

Presentation on Results for the 2nd Quarter FY2022

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Idemitsu Kosan Co.,Ltd.

Table of Contents

- Highlights
- Results for the 2Q FY2022
- Forecasts for FY2022
- Reference
 - ✓ Progress in the mid-term management plan
 - ✓ Financial results
 - ✓ Volume
 - ✓ Crude/product price and operation
 - ✓ Business overview

■ Highlights

Results for the 2Q FY2022

■ Summary

- ✓ Operating + equity income (segment income) increased to ¥182.4 billion, driven by positive inventory impact (+¥97.6 billion year-on-year) due to increased crude oil prices and JPY depreciation and increased profits in coal business due to strong coal market conditions
- ✓ With respect to segment income excluding inventory impact, the increase from the coal business and improved fuel oil export margins was partially offset by an increase in fuel costs

[¥ billions]

	FY2021 2Q	FY2022 2Q	Change
Operating Income + Equity Income	191.9	374.3	182.4
<i>Inventory impact</i>	110.6	208.2	97.6
<i>Excluding inventory impact</i>	81.3	166.2	84.8
Net Income Attributable to Owners of the Parent	142.7	280.8	138.1
<i>Excluding inventory impact</i>	66.0	136.4	70.4

Forecasts for FY2022

■ Summary

- ✓ While trends in the business environment remain unclear due to the lingering Russia/Ukraine situation, global inflation, etc., earnings forecasts were revised to reflect crude oil prices fluctuation, sharp JPY depreciation and soaring coal prices.
- ✓ The outperformed earnings will be allocated to investment related to carbon neutrality and shareholder returns

[¥ billions]

	8/9 Forecast	Revised Forecast	Change
Operating Income + Equity Income	400.0	450.0	50.0
<i>Inventory impact</i>	140.0	120.0	(20.0)
<i>Excluding inventory impact</i>	260.0	330.0	70.0
Net Income Attributable to Owners of the Parent	280.0	325.0	45.0
<i>Excluding inventory impact</i>	180.0	240.0	60.0

■ 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

■ Results for the 2Q FY2022

Key Topics

■ Trends in Petroleum Demand

- ✓ Demand for core products and jet fuel both recovered due to easing of COVID-related activity restrictions
- ✓ Growth will slow down in 2H as activity restrictions had already eased in 2H of last year. As a result, sales of core products are expected to remain flat year-on-year

	FY20	FY21	FY22 2Q	FY22 2H (forecast)
Core products	94.6%	98.6%	103.9%	99.5%
<i>Gasoline</i>	90.4%	99.6%	103.6%	99.6%
Jet fuel	54.2%	126.0%	142.6%	123.1%

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

■ Re-TOB for Toa Oil (TOB results to be announced on 11/16)

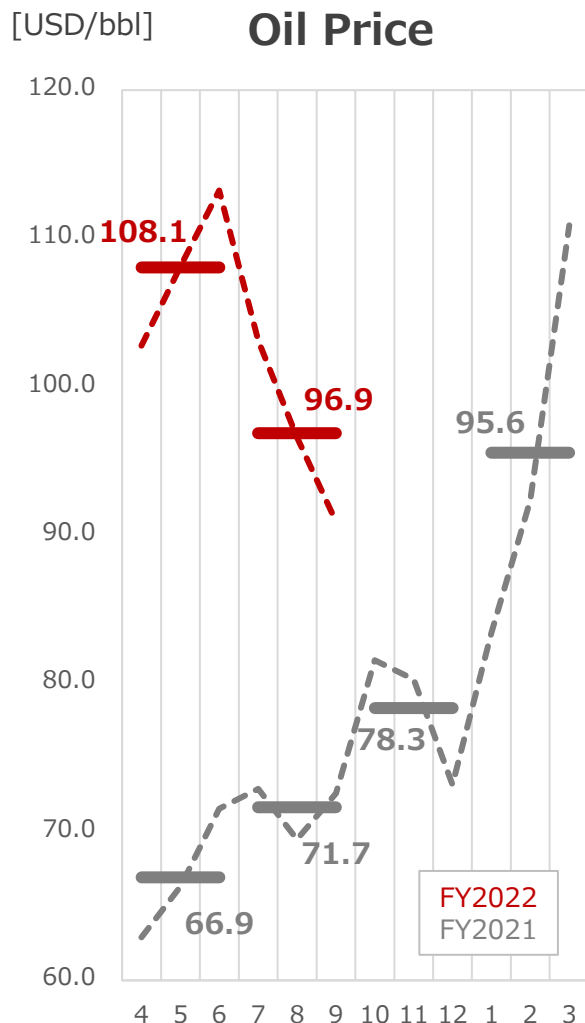
- ✓ Promoted centralized group management by converting Toa Oil into a wholly-owned subsidiary in order to pursue further efficiency, in light of the reduced demand for petroleum products

■ Nghi Son Refinery in Vietnam

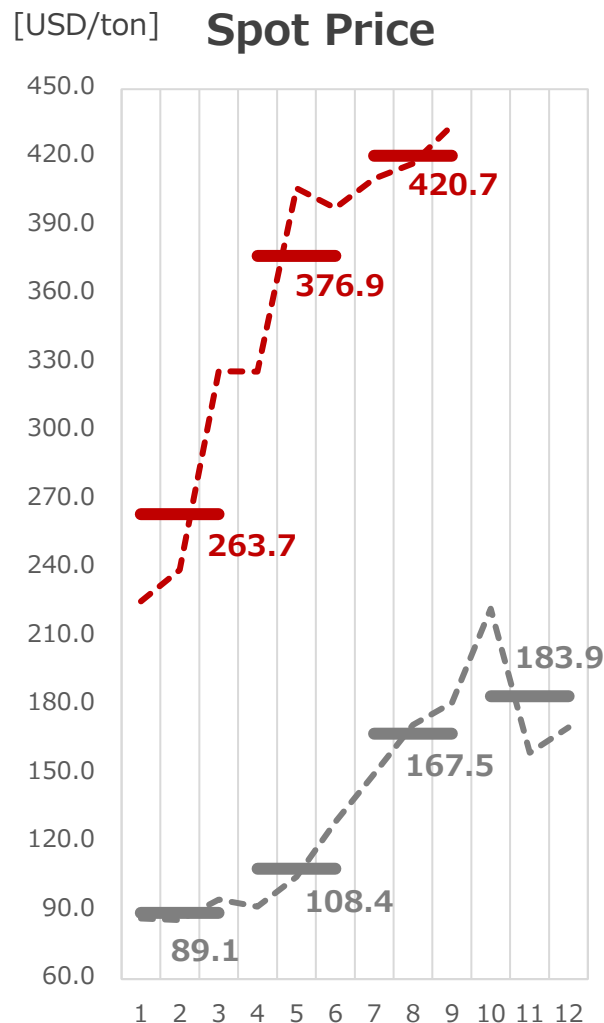
- ✓ Jan-Jun: Turned profitable due to strong Singapore product margins and high capacity utilization since May, which was recorded in extraordinary income (gain on valuation of long-term loans receivable)
- ✓ Jul-Dec: Forecasting losses due to reduced margins, but expected to achieve year-on-year growth on a calendar year basis, which will be recorded in zero equity income (gain on reversal of loss on valuation of long-term loans receivable recorded in the previous fiscal year)

Operating Environment

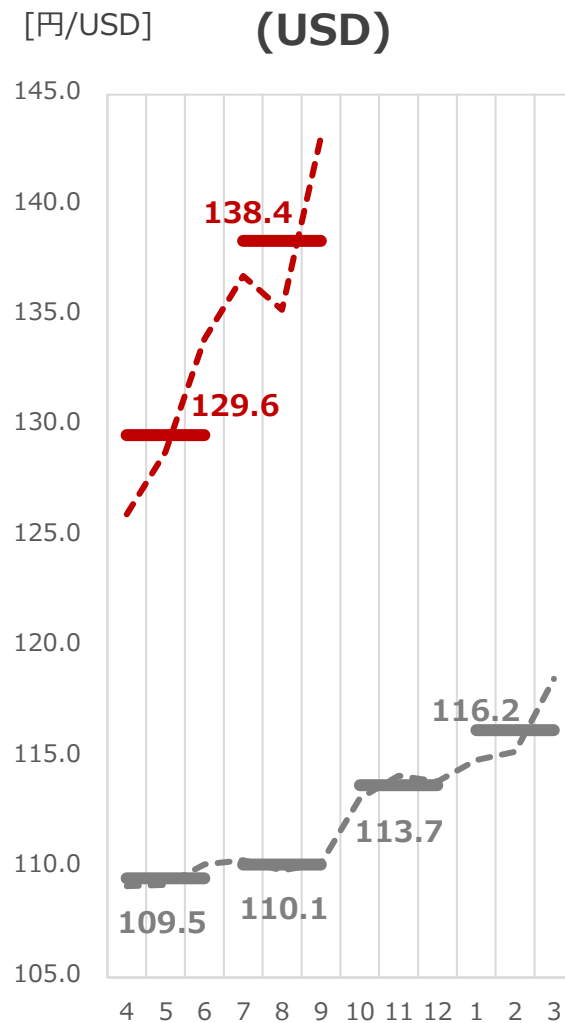
Dubai Crude



Australian Coal



Exchange Rate



Overview

■ Crude Oil/Coal/Exchange Rate

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

	FY2021 2Q	FY2022 2Q	Change	
Crude Oil (Dubai)	69.3	102.5	33.2	+47.9%
Crude Oil (Brent)*	64.9	107.6	42.7	+65.9%
Australian Coal Spot Price*	98.8	320.3	221.5	+224.2%
Exchange Rate (TTM)	109.8	134.0	24.2	+22.0%

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

■ Consolidated Income Statement(Summary)

[¥ billions]

	FY2021 2Q	FY2022 2Q	Change	
Net Sales	2,867.0	4,814.1	1,947.1	+67.9%
Operating Income	179.3	354.1	174.8	+97.5%
<i>Inventory impact</i>	<i>110.6</i>	<i>208.2</i>	<i>97.6</i>	<i>+88.2%</i>
Equity Income	12.7	20.3	7.6	+60.2%
Operating Income + Equity Income	191.9	374.3	182.4	+95.0%
<i>Excluding inventory impact</i>	<i>81.3</i>	<i>166.2</i>	<i>84.8</i>	<i>+104.3%</i>
Ordinary Income	197.1	381.2	184.2	+93.4%
Extraordinary Income/Losses	6.3	17.4	11.0	+175.3%
Net Income Attributable to Owners of the Parent	142.7	280.8	138.1	+96.8%
<i>Excluding inventory impact</i>	<i>66.0</i>	<i>136.4</i>	<i>70.4</i>	<i>+106.7%</i>

Segment Information

■ Operating + Equity Income

[¥ billions]

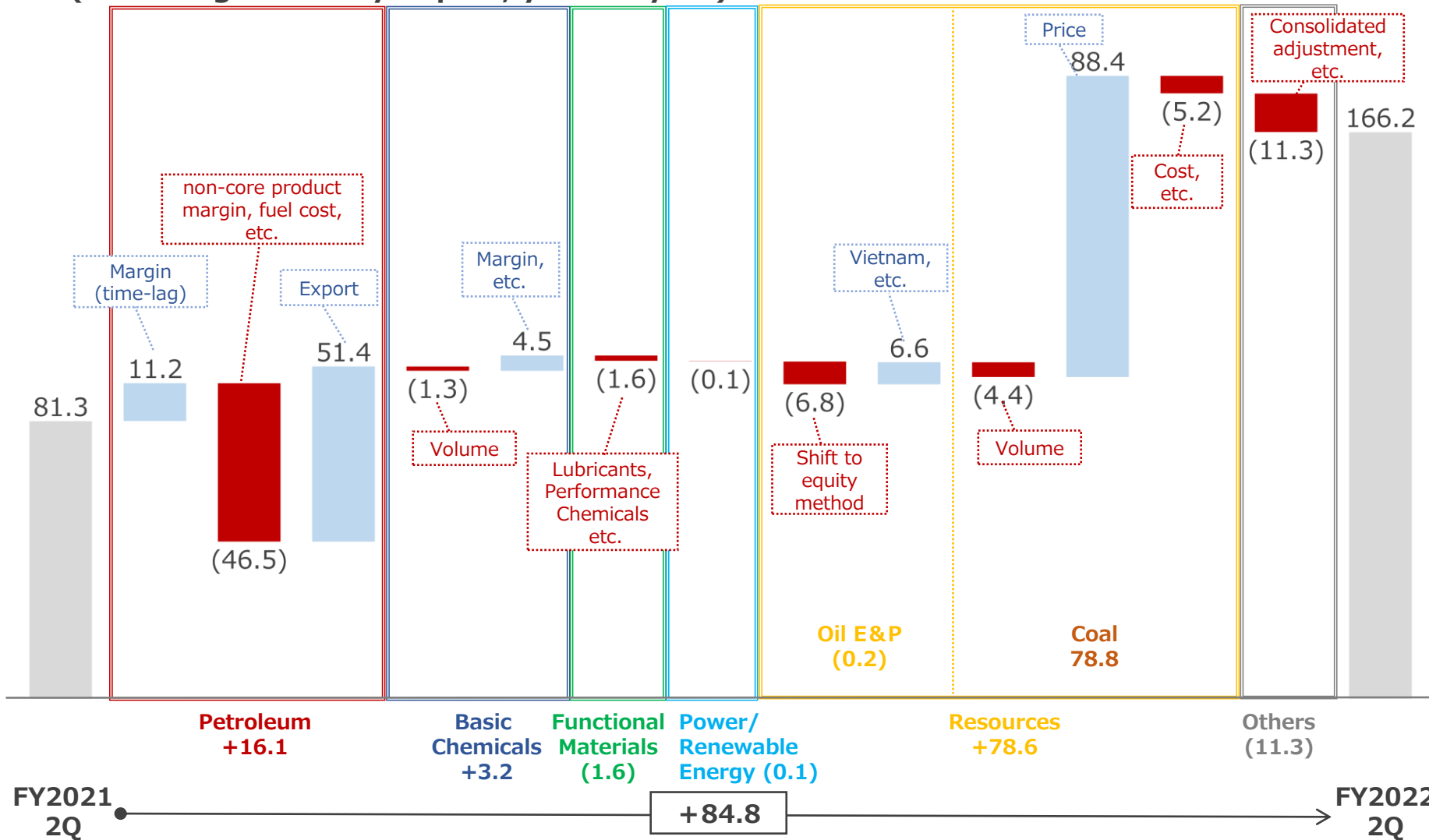
	FY2021 2Q	FY2022 2Q	Change	
Petroleum	155.7	269.3	113.6	+73.0%
<i>Excluding inventory impact</i>	45.1	61.1	16.1	+35.7%
Basic Chemicals	10.9	14.2	3.2	+29.7%
Functional Materials	10.2	8.6	(1.6)	(15.9%)
Power and Renewable Energy	(2.8)	(2.9)	(0.1)	—
Resources*	21.5	100.1	78.6	+365.3%
<i>Oil Exploration and Production</i>	17.3	17.1	(0.2)	(1.3%)
<i>Coal</i>	4.2	83.0	78.8	—
Others/Reconciliation	(3.6)	(14.9)	(11.3)	—
Total	191.9	374.3	182.4	+95.0%
<i>Excluding inventory impact</i>	81.3	166.2	84.8	+104.3%

*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)

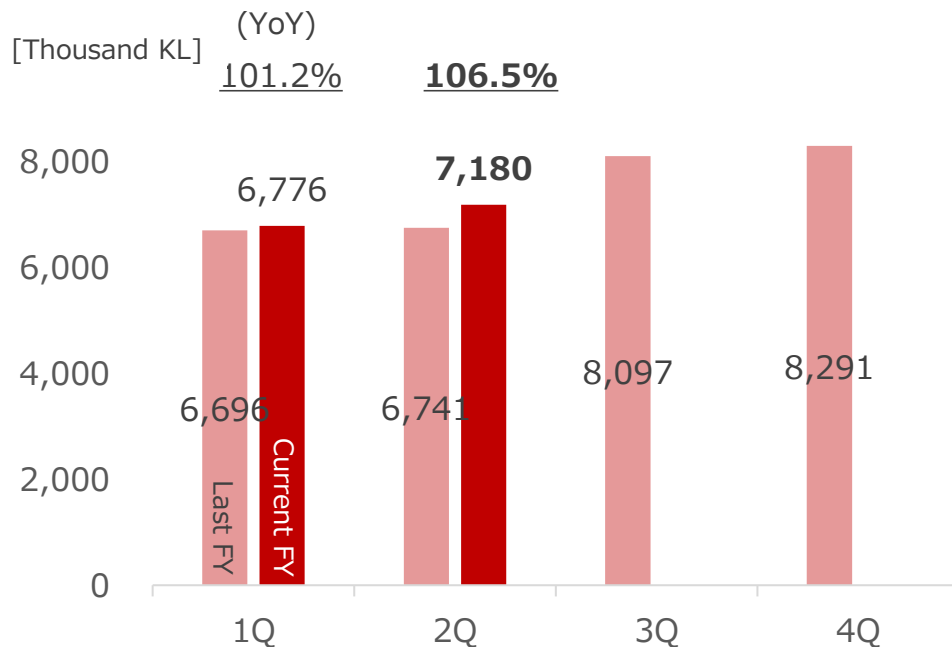
[¥ billions]



Segment Information

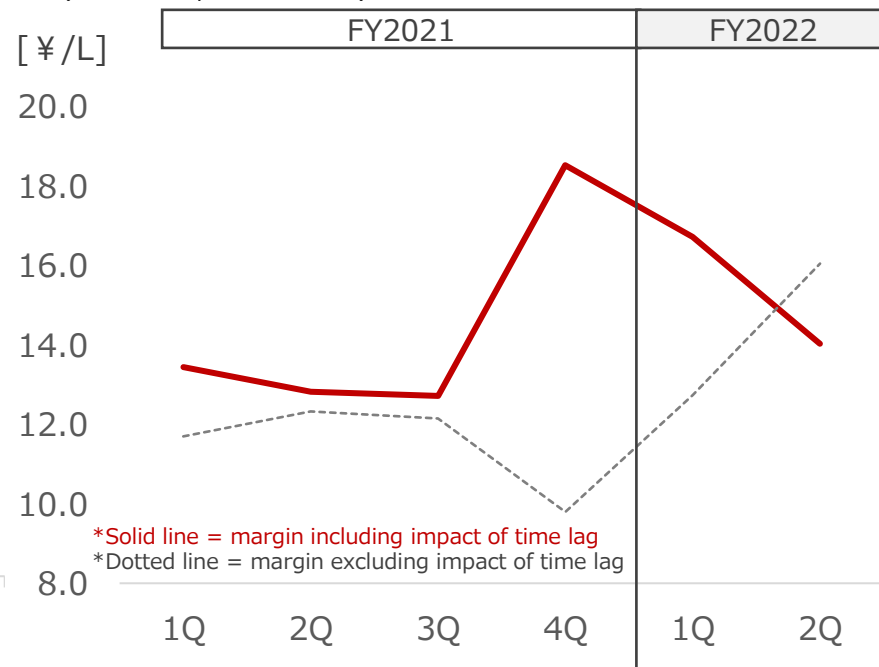
[Petroleum] YoY + ¥16.1bn (FY21 2Q : ¥45.1bn → FY22 2Q : ¥61.1bn)

[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 for the core fuel products increased year-on-year due to an easing of activity restrictions due to COVID-19, etc.
- ✓ Domestic product margins increased, but were offset by increased fuel costs and a decrease in non-core product margins
- ✓ Overall profits increased, supported by increased profitability from exports due to increased product margins in Singapore

Segment Information

[Basic Chemicals] YoY + ¥3.2bn (FY21 2Q : ¥10.9bn ➔ FY22 2Q : ¥14.2bn)

- ✓ PX/MX product margins improved due to tighter supply/demand balance, etc., but SM margins decreased in response to major periodic repairs in Asia in the previous year and decreased demand for derivative products
- ✓ Improved product margins were offset in part by reduced sales volumes and increased home fuel costs

Product	FY2021 2Q		FY2022 2Q		Change		[USD/ton]
	Price	Margin	Price	Margin	Price	Margin	
PX	889	248	1,174	379	+285	+131	
MX	779	139	1,103	308	+323	+169	
SM	1,230	590	1,295	500	+65	(89)	

[Functional Materials] YoY - ¥1.6bn (FY21 2Q : ¥10.2bn ➔ FY22 2Q : ¥8.6bn)

- ✓ Lubricants: Decreased due to time lag relating to increased crude oil prices, etc.
- ✓ Functional chemicals: Decreased due to reduced spreads for some products
- ✓ Electronic materials: Flat growth due to slowdown in smartphone demand, etc.

[Power/Renewable Energy] YoY - ¥0.10bn (FY21 2Q : -¥2.8bn ➔ FY22 2Q : -¥2.9bn)

- ✓ Power business: Increased due to efforts focused on internal power supply and sales
- ✓ ES business: Decreased due to decreased sales volume of solar panels, etc.

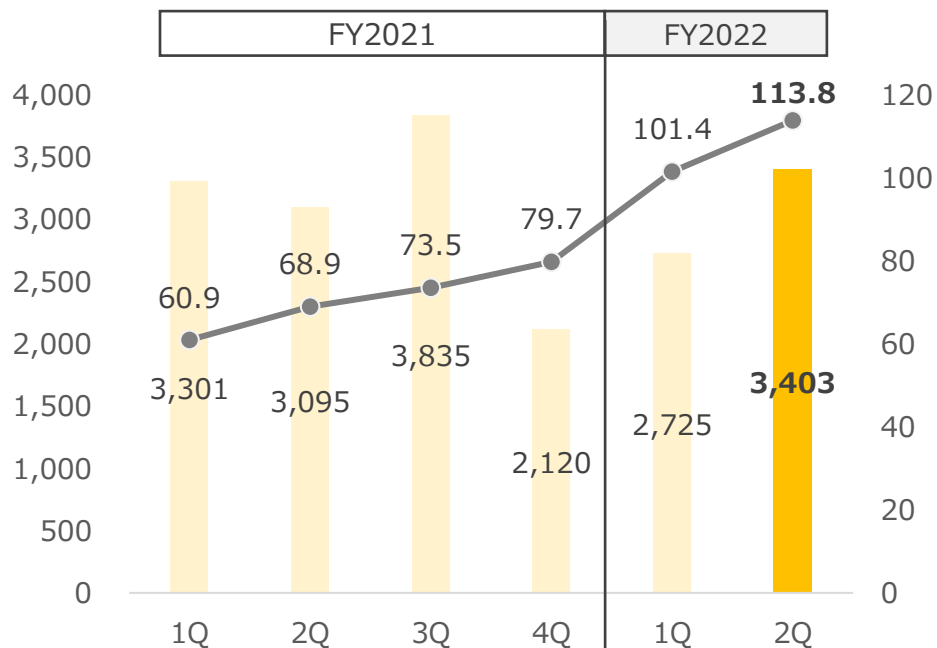
Segment Information

[Oil E&P] YoY -¥0.2 bn

(FY21 2Q : ¥17.3bn ➔ FY22 2Q : ¥17.1 bn)

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

[Thousand BOE] [USD/bbl]



- ✓ 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

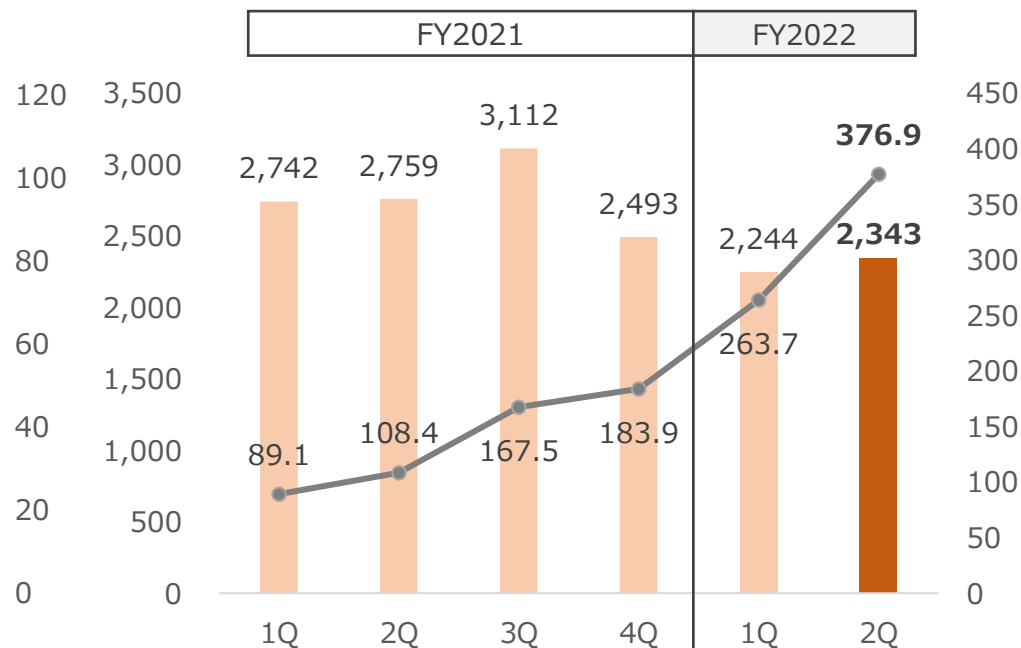
*IIN became an equity-method affiliate in FY2021 4Q

[Coal] YoY +¥78.8 bn

(FY21 2Q : ¥4.2bn ➔ FY22 2Q : ¥83.0 bn)

<Coal Production Volume and Australian Coal Spot Price Trends>

[Thousand tons] [USD/ton]



- ✓ 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	9/30/2022	Change		3/31/2022	9/30/2022	Change
Cash and Deposits	140.3	87.3	(53.0)	Total Current Liabilities	2,061.3	2,545.2	483.9
Receivables, Inventory, etc.	2,227.8	3,060.2	832.4	Total Fixed Liabilities	1,103.4	1,131.9	28.5
Total Current Assets	2,368.1	3,147.5	779.4	Total Liabilities	3,164.7	3,677.1	512.4
Tangible Fixed Assets	1,437.8	1,420.7	(17.1)	Shareholders' Equity and Other Comprehensive Income	1,412.1	1,696.1	284.0
Other Fixed Assets	795.3	830.6	35.3	Non-controlling Interests	24.4	25.6	1.2
Total Fixed Assets	2,233.1	2,251.3	18.3	Total Net Assets	1,436.5	1,721.7	285.2
Total Assets	4,601.2	5,398.8	797.6	Total Liabilities and Net Assets	4,601.2	5,398.8	797.6

Net D/E ratio	0.87	0.93	+0.06
Total Interest-bearing debt	1,364.9	1,662.9	+298.0
Equity ratio	30.7%	31.4%	+0.7%

Statement of Cash Flows

[¥ billions]

Cash Flow from Operating Activities	(149.5)
Net Income before tax	398.6
Depreciation Expense	56.7
Change in Working Capital	(425.5)
Other	(179.4)
Cash Flow from Investing Activities	(14.7)
Purchase of tangible fixed assets	(47.2)
Other	32.5
Cash Flow from Financing Activities	109.7
Change in borrowings	143.7
Dividend payments	(32.8)
Other	(1.2)
Translation gains/losses	0.2
Change in cash and deposits	(54.3)
Cash and Cash Equivalents - Beginning Balance	139.0
Cash and Cash Equivalents - Ending Balance	84.8

■ Forecasts for FY2022

Forecasts for FY2022

■ Crude Oil/Coal/Exchange Rate

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

	8/9 Forecasts	Revised Forecasts	Change		Assumptions (from Oct.)
Crude Oil (Dubai)	102.0	96.2	(5.8)	(5.7%)	90.0
Crude Oil (Brent)*	105.1	102.4	(2.7)	(2.5%)	93.5
Australian Coal Spot Price *	310.1	347.8	37.7	+12.2%	330.0
Exchange Rate (TTM)	133.6	139.5	5.8	+4.4%	145.0

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

■ Consolidated Income Statement(Summary)

[¥ billions]

	8/9 Forecasts	Revised Forecasts	Change	
Net Sales	9,260.0	9,170.0	(90.0)	(1.0%)
Operating Income	375.0	425.0	50.0	+13.3%
<i>Inventory impact</i>	<i>140.0</i>	<i>120.0</i>	<i>(20.0)</i>	<i>(14.3%)</i>
Equity Income	25.0	25.0	—	—
Operating Income + Equity Income	400.0	450.0	50.0	+12.5%
<i>Excluding inventory impact</i>	<i>260.0</i>	<i>330.0</i>	<i>70.0</i>	<i>+26.9%</i>
Ordinary Income	400.0	450.0	50.0	+12.5%
Extraordinary Income/Losses	4.0	1.0	(3.0)	(75.0%)
Net Income Attributable to Owners of the Parent	280.0	325.0	45.0	+16.1%
<i>Excluding inventory impact</i>	<i>180.0</i>	<i>240.0</i>	<i>60.0</i>	<i>+33.3%</i>

Segment Information

■ Operating + Equity Income

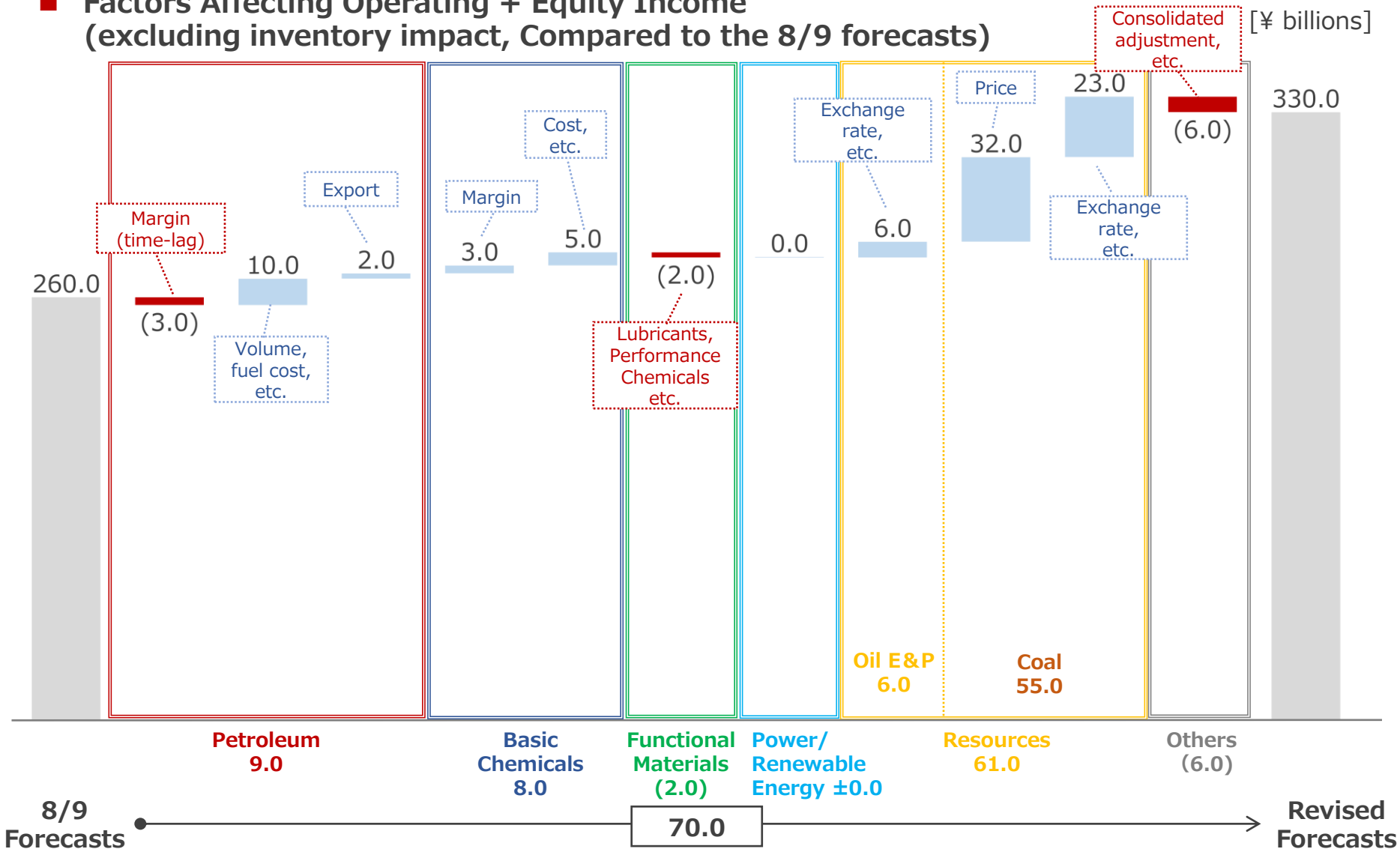
[¥ billions]

	8/9 Forecasts	Revised Forecasts	Change	
Petroleum	216.0	205.0	(11.0)	(5.1%)
<i>Excluding inventory impact</i>	<i>76.0</i>	<i>85.0</i>	<i>9.0</i>	<i>+11.8%</i>
Basic Chemicals	10.0	18.0	8.0	+80.0%
Functional Materials	19.0	17.0	(2.0)	(10.5%)
Power and Renewable Energy	(9.0)	(9.0)	—	—
Resources*	178.0	239.0	61.0	+34.3%
<i>Oil Exploration and Production</i>	<i>23.0</i>	<i>29.0</i>	<i>6.0</i>	<i>+26.1%</i>
<i>Coal</i>	<i>155.0</i>	<i>210.0</i>	<i>55.0</i>	<i>+35.5%</i>
Others/Reconciliation	(14.0)	(20.0)	(6.0)	—
Total	400.0	450.0	50.0	+12.5%
<i>Excluding inventory impact</i>	<i>260.0</i>	<i>330.0</i>	<i>70.0</i>	<i>+26.9%</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 8/9 forecasts)



Segment Information

[Petroleum] +¥9.0bn (8/9 forecast: ¥76.0bn ➡ ¥85.0bn)

- ✓ Domestic product margins remain almost unchanged from the previous forecast
- ✓ Overall profits increased, supported by increased volume of core products, decreased fuel cost and increased export volume

[Basic Chemicals] +¥8.0bn (8/9 forecast: ¥10.0bn ➡ ¥18.0bn)

- ✓ No change in the (USD-based) product margin forecast, but revised upward due to margin improvement resulting from JPY depreciation, reduced fuel costs in 2Q, progress in 1H earnings relative to the previous forecast, etc.

Product	Current Forecast*	
	Price	Margin
PX	1,110	330
MX	1,040	260
SM	1,240	460

[USD/ton]

*No change in margins from the 8/9 announcement

[Functional Materials] -¥2.0 bn (8/9 forecast: ¥19.0 bn ➡ ¥17.0 bn)

- ✓ Reflected an expected decrease in lubricant sales volume and in functional chemical margins

Segment Information

[Power/Renewable Energy] ±¥0.0bn (8/9 forecast: -¥9.0bn ➡ -¥9.0bn)

- ✓ Forecasting some earnings improvement in the power business
- ✓ On the other hand, ES business forecast was revised downward in light of current progress in panel sales, etc.

[Oil E&P] +¥6.0bn (8/9 forecast: ¥23.0bn ➡ ¥29.0bn)

- ✓ Reflected an expected increase in sales volume due to increased power demand in Vietnam and a positive foreign exchange impact from JPY depreciation

[Coal] +¥55.0bn (8/9 forecast: ¥155.0bn ➡ ¥210.0bn)

- ✓ Price-related improvement due to continued strength in the coal market
- ✓ Improvement due to foreign exchange impact from JPY depreciation

Investments

[¥ billions]

	FY2022 1 st half			FY2022(5/10 Forecast)		
	Strategic	Maintenance Renewal	Total	Strategic	Maintenance Renewal	Total
Petroleum, Basic Chemicals	3.4	31.3	34.7	6.0	66.0	72.0
Power/Renewable Energy, Functional Materials, etc.	4.0	4.9	8.9	35.0	23.0	58.0
Resources	6.6	6.1	12.7	21.0	19.0	40.0
M&A, etc.	0.0		0.0	30.0		30.0
Total	14.0	42.3	56.3	92.0	108.0	200.0

*The amount is based on expenditure.

- ✓ Strategic items for FY2022 1st half are mainly featured by investments related to Lithium solid-state electrolytes in Functional Materials and exploration in Vietnam

■ Reference Materials

Topics on the progress in the mid-term plan

- **Commenced basic planning towards commercialization of used plastic recycling (Basic Chemicals)**
 - ✓ Petrochemical recycling of used plastics in the Chiba plant area
 - ✓ Commenced basic planning towards commercialization and aiming to launch commercial operations in 2025
(Link to our press release *Japanese only)
<https://www.idemitsu.com/jp/news/2022/220913.html>

- **Investment in Vecco, an Australian vanadium business (Resources)**
 - ✓ Leverage Idemitsu's business foundation based on approximately 40 years of Australian coal mine operations
 - ✓ Enter the critical mineral business and obtain know-how
(Link to our press release)
<https://www.idemitsu.com/en/news/2022/221026.html>

- **Idemitsu begins a commercialization feasibility study of a pumped-storage hydroelectricity using mined area of Muswellbrook Coal Mine in Australia (Resources)**
 - ✓ Utilizing the former mine site as a base for renewable energy sources
 - ✓ Conducting verification for the commercialization of pumped-storage hydroelectricity based on the terrain
(Link to our press release)
<https://www.idemitsu.com/en/news/2022/220914.html>

Topics on the progress in the mid-term plan

- **Launched the first next-generation environment-friendly SS “apollostation Type Green” in Kochi (Petroleum)**
 - ✓ Japan’s first SS to use domestic CLT (Cross Laminated Timber)
 - ✓ Installed solar panels and rapid EV rechargers to achieve both stable energy supply and reduced CO₂ emission
 - ✓ Planning to launch 3 domestic locations during FY2022
(Link to our press release *Japanese only)
<https://www.idemitsu.com/jp/news/2022/221107.html>



- **Included in the FTSE4Good Index Series / FTSE Blossom Japan Index for the first time (ESG)**
 - ✓ Selected for inclusion in a world-class ESG investment index for the first time
(Link to our press release)
<https://www.idemitsu.com/en/news/2022/220815.html>

Financial Results

■ Net Sales by segment

[¥ billions]

	FY2021 2Q	FY2022 2Q	Change	
Petroleum	2,230.1	3,814.1	1,584.0	+71.0%
Basic Chemicals	250.5	363.0	112.5	+44.9%
Functional Materials	194.0	245.6	51.6	+26.6%
Power and Renewable Energy	57.0	89.8	32.8	+57.5%
Resources*	133.9	300.3	166.5	+124.3%
<i>Oil Exploration and Production</i>	<i>40.1</i>	<i>22.2</i>	<i>(17.8)</i>	<i>(44.5%)</i>
<i>Coal</i>	<i>93.8</i>	<i>278.1</i>	<i>184.3</i>	<i>+196.5%</i>
Others/Reconciliation	1.5	1.3	(0.3)	(16.2%)
Total	2,867.0	4,814.1	1,947.1	+67.9%

*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	2Q
Petroleum	29.6	45.1	73.7	136.5	57.4	61.1
Equity income	6.0	8.6	12.4	9.2	7.0	12.4
Basic Chemicals	6.7	10.9	7.6	8.2	8.1	14.2
Equity income	0.1	0.7	0.8	1.2	(0.1)	(0.1)
Functional Materials	4.3	10.2	14.2	17.1	3.3	8.6
Equity income	0.6	1.4	1.5	1.6	0.0	0.3
Power and Renewable Energy	(1.0)	(2.8)	(7.6)	(9.9)	(3.7)	(2.9)
Equity income	(0.0)	(0.1)	0.0	(1.7)	(0.4)	(0.7)
Resources						
-Oil Exploration and Production	12.4	17.3	34.9	38.7	6.5	17.1
Equity income	-	-	-	2.6	2.9	6.7
-Coal	0.6	4.2	21.5	42.3	25.1	83.0
Equity income	0.4	0.8	1.4	3.1	-	-
Others/Reconciliation	(2.3)	(3.6)	(10.2)	(16.6)	(11.9)	(14.9)
Equity income	1.2	1.3	2.1	(1.0)	1.1	1.7
Total	50.3	81.3	134.2	216.2	84.9	166.2
Equity income	8.3	12.7	18.2	15.0	10.5	20.3

* 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	2Q
Petroleum	29.6	15.4	28.6	62.8	57.4	3.7
Equity income	6.0	2.6	3.8	(3.2)	7.0	5.4
Basic Chemicals	6.7	4.2	(3.3)	0.5	8.1	6.1
Equity income	0.1	0.5	0.1	0.5	(0.1)	(0.0)
Functional Materials	4.3	5.9	4.1	2.9	3.3	5.3
Equity income	0.6	0.8	0.1	0.1	0.0	0.3
Power and Renewable Energy	(1.0)	(1.8)	(4.8)	(2.3)	(3.7)	0.8
Equity income	(0.0)	(0.0)	0.1	(1.7)	(0.4)	(0.3)
Resources						
-Oil Exploration and Production	12.4	5.0	17.6	3.8	6.5	10.5
Equity income	—	—	—	2.6	2.9	3.8
-Coal	0.6	3.6	17.3	20.8	25.1	57.8
Equity income	0.4	0.4	0.6	1.7	—	—
Others/Reconciliation	(2.3)	(1.3)	(6.6)	(6.4)	(11.9)	(3.0)
Equity income	1.2	0.1	0.9	(3.1)	1.1	0.6
Total	50.3	31.0	52.9	82.1	84.9	81.3
Equity income	8.3	4.4	5.6	(3.2)	10.5	9.8

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

Sensitivity

■ Major items affecting performance by changes in assumptions (FY2022 3-4Q)

	Assumption Items	Revised assumption (from Oct.)	Range of fluctuation	Segment	Income impact (¥ billions)	Contents
Excluding inventory impact	Crude oil price	90.0\$/bbl	±10\$/bbl	Petroleum	±7.0	Refining fuel cost, time-lag
	Singapore product margin	—	±5\$/bbl		±20.0	Export (core products and jet)
	Exchange rate	145.0¥/\$	±5¥/\$		±7.0	Refining fuel cost, time-lag, export
	Thermal coal price	330.0\$/t	±10\$/t	Resources (Coal)	±1.0	Thermal coal
Inventory impact	Crude oil price	90.0\$/bbl	±10\$/bbl	Petroleum	±30.0	
	Exchange rate	145.0¥/\$	±5¥/\$		±10.0	

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

Sales Volume

■ Petroleum

[thousand KL,%]

	FY 2021 2Q	FY 2022 2Q	Change	
Gasoline	6,406	6,640	234	3.6%
Naphtha	60	190	130	216.3%
Jet Fuel	806	1,149	343	42.6%
Kerosene	788	826	38	4.8%
Diesel Oil	4,898	5,096	199	4.1%
Heavy Fuel Oil A	1,345	1,394	49	3.6%
Heavy Fuel Oil C	1,071	1,267	196	18.3%
Total Domestic Sales Volume	15,374	16,562	1,188	7.7%
Exported Volume	2,334	4,167	1,833	78.5%
Total Sales Volume	17,708	20,729	3,021	17.1%

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

Sales Volume

■ Basic Chemicals

[kt,%]

	FY 2021 2Q	FY 2022 2Q	Change	
Basic Chemicals	1,769	1,709	(61)	(3.4%)

■ Functional Materials

[KKL,kt,%]

	FY 2021 2Q	FY 2022 2Q	Change	
Lubricants	589	577	(12)	(2.0%)
Performance Chemicals	374	346	(28)	(7.6%)

*Lubricants include sales overseas

■ Power/Renewable Energy

[Mkwh,%]

	FY 2021 2Q	FY 2022 2Q	Change	
Retail Power Sales	2,620	1,882	(738)	(28.1%)

Production Volume

■ Resources (Oil E&P)

[KBOED,%]

	FY 2021 2Q	FY 2022 2Q	Change	
Norway	23.6	15.7	(7.9)	(33.3%)
Vietnam	11.8	18.2	6.4	54.2%
Total('000BOED)	35.3	33.9	(1.5)	(4.2%)
Total('000BOE)	6,396	6,128	(268)	(4.2%)

*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 2Q	FY 2022 2Q	Change	
Ensham	1,787	1,425	(362)	(20.3%)
Muswellbrook	443	716	273	61.6%
Boggabri	2,632	2,446	(186)	(7.1%)
Sub Total	4,862	4,587	(275)	(5.7%)
Malinau	639	—	(639)	—
Total Volume	5,501	4,587	(914)	(16.6%)

*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

[KKL,%]

	8/9 Forecast	Revised Forecast	Change	
Gasoline	12,780	12,960	180	1.4%
Naphtha	230	320	90	39.1%
Jet fuel	2,280	2,280	—	—
Kerosene	3,770	3,900	130	3.4%
Diesel Oil	10,150	10,310	160	1.6%
Heavy Fuel Oil A	3,100	3,290	190	6.1%
Heavy Fuel Oil C	2,180	2,700	520	23.9%
Domestic fuel subtotal	34,490	35,760	1,270	3.7%
Fuel exports	9,460	9,600	140	1.5%
Total	43,950	45,360	1,410	3.2%

Sales Volume(Forecast)

■ Basic Chemicals

[kt,%]

	8/9 Forecast	Revised Forecast	Change	
Basic Chemicals	3,870	3,760	(110)	(2.9%)

■ Functional Materials

[KKL,kt,%]

	8/9 Forecast	Revised Forecast	Change	
Lubricants*	1,230	1,210	(20)	(1.7%)
Performance Chemicals	780	720	(60)	(7.7%)

*includes sales overseas

■ Power/Renewable Energy

[Mkwh,%]

	8/9 Forecast	Revised Forecast	Change	
Power retail sales	2,960	3,340	379	12.8%

Production Volume(Forecasts)

■ Resources (Oil E&P)

[KBOED,%]

	8/9 Forecast	Revised Forecast	Change	
Norway	14.8	14.8	—	—
Vietnam	14.6	16.3	1.7	11.7%
Total('000BOED)	29.3	31.0	1.7	5.9%
Total('000BOE)	10,700	11,330	630	5.9%

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

■ Resources (Coal)

[kt,%]

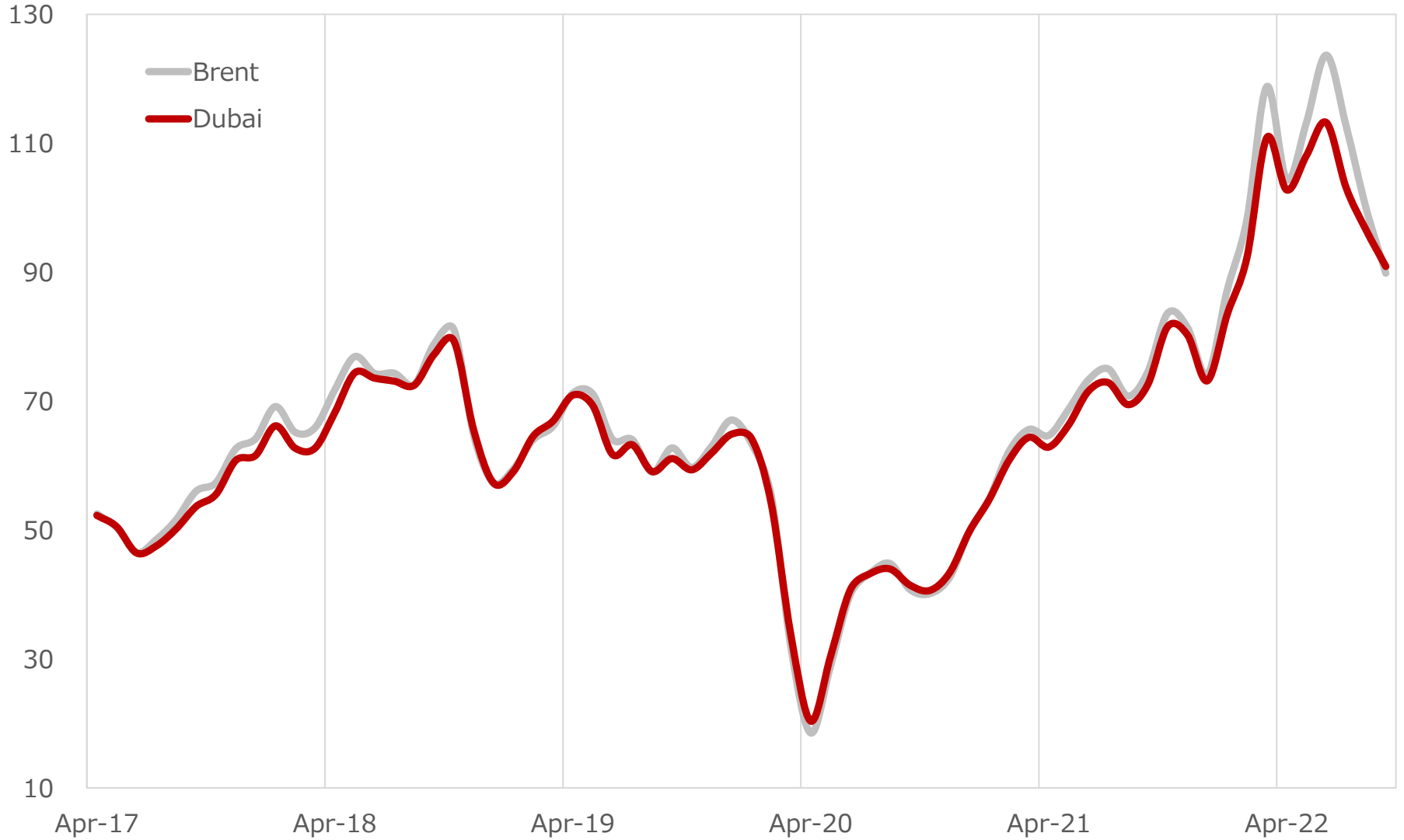
	8/9 Forecast	Revised Forecast	Change	
Ensham	3,450	2,910	(540)	(15.7%)
Muswellbrook	760	940	180	23.7%
Boggabri	5,560	5,320	(240)	(4.3%)
Total	9,770	9,170	(600)	(6.1%)

*Fiscal year for Oil E&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)

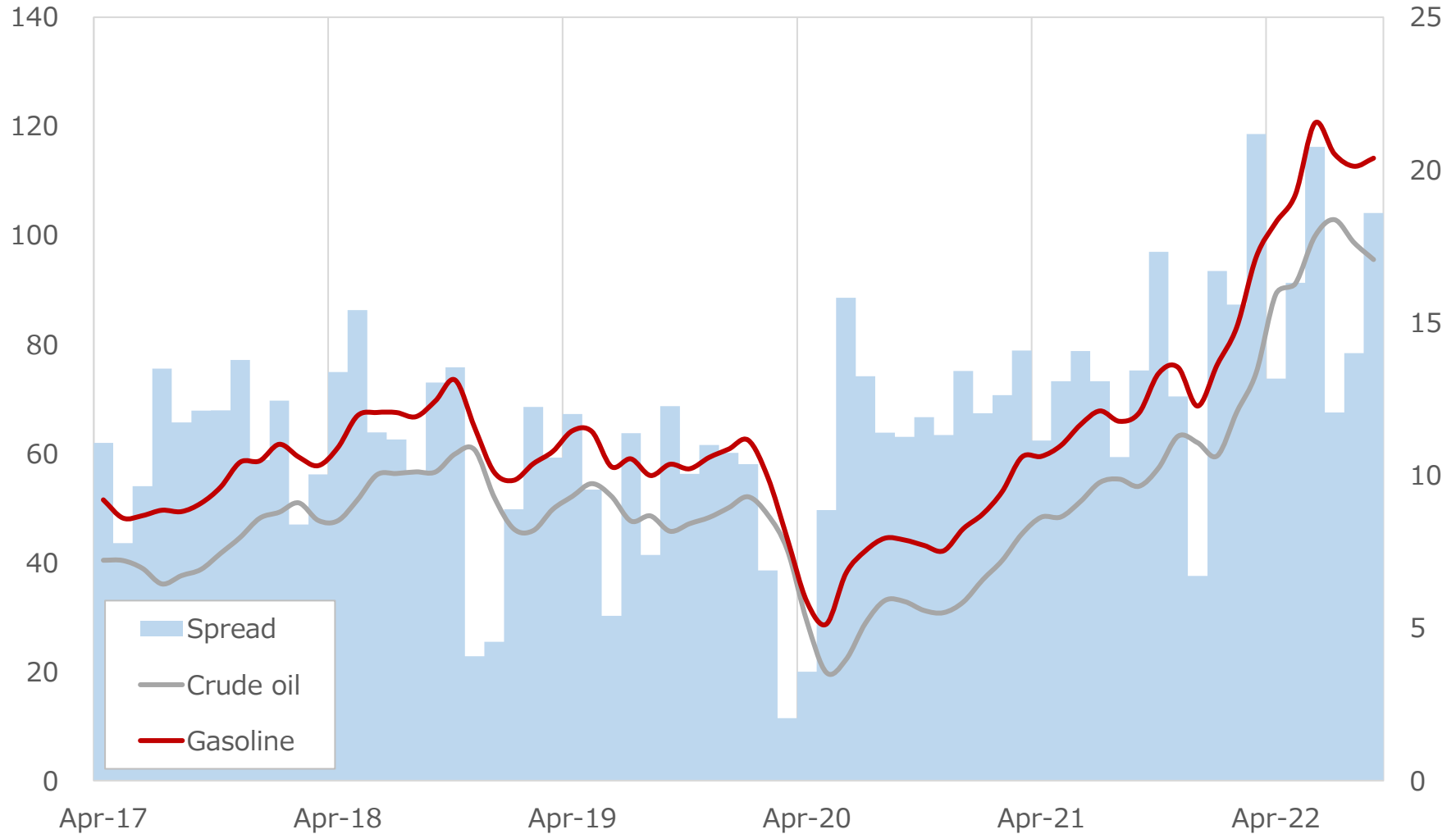
[USD/bbl]



Gasoline-Crude Oil (Domestic spot price and spread)

[Price : JPY/L]

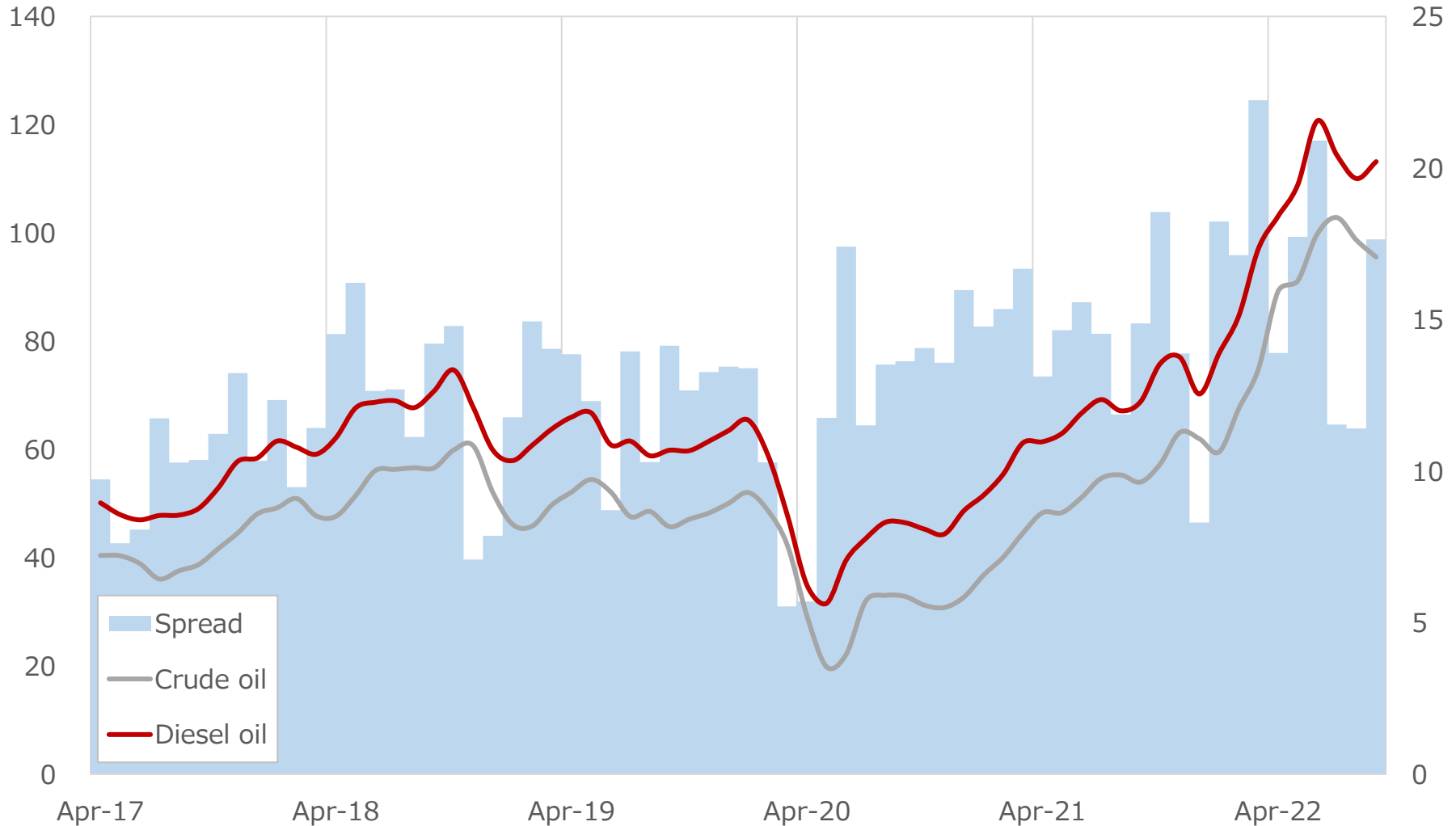
[Spread : JPY/L]



Diesel-Crude Oil (Domestic spot price and spread)

[Price : JPY/L]

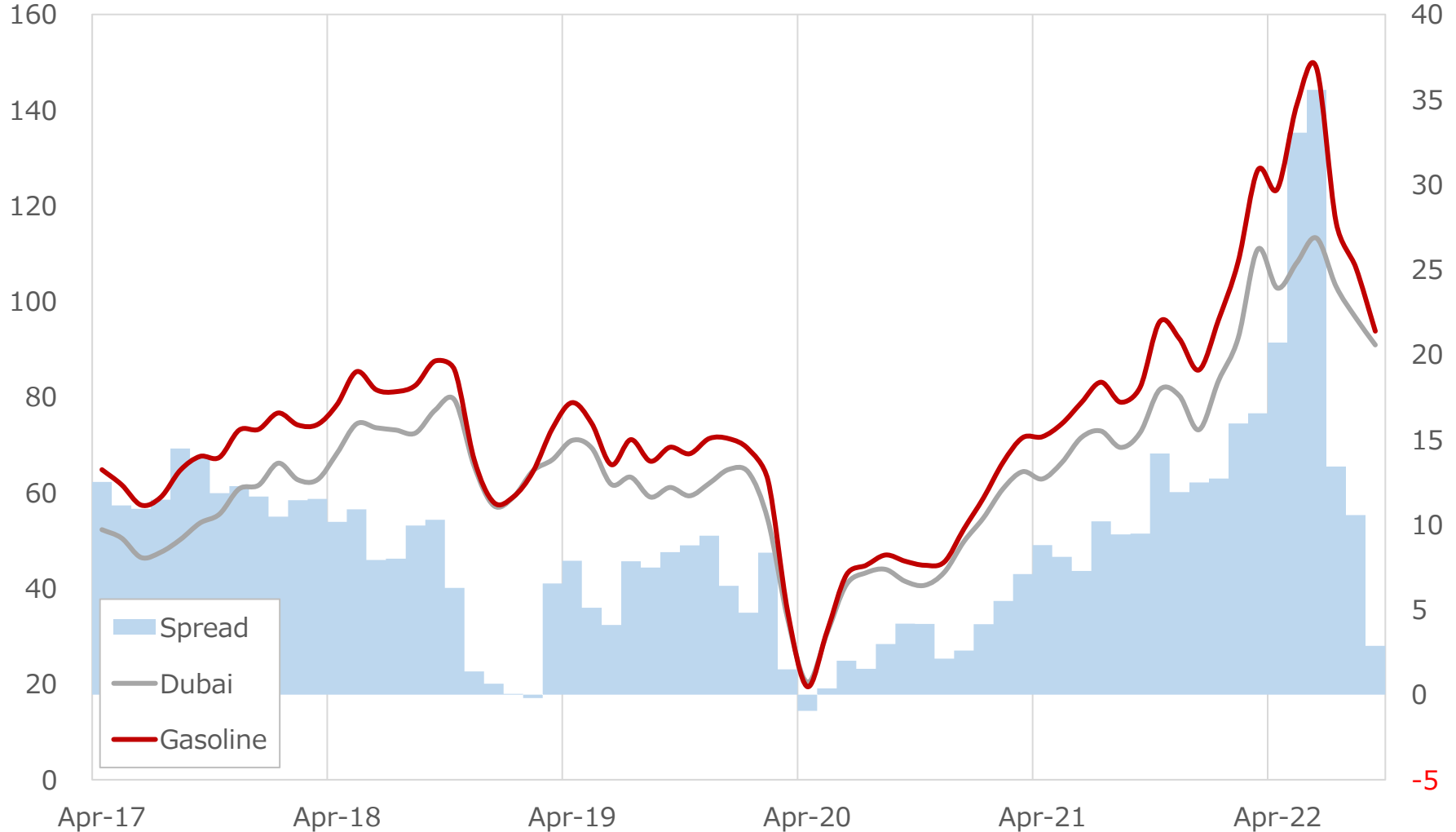
[Spread : JPY/L]



Gasoline-Crude Oil (Singapore spot price and spread)

[Price : USD/bbl]

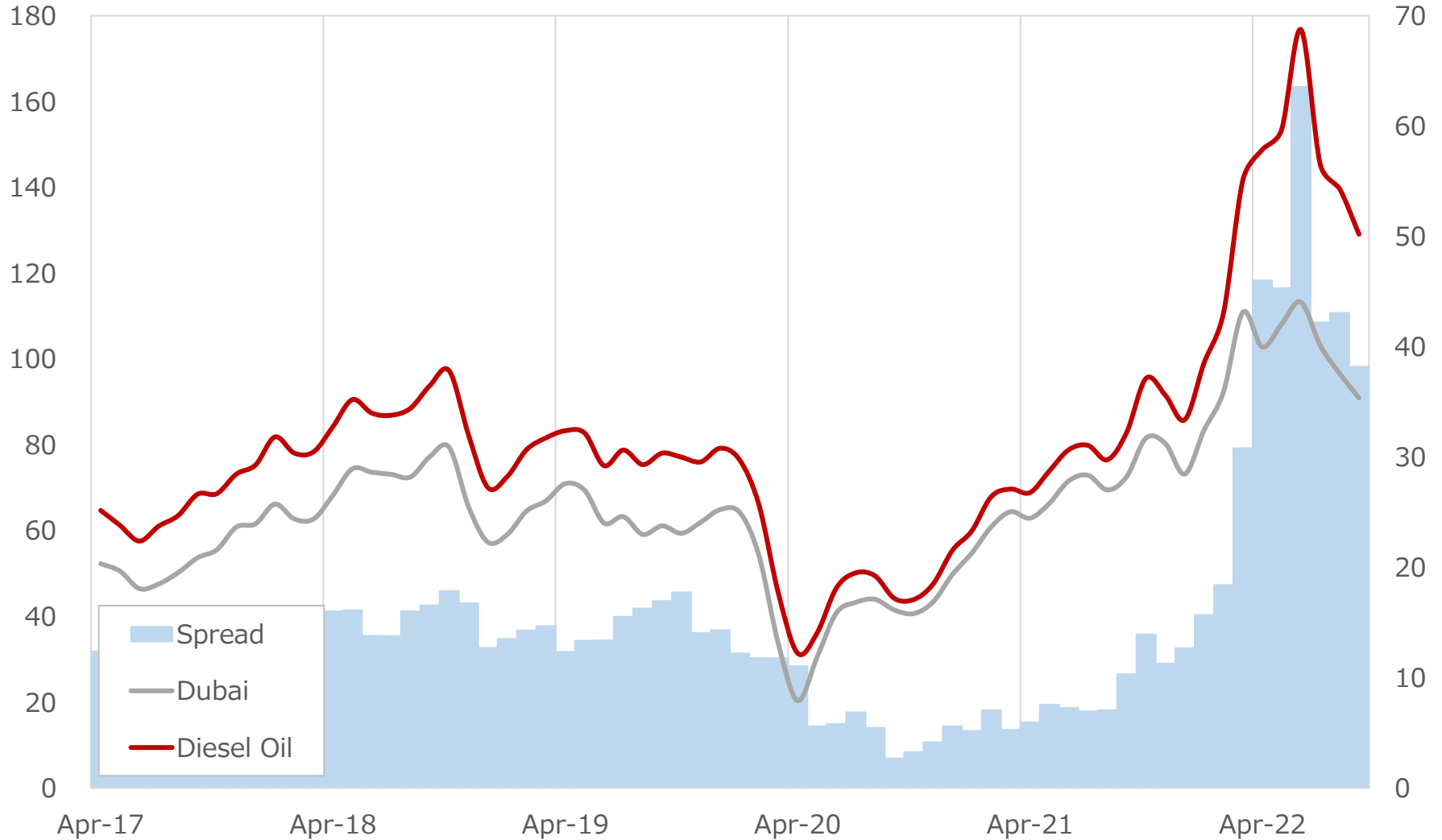
[Spread : USD/bbl]



Diesel-Crude Oil (Singapore spot price and spread)

[Price : USD/bbl]

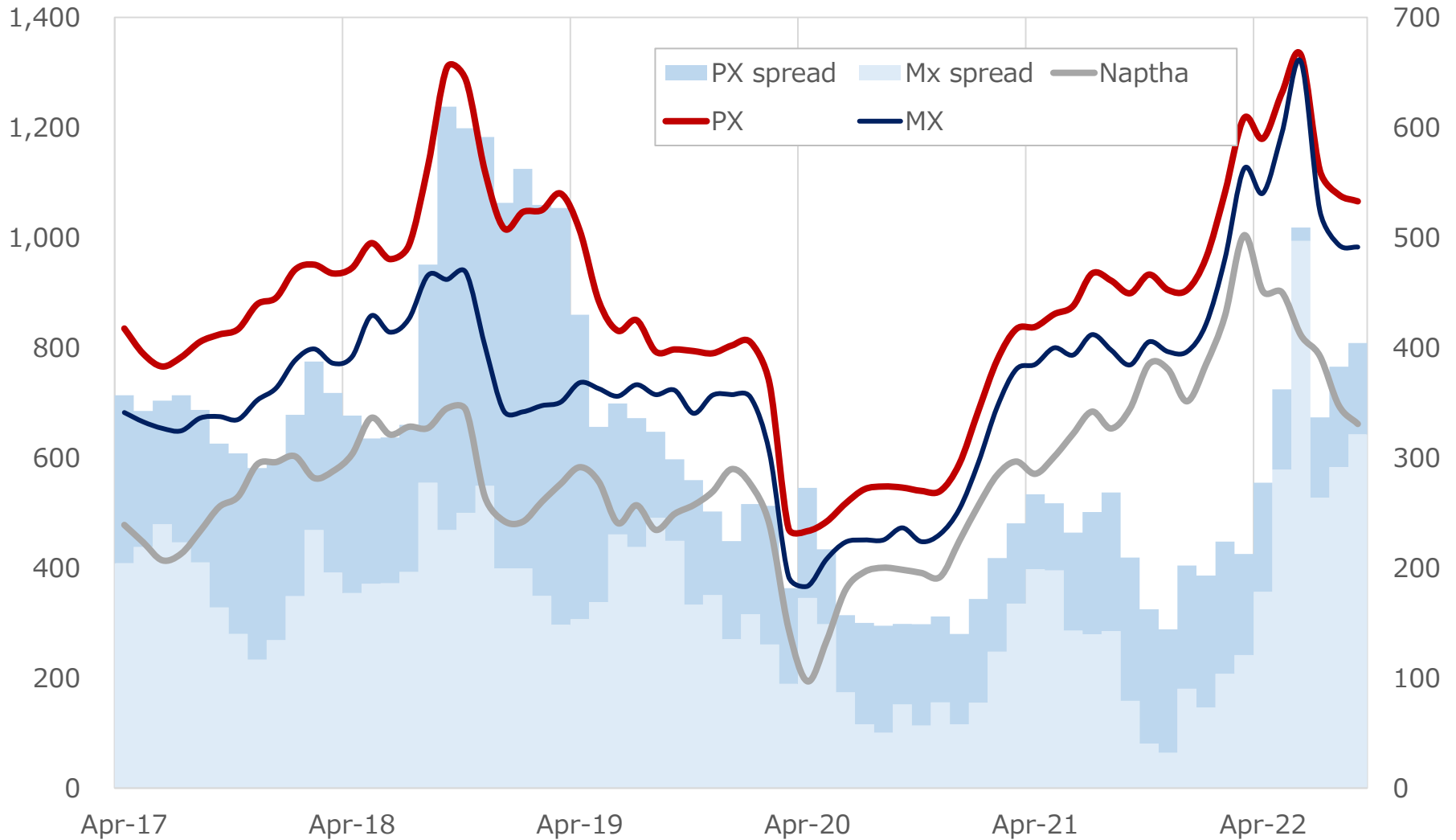
[Spread : USD/bbl]



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

[Price : USD/ton]

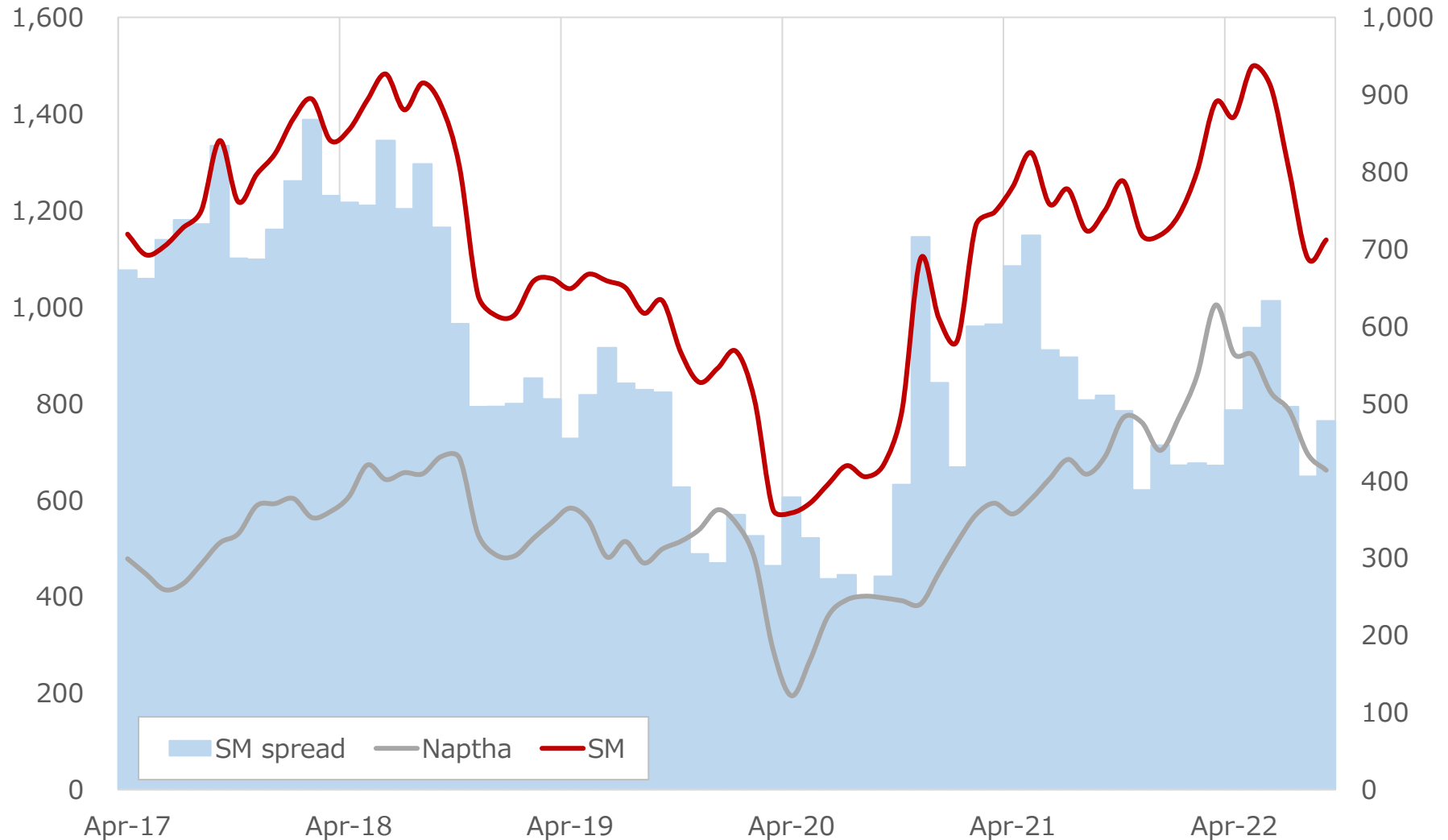
[Spread : USD/ton]



Styrene Monomer-Naphtha (price and spread)

[Price : USD/ton]

[Spread : USD/ton]



Operational Data

■ Refineries Utilization

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 2Q
Idemitsu Kosan	88%	88%	87%	78%	77%	83%
Former Showa Shell	88%	93%				

*on BCD basis

■ Number of Service Stations

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 2Q
Idemitsu Kosan	3,545	3,501	3,446	3,426	3,382	3,372
Former Showa Shell	3,028	2,964	2,938	2,885	2,834	2,810
Total	6,573	6,465	6,384	6,311	6,216	6,182

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 **0.94 mil 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	Japan 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%
		945	239	72	189	27	
Nghi Son Refinery and Petrochemical LLC	Overseas Nghi Son *1,2 (Thanh Hoa, Vietnam)	200	105		80		35.1%
		200	105		80		

*1 Capacity before equity ratio reflection

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

Basic Chemicals Segment


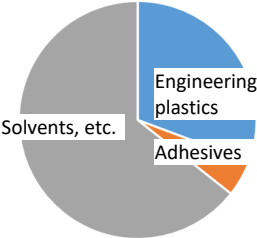
as of the end of March, 2022

[mil tons/year]

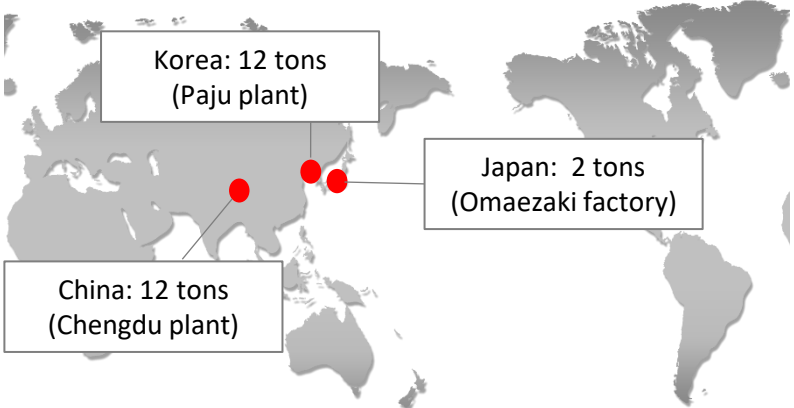



Operating Company	Complex/Factory/Refinery	Production Capacity for core products				Equity Ratio
		Ethylene	Para-Xylene	Mixed Xylene	Styrene Monomer	
Idemitsu Kosan	Japan Chiba	0.37	0.27		0.21	
	Aichi			0.17		
	Tokuyama	0.62	0.21		0.34	
Showa Yokkaichi Sekiyu	Yokkaichi			0.52		75.0%
Seibu Oil	Yamaguchi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

*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"> ◆ Product categories <ul style="list-style-type: none"> • Automotive lubricants (engine oil, etc.) • Grease • Industrial lubricants (hydraulic actuation oil, cutting oil, etc.) ◆ Global business with a focus on automotive lubricants <ul style="list-style-type: none"> • #8 global share • Over 50% overseas sales ◆ R&D centers <ul style="list-style-type: none"> • Japan and overseas (US, China, etc.) ◆ Global lubricant network <div style="text-align: center; margin: 10px 0;">  </div> <ul style="list-style-type: none"> • Manufacturing/sales/R&D network in 28 countries • Strengthening existing facilities and developing new facilities 	<div style="text-align: right; margin-bottom: 20px;">  </div> <ul style="list-style-type: none"> ◆ Product categories <ul style="list-style-type: none"> • Engineering plastics • Adhesives • Solvents, etc. ◆ Breakdown (major uses) <ul style="list-style-type: none"> • Engineering plastics Polycarbonates, SPS (automotives, information communication device) • Adhesives Hydrogenated petroleum resins (diapers and other hygiene products) • Solvents, etc. Solvents Isoparaffin, DIB, MEK • α-olefin, bisphenol A (lubricants, surfactant agents) • Electronic materials Special polycarbonate resins

Functional Materials Segment

Electronic Materials	High Performance Asphalt
<p>◆ Product categories</p> <ul style="list-style-type: none"> • Organic EL materials • Display semiconductor materials etc. <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"> • Recycling, longer life, carbon neutrality <p>◆ Product categories</p> <ul style="list-style-type: none"> • Engineering/construction asphalt • Industrial asphalt • Value-added asphalt for roads  <p>Maybright (Added-value asphalt for roads)</p>
Agri-bio	
<p>◆ Product categories</p> <ul style="list-style-type: none"> • Fodder-related materials (Ruminap *1 etc.) • Microorganism control agent/land improvement materials • Environment/greenification materials • Agrichemicals (through SDS Biotech) <div style="display: flex; justify-content: space-around;"> <div data-bbox="1122 901 1286 1086">  <p>RUMINUP® M</p> </div> <div data-bbox="1562 901 1707 1086">  <p>Swirmite (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
Domestic				108.9
Solar	Overseas (North America, Vietnam, etc.)		—	44.8
Fire	Overseas			27.1
Overseas				71.9
Total				180.8

*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

as of the end of March, 2022

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

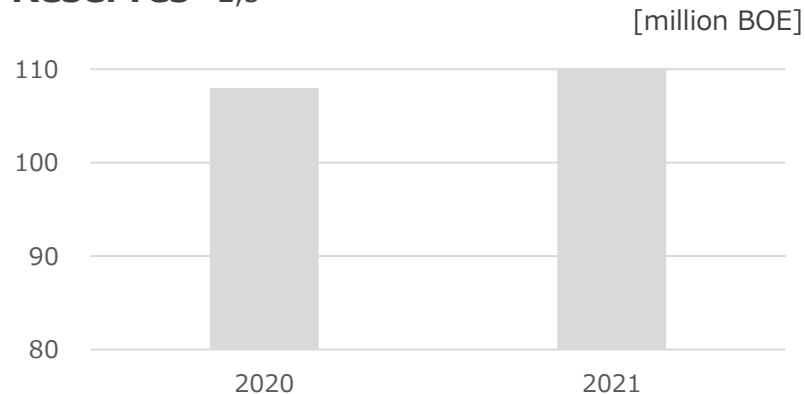
^{*1} Companies in which Idemitsu owns rights

Norway: INPEX Idemitsu Norge AS (49.5% stake)

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

Production Oil/Gas Reserves

◆ Reserves ^{*2,3}



^{*2} Total reserves in Norwegian oil fields and Vietnamese gas fields

^{*3} Reserves reflect Idemitsu's rights and ownership ratios

◆ CCS^{*4} initiatives

Considering applying technologies developed to date to CCS, a promising method of reducing CO₂ emissions

^{*4} Carbon capture and storage: Technology which recover emitted CO₂ 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 CO₂ emissions through low-carbon solutions such as Idemitsu Green Energy Pellets</p> <p>◆ Overview of Australian Coal Mines</p>  <div data-bbox="529 779 948 975" style="border: 1px solid black; padding: 5px;"> <p>Ensham Coal Mine 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>Boggabri Coal Mine 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>Muswellbrook Coal Mine Location: New South Wales Grade: Coal for export Harbor: Newcastle Harbour (~30 km by truck → ~110 km by train)</p> </div>	<p>◆ Idemitsu Green Energy Pellets (black pellets)</p> <ul style="list-style-type: none"> • CO₂ emissions can be reduced by replacing fuel for coal-fired power generators with black pellets • Succeeded in mixed combustion tests which replace 20-30% of coal fuel with black pellets • 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  

Precaution statement about forecasts

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.