu.com/en/news/2022/220616.html>

## ■ **Joint development of high-performance materials for all-solid-state batteries with Umicore S.A. (Functional Materials)**

- ✓ Leverage the know-how and technology of both parties to accelerate development of functional materials
- ✓ Develop and improve on all-solid-state batteries to contribute to commercialization and widespread use

(Link to our press release)

<https://www.idemitsu.com/en/news/2022/220623.html>



# Financial Results

## ■ Net Sales by segment

[¥ billions]

	FY2021 1Q	FY2022 1Q	Change	
<b>Petroleum</b>	<b>998.7</b>	<b>1,754.2</b>	<b>755.5</b>	<b>+75.6%</b>
<b>Basic Chemicals</b>	<b>121.8</b>	<b>187.7</b>	<b>66.0</b>	<b>+54.2%</b>
<b>Functional Materials</b>	<b>95.1</b>	<b>120.4</b>	<b>25.3</b>	<b>+26.7%</b>
<b>Power and Renewable Energy</b>	<b>25.7</b>	<b>36.4</b>	<b>10.7</b>	<b>+41.7%</b>
<b>Resources*</b>	<b>60.3</b>	<b>105.4</b>	<b>45.1</b>	<b>+74.7%</b>
<i>Oil Exploration and Production</i>	<i>25.1</i>	<i>8.3</i>	<i>(16.8)</i>	<i>(67.0%)</i>
<i>Coal</i>	<i>35.2</i>	<i>97.1</i>	<i>61.9</i>	<i>+175.5%</i>
<b>Others/Reconciliation</b>	<b>0.7</b>	<b>0.6</b>	<b>(0.1)</b>	<b>(18.8%)</b>
<b>Total</b>	<b>1,302.3</b>	<b>2,204.7</b>	<b>902.4</b>	<b>+69.3%</b>

\*Fiscal year for Oil E&P and Coal included in the Resources Segment end in Dec.

# Financial Results

## ■ Quarterly segment income (cumulative, exc. inventory impact)

[¥ billions]

	FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q
Petroleum	29.6	45.1	73.7	136.5	57.4
Equity income	6.0	8.6	12.4	9.2	7.0
Basic Chemicals	6.7	10.9	7.6	8.2	8.1
Equity income	0.1	0.7	0.8	1.2	(0.1)
Functional Materials	4.3	10.2	14.2	17.1	3.3
Equity income	0.6	1.4	1.5	1.6	0.0
Power and Renewable Energy	(1.0)	(2.8)	(7.6)	(9.9)	(3.7)
Equity income	(0.0)	(0.1)	0.0	(1.7)	(0.4)
Resources					
-Oil Exploration and Production	12.4	17.3	34.9	38.7	6.5
Equity income	-	-	-	2.6	2.9
-Coal	0.6	4.2	21.5	42.3	25.1
Equity income	0.4	0.8	1.4	3.1	-
Others/Reconciliation	(2.3)	(3.6)	(10.2)	(16.6)	(11.9)
Equity income	1.2	1.3	2.1	(1.0)	1.1
<b>Total</b>	<b>50.3</b>	<b>81.3</b>	<b>134.2</b>	<b>216.2</b>	<b>84.9</b>
<b>Equity income</b>	<b>8.3</b>	<b>12.7</b>	<b>18.2</b>	<b>15.0</b>	<b>10.5</b>

\* IIN became an equity method affiliated company from FY21 4Q

# Financial Results

## ■ Quarterly segment income (Q on Q, exc. inventory impact)

[¥ billions]

	FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q
Petroleum	29.6	15.4	28.6	62.8	57.4
Equity income	6.0	2.6	3.8	(3.2)	7.0
Basic Chemicals	6.7	4.2	(3.3)	0.5	8.1
Equity income	0.1	0.5	0.1	0.5	(0.1)
Functional Materials	4.3	5.9	4.1	2.9	3.3
Equity income	0.6	0.8	0.1	0.1	0.0
Power and Renewable Energy	(1.0)	(1.8)	(4.8)	(2.3)	(3.7)
Equity income	(0.0)	(0.0)	0.1	(1.7)	(0.4)
Resources					
-Oil Exploration and Production	12.4	5.0	17.6	3.8	6.5
Equity income	-	-	-	2.6	2.9
-Coal	0.6	3.6	17.3	20.8	25.1
Equity income	0.4	0.4	0.6	1.7	-
Others/Reconciliation	(2.3)	(1.3)	(6.6)	(6.4)	(11.9)
Equity income	1.2	0.1	0.9	(3.1)	1.1
<b>Total</b>	<b>50.3</b>	<b>31.0</b>	<b>52.9</b>	<b>82.1</b>	<b>84.9</b>
<b>Equity income</b>	<b>8.3</b>	<b>4.4</b>	<b>5.6</b>	<b>(3.2)</b>	<b>10.5</b>

\* IIN became an equity method affiliated company from FY21 4Q

# Sales Volume

## ■ Petroleum

[thousand KL,%]

	FY 2021 1Q	FY 2022 1Q	Change	
Gasoline	3,074	3,148	74	2.4%
Naphtha	20	111	91	453.3%
Jet Fuel	377	534	157	41.6%
Kerosene	472	479	7	1.5%
Diesel Oil	2,446	2,456	9	0.4%
Heavy Fuel Oil A	704	694	(10)	(1.4%)
Heavy Fuel Oil C	527	652	125	23.7%
<b>Total Domestic Sales Volume</b>	<b>7,620</b>	<b>8,073</b>	<b>453</b>	<b>5.9%</b>
Exported Volume	861	1,711	850	98.7%
<b>Total Sales Volume</b>	<b>8,481</b>	<b>9,784</b>	<b>1,303</b>	<b>15.4%</b>

\*Export includes bond sales of jet fuel and heavy fuel oil C

# Sales Volume

## ■ Basic Chemicals

[kt,%]

	FY 2021 1Q	FY 2022 1Q	Change	
Basic Chemicals	886	890	4	0.4%

## ■ Functional Materials

[KKL,kt,%]

	FY 2021 1Q	FY 2022 1Q	Change	
Lubricants	303	293	(10)	(3.4%)
Performance Chemicals	193	184	(8)	(4.3%)

\*Lubricants include sales overseas

## ■ Power/Renewable Energy

[Mkwh,%]

	FY 2021 1Q	FY 2022 1Q	Change	
Retail Power Sales	1,139	897	(241)	(21.2%)

# Production Volume

## ■ Resources (Oil E&P)

[KBOED,%]

	FY 2021 1Q	FY 2022 1Q	Change	
Norway	26.8	15.6	(11.2)	(41.8%)
Vietnam	9.9	14.7	4.8	48.4%
Total('000BOED)	36.7	30.3	(6.4)	(17.5%)
Total('000BOE)	3,301	2,725	(576)	(17.4%)

\*The numbers reflect our rights and ownership ratios based on our equity share

\*IIN became an equity method affiliated company from FY21 4Q

## ■ Resources (Coal)

[kt,%]

	FY 2021 1Q	FY 2022 1Q	Change	
Ensham	957	618	(339)	(35.4%)
Muswellbrook	147	376	230	156.8%
Boggabri	1,308	1,249	(58)	(4.5%)
<b>Sub Total</b>	<b>2,412</b>	<b>2,244</b>	<b>(168)</b>	<b>(7.0%)</b>
Malinau	330	—	(330)	—
<b>Total Volume</b>	<b>2,742</b>	<b>2,244</b>	<b>(498)</b>	<b>(18.2%)</b>

\*Fiscal year for Oil E&P and Coal included in the Resources Segment end in Dec.

\*The numbers reflect our rights and ownership ratios

## Sales Volume(Forecasts)

## ■ Petroleum

\*No revision from 5/10 forecasts

[KKL,%]

	FY2021	FY2022*	Change	
Gasoline	12,711	12,780	69	0.5%
Naphtha	266	230	(36)	(13.5%)
Jet fuel	1,729	2,280	551	31.9%
Kerosene	3,920	3,770	(150)	(3.8%)
Diesel Oil	9,926	10,150	224	2.3%
Heavy Fuel Oil A	3,267	3,100	(167)	(5.1%)
Heavy Fuel Oil C	2,551	2,180	(371)	(14.5%)
<b>Domestic fuel subtotal</b>	<b>34,370</b>	<b>34,490</b>	<b>119</b>	<b>0.3%</b>
Fuel exports	6,165	9,460	3,295	53.5%
<b>Total</b>	<b>40,535</b>	<b>43,950</b>	<b>3,415</b>	<b>8.4%</b>

# Sales Volume(Forecast)

## ■ Basic Chemicals

\*No revision from 5/10 forecast

[kt,%]

	FY2021	FY2022*	Change	
Basic Chemicals	3,744	3,870	126	3.4%

## ■ Functional Materials

\*No revision from 5/10 forecast

[KKL,kt,%]

	FY2021	FY2022*	Change	
Lubricants*	1,183	1,230	47	4.0%
Performance Chemicals	759	780	22	2.8%

\*includes sales overseas

## ■ Power/Renewable Energy

\*No revision from 5/10 forecast

[Mkwh,%]

	FY2021	FY2022*	Change	
Power retail sales	5,197	2,960	(2,237)	(43.0%)



# Production Volume(Forecasts)

## ■ Resources (Oil E&P)

\*No revision from 5/10 forecasts

[KBOED,%]

	FY2021	FY2022*	Change	
Norway	23.3	14.8	(8.5)	(36.7%)
Vietnam	10.5	14.6	4.1	38.8%
Production total (KBOED)	33.8	29.3	(4.5)	(13.2%)
Production total (KBOE)	12,351	10,700	(1,651)	(13.5%)

\*The numbers reflect our rights and ownership ratios based on our equity share

\*IIN became an equity method affiliated company from FY21 4Q

## ■ Resources (Coal)

\*No revision from 5/10 forecasts

[kt,%]

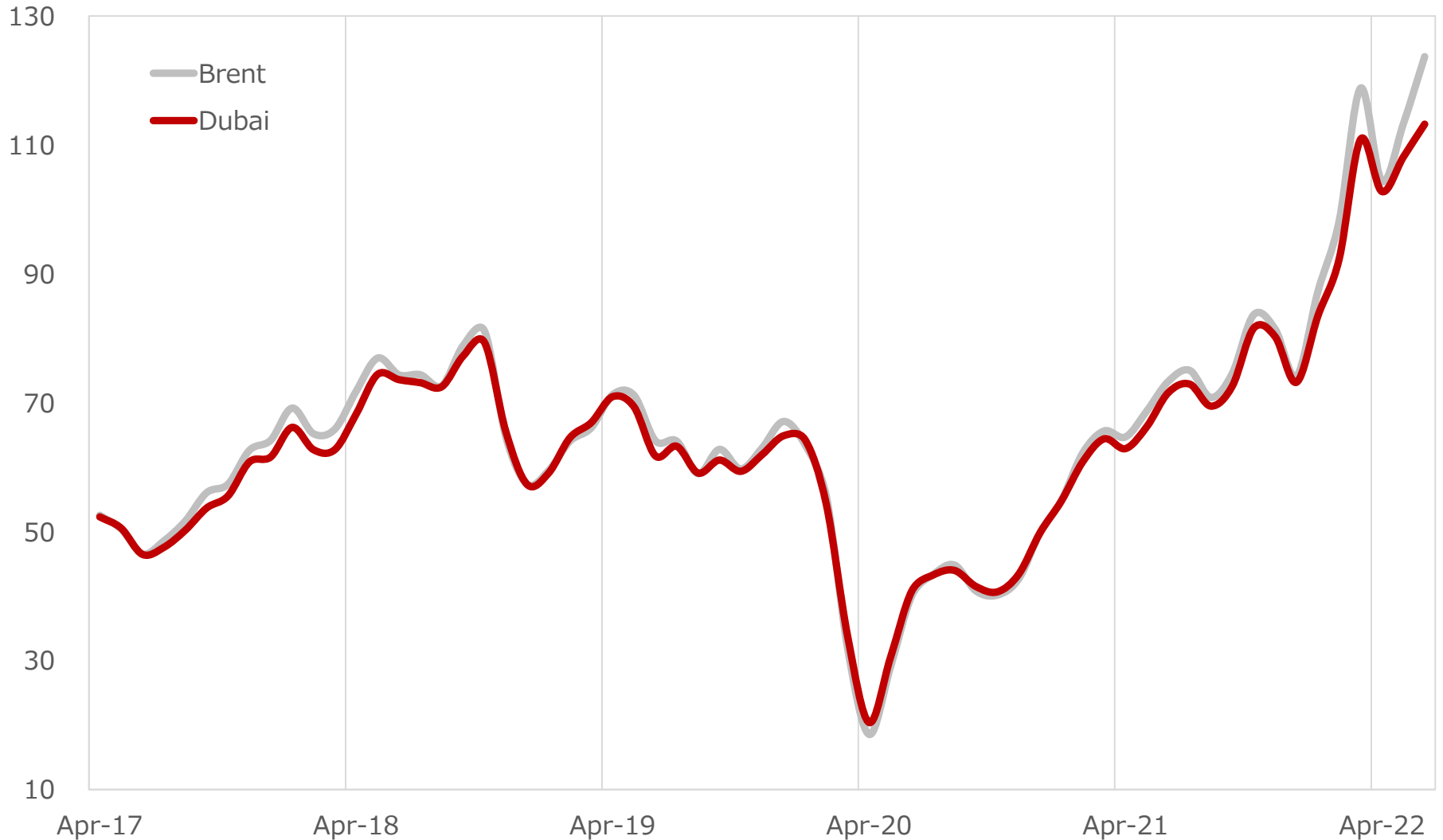
	FY2021	FY2022*	Change	
Ensham	3,649	3,450	(199)	(5.5%)
Muswellbrook	1,090	760	(330)	(30.3%)
Boggabri	5,193	5,560	367	7.1%
<b>Australia subtotal</b>	<b>9,932</b>	<b>9,770</b>	<b>(162)</b>	<b>(1.6%)</b>
Malinau	1,174	-	(1,174)	-
<b>Coal Total</b>	<b>11,106</b>	<b>9,770</b>	<b>(1,336)</b>	<b>(12.0%)</b>

\*Fiscal year for Oil E&amp;P and Coal included in the Resources Segment end in Dec.

\*The numbers reflect our rights and ownership ratios

# Crude Oil Prices(Dubai and Brent)

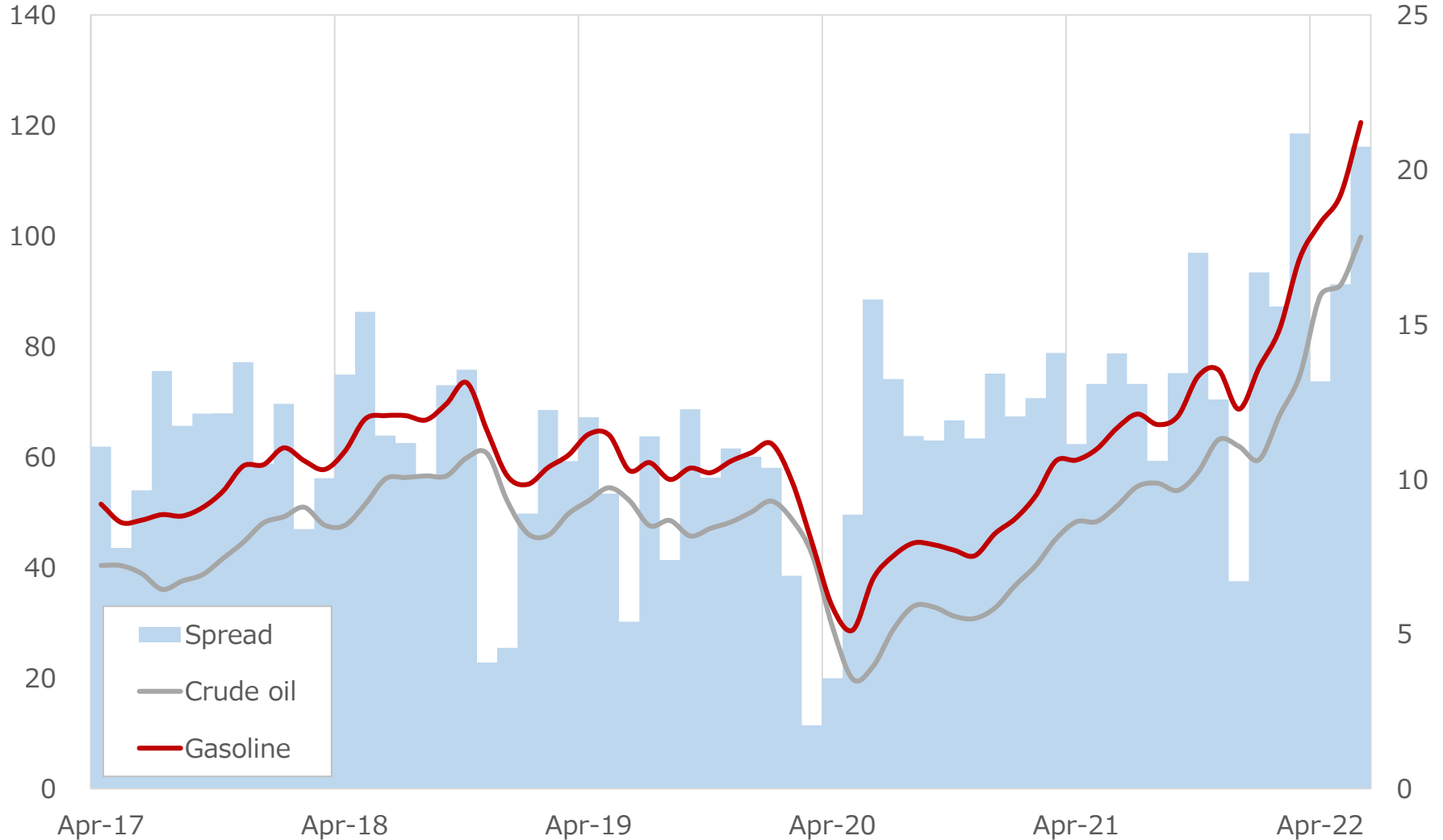
[USD/bbl]



# Gasoline-Crude Oil (Domestic spot price and spread)

[Price :JPY/L]

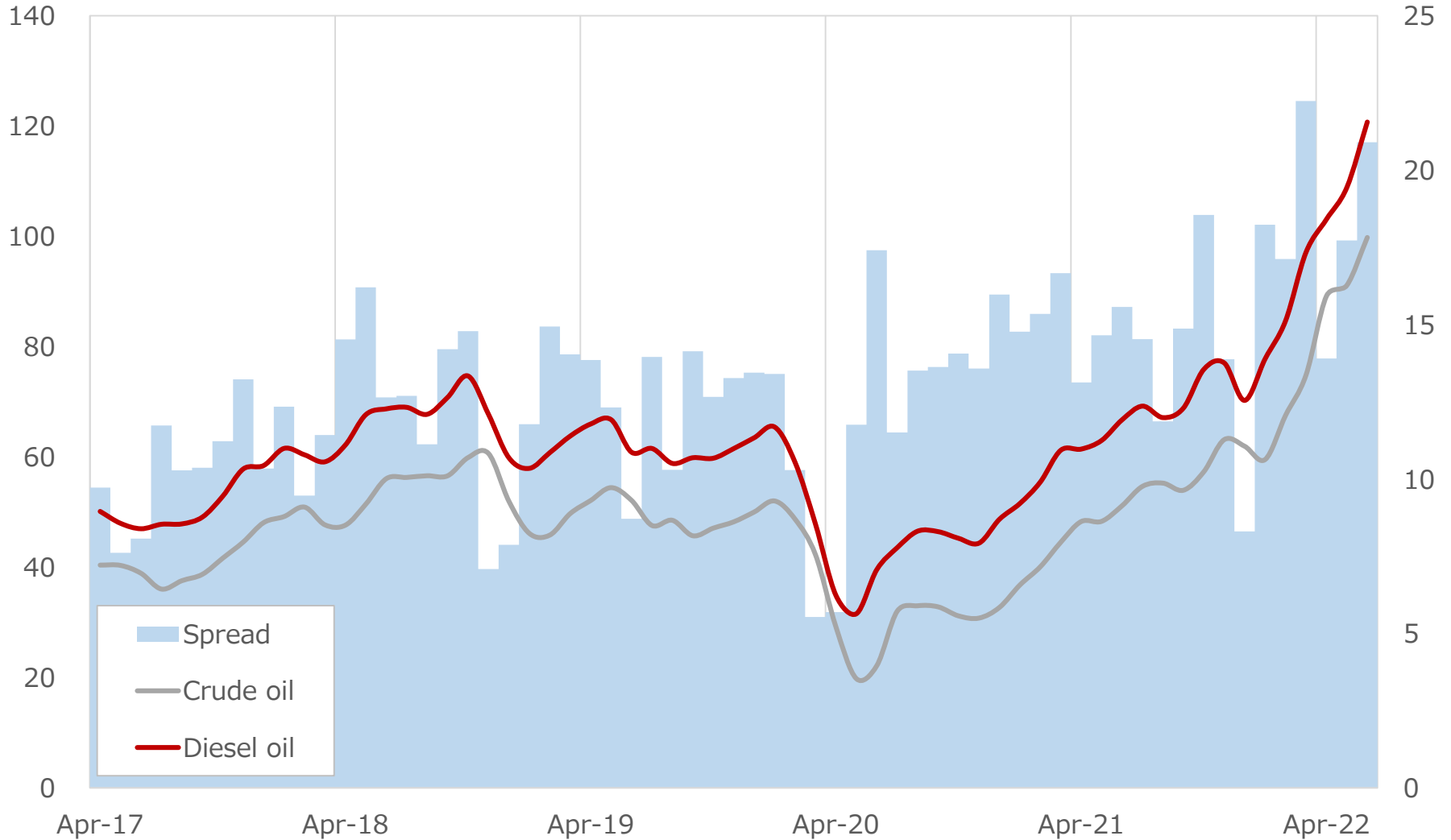
[Spread : JPY/L]



# Diesel-Crude Oil (Domestic spot price and spread)

[Price : JPY/L]

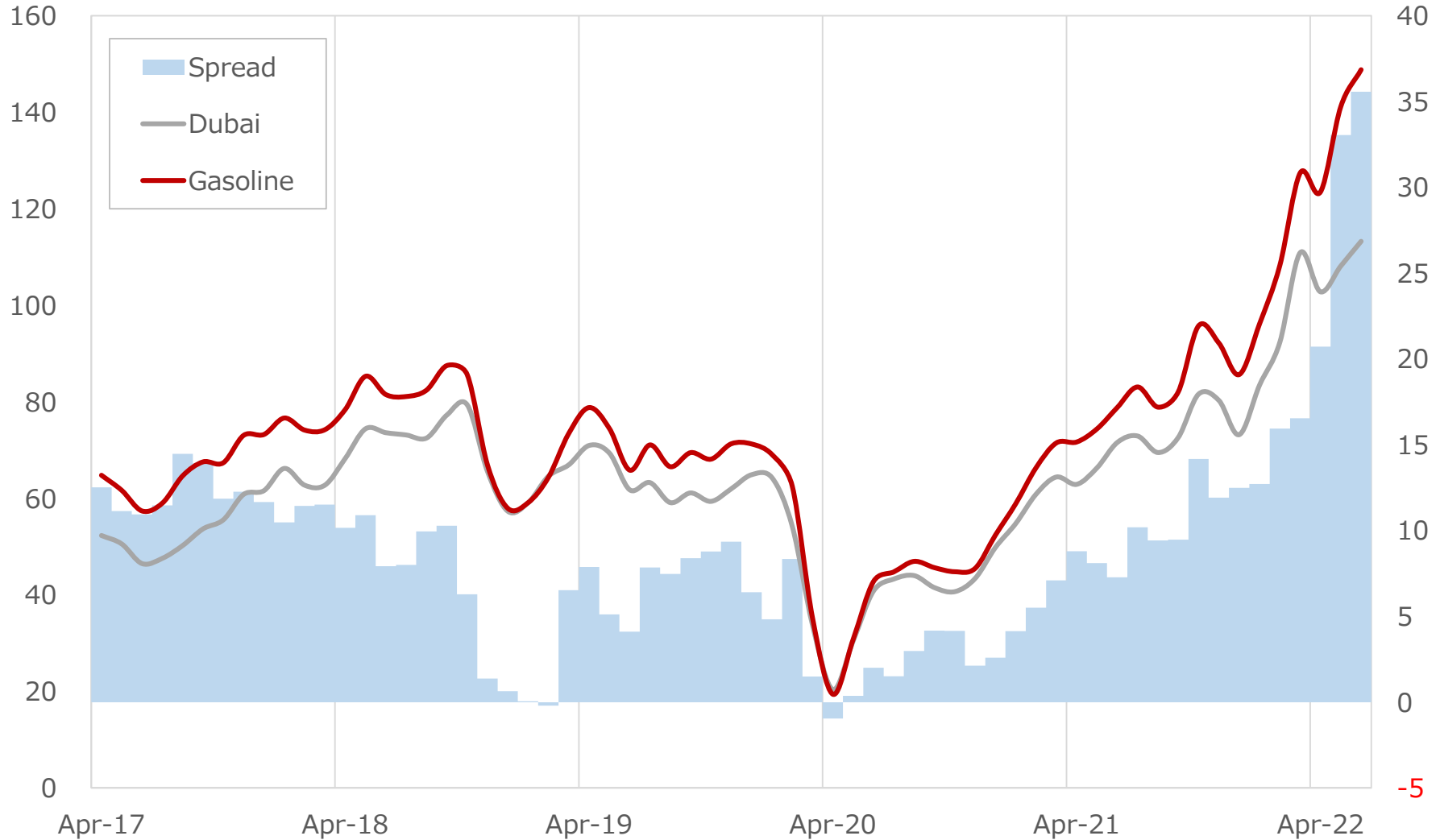
[Spread : JPY/L]



# Gasoline-Crude Oil (Singapore spot price and spread)

[Price : USD/bbl]

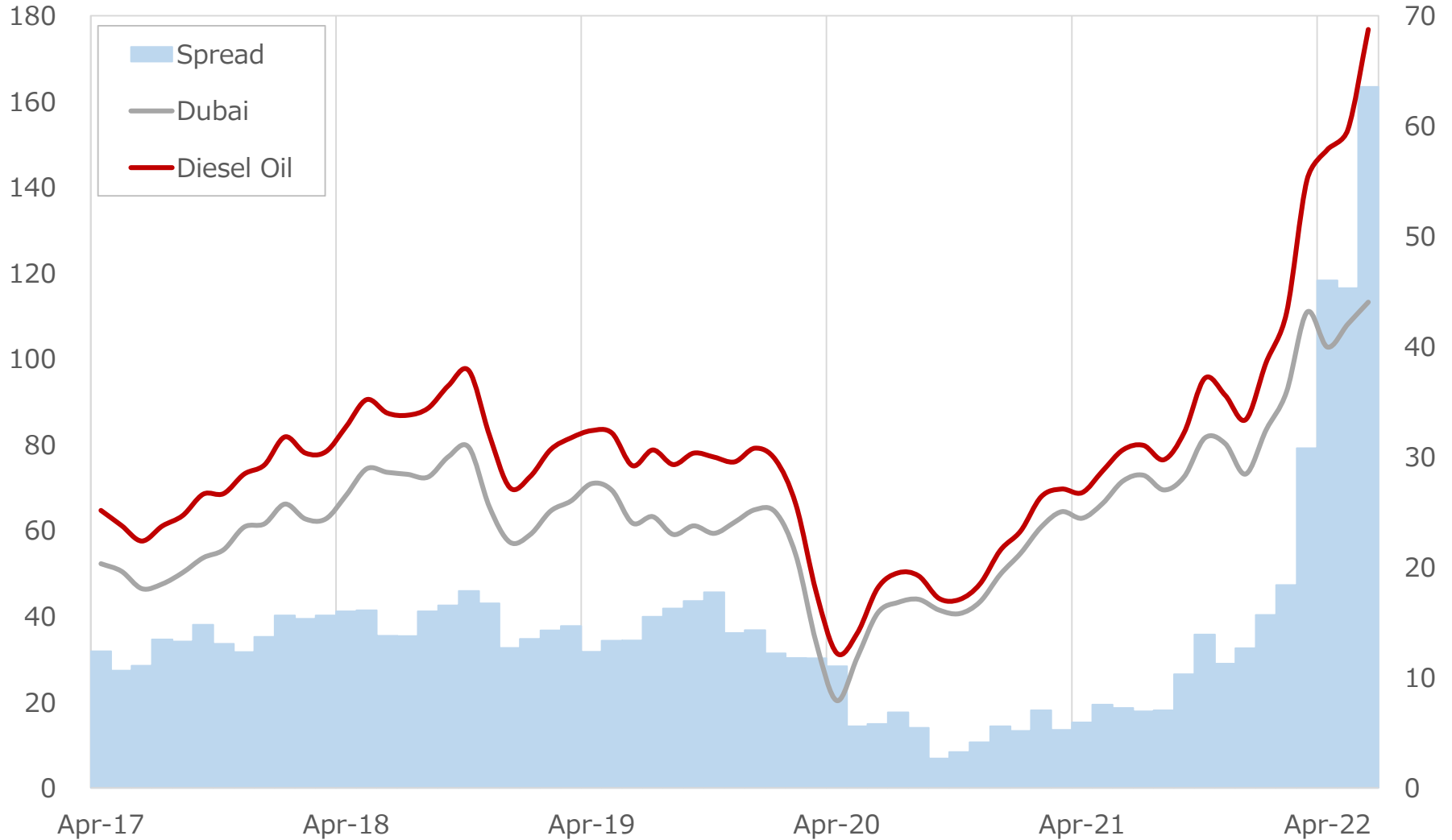
[Spread : USD/bbl]



# Diesel-Crude Oil (Singapore spot price and spread)

[Price : USD/bbl]

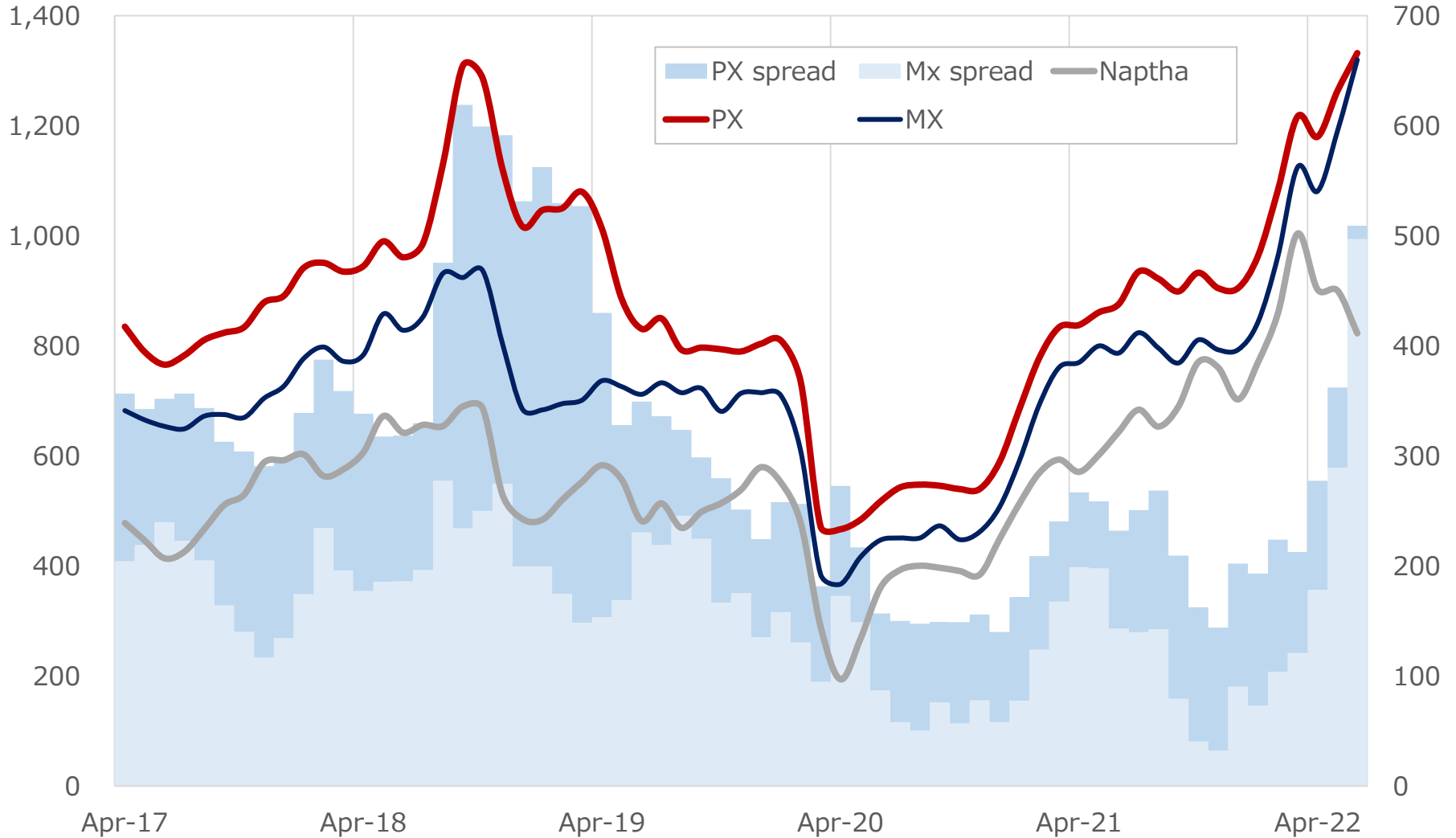
[Spread : USD/bbl]



# Para-Xylene, Mixed Xylene-Naphtha (price and spread)

[Price : USD/ton]

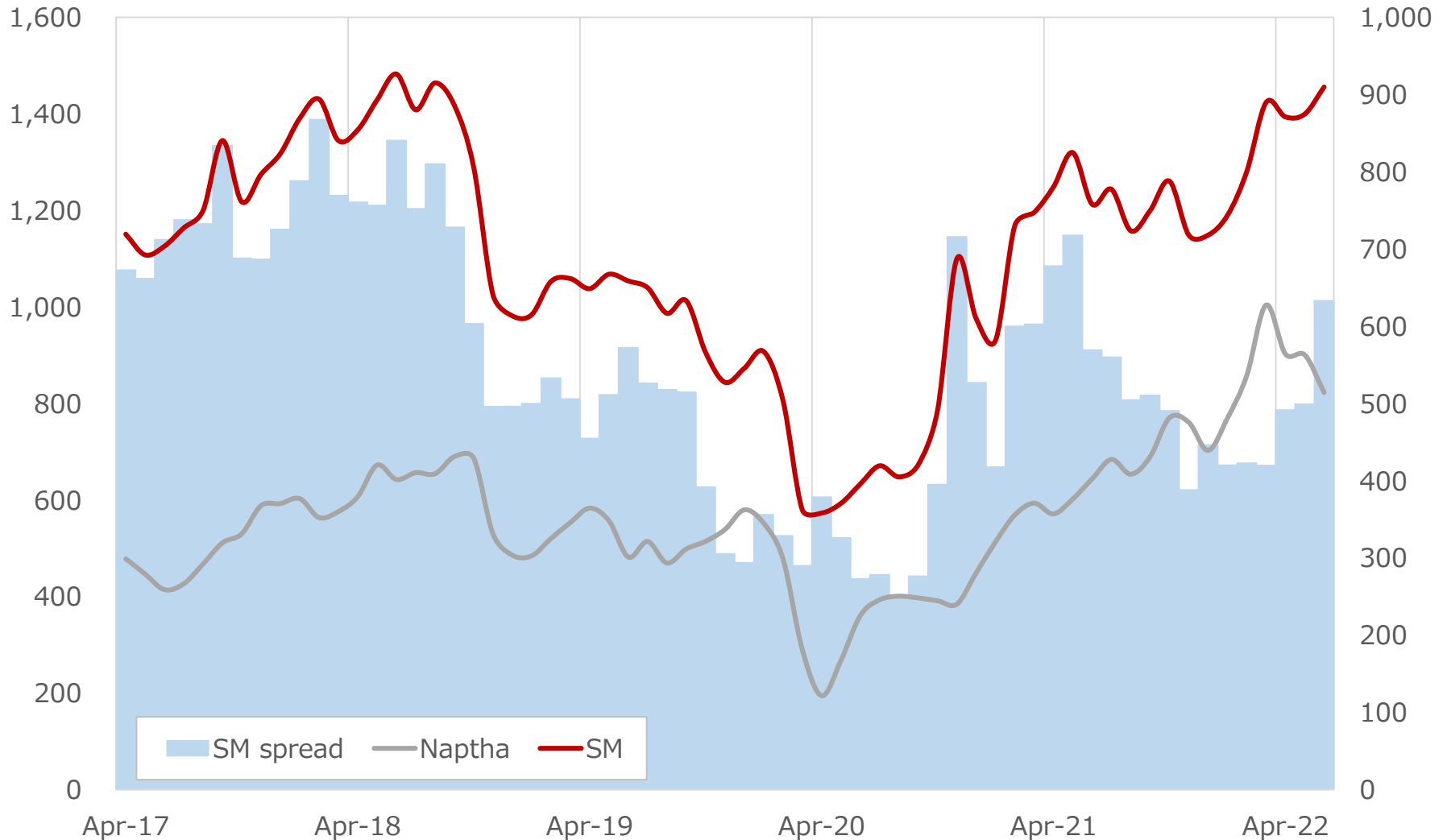
[Spread : USD/ton]



# Styrene Monomer-Naphtha (price and spread)

[Price : USD/ton]

[Spread : USD/ton]





# Operational Data

## ■ Refineries Utilization

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 1Q
Idemitsu Kosan	88%	88%	87%	78%	77%	82%
Former Showa Shell	88%	93%				

\*on BCD basis

## ■ Number of Service Stations

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 1Q
Idemitsu Kosan	3,545	3,501	3,446	3,426	3,382	3,380
Former Showa Shell	3,028	2,964	2,938	2,885	2,834	2,818
Total	6,573	6,465	6,384	6,311	6,216	6,198

# Overview of the Company

as of the end of March, 2022

## ■ Petroleum Segment

- Refining Capacity **945 KBD** \*1)
- Domestic fuel oil sales volume  
**34 million KL/year** \*2)
- Number of service stations **6,200**

## ■ Basic Chemicals Segment

(Production Capacity)

- Ethylene **1 mil tons/year**
- Para-Xylene **0.48 mil tons/year**
- Mixed Xylene **0.94mil tons/year**
- Styrene monomers **0.79 mil tons/year**

## ■ Power and Renewable Energy Segment

- Power generation capacity **1.8GW**  
- Renewable energy **0.7GW**

## ■ Functional Materials Segment

(Lubricants, Performance chemicals, Electronic materials, Functional asphalt, Agri-bio, Lithium solid-state electrolytes)

- Lubricants (sales volume): **1.2 mil KL/year**
- Engineering plastics(sales volume): **150,000 tons/year**
- Adhesive materials(production capacity):  
**75,000 tons/year**
- OLED materials(production capacity):  
**26 tons/year**

## ■ Resources Segment \*3)

- Crude oil production **29,000 BD**
- Thermal coal production **10 mil tons/year**

\*1 1,090,000 barrels/day when adding the refining capacity of Fuji Oil, Co.,Ltd. with which a petroleum products trade agreement has been signed

\*2 Bond jet fuel and Bond heavy fuel oil C are included in the exports

\*3 Sold our right for Indonesian coal(1 mil tons/year). For resources segment, the numbers are based on forecasts for FY2022

# Petroleum Segment

as of the end of March, 2022

[KB/D]

Operating Company	Refinery	Refining Capacity	RH	FCC	RFCC	FLG	Equity Ratio
Idemitsu Kosan	<b>Japan</b> Hokkaido	150	42		33		
	Chiba	190	40		45		
	Aichi	160	60		50		
Showa Yokkaichi Sekiyu	Yokkaichi	255	45		61		75.0%
Toa Oil	Keihin	70		42		27	50.1%
Seibu Oil	Yamaguchi	120	52	30			38.0%
		<b>945</b>	<b>239</b>	<b>72</b>	<b>189</b>	<b>27</b>	
Nghi Son Refinery and Petrochemical LLC	<b>Overseas</b> Nghi Son *1,2 (Thanh Hoa, Vietnam)	200	105		80		35.1%
		<b>200</b>	<b>105</b>		<b>80</b>		

\*1 Capacity before equity ratio reflection

\*2 Refining capacity of 945,000 BD excludes that of Nghi Son Refinery.

# Basic Chemicals Segment


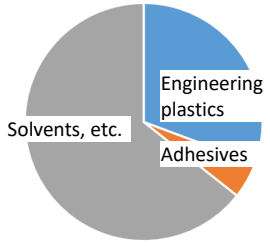
as of the end of March, 2022

[mil tons/year]

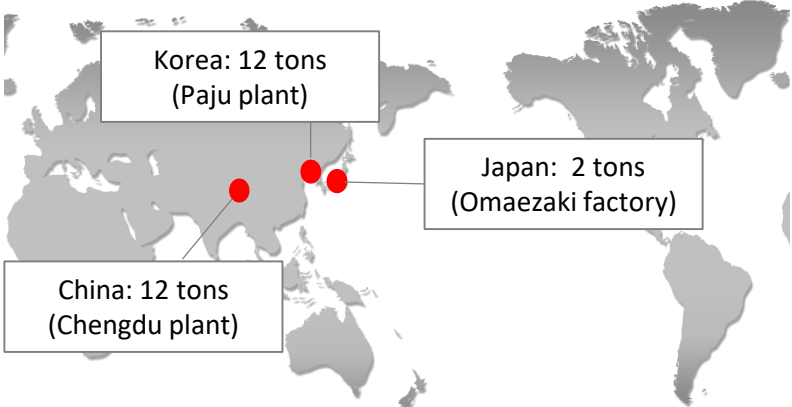



Operating Company	Complex/Factory/Refinery	Production Capacity for core products				Equity Ratio
		Ethylene	Para-Xylene	Mixed Xylene	Styrene Monomer	
Idemitsu Kosan	<b>Japan</b> Chiba	0.37	0.27		0.21	
	Aichi			0.17		
	Tokuyama	0.62	0.21		0.34	
Showa Yokkaichi Sekiyu	Yokkaichi			0.52		75.0%
Seibu Oil	Yamaguchi			0.25		38.0%
	<b>Total</b>	<b>1.00</b>	<b>0.48</b>	<b>0.94</b>	<b>0.55</b>	
Idemitsu SM (Malaysia) Sdn. Bhd.	<b>Overseas</b> Pasir Gudang (Johor, Malaysia)				0.24	70.0%
	Nghi Son Refinery and Petrochemical LLC		Nghi Son※1 (Thanh Hoa, Vietnam)	0.70		35.1%
	<b>Total</b>		<b>0.70</b>		<b>0.24</b>	

\*1 Para-Xylene capacity of 0.48mil tons/year excludes that of Nghi Son Refinery.

# Functional Materials Segment

Lubricants	Performance Chemicals
<ul style="list-style-type: none"> <li>◆ Product categories                             <ul style="list-style-type: none"> <li>• Automotive lubricants (engine oil, etc.)</li> <li>• Grease</li> <li>• Industrial lubricants (hydraulic actuation oil, cutting oil, etc.)</li> </ul> </li> <li>◆ Global business with a focus on automotive lubricants                             <ul style="list-style-type: none"> <li>• #8 global share</li> <li>• Over 50% overseas sales</li> </ul> </li> <li>◆ R&amp;D centers                             <ul style="list-style-type: none"> <li>• Japan and overseas (US, China, etc.)</li> </ul> </li> <li>◆ Global lubricant network                             <div style="text-align: center; margin: 10px 0;">  </div> <ul style="list-style-type: none"> <li>• Manufacturing/sales/R&amp;D network in 28 countries</li> <li>• Strengthening existing facilities and developing new facilities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>◆ Product categories                             <ul style="list-style-type: none"> <li>• Engineering plastics</li> <li>• Adhesives</li> <li>• Solvents, etc.</li> </ul> </li> </ul> <div style="text-align: right; margin: 10px 0;">  </div> <ul style="list-style-type: none"> <li>◆ Breakdown (major uses)                             <ul style="list-style-type: none"> <li>• Engineering plastics Polycarbonates, SPS (automotives, information communication device)</li> <li>• Adhesives Hydrogenated petroleum resins (diapers and other hygiene products)</li> <li>• Solvents, etc. Solvents Isoparaffin, DIB, MEK</li> <li>α-olefin, bisphenol A (lubricants, surfactant agents)</li> <li>Electronic materials Special polycarbonate resins</li> </ul> </li> </ul>

# Functional Materials Segment

Electronic Materials	High Performance Asphalt
<p>◆ Product categories</p> <ul style="list-style-type: none"> <li>• Organic EL materials</li> <li>• Display semiconductor materials etc.</li> </ul> <p>◆ OLED manufacturing/customer support</p>  <p>• Establishing factories and customer support centers in Asia and reinforcing relationships with display manufacturers, etc. to further expand the organic EL materials business in Asia</p> <p>• Aiming to develop and commercialize oxidative semiconductor materials which are expected to conserve energy and enhance image quality of display products</p>	<p>◆ Asphalt manufacturer which aims to develop state-of-the-art technologies</p> <ul style="list-style-type: none"> <li>• Recycling, longer life, carbon neutrality</li> </ul> <p>◆ Product categories</p> <ul style="list-style-type: none"> <li>• Engineering/construction asphalt</li> <li>• Industrial asphalt</li> <li>• Value-added asphalt for roads</li> </ul>  <p><b>Maybright</b> (Added-value asphalt for roads)</p>
<b>Agri-bio</b>	
<p>◆ Product categories</p> <ul style="list-style-type: none"> <li>• Fodder-related materials (Ruminap *1 etc.)</li> <li>• Microorganism control agent/land improvement materials</li> <li>• Environment/greenification materials</li> <li>• Agrichemicals (through SDS Biotech)</li> </ul> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1120 899 1284 1092">  <p><b>RUMINUP® M</b></p> </div> <div data-bbox="1555 899 1709 1092">  <p><b>Swirmite</b> (Biological control agent)</p> </div> </div> <p>• Acquired 100% of SDS Biotech in August 2021 to further strengthen the agrichemical business</p>	

\*1) Fodder including cashew nut shell liquid, which reduces methane gas contained in cow burp

# Power /Renewable Energy Segment

## Power

Category	Power Plant	Operating Company	Stake Owned (%)	Power generation capacity* (10,000 KW)
Solar	34 domestic locations	Idemitsu, other	—	18.1
Biomass	Keihin Biomass Power Plant (Kanagawa)	Keihin Biomass Power	100	4.9
	Tosa Power Plant (Kochi)	Tosa Green Power	50	0.3
Wind	Rokkasho Village Village Wind Farm (Aomori)	Futamata Wind Development	40	2.0
Geothermal	Takigami Binary Power Plant (Oita)	Idemitsu Oita Geothermal	100	0.5
Renewable (Japan)				25.8
Fire	Ohgishima Power Station	Ohgishima Power	25	30.5
	Mizue Thermal Power Plant	Toa Oil	50.1	27.6
	Aichi Refinery Power Plant	Idemitsu	—	25.0
<b>Domestic</b>				<b>108.9</b>
Solar	Overseas (North America, Vietnam, etc.)		—	44.8
Fire	Overseas			27.1
<b>Overseas</b>				<b>71.9</b>
<b>Total</b>				<b>180.8</b>

\*Reflects Idemitsu's stake, except that 100% of Mizue Thermal Power Plant's capacity is included.

- ◆Owning 706 thousand KL(Japan:258, Overseas:448) of renewable energy generation capacity
  - ◆Operating businesses such as wholesale and retail sales for high and low pressure, based on the company's own generation. For the portion of power beyond capacity, compensating from procurement thorough direct negotiation or JEPX market
- Solar**
- ◆Panel production was terminated in June 2022 with transition to a system integrator which engages in solar power generator design, construction, maintenance and recycling

# Resources Segment (Oil E&P, Gas)

## Business Overview

1. Producing crude oil/gas in Norwegian North Sea and selling them mainly in Europe

2. Commencing gas field development in Vietnam and other parts of Southeast Asia to shift to production of natural gas, which will become an important energy source in a decarbonized society

### ◆ Rights owned in oil/gas fields and sales destinations

	Rights owned (%) <sup>*1</sup>	Destination
<b>Norway</b>		
Snorre	9.6	Europe
Tordis/Vigdis	9.6	
Statfjord/East	4.8	
Sygna	4.32	
Fram	15	
H-Nord	28.8	
Byrding	15	
Vega gas field	3.3	
Knarr oil field	25	
Duva oil/gas field	30	
<b>Vietnam</b>		
Sao Vang and Dai Nguyet gas field	43.08	Asia

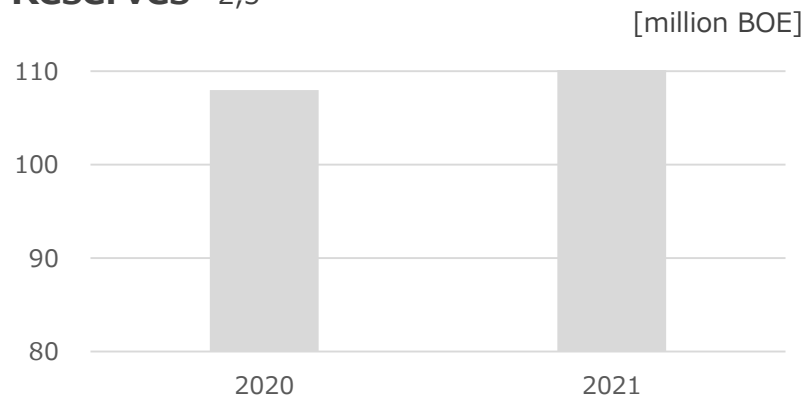
<sup>\*1</sup> Companies in which Idemitsu owns rights

Norway: INPEX Idemitsu Norge AS (49.5% stake)

Vietnam: Idemitsu Gas Production (Vietnam) Co., Ltd. (100% stake)

## Production Oil/Gas Reserves

### ◆ Reserves <sup>\*2,3</sup>



<sup>\*2</sup> Total reserves in Norwegian oil fields and Vietnamese gas fields

<sup>\*3</sup> Reserves reflect Idemitsu's rights and ownership ratios

### ◆ CCS<sup>\*4</sup> initiatives

Considering applying technologies developed to date to CCS, a promising method of reducing CO<sub>2</sub> emissions

<sup>\*4</sup> Carbon capture and storage: Technology which recover emitted CO<sub>2</sub> and isolates/stores it underground or undersea



# Reserve Estimates

## ◆ Reserve Estimation Standards

- Idemitsu's reserves estimation is conducted based on PRMS (Petroleum Resources Management System) standards
- PRMS standards were established jointly by the Society of Petroleum Engineers (SPE), the World Petroleum Congress (WPC), the American Association of Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE) and is recognized as an international standard
- Reserves defined by PRMS standards are categorized into 1) proved, 2) probable, and 3) possible reserves. Idemitsu's reserves estimate is calculated as the total of proved and probable reserves (1+2)




## ◆ Proved Reserves

- The definition of proved reserves is recognized as the most conservative among definitions used widely in the petroleum/gas industry
- Proved reserves are those quantities of petroleum/gas which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable under current economic conditions and operating methods
- When probabilistic methods are used, there should be at least a 90% probability of recovery that the quantities actually recovered will equal or exceed proved reserves

## ◆ Probable Reserves

- Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable
- When probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves

# Resources Segment (Coal)

Business Overview	Low-carbon Solutions
<p>1. Owns Australian coal mines and has an integrated supply chain from production to sales to provide a stable supply of low-cost coal to Asia</p> <p>2. Provides high-efficiency combustion technology and other services through the only domestic research laboratory devoted to coal in the private sector</p> <p>3. Proactively pursuing reduction of CO<sub>2</sub> emissions through low-carbon solutions such as Idemitsu Green Energy Pellets</p> <p>◆ <b>Overview of Australian Coal Mines</b></p>  <div data-bbox="529 779 948 975" style="border: 1px solid black; padding: 5px;"> <p><b>Ensham Coal Mine</b> Location: Queensland Grade: Coal for export Harbor: Gladstone Harbour (~350 km by train)</p> </div> <div data-bbox="88 1072 513 1300" style="border: 1px solid black; padding: 5px;"> <p><b>Boggabri Coal Mine</b> Location: New South Wales Grade: Process raw coal for export (SS/PCI), coal for export Harbor: Newcastle Harbour (~360 km by train)</p> </div> <div data-bbox="529 1072 948 1300" style="border: 1px solid black; padding: 5px;"> <p><b>Muswellbrook Coal Mine</b> Location: New South Wales Grade: Coal for export Harbor: Newcastle Harbour (~30 km by truck → ~110 km by train)</p> </div>	<p>◆ <b>Idemitsu Green Energy Pellets (black pellets)</b></p> <ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions can be reduced by replacing fuel for coal-fired power generators with black pellets</li> <li>• Succeeded in mixed combustion tests which replace 20-30% of coal fuel with black pellets</li> <li>• Planning to commence operations of a commercial plant with annual production capacity of 120,000 tons in Vietnam in FY2022. Aiming to achieve an infrastructure to supply 2 million tons by 2030</li> </ul>  

# Precaution statement about forecasts

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Any information about forecasts for the Company's operating results, management strategy and management policy contained in this documents other than historical facts is prepared, according to judgments made by the top management of the Company based on information available as of the publication of the document.

Actual business environments contain potential risk factors and uncertainties including economic situations, crude oil prices, trends in petroleum products, market conditions, currency exchange rates and interest rates.

Consequently, actual operating results of the Company may substantially differ from forecasts due to changes in the important factors mentioned above.