



Security Code Tokyo 5020

February 10, 2023

FY2022 3Q Financial Results

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Highlights of Financial Results

Key Headlines

Business Environment

- Oil Price : Higher YoY in 1-3Q average price. Downward trend from July
- Copper Price : Lower YoY in 1-3Q average price. Upward trend from Nov.
- Petroleum Products : Continuing stable margins in domestic market, and high margins in export market
- Petrochemicals : Continuing low margins
- Exchange Rate : Yen temporarily depreciated to ¥150/\$. Stronger yen trend continued from Nov.

Refinery Operation

- Refinery utilization rate has not reached the targeted level. However improvement trend continues due to trouble reduction measures
- Executing additional countermeasures (very short-term trouble reduction measures) such as acceleration of inspections

Forecast

- Significant downward revision of forecast for the Energy business as a result of factoring in the following
 - Negative time lag of petroleum products margins
 - Current refinery operation results, etc.
- As a result, it is expected to be difficult to achieve operating income target for the 2nd Mid-Term Mgmt Plan (3-year cumulative total: ¥970.0bn)
- No change in year-end dividend forecast (¥11/share)

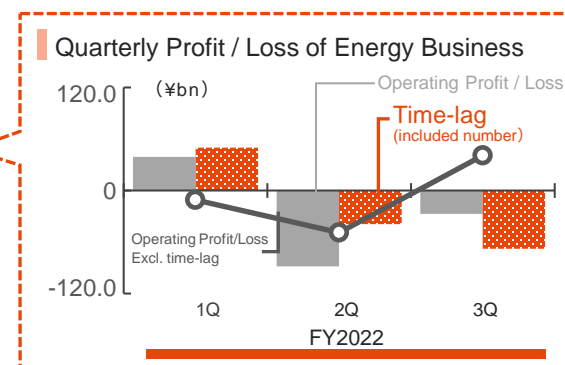
Highlights of Financial Results (FY2022 1Q-3Q Actual)

FY2022 1Q - 3Q Actual (Apr. - Dec. Cumulative total)

- Inventory Valuation : Decrease YoY due mainly to a decline in oil prices from 2Q (-¥178.4 bn)
- Operating Income : Decrease YoY due to a decline in energy segment profits (-¥101.9 bn)
excl. Inventory valuation
 - ✓ Energy segment : Decrease of ¥120.2 bn YoY
 - Significant decrease in profits due to negative time lag of petroleum products margins owing to a decrease in oil prices, a deterioration in petrochemicals market, JEPX remaining high prices, etc.
 - ✓ Oil and Natural Gas E&P segment : Increase in profits due mainly to a rise in resource prices and weak yen
 - ✓ Metals segment : Improvement of weak yen and production increase of Caserones Copper Mine, offset by deterioration of a decrease in copper price

(¥bn)	1Q-3Q FY21	Changes	1Q-3Q FY22
Operating Income	530.1	-280.3	249.8
Inventory valuation	256.8	-178.4	78.4
Net Income Attributable to owners of the parent	331.8	-235.8	96.0
<hr/>			
Operating Income Excl. inventory valuation	273.3	-101.9	171.4
Energy	43.9	-120.2	-76.3
Oil and Natural Gas E&P	71.6	+24.0	95.6
Metals	122.7	-5.8	116.9
Other	35.1	+0.1	35.2

	Main Index	
	1Q-3Q FY21	1Q-3Q FY22
Exchange rate ¥/\$	111	137
Crude Oil (Dubai) \$/B	72	97
Copper Price (LME) ¢/lb	435	382



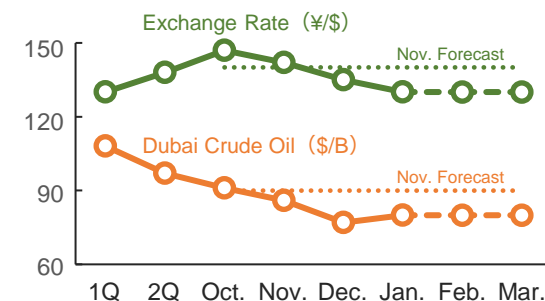
Highlights of Financial Results (Forecast)

FY2022 Forecast (Apr. 2022 – Mar. 2023)

- Operating Income : ¥320.0bn in the current forecast (vs. Nov. forecast -¥240.0bn)
- Inventory Valuation : Downward revision due to lowering oil price forecast (vs. Nov. forecast -¥120.0bn)
- Operating Income excl. inventory valuation effects : ¥220.0bn in the current forecast (Nov. forecast -¥120.0bn)
 - ✓ Energy segment : Downward revision of ¥120.0bn
 - Significant downward revision due mainly to negative time lag of petroleum products margins as a result of a decrease in oil prices, stronger yen in 3Q and the fact that recovery of refinery operations did not reach the targeted level.
 - Executing countermeasures against major issues based on the business environment and current deterioration of the financial results (see p.6 for details)

(¥bn)	Nov. Forecast	Changes	Current Forecast
Operating Income	560.0	<u>-240.0</u>	320.0
Inventory valuation	(220.0)	<u>(-120.0)</u>	(100.0)
Net Income Attributable to owners of the parent	330.0	-190.0	140.0
Operating Income Excl. inventory valuation	340.0	<u>-120.0</u>	220.0
Energy	70.0	<u>-120.0</u>	-50.0
Oil and Natural Gas E&P	90.0	+10.0	100.0
Metals	130.0	-10.0	120.0
Other	50.0	±0.0	50.0

	Main Index		Current Forecast	
	Nov. Forecast Full-Year	4Q	Full-Year	4Q
Exchange rate ¥/\$	137	140	135	130
Crude Oil (Dubai) \$/B	96	90	92	80
Copper Price (LME) ¢/lb	366	340	382	380



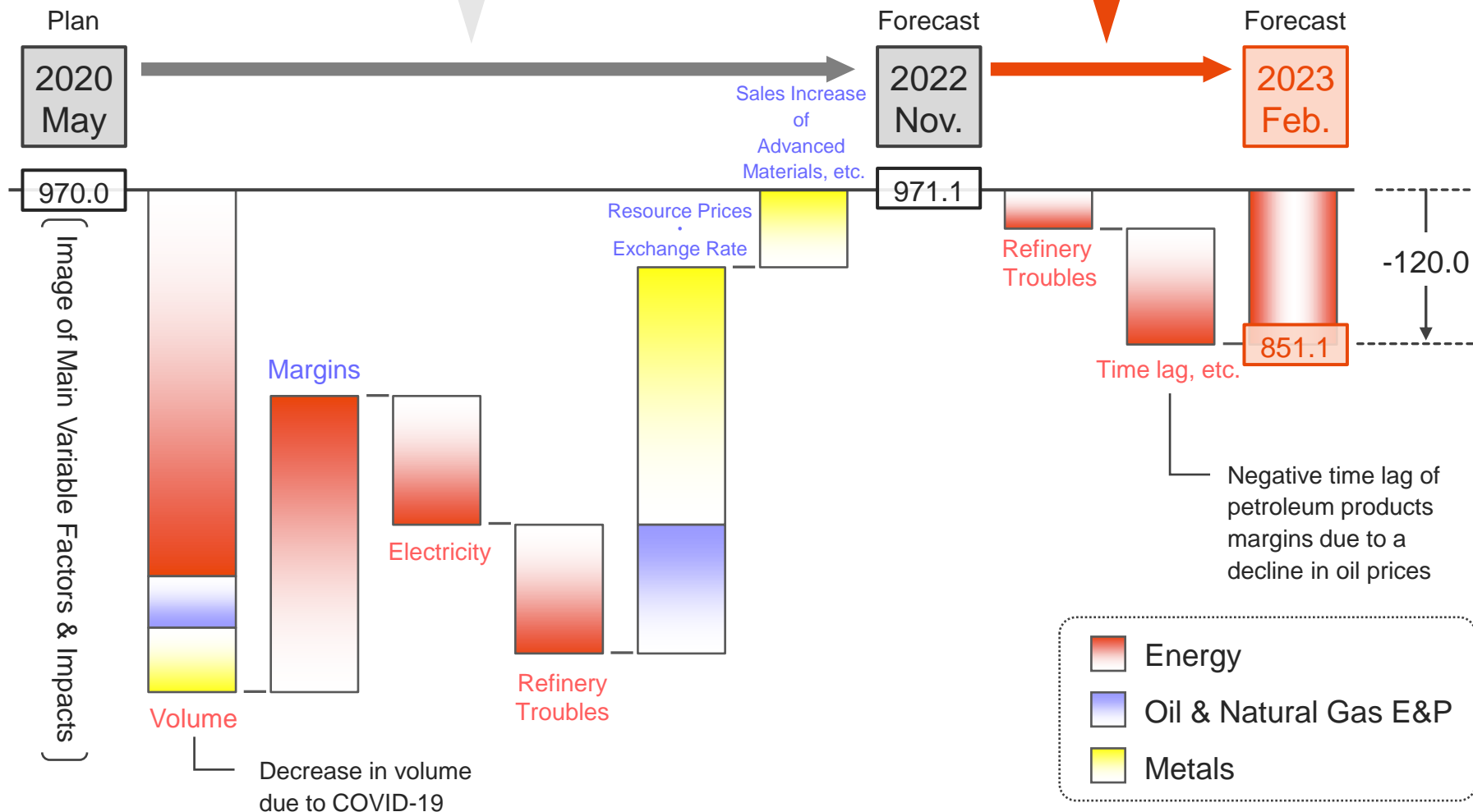
Main Issues and Countermeasures for Energy business

Refinery Operation	<p>See p.9 for details</p> <ul style="list-style-type: none">✓ Refinery CDU utilization is improving. Aiming for further improvement / stabilization of refinery operations<ul style="list-style-type: none">➔ In addition to trouble reduction measures introduced from FY21, sequentially executing additional enhanced measures expected to have immediate effects
Petrochemicals	<p>Forecasting 4 consecutive years of deficit due to prolonged petrochemicals market slump</p> <ul style="list-style-type: none">✓ Considering shift to a sales structure designed to mitigate market fluctuations (e.g. increase sales to non-Asian market) and a flexible production structure (e.g. review of term/spot ratios)
Electric Power	<p>Forecasting 3 consecutive years of deficit due to a rise in JEPX</p> <ul style="list-style-type: none">✓ Decrease in electricity procurement dependence on JEPX by increasing bilateral procurement rate✓ Executing additional profitability recovery measures (abolished the ceiling price of the fuel cost adjustment from FY2022 2H)
Materials	<ul style="list-style-type: none">✓ Elastomers business acquired through M&A made a certain profit contribution.<ul style="list-style-type: none">➔ Aiming for further business growth as a core materials business by building up additional business synergies
Expenses	<ul style="list-style-type: none">✓ While additional repair cost will be incurred to deal with refinery troubles, keep expense level same as the level of Nov. announcement through reducing other expenses.<ul style="list-style-type: none">➔ From the 3rd Mid-term Mgmt Plan, implement BPR¹ through a dedicated department for the realization of drastic cost reduction measures now under consideration
Cash Flow	<ul style="list-style-type: none">✓ Restrain deterioration of cash flows by revising the capital investment plan based on the severe business environment

Forecast for 3-year Cumulative Total of Operating Income excl. Inventory Valuation in the 2nd Mid-term Mgmt Plan

In addition to the prolonged impact of COVID-19, there was a deterioration in the electricity and petrochemicals business environments. However, there were tailwinds such as a sales increase of advanced materials and a rise in resources prices, thus we pursued a target of ¥970.0bn.

Severe outlook for achieving targets for the 2nd Mid-term Mgmt Plan due to a negative time lag owing to a decrease in resource prices and the fact that recovery of refinery operations did not reach the targeted level



Shareholder Returns

- FY2022 year-end dividend : ¥11/share (No change from the previous announcements)

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 (¥22/share)

【Total Return Ratio】

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

Actual Returns and dividend forecasts in the 2nd Mid-term Mgmt Plan

	FY2020 Full-Year	FY2021 Full-Year	FY2022	
			Interim	Year-End
Dividend	(Actual) ¥22/share	(Actual) ¥22/share	(Actual) ¥11/share	(Scheduled) ¥11/share
Share buyback	—	—	(Actual) Approx. ¥100.0bn ¹	

1 Overview of Actual Share buyback

Total number of shares acquired	197,432,000 shares
Total value of shares acquired	¥ 99,999,980,240
Cancellation date	Feb. 14, 2023 ²

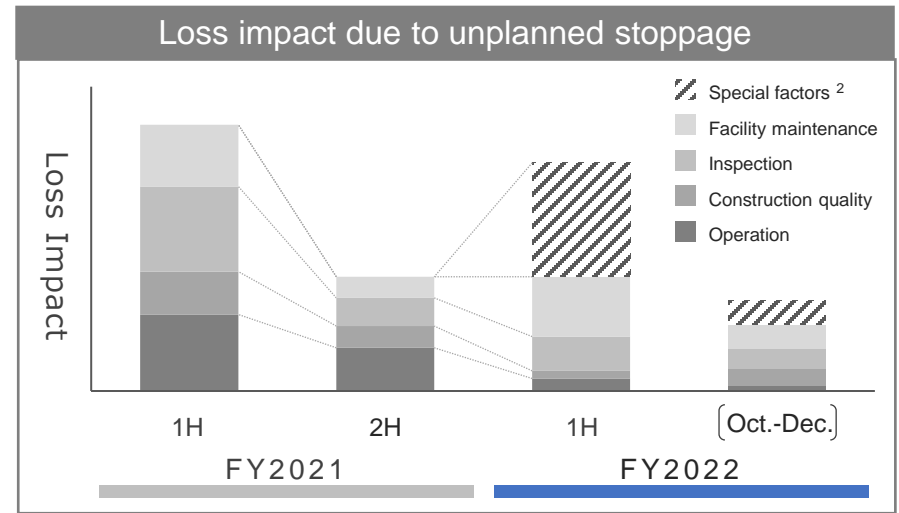
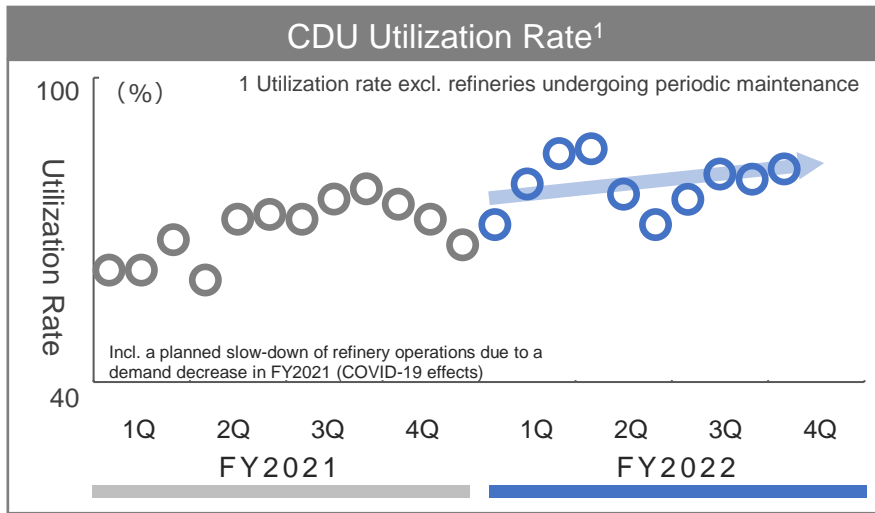
2 Board of Directors today (Feb. 10th) resolved a cancellation of the shares

Measures to Improve Reliability of Refineries

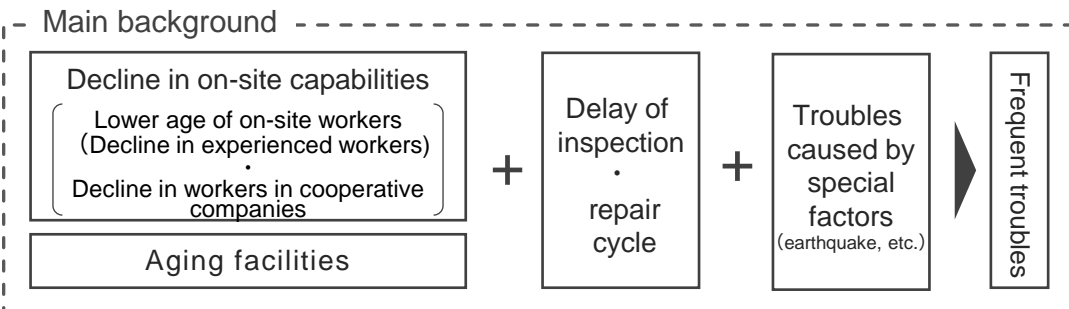
Measures to Improve Reliability of Refineries (1/2)

- Refinery operation has not yet recovered to the targeted level, however, continues to improve as a result of countermeasures taken
- Currently executing additional very short-term trouble reduction measures, which are expected to have a significant and immediate effect, sequentially at each refinery
- Together with fundamental measures to address special factor-related-troubles that have a significant loss impact this year, planning to further improve and stabilize refinery operations

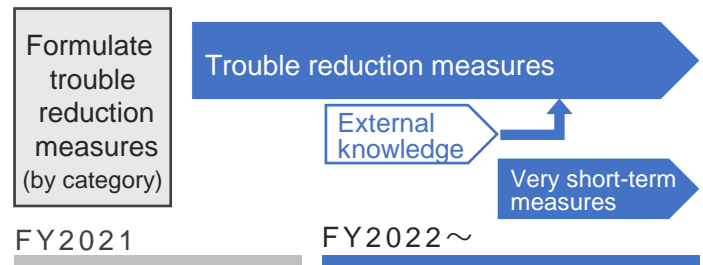
CDU utilization rate & loss impact due to unplanned stoppage



Background and countermeasures for troubles



Process of countermeasures



Measures to Improve Reliability of Refineries (2/2)

Reinforce repair based on reassessment

Identifying concerns based on the newest risk assessment results, and reinforce repair

Inspection ahead of schedule

Implement inspection ahead of schedule by expanding the scope of inspection and find potential risks

Enhance QA · QC¹

Invite specialists outside of the ENEOS group, and deploy QA · QC personnel at each refinery

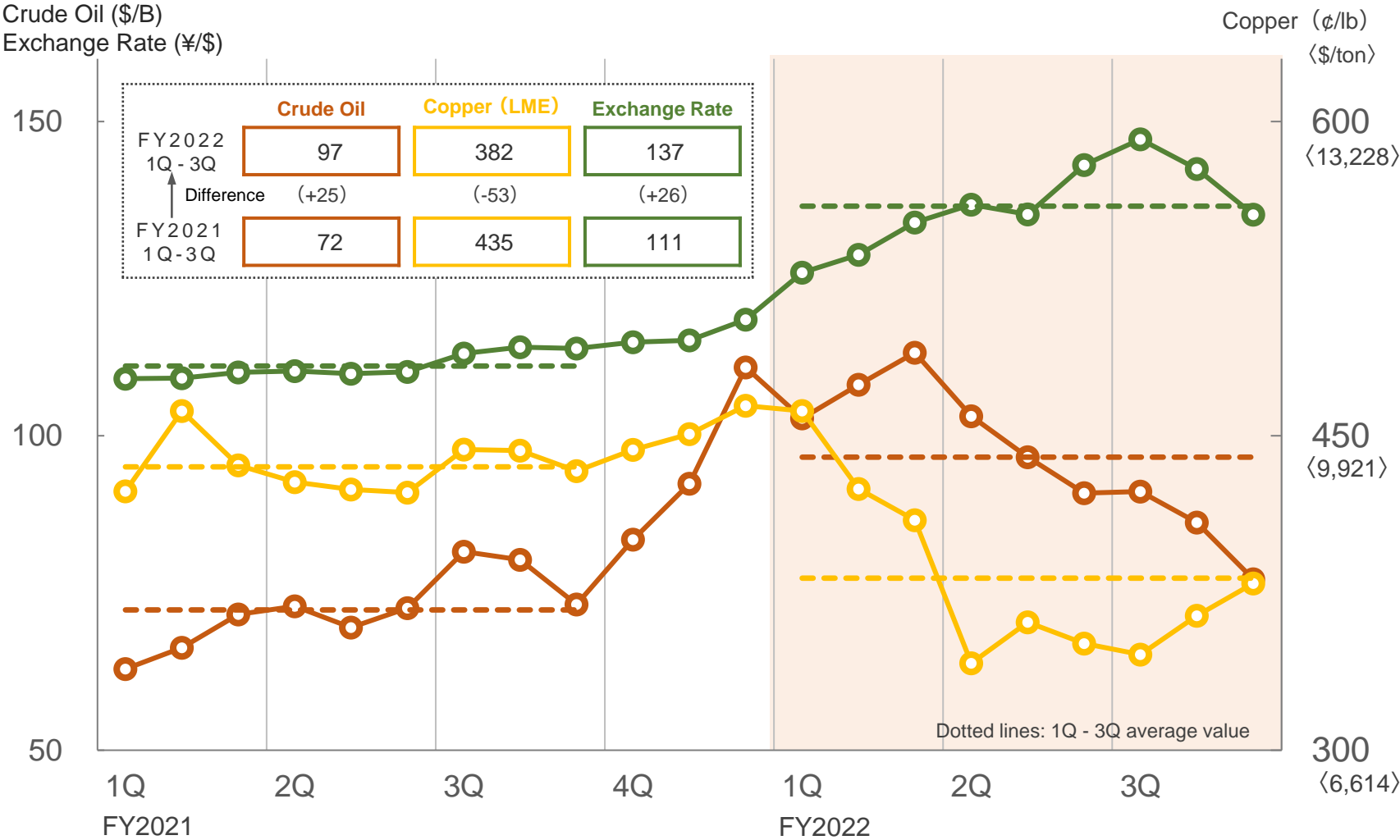
¹ Quality Assurance, Quality Control

Main Continuing Issues · Direction of Measures

	Category	Continuing Issues	Direction of Measures	
Facility Factors	Inspection	<ul style="list-style-type: none"> Address identified potential risks 	<ul style="list-style-type: none"> Timely and appropriate reflection in facility maintenance strategies 	+ Utilizing digital technology
	Facility Maintenance Strategy	<ul style="list-style-type: none"> Secure human resources for repair plans Formulate comprehensive repair plans 	<ul style="list-style-type: none"> Increase personnel and accelerate making repair plans Inspection in repair plans for facility maintenance at each refinery 	
On-site Capability Factors	Construction Quality (QA · QC)	<ul style="list-style-type: none"> Decline in ability of construction workers 	<ul style="list-style-type: none"> Sharing know-how (launch quality council) and thorough operation improvement Enhance management system for construction companies 	
	Operation	<ul style="list-style-type: none"> Decline in the number of experienced workers 	<ul style="list-style-type: none"> Secure human resources through revision of current system (recruitment · OB/OG employment, etc.) Secure quality/quantity of operations personnel (smooth generation shift) 	

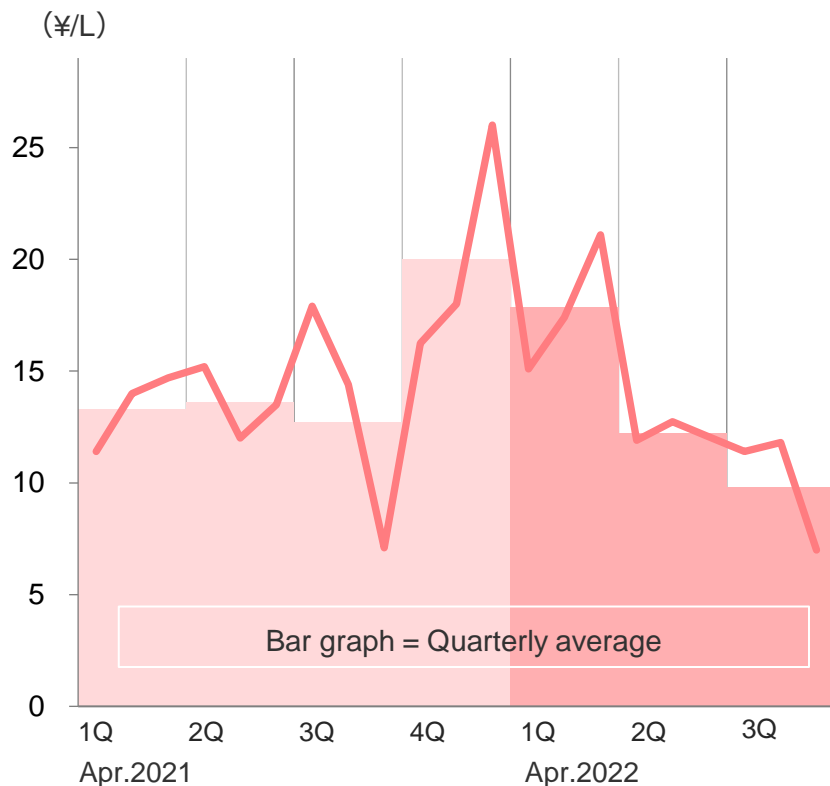
Business Environment

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

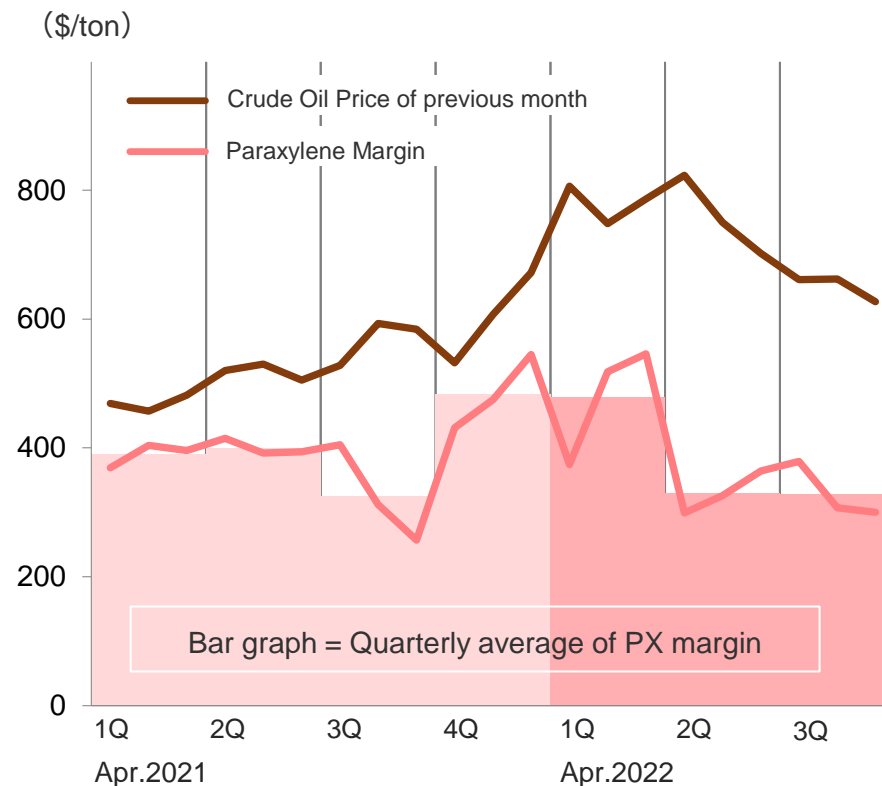


Clean Fuel¹ and Paraxylene Margin Indexes

Clean Fuel Margin Index ²



Paraxylene Margin Index³



¹ Clean fuel: gasoline, kerosene, diesel fuel and fuel oil A

² Calculated using the following formula as a reference for domestic market conditions

$$\text{Spot Price} - \text{All Japan Crude CIF (including petroleum tax and interest)}$$

³ Calculated using the following formula as a reference for Asian market conditions

$$\text{ACP (Asian Contract Price)} - \text{Crude Oil Price of previous month}$$

 If ACP is undecided, average spot market price is used.

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

Financial Results for FY2022 1Q-3Q
(April 1, 2022 – December 31, 2022)

Overview of 1Q-3Q 22 Financial Results vs 1Q-3Q 21

		FY21 1Q-3Q (Actual)	FY22 1Q-3Q (Actual)	Difference	
■ Index					
Crude Oil (Dubai)	(\$/B)	72	97	+25	+35%
Copper (LME)	(¢/lb)	435	382	-53	-12%
Exchange Rate	(¥/\$)	111	137	+26	+23%
■ Profit and Loss Statement					
Net Sales	(¥bn)	7,631.3	11,335.1	+3,703.8	+49%
Operating Income	(¥bn)	530.1	249.8	-280.3	-53%
Inventory Valuation	(¥bn)	256.8	78.4	-178.4	-69%
Operating Income Excl. Inventory Valuation	(¥bn)	273.3	171.4	-101.9	-37%
Income before tax	(¥bn)	515.2	232.8	-282.4	-55%
Profit attributable to owners of the parent	(¥bn)	331.8	96.0	-235.8	-71%

Changes in Operating Income by Segment vs 1Q-3Q 21

		FY21 1Q-3Q (Actual)	FY22 1Q-3Q (Actual)	Difference	
(¥bn)					
Total Operating Income Excl. Inventory Valuation		273.3	171.4	-101.9	-37%
Segments	Energy	300.7	2.1	-298.6	-99%
	Inventory Valuation	256.8	78.4	-178.4	-69%
	Excl. Inventory Valuation	43.9	-76.3	-120.2	—
	Petroleum Products	41.6	-38.1	-79.7	—
	Petrochemicals	-2.9	-33.0	-30.1	—
	Electric Power	-6.4	-26.4	-20.0	—
	Materials	11.6	21.2	+9.6	+83%
	Oil and Natural Gas E&P	71.6	95.6	+24.0	+34%
	Metals	122.7	116.9	-5.8	-5%
	Functional Mats, Thin Film Mats and other	41.4	53.3	+11.9	+29%
	Mineral Resources	50.1	30.2	-19.9	-40%
	Smelting and Recycling	31.4	32.1	+0.7	+2%
Non-allocated corporate expenses and other	-0.2	1.3	+1.5	—	
Other	35.1	35.2	+0.1	+0%	

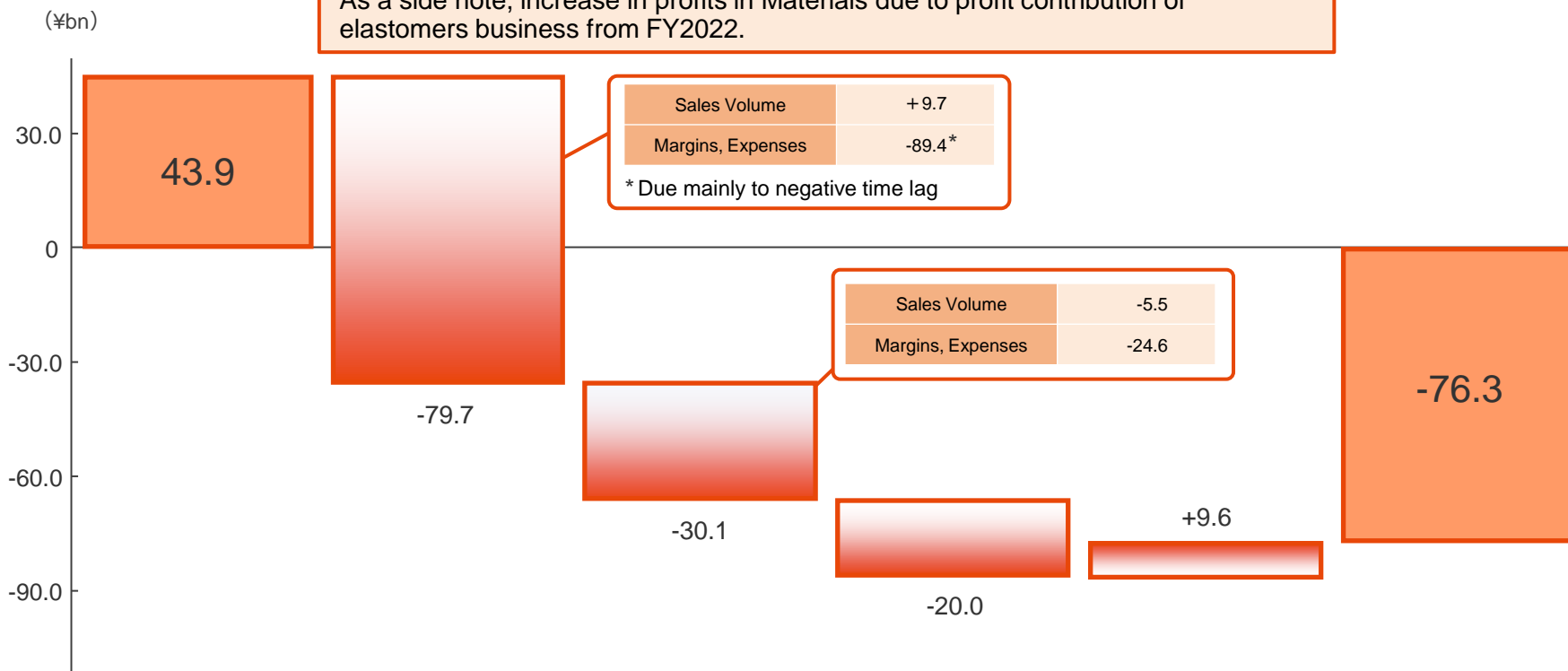
- Energy Segment - Changes in Operating Income excl. inventory valuation effects vs 1Q-3Q 21

FY2021 1Q-3Q (Actual)	Energy -120.2 (43.9→-76.3)				FY2022 1Q-3Q (Actual)
	Petroleum Products -79.7 (41.6 → -38.1)	Petrochemicals -30.1 (-2.9 → -33.0)	Electric Power -20.0 (-6.4 → -26.4)	Materials +9.6 (11.6 → 21.2)	

Significant decrease in profits due mainly to the following.

- Substantial negative time lag due to a decrease in oil prices in Petroleum Products.
- Deterioration in petrochemicals market in Petrochemicals
- Remaining high prices of JEPX, fuel adjustment time lag, etc. in Electric Power.

As a side note, increase in profits in Materials due to profit contribution of elastomers business from FY2022.



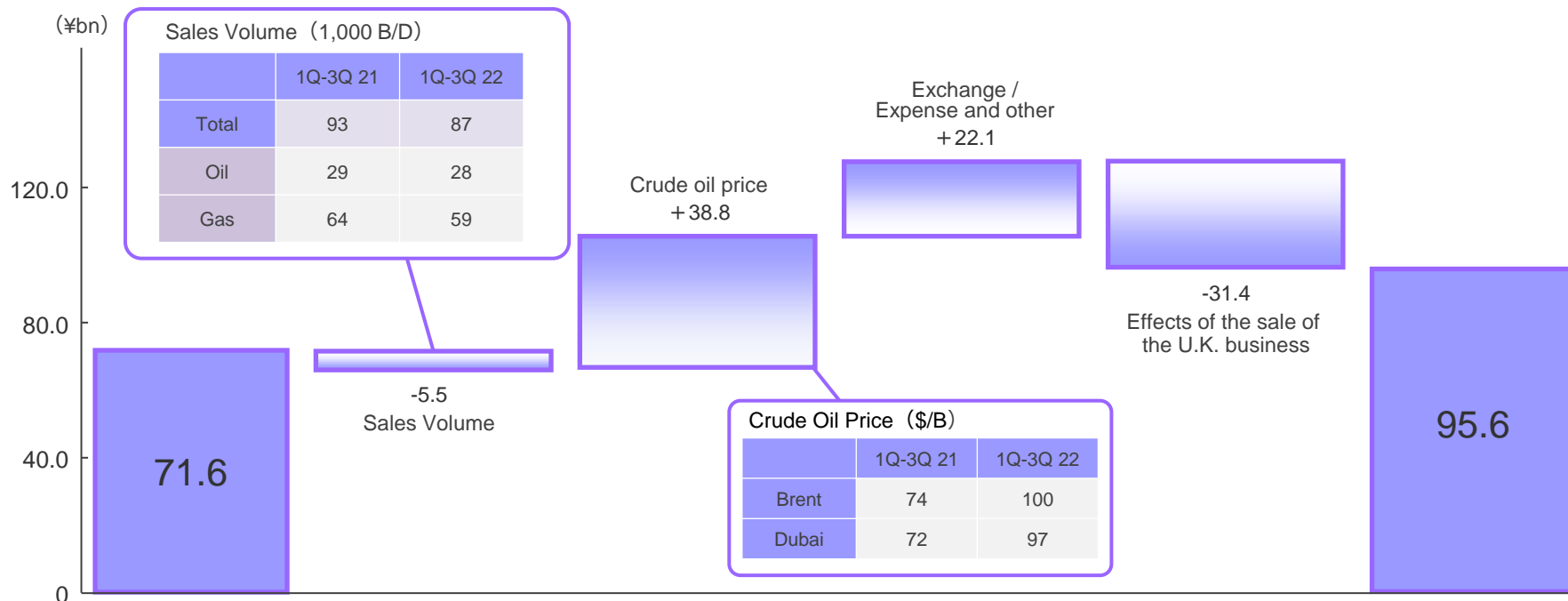
- Oil and Natural Gas E&P Segment - Changes in Operating Income vs 1Q-3Q 21

FY2021
1Q-3Q
(Actual)

Oil and Natural Gas E&P +24.0 (71.6 → 95.6)

FY2022
1Q-3Q
(Actual)

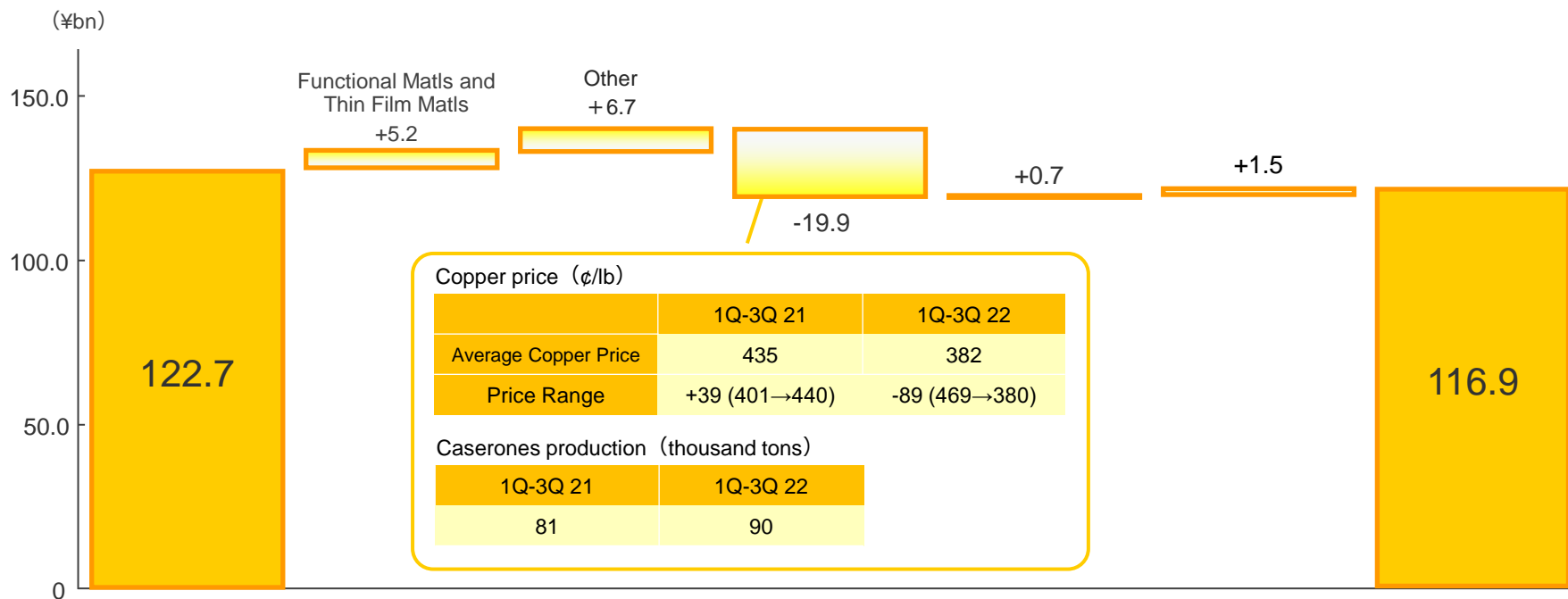
Increase in profits due mainly to a rise in resource prices and weak yen, partly offset by absence of profit owing to the sale of the U.K. business.



- Metals Segment - Changes in Operating Income vs 1Q-3Q 21

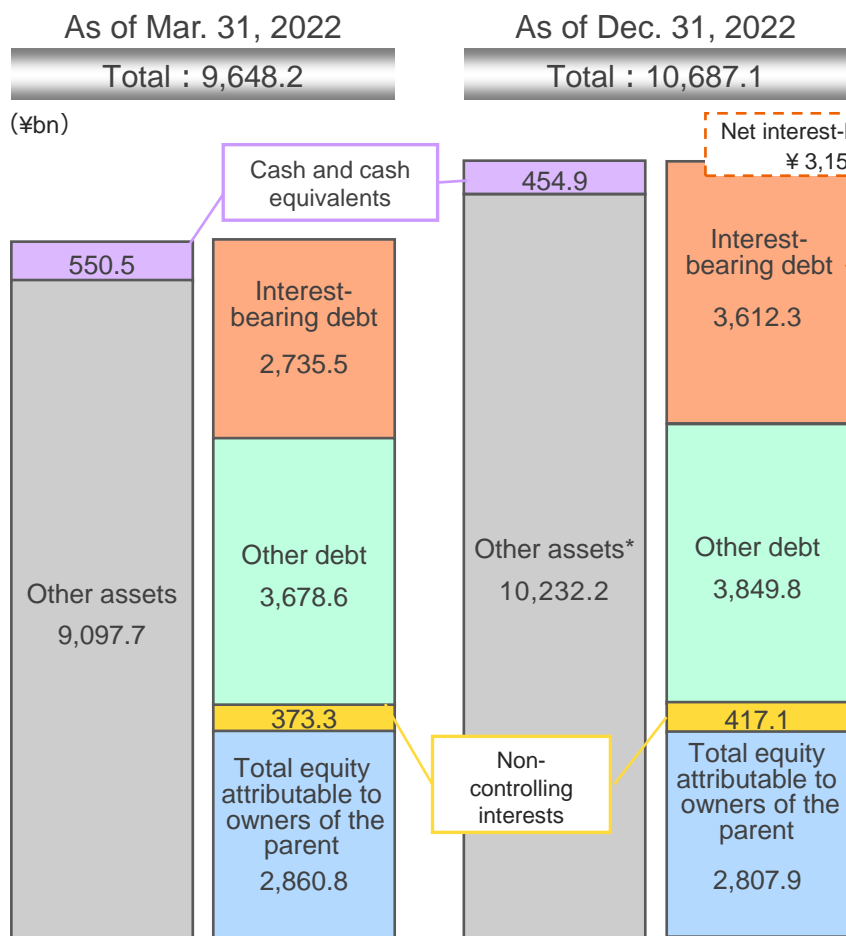
FY2021 1Q-3Q (Actual)	Metals -5.8 (122.7 → 116.9)				FY2022 1Q-3Q (Actual)
	Functional Mats, Thin Film Mats and other +11.9 (41.4 → 53.3)	Mineral Resources -19.9 (50.1 → 30.2)	Smelting & Recycling +0.7 (31.4 → 32.1)	Non-allocated corporate expenses and other +1.5 (-0.2 → 1.3)	

Decrease in profits due mainly to a decrease in copper prices, despite weak yen, production increase of Caserones Copper Mine, and better sulfuric market conditions.



Consolidated Balance Sheets / Consolidated Cash Flows

Consolidated Balance Sheets



Consolidated Cash Flows

FY2022 1Q-3Q (Actual)

	Financial Accounting Basis	Excl. IFRS 16 Leases
Operating income (Excl. inventory valuation)	171.4	171.4
Depreciation and amortization	262.9	201.3
① Other (working capital and tax payment, etc.)	-895.3	-895.3
Cash flows from operating activities without the effects of non-business days	-461.0	-522.6
Capital investment	-355.7	-355.7
Asset sales and other	193.5	193.5
Cash flows from investing activities	-162.2	-162.2
Free cash flows without the effects of non-business days	-623.2	-684.8
Dividends and other	-283.7	-222.1
Net cash flows without the effects of non-business days	-906.9	-906.9
	-1,037.1	-1,037.1

	As of Mar. 31, 2022	As of Dec. 31, 2022
Equity ratio attributable to owners of the parent	29.7 %	26.3 %
Net D/E ratio (capital total basis)	0.68 0.60	0.98 0.89

✓ (①) "Other (working capital and tax payment, etc.)" contains temporary cash decrease factors of -¥480.0 bn including a seasonal factor, which is inventory build-up of kerosene, etc. (-¥300.0bn), and advance payment of tax for FY2023 (-¥180.0bn). See full-year forecast of consolidated cash flows on p.28

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

Key factors from Jan. 2023: Crude Oil (Dubai) : 80 \$/B, Copper Price (LME) : 380 ¢/lb, Exchange Rate: 130 yen/\$

Overview of FY2022 Forecast vs Nov. 2022 Forecast

		FY2022 Forecast (Nov. 2022)	FY2022 Forecast (Feb. 2023)		Difference		Ref. FY2021 (Actual)
			4Q				
Crude Oil (Dubai)	(\$/B)	96	80	92	-4	-4%	78
Copper (LME)	(¢/lb)	366	380	382	+16	+4%	440
Exchange Rate	(¥/\$)	137	130	135	-2	-1%	112

Profit and Loss Statement

Net Sales	(¥bn)	14,900.0	14,700.0		-200.0	-1%	10,921.8
Operating Income	(¥bn)	560.0	320.0		-240.0	-43%	785.9
Inventory Valuation	(¥bn)	220.0	100.0		-120.0	-55%	370.3
Operating Income Excl. Inventory Valuation	(¥bn)	340.0	220.0		-120.0	-35%	415.6
Income before tax	(¥bn)	540.0	290.0		-250.0	-46%	771.8
Profit attributable to owners of the parent	(¥bn)	330.0	140.0		-190.0	-58%	537.1

Changes in Operating Income by Segment vs Nov. 2022 Forecast

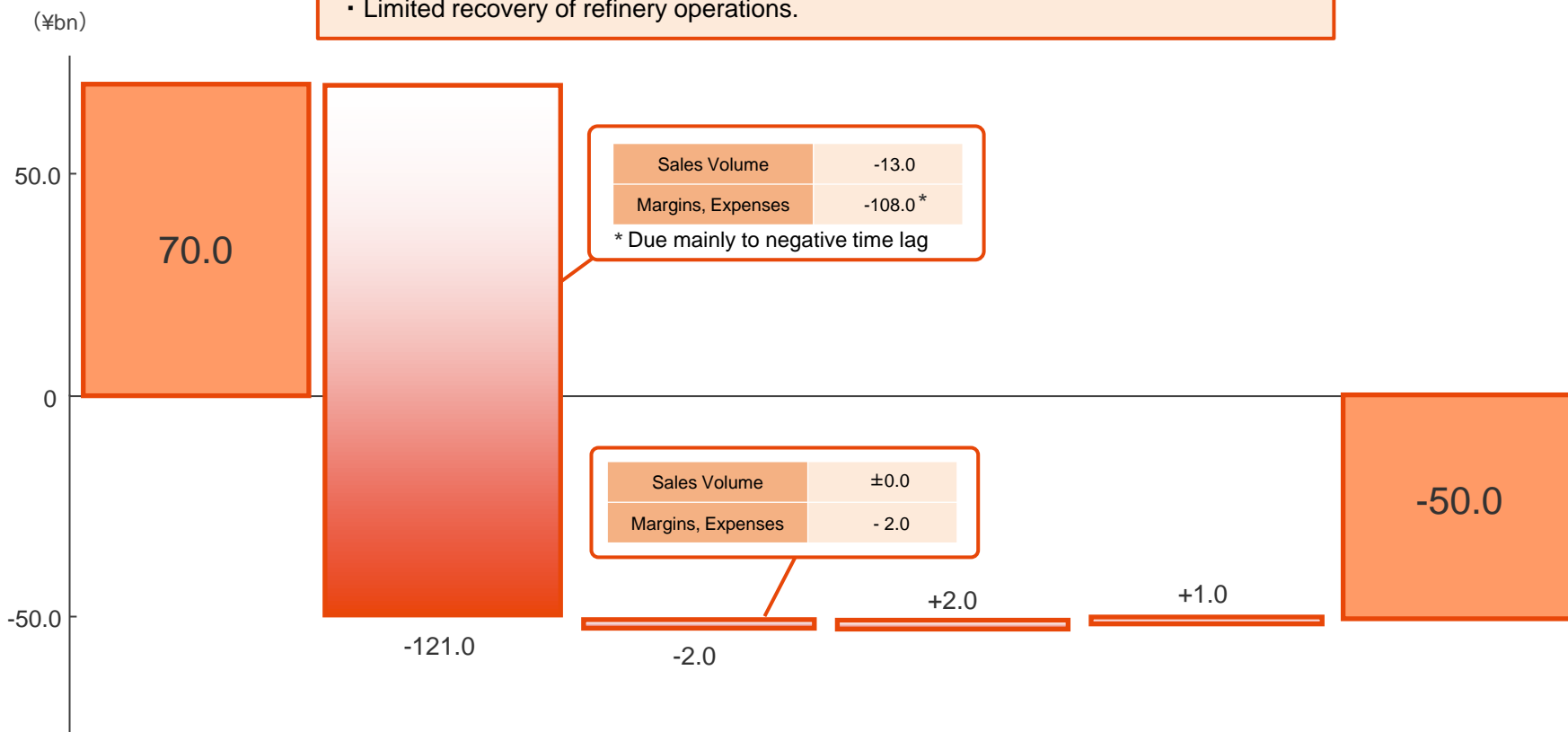
		FY2022 Forecast (Nov. 2022)	FY2022 Forecast (Feb. 2023)	Difference		Ref. FY2021 (Actual)
(¥bn)						
Total Operating Income Excl. Inventory Valuation		340.0	220.0	-120.0	-35%	415.6
Segments	Energy	290.0	50.0	-240.0	-83%	477.5
	Inventory Valuation	220.0	100.0	-120.0	-55%	370.3
	Excl. Inventory Valuation	70.0	-50.0	-120.0	-	107.2
	Petroleum Products	109.0	-12.0	-121.0	-	126.2
	Petrochemicals	-38.0	-40.0	-2.0	-	- 6.8
	Electric Power	-27.0	-25.0	+2.0	-	- 19.0
	Materials	26.0	27.0	+1.0	+4%	6.8
	Oil and Natural Gas E&P	90.0	100.0	+10.0	+11%	97.0
	Metals	130.0	120.0	-10.0	-8%	158.2
	Functional Mats, Thin Film Mats and other	70.0	59.0	-11.0	-16%	54.5
	Mineral Resources	34.0	37.0	+3.0	+9%	72.1
Smelting and Recycling	31.0	32.0	+1.0	+3%	41.0	
Non-allocated corporate expenses and other	-5.0	-8.0	-3.0	-	- 9.4	
Other	50.0	50.0	±0.0	±0%	53.2	

- Energy Segment - Changes in Operating Income excl. inventory valuation effects vs Nov. 2022 Forecast

FY2022 Forecast (Nov. 2022)	Energy -120.0 (70.0 → -50.0)				FY2022 Forecast (Feb. 2022)
	Petroleum Products +121.0 (109.0 → -12.0)	Petrochemicals -2.0 (-38.0 → -40.0)	Electric Power +2.0 (-27.0 → -25.0)	Materials +1.0 (26.0 → 27.0)	

Significant decrease in profits due to the following.

- Negative time lag due to a decrease in oil prices and stronger yen against dollar in 3Q.
- Limited recovery of refinery operations.



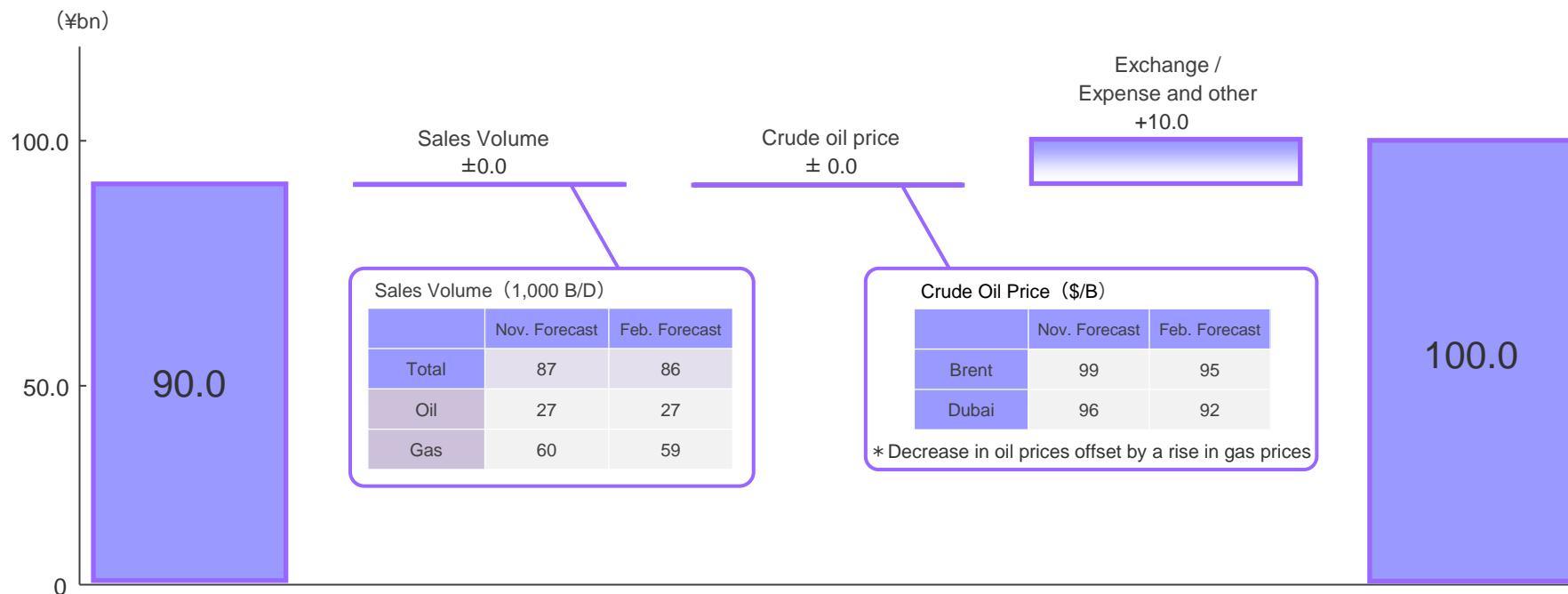
- Oil and Natural Gas E&P Segment - Changes in Operating Income vs Nov. 2022 Forecast

FY2022 Forecast
(Nov. 2022)

Oil and Natural Gas E&P +10.0 (90.0 → 100.0)

FY2022 Forecast
(Feb. 2022)

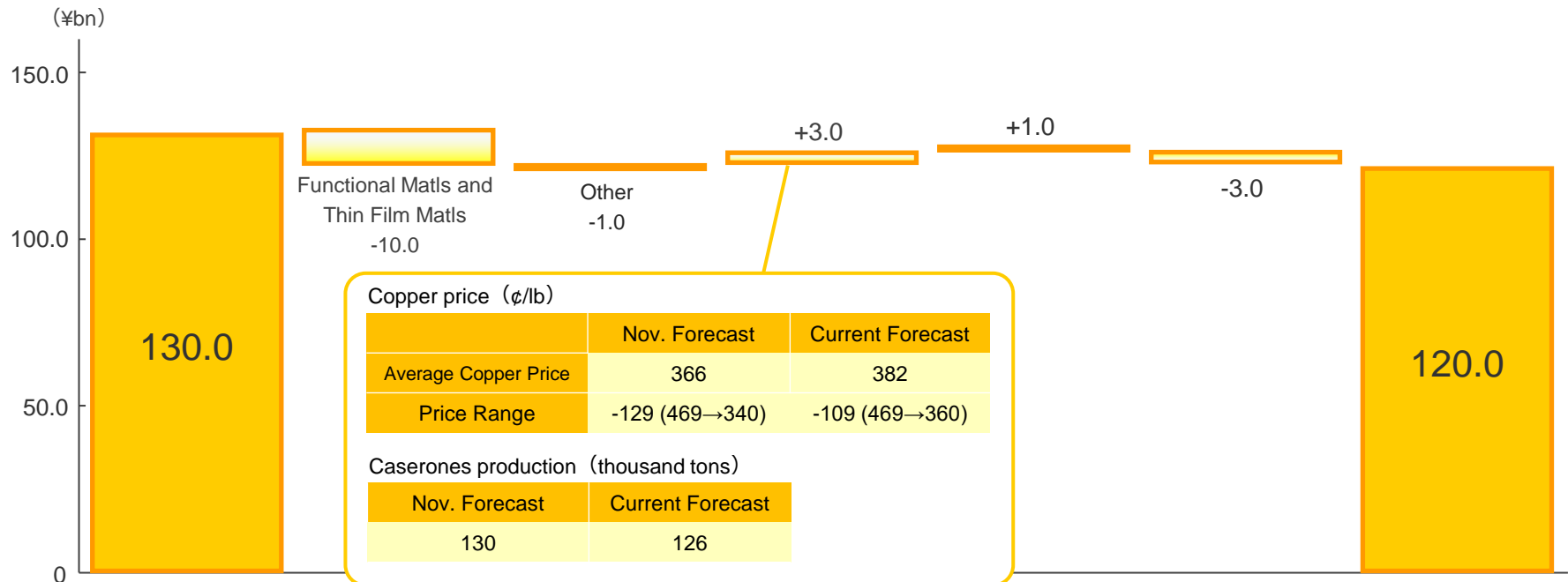
Volume and resource prices effects remain at the same level as Nov. forecast, however, increase in profits due mainly to a revision of expenses



- Metals Segment - Changes in Operating Income vs Nov. 2022 Forecast

FY2022 Forecast (Nov. 2022)	Metals -10.0 (130.0 → 120.0)				FY2022 Forecast (Feb. 2022)
	Functional Mats, Thin Film Mats and other -11.0 (70.0 → 59.0)	Mineral Resources +3.0 (34.0 → 37.0)	Smelting & Recycling +1.0 (31.0 → 32.0)	Non-allocated corporate expenses and other -3.0 (-5.0 → -8.0)	

Decrease in profits due mainly to the impact of yen appreciation and sales decrease of functional materials and thin film materials due to a lower demand in electronic devices, despite a rise in copper price



Consolidated Cash Flows (Forecast for FY2022)

FY2022 Forecast

May Forecast

Current Forecast

	Excl. IFRS 16 Leases	(Difference)	Excl. IFRS 16 Leases	Financial Accounting Basis	
(a) Cash flows from operating activities	Operating income (Excl. inventory valuation)	-120.0	220.0	220.0	
	Depreciation and amortization		270.0	350.0	
	Other (working capital and tax payment, etc.)	-490.0	-600.0	-600.0	
		510.0	-620.0	-110.0	-30.0
	Incl. tax payment (Advance payment for FY23, etc.)	0	-200.0	① -200.0	-200.0
	0		0	0	
	0	-200.0	-200.0	-200.0	
(b) Cash flows from operating activities excl. temporary cash decline factors	510.0	-420.0	② 90.0	170.0	
(c) Cash flows from investing activities	Capital investment	③ +146.4	-630.0	-630.0	
	Asset sales and other	④ +113.6	270.0	270.0	
	-620.0	+260.0	-360.0	-360.0	
(a)+(c) Free cash flows	-110.0		-470.0	-390.0	
(b)+(c) Free cash flows excl. temporary cash decline factors	-110.0	⑤ ▲160.0	-270.0	-190.0	
	-220.0		-220.0	-300.0	
Net cash flows	-330.0		-690.0	-690.0	

✓ Deterioration in cash flows from operating activities due to a decrease in operating income and an increase in working capital owing to weak yen, etc.

✓ However, advance tax payment for FY2023 (consumption tax related to petroleum products subsidy and corporate tax related to group restructuring, etc.) occurs (①), and real basis cash flows from operating activities excl. the advance tax payment is ¥90.0 bn (②).

✓ Based on the severe business environment, reducing the cash out amount of cash flows from investing activities (+¥ 260.0bn vs. May forecast) by executing reduction of capital investment (③) and asset sales(④). As a result, expect to restrain the deterioration of free cash flows (⑤).

Reference

Key Factors

			FY2021			FY2022		
			1H	1Q-3Q	Full Year	1H	1Q-3Q	Full Year
			Actual	Actual	Actual	Actual	Actual	Forecast (Feb. 2023)
All segments	Exchange rate	(¥/\$)	110	111	112	134	137	135
Energy	Crude oil (Dubai)	(\$/B)	69	72	78	102	97	92
Oil and Natural Gas E&P	Sales volume (Crude oil equivalent) ¹	(1,000 B/day)	94	93	93	87	87	86
	Crude oil (Brent)	(\$/B)	71	74	80	105	100	95
Metals	Copper (LME)	(¢/lb)	433	435	440	392	382	382
	Equity entitled copper mine production ²	(1,000 tons/year)	90	143	195	92	149	202
	PPC copper cathode sales	(1,000 tons/year)	306	458	586	322	469	638
	Precision rolled products sales	(1,000 tons/month)	3.9	3.8	3.9	3.6	3.3	3.1

1 Excl. the U.K. sales volume from FY2021

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

Sensitivity Analysis

■ Impact of index change on operating income in FY2022 (From Jan. 2023)

Index	Change	Segment	Impact (¥bn)	
Crude Oil (Dubai)	+ 5\$/B	Energy	-	-
		Oil & Natural Gas E&P	+	0.5
		Subtotal	+	0.5
		Inventory Valuation	+	40.0
		Total	+	40.5
Copper (LME)	+ 10¢/lb	Metals	+	2.0
		Total	+	2.0
Exchange Rate	5¥/\$ Yen Depreciation	Energy	+	2.0
		Oil & Natural Gas E&P	+	1.0
		Metals	+	2.0
		Subtotal	+	5.0
		Inventory Valuation	+	24.0
Total	+	29.0		

Major Progress Since Oct. 2022

Petrochemicals Materials	<p>Expansion / Acquisition of technology-based businesses</p> <ul style="list-style-type: none"> ✓ Decided to acquire the shares of TATSUTA Electric Wire and Cable through a tender offer to generate further synergies in the field of the advanced materials business Announced in Dec. 2022 ✓ Decided to participate in tantalum materials production business at Mibra Mine in Brazil to ensure the stable procurement of raw materials for the production of advanced materials Announced in Dec. 2022 <p>Pursue new services</p> <ul style="list-style-type: none"> ✓ Decided to launch a joint venture with Mitsubishi Corp. for optimizing delivery operations by leveraging gas stations Announced in Jan. 2023
	Next-Generation Energy Supply

¹ BECCS = Bio-Energy with Carbon Capture and Storage: technology to capture and store CO2 generated by combustion of bio-mass energy

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.