



Security Code

5020

November 8, 2023

ENEOS Holdings, Inc.

FY2023 2Q Financial Results

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Highlights of Financial Results and Forecast

FY2023 1H Financial Results (Apr. 2023 - Sep. 2023)

- Operating Profit excl. inventory valuation : YoY +¥152.5bn in profits due mainly to improvement in Energy business
 - ✓ Energy: Profits: Increased significantly due to improvements in refinery troubles and electricity sales price, in addition to improvements in petroleum products¹ margins and petrochemicals margins
 - ✓ Oil and Natural Gas E&P: Despite positive impact of yen depreciation, profits decreased mainly due to a decline in resource prices
 - ✓ Metals : Despite a special factor owing to the sale of Caserones Copper Mine, profits decreased due mainly to decreases in sales volumes of semiconductor materials and ICT materials

| | FY2022 1H | Changes | FY2023 1H | Main Index | |
|--------------------------------------|-----------|----------|--------------|---|------------------|
| | | | | FY2022 1H | FY2023 1H |
| (¥bn) | | | | | |
| Operating Income | 394.8 | (-103.3) | 291.5 | Crude Oil (Dubai) \$ / B | 102 / 82 |
| Inventory valuation | 278.2 | (-255.8) | 22.4 | Copper Price (LME) ¢ / lb | 392 / 382 |
| <u>Excl. inventory valuation</u> | | | | Exchange Rate ¥ / \$ | 134 / 141 |
| Operating Income | 116.6 | (+152.5) | 269.1 | Operating Income Trend excl. inventory valuation (Energy) | |
| Energy | -49.0 | +185.4 | 136.4 | | |
| Oil and Natural Gas E&P | 60.4 | -8.7 | 51.7 | | |
| Metals | 81.0 | -8.9 | 72.1 | | |
| Other | 24.2 | (-15.3) | 8.9 | | |
| Net Income | 58.2 | (+97.8) | 156.0 | | |
| Attributable to owners of the parent | | | | | |

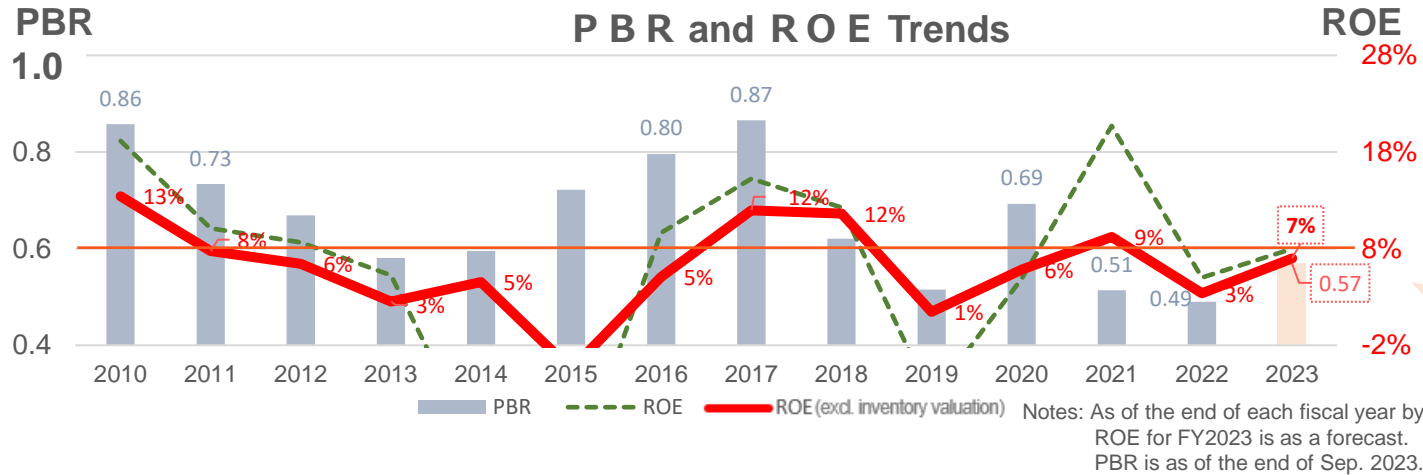
FY2023 Forecast (Apr. 2023 - Mar. 2024)

- **Operating Income** : +¥30bn in profits compared to forecast announced in May excl. inventory valuation due mainly to increases in profits in Energy / Oil and Natural Gas E&P segments.
 - ✓ Energy: +¥10bn in profits compared to forecast announced in May due to factoring in improvements in actual petroleum products margins, lower export volume, etc.
 - ✓ Oil and Natural Gas E&P: +¥30bn in profits compared to forecast announced in May due mainly to yen depreciation and lower expenses
 - ✓ Metals: Despite positive impacts of yen depreciation, ¥5bn decrease in profits compared to forecast announced in May due mainly to lower sales volumes of semiconductor materials and ICT materials.

| Main Index | Forecast in May | Changes → | Forecast in Nov. | 2H Forecast |
|--|-----------------|--|------------------|-------------|
| Crude Oil (Dubai) (\$/B) | 80 | (+4) | 84 | 85 |
| Copper Price (LME) (¢/lb) | 360 | (+11) | 371 | 360 |
| Exchange Rate (¥/\$) | 130 | (+11) | 141 | 140 |
| <hr/> | | | | |
| ■ Operating Income | 340.0 | (+80.0) | 420.0 | (¥bn) |
| ■ Inventory valuation | 0.0 | (+50.0) | 50.0 | |
| <hr/> | | | | |
| ■ <u>Excl. inventory valuation</u> | | | | |
| ■ Operating Income | 340.0 | (+30.0) | 370.0 | |
| ■ Energy | 160.0 | (+10.0) | 170.0 | |
| ■ Oil and Natural Gas E&P | 50.0 | (+30.0) | 80.0 | |
| ■ Metals | 90.0 | (-5.0) | 85.0 | |
| ■ Other | 40.0 | (-5.0) | 35.0 | |
| ■ Net Income Attributable to owners of the parent | 180.0 | (+20.0) | 200.0 | |

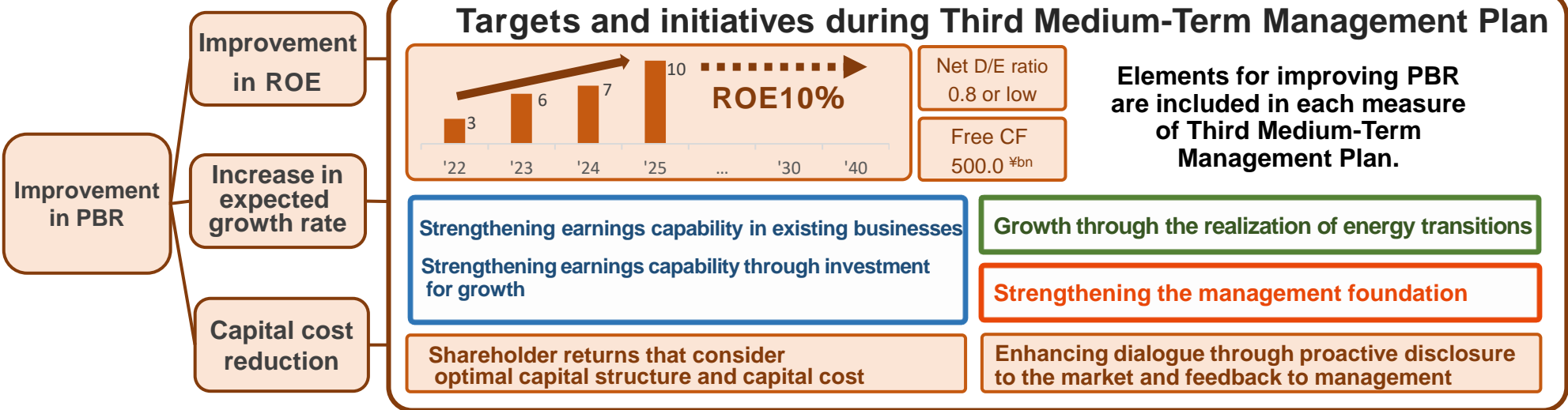
Progress of Third Medium-Term Management Plan

- ① Improve ROE and achieve a positive equity spread
 - ② Accelerate efforts towards achieving energy transition
- Continue to achieve results in ① ②



Current ROE improved
P B R also improved

Targets and initiatives during Third Medium-Term Management Plan



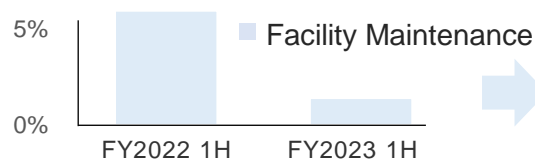
➤ UCL (Unplanned Capacity Loss)

Measures proven to be effective

Total UCL: 11% → **8%** (3% improvement)
 FY2022 1H FY2023 1H

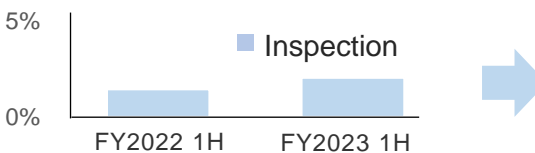
- ✓ However, in 2Q, there were troubles when starting up refineries after periodic maintenance (due to initial issues during improvement work, and non-regular work).
- ✓ In addition to the measures taken so far, we will execute additional measures to prevent start-up issues.

UCL Trends by Factor

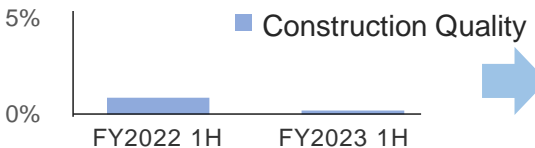


✓ Executing measures for each of the 4 factors

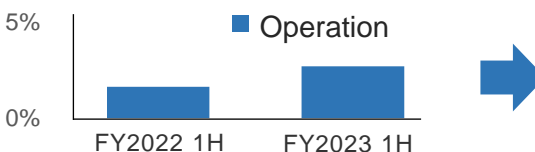
Greatly improved through implementation/permeation of enhanced strategies for facility maintenance



Although UCL slightly increased, it includes shut-downs from the increased number of issues discovered owing to expansion of scope and early implementation of inspections.



Improved by sharing information with construction contractors and strengthening structure of construction contractor management



Despite improvements by strengthening workforce and education structures, **UCL increased temporarily because of start-up issues after periodic maintenance, which is non-regular work**

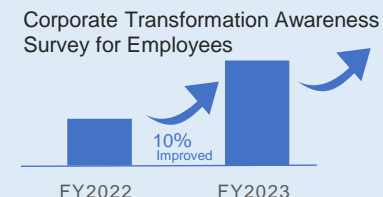
Additional measures for non-regular work

- ✓ Identifying high risks for start-ups and informing all refineries
- ✓ Placing well-trained engineers for support

Aiming to achieve UCL 3% in FY2025, the target in the Third Medium-Term Management Plan

➤ BPR (Business Process Re-engineering)

- ✓ To generate funding for energy transition through thorough reforms of existing businesses, implementing measures to improve profits / asset efficiency and cut costs throughout the entire supply chain and within the ENEOS Group¹
- ✓ Enhancing employees' mindsets about ROIC improvement by reviewing their work processes in BPR
- ✓ In addition, taking measures for investment efficiency improvement



| Factors | Measures taken so far | Improvements (¥bn) | |
|--------------------------------------|--|-----------------------------|-------------------------------------|
| | | FY2023 | |
| | | ~FY2023 1H Cumulative total | ~FY2023 Cumulative total (Forecast) |
| Profit improvement/cost cutting (PL) | Strengthening procurement capability, enhancing efficiency of production and transport structures, reviewing business portfolio and sales prices | 20.1 | 32.0 |
| Asset efficiency improvement (BS) | Selling out unnecessary / low-efficiency assets etc. | 0.8 | 4.0 |

~FY2023 1H progress

¥20.9 bn improvement in cumulative total

➤ LNG Expansion Project in Tangguh, Indonesia - Started supply of LNG

- ✓ Implemented capacity expansion in the Tangguh LNG Project (operator: bp), launched LNG supply from expanded third liquefaction train in Oct. 2023.
- ✓ In FY2024, estimate increase in production volume by 8,000 boed, based on our ownership ratio (12.2%).



▲ Tangguh LNG Project

Policies on initiatives for the realization of carbon neutrality and measures we are taking

Curbing greenhouse gas emissions

- Appropriate treatment of crude oil (according to demand)
- **Efficiency improvement of manufacturing and businesses (energy conservation, fuel switching, utilization of renewable energy, etc.)**
- Utilization of carbon credits

Artificial fixation of CO2

- **CCS (carbon dioxide capture and storage)**
- New methods such as BECCS¹ and DACCS² utilizing CCS

Increase of natural absorption of CO2

- **Absorption by forests (afforestation and forest management, etc.)**
- Other natural absorption methods (blue carbon and soil carbon fixation)

Contribution to the reduction of emissions in the energy area

- Pursuit of **energy transition (hydrogen, carbon-neutral fuels³, renewable energy, etc.)**

Contribution to the reduction of emissions in the materials and services area

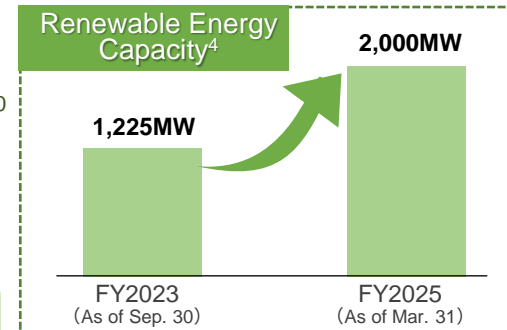
- Pursuit of **circular economy (recycling, sharing, etc.)**
- Expansion of supply of products contributing to **avoided emissions**

Reduction of our greenhouse gas emissions

Contribution to the reduction of society's greenhouse gas emissions

Progress of Third Medium-Term Management Plan

- **Renewable Energy** 3rd Mid-Term Mgmt Plan: Target 2,000MW⁴ generation capacity at the end of FY2025
 - Generation capacity for renewable energy reached **1,225 MW⁴** as of the end of Sep.

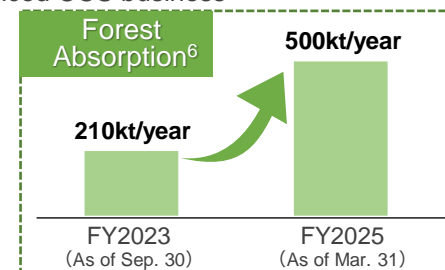


- **SAF**
 - Long-Term Vision Target: 50% of domestic market share in 2040
 - Utilizing Wakayama refinery site after terminating its operation, and advancing commercialization of SAF business to make the site one of the main production sites for SAF (p.31)
- Pursuing to utilize investment support plans expected to be introduced by the Japanese government

- **Hydrogen**
 - Long-Term Vision Target: Supply 250kt per year in 2030 and 1,000~4,000kt per year in 2040 / 50% of domestic market share
 - Commenced joint study with Osaka Gas and JFE Steel for large-scale usage of CO2-free hydrogen (p.32)
 - Discussing over construction of upstream supply chain in Australia, Malaysia and the Middle East (Some projects move on to FEED)
- Pursuing to utilize investment/price-gap support plans expected to be introduced by the Japanese government

- **Low-carbon high-octane gasoline**
 - Long-Term Vision Target: 10% blending of carbon-neutral fuels in high-octane gasoline in 2030 / 20% blending of carbon-neutral fuels in gasoline / 50% of domestic share in 2040
 - Started collaboration with Saudi Aramco/Idemitsu and with HIF Global⁵ for synthetic fuels

- **CCS** Long-Term vision target: Store ~3,000kt of CO2 per year by 2030, 4,000kt~10,000kt of CO2 per year in 2040
 - Acquired 100% shares of Japan Drilling Co., Ltd., strengthening CCS/CCUS value chains
 - Feasibility study commissioned by JOGMEC for advanced CCS business (annually capturing 3,000kt of CO2 emitted from ENEOS refineries and J-POWER thermal power plants in western part of Japan, and storing in northern to western coast in Kyushu)



- **Forest absorption of CO2**
 - 3rd Mid-Term Mgmt Plan target: 500kt CO2 absorption per year with natural absorption such as forest absorption
 - Joint investment in US large forestry fund formed by Sumitomo Forestry Co., Ltd. (equivalent to 200kt/year of CO2 absorption).

¹ Bio energy with carbon dioxide capture and storage ² Direct air capture with carbon dioxide capture and storage ³ biofuel+ synthetic fuel ⁴ Capacity based on ownership ratio (sum of operating plants/under construction)

ENEOS Holdings, Inc. ⁵ Leading global company promoting projects to convert hydrogen to carbon-neutral liquefied synthetic fuels by utilizing low-cost renewable energy

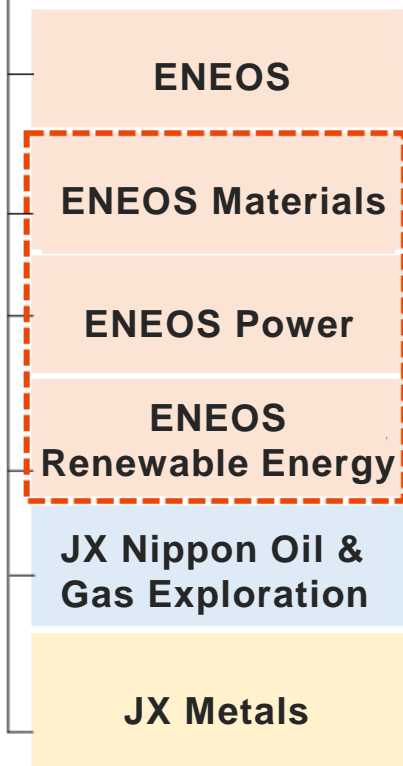
⁶ Project-based expected generation

➤ Change in Group Management Structure

- ✓ Determine the management structure on Apr. 1, 2024
- ✓ Visualize achievements, enhance competitiveness in each business environment and pursue autonomous management responding to each business characteristic

ENEOS Holdings

make into consolidated subsidiaries



➤ Group human resource strategy

- ✓ Promoting environment construction to enable diverse employees to fully exhibit their skills
- ✓ Support for new ideas and development of skills which accelerate business portfolio transformation
- ✓ Hiring and harnessing workforce based on their potential and contribution to corporate value, regardless of their length of service.

| | Actual / Target | | Actual / Target |
|---|-----------------|--|-----------------|
| Number of female employees in managerial positions | 57 / ≤100 | Percentage of advanced Digital Personnel | 8% / ≤20% |
| Number of career-employed in managerial positions | 55 / ≤80 | Number of online learning supporting system users in total | 596 / ≤1,500 |
| Percentage of male employees taking childcare leave | 79.6% / ≤90% | | |

Note: Data of ENEOS as of FY2023 Oct.

Support for skill development and reskilling for business portfolio transformation

Attaining business development skills and mindset for independent thinking, creativity, approach to customers' needs, etc.

Dispatch to startup companies New business support program (No Limit!)

Advancement of women in the workplace

Enabling motivated female employees to independently develop career/leadership

Outside mentor program 45 employees participated in FY2023. Lectures by female outside directors

Course-based personnel system / Aiming for dynamic personnel shift (Support for managerial positions)

Course-based personnel system
Carefully and speedily execute evaluations and development suited to each personnel, establishing courses which enable provision of compensation linked to market value

Dynamic personnel shift (for managerial employees over 50)
Support for employees' new life-stages outside ENEOS Group (retirement, changing jobs, startups etc.)

Targeted employees: 1,300 Applicants: 200

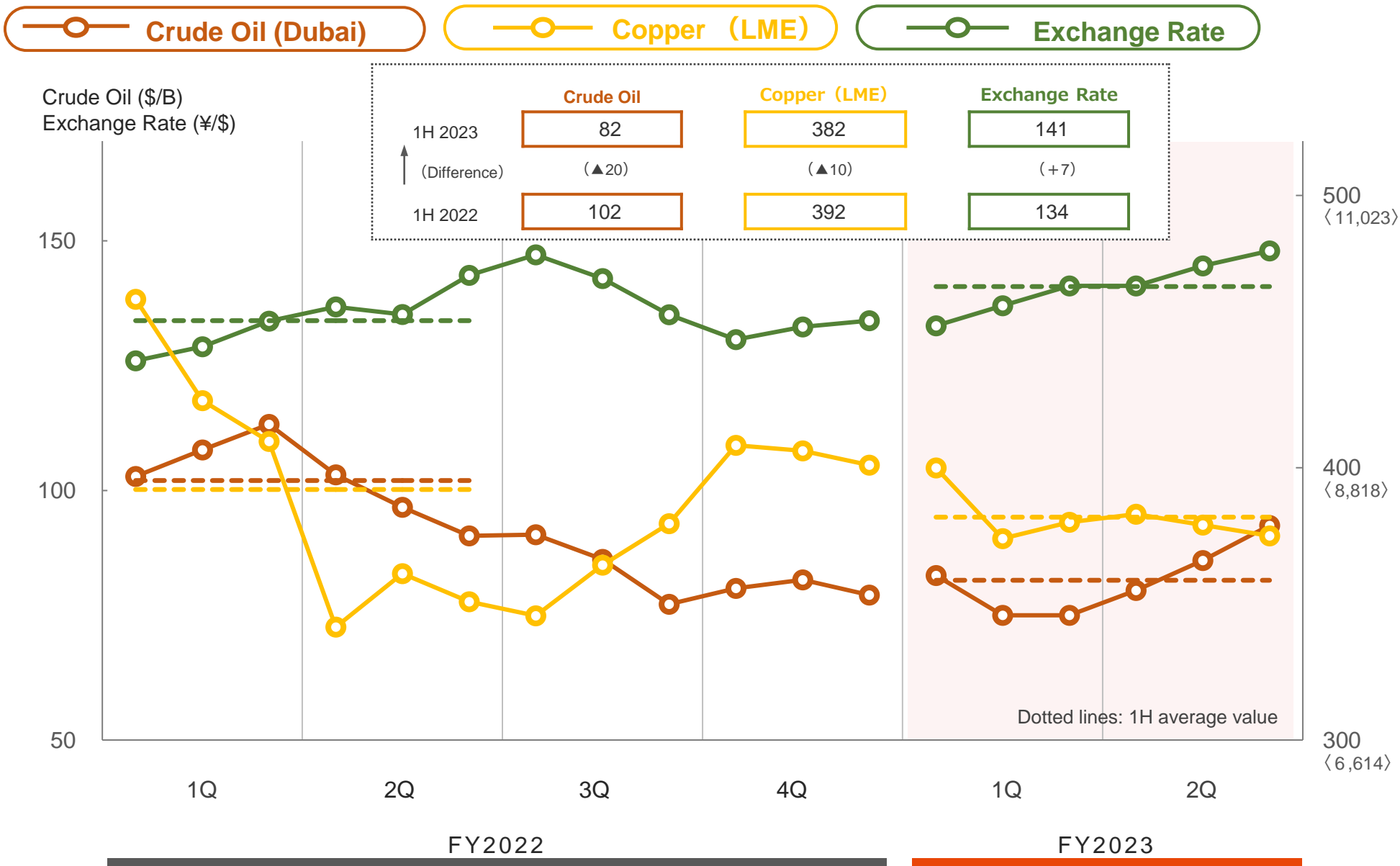
Town Hall Meetings

Messages from executives

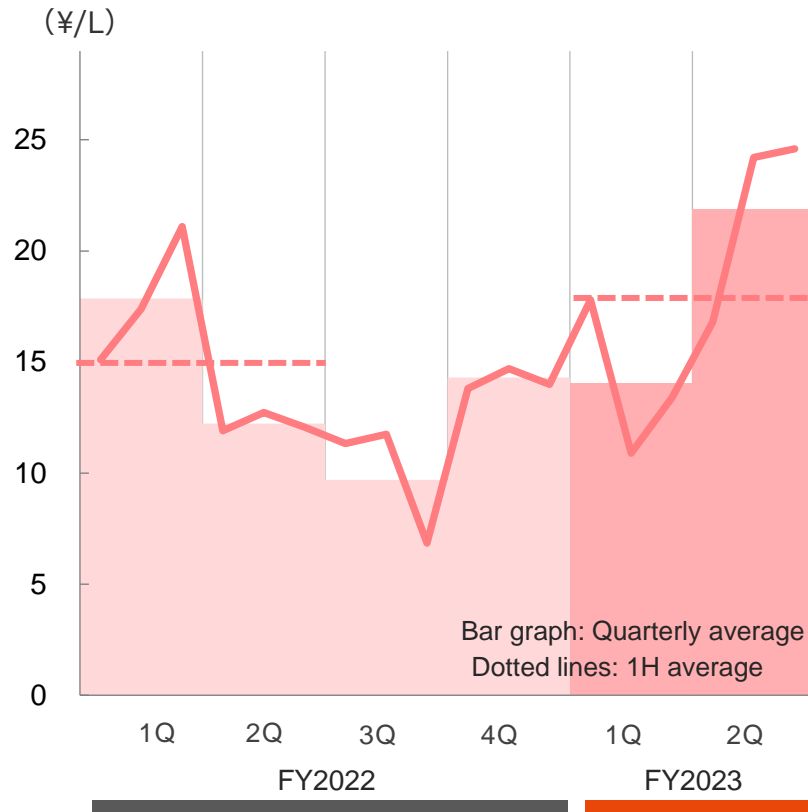
Enhance employee engagement

as a driving force to achieve the ENEOS Group Philosophy and our mission

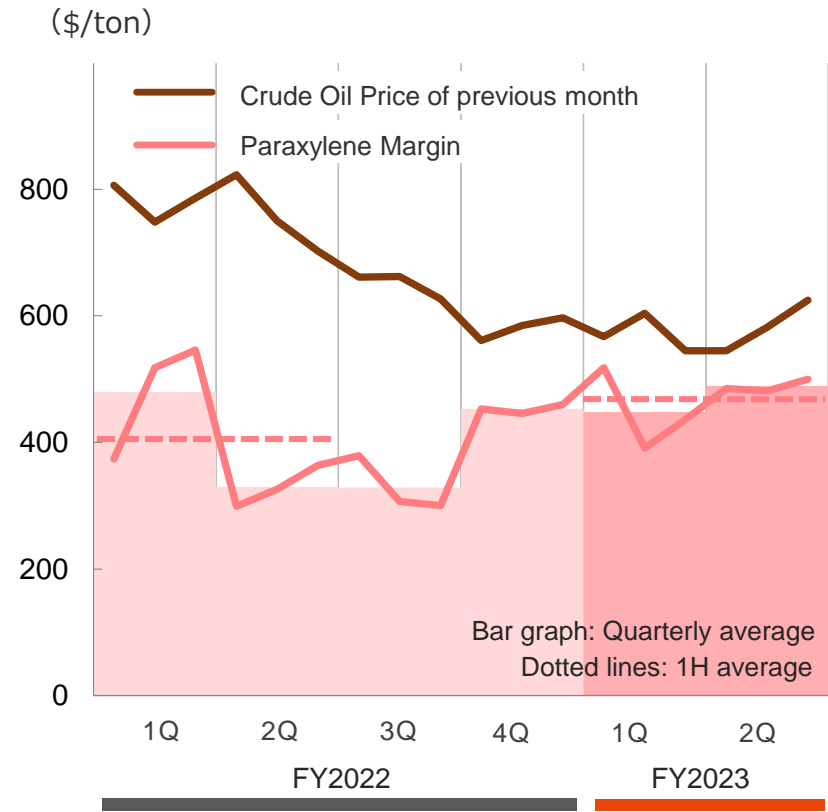
Business Environment



Petroleum Products Margin Index²



Paraxylene Margin Index³



¹ Petroleum products: gasoline, kerosene, diesel fuel and fuel oil A

² Calculated using the following formula as a reference for domestic market conditions
 Spot Price – All Japan Crude CIF (including petroleum tax and interest)

³ Calculated using the following formula as a reference for Asian market conditions
 ACP (Asian Contract Price) – 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 FY2023 2Q

(Apr. 1, 2023 - Sep. 30, 2023)

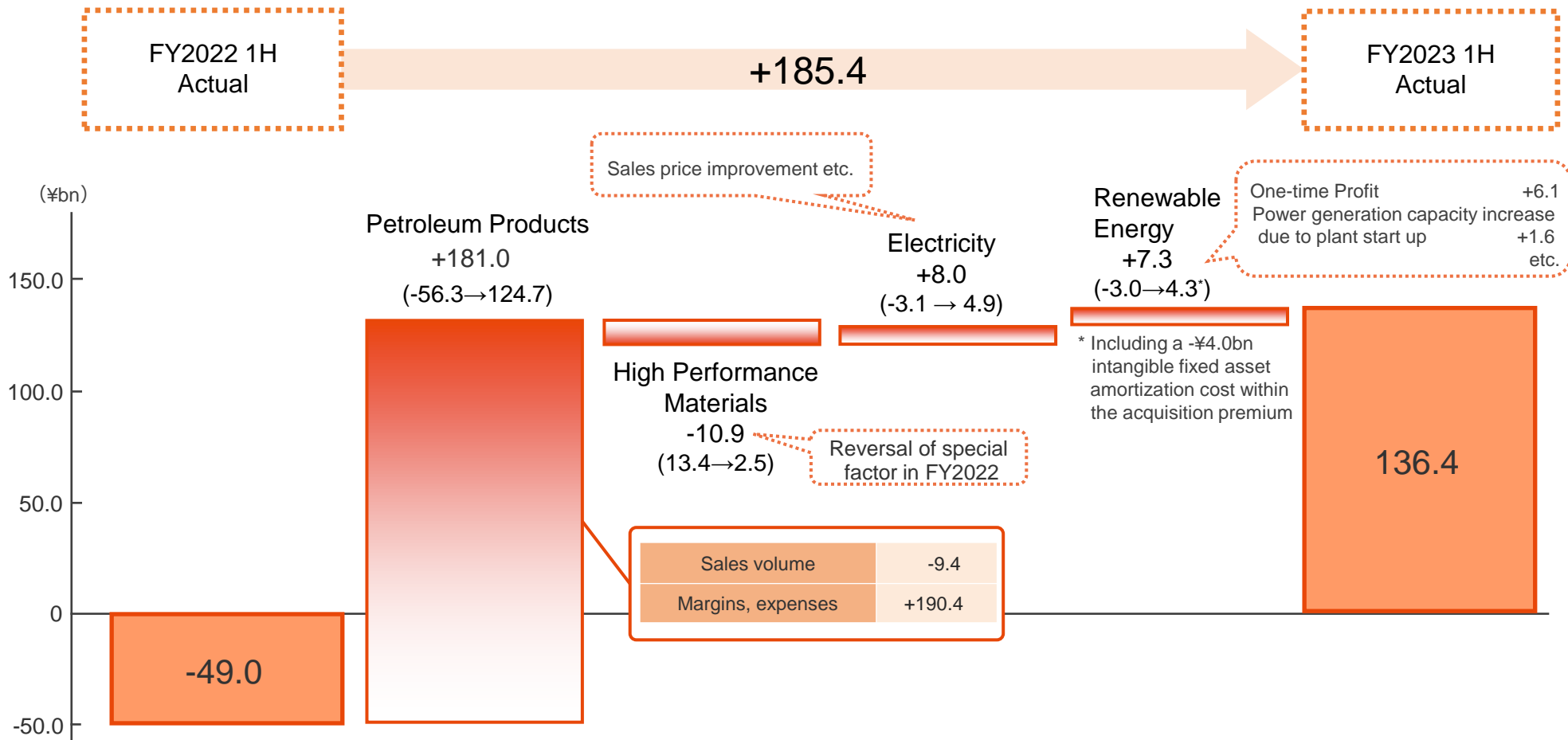
| | | FY2022 1H Actual | FY2023 1H Actual | Changes | |
|---|--------|---------------------|---------------------|---------|-------|
| Crude Oil (Dubai) | (\$/B) | 102 | 82 | -20 | -20% |
| Copper (LME) | (¢/lb) | 392 | 382 | -10 | -3% |
| Exchange rate | (¥/\$) | 134 | 141 | +7 | +5% |
| <hr/> | | | | | |
| Net Sales | (¥bn) | 7,394.0 | 6,619.5 | -774.5 | -10% |
| Operating Income | (¥bn) | 394.8 | 291.5 | -103.3 | -26% |
| Inventory Valuation | (¥bn) | 278.2 | 22.4 | -255.8 | -92% |
| Finance Income | (¥bn) | 2.9 | -8.8 | -11.7 | - |
| Income before tax | (¥bn) | 397.7 | 282.7 | -115.0 | -29% |
| Profit attributable to owners of the parent | (¥bn) | 248.8 | 171.7 | -77.1 | -31% |
| <hr/> | | | | | |
| Profit excl. inventory valuation | | | | | |
| Operating Income | (¥bn) | 116.6 | 269.1 | +152.5 | +131% |
| Profit attributable to owners of the parent | (¥bn) | 58.2 | 156.0 | +97.8 | +168% |

Operating Income by Segment

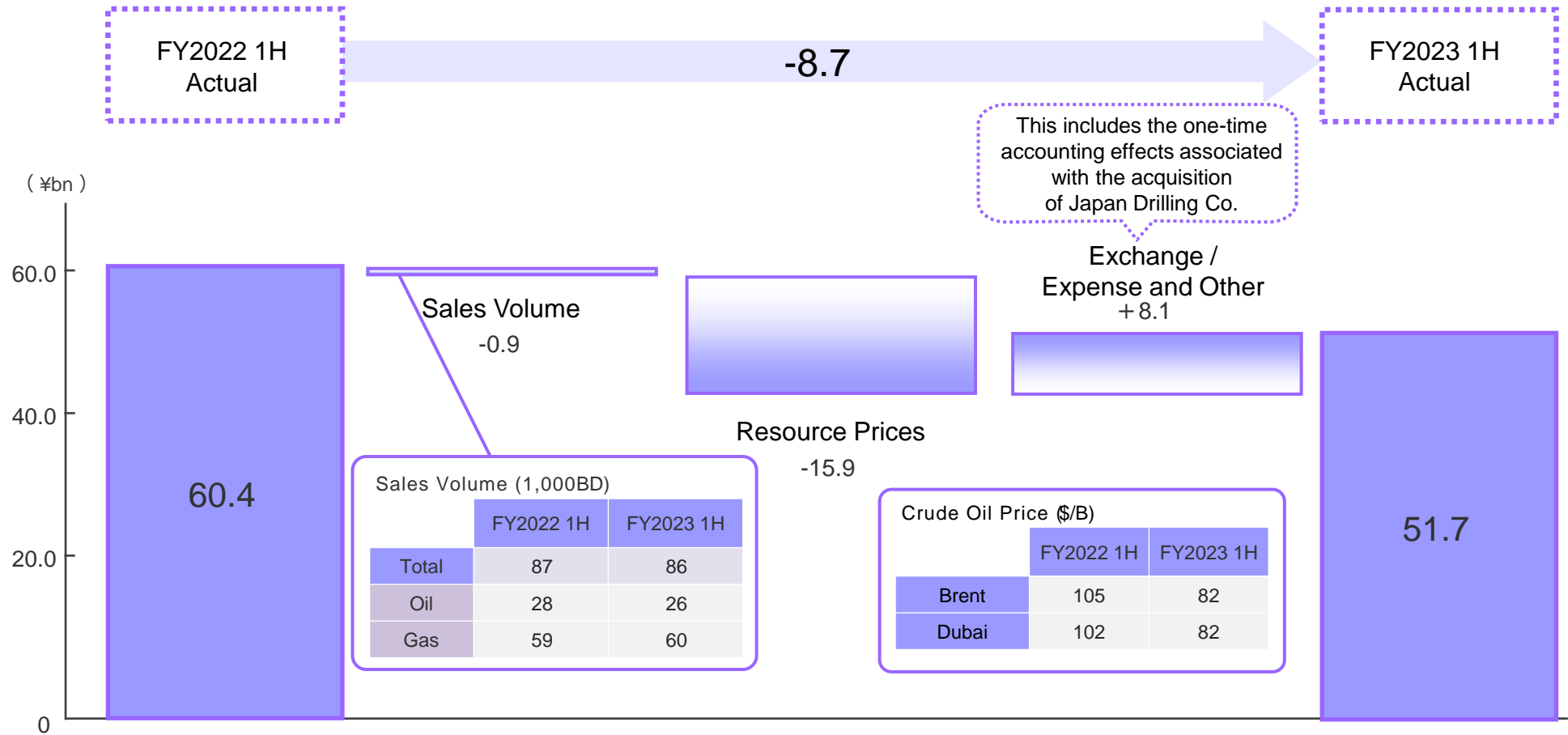
| | | FY2022 1H Actual | FY2023 1H Actual | Changes | |
|---|----------------------------|---------------------|---------------------|---------|--------|
| (¥bn) | | | | | |
| Total Operating Income excl. inventory valuation | | 116.6 | 269.1 | + 152.5 | + 131% |
| Segments | Energy | 229.2 | 158.8 | -70.4 | -31% |
| | Inventory Valuation | 278.2 | 22.4 | -255.8 | -92% |
| | Excl. Inventory Valuation | -49.0 | 136.4 | +185.4 | — |
| | Petroleum Products | -56.3 | 124.7 | +181.0 | — |
| | High Performance Materials | 13.4 | 2.5 | -10.9 | -81% |
| | Electricity | -3.1 | 4.9 | +8.0 | — |
| | Renewable Energy | -3.0 | 4.3 | +7.3 | — |
| | Oil & Natural Gas E&P | 60.4 | 51.7 | -8.7 | -14% |
| | Metals | 81.0 | 72.1 | -8.9 | -11% |
| | Semiconductor Materials | 21.9 | 10.6 | -11.3 | -52% |
| | ICT Materials | 17.5 | 0.3 | -17.2 | -98% |
| | Metals & Recycling | 46.6 | 65.9 | +19.3 | +41% |
| Non-allocated corporate expenses and other | -5.0 | -4.7 | +0.3 | — | |
| Other | 24.2 | 8.9 | -15.3 | -63% | |

* We have made changes to the subsegments from FY2023. As a result, we have reorganized the performance data for the first half of FY2022 based on the new subsegment structure.

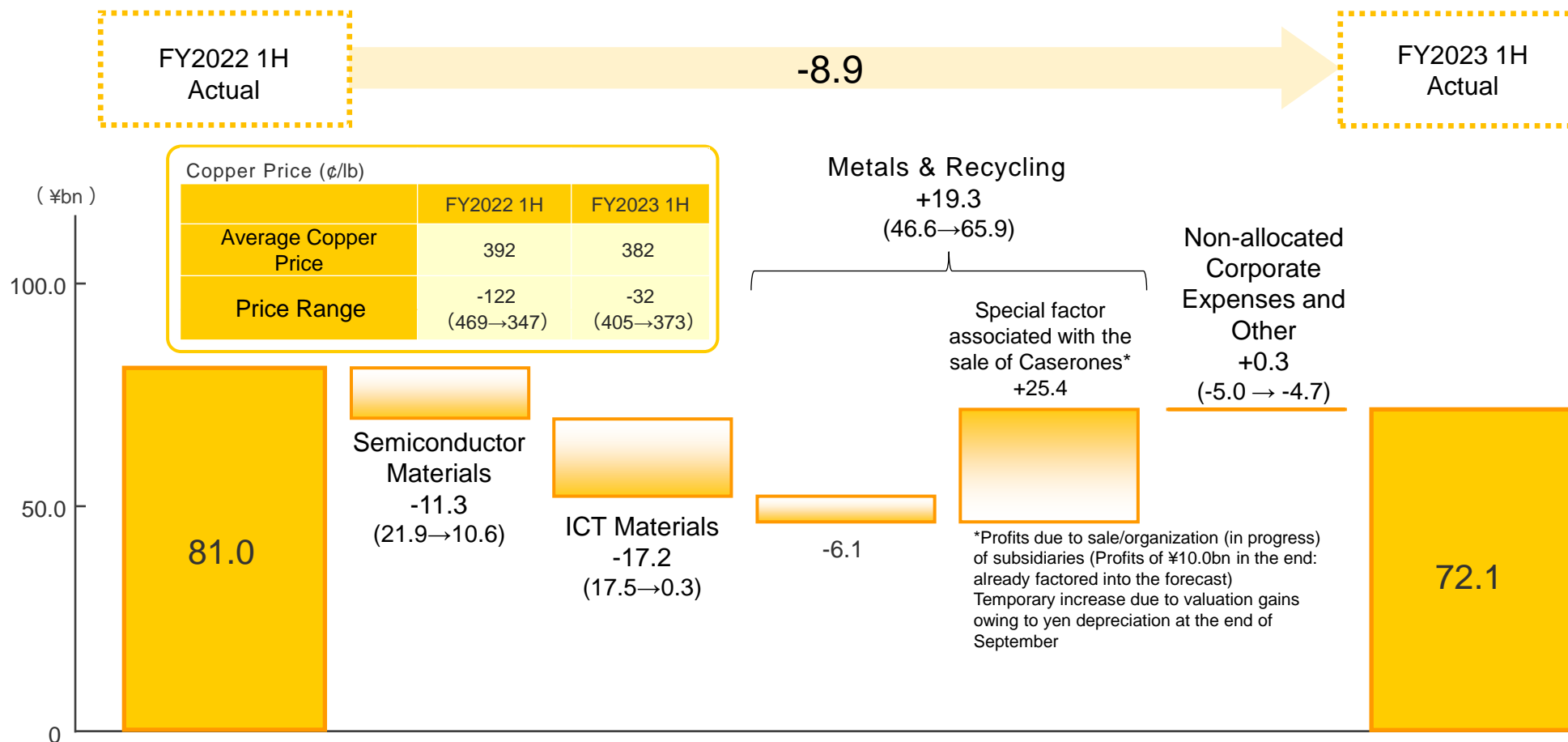
- Improvements in actual petroleum products margins and petrochemicals margins, in addition to positive time-lag while crude oil price went up
- Profits increased significantly due to improvements of refinery troubles and sales prices of electricity, in addition to the factors above.



Decrease in profits due to a decline in resource prices, despite yen depreciation and profit improvement with the acquisition of Japan Drilling Co.



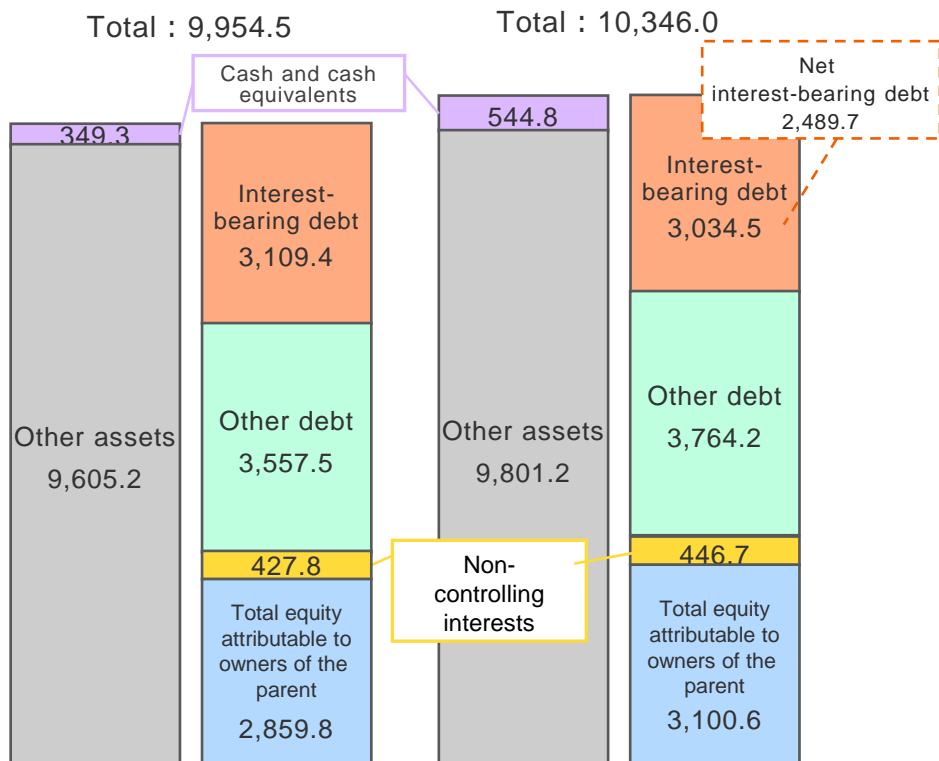
Despite a special factor associated with the sale of Caserones Copper Mine, profits decreased due mainly to a decline in sales volumes of semiconductor / ICT materials.



Consolidated Balance Sheets

As of Mar. 31, 2023

As of Sep. 30, 2023



Equity ratio attributable to owners of the parent

28.7%

30.0%

 Net D/E ratio
(After adjusting for hybrid bonds)

0.76

0.61

Consolidated Cash Flows

FY2023 1H

| | (¥bn) | Excl. IFRS 16 leases | Financial accounting basis |
|---|--------|----------------------|---|
| Operating income (Excl. inventory valuation) | 269.1 | 269.1 | 269.1 |
| Depreciation and amortization | 124.1 | 124.1 | 162.7 |
| Other (working capital and tax payment, etc.) | 79.0 | 79.0 | 79.0 |
| Cash flows from operating activities Excluding the impact of holidays | 472.2 | 425.7 | 510.8 |
| | | | 464.3 |
| | | | Actual cash flows from operating activities excluding underlined portion of (*) below 225.7 |
| Capital investment | -191.6 | -191.6 | -191.6 |
| Asset sales and other | 46.1 | 46.1 | 46.1 |
| Cash flows from investing activities | -145.5 | -145.5 | -145.5 |
| Free cash flows Excluding the impact of holidays | 326.7 | 280.2 | 365.3 |
| | | | 318.8 |
| | | | Actual free cash flows excluding underlined portion of (*) below 80.2 |
| Dividends and other | -71.5 | -71.5 | -110.1 |
| Net cash flows | 255.2 | 255.2 | 255.2 |

(*) Cash flows from operating activities includes increase in operation expenses due to yen depreciation and rise in crude oil price, and the ¥200bn (incl. refund associated with final tax return) advanced tax payment in FY2022 for FY2023 (consumption tax related to subsidiaries for petroleum products, corporate tax associated with changes in Group management structure) etc.

The impact of holidays: Gasoline tax payment delays to next quarter due to holidays

Forecast for FY2023 (April 1, 2023 – March 31, 2024)

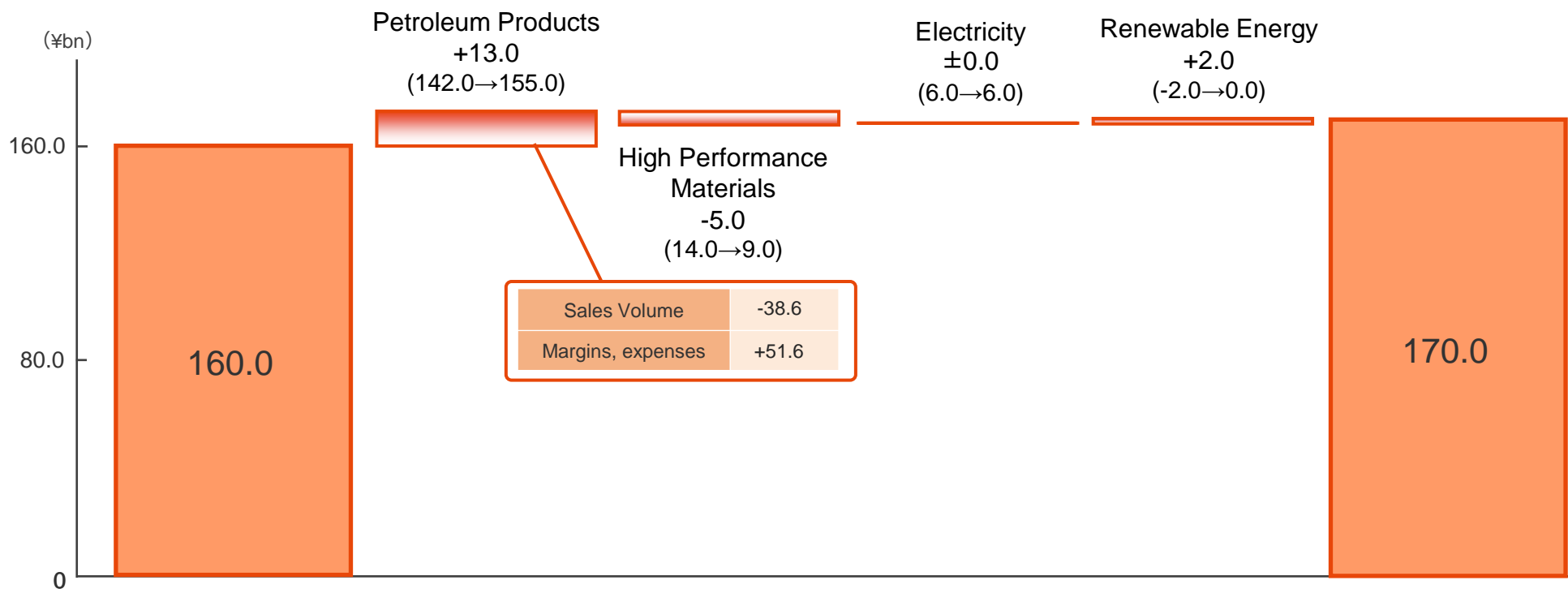
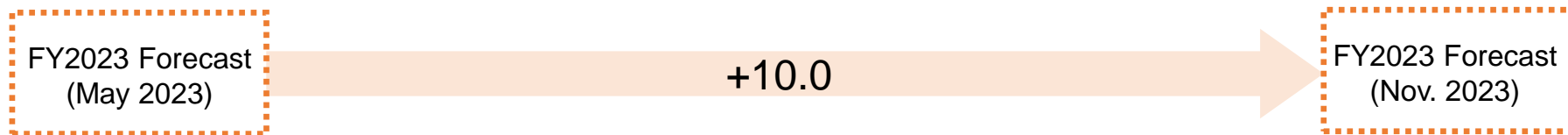
Key factors from Oct. 2023: Crude Oil (Dubai) : 85 \$/B, Copper Price (LME) : 360¢/lb, Exchange Rate: 140 yen/\$

| | | FY2023 Forecast (May 2023) | FY2023 Forecast (Nov. 2023) | Changes | | Ref. FY2022 (Actual) |
|---|--------|-------------------------------|--------------------------------|---------|------|----------------------------|
| | | | 2H | | | |
| Crude Oil (Dubai) | (\$/B) | 80 | 85 84 | +4 | +5% | 93 |
| Copper (LME) | (¢/lb) | 360 | 360 371 | +11 | +3% | 388 |
| Exchange Rate | (¥/\$) | 130 | 140 141 | +11 | +8% | 135 |
| Net Sales | (¥bn) | 13,400.0 | 14,000.0 | +600.0 | +4% | 15,016.6 |
| Operating Income | (¥bn) | 340.0 | 420.0 | +80.0 | +24% | 281.3 |
| Inventory Valuation | (¥bn) | 0.0 | 50.0 | +50.0 | – | 34.8 |
| Finance Income | (¥bn) | -30.0 | -20.0 | +10.0 | – | -23.9 |
| Income before tax | (¥bn) | 310.0 | 400.0 | +90.0 | +29% | 257.4 |
| Profit attributable to owners of the parent | (¥bn) | 180.0 | 240.0 | +60.0 | +33% | 143.8 |
| Profit excl. inventory valuation | | | | | | |
| Operating Income | (¥bn) | 340.0 | 370.0 | +30.0 | +9% | 246.5 |
| Profit attributable to owners of the parent | (¥bn) | 180.0 | 200.0 | +20.0 | +11% | 96.6 |

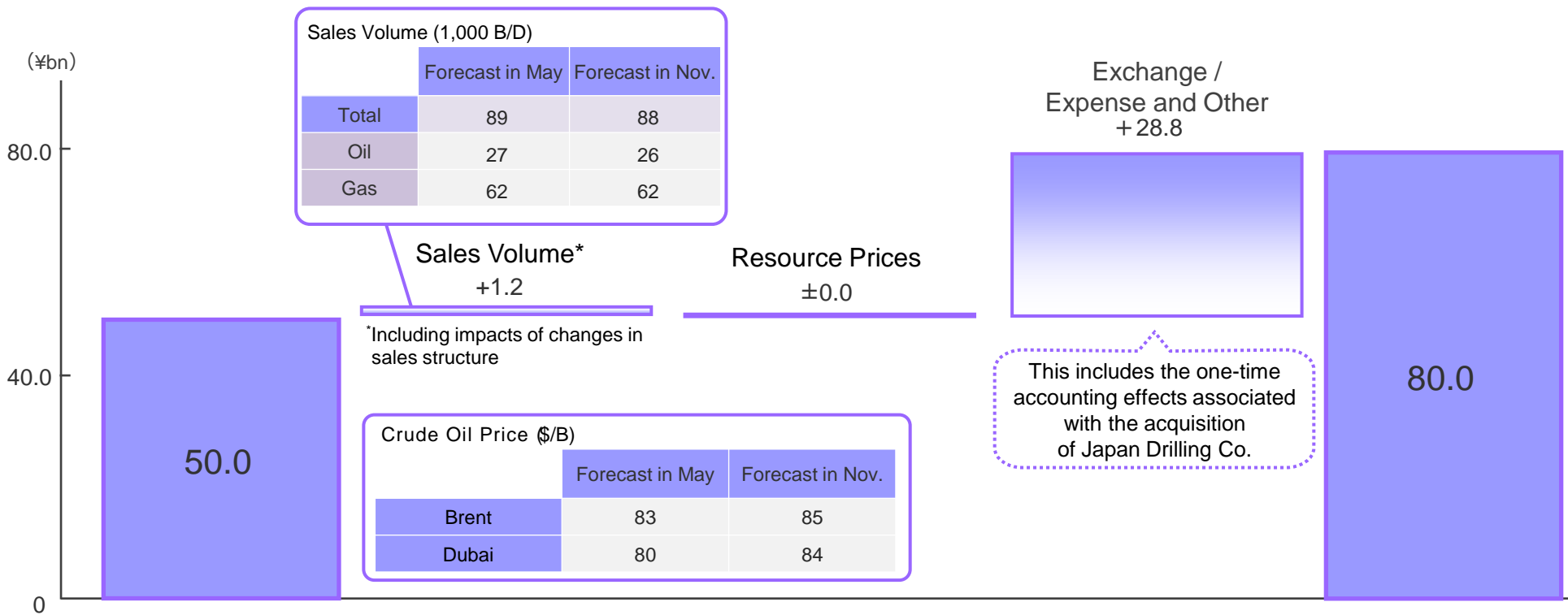
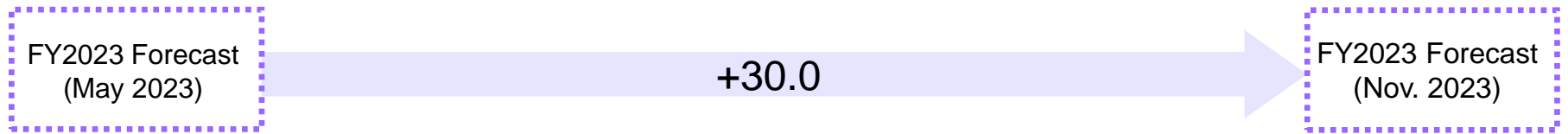
Changes in Operating Income by Segment vs May 2023 Forecast

| | | FY2023 Forecast (May 2023) | → | FY2023 Forecast (Nov. 2023) | Changes | | Ref. FY2022 (Actual) |
|---|--|----------------------------------|-------------|-----------------------------------|--------------|-------------|----------------------------|
| (¥bn) | | | | | | | |
| Total Operating Income excl. inventory valuation | | 340.0 | | 370.0 | +30.0 | +9% | 246.5 |
| Segments | Energy | 160.0 | | 220.0 | +60.0 | +38% | 51.0 |
| | Inventory Valuation | 0.0 | | 50.0 | +50.0 | — | 34.8 |
| | Excl. Inventory Valuation | 160.0 | | 170.0 | +10.0 | +6% | 16.2 |
| | Petroleum Products | 142.0 | | 155.0 | +13.0 | +9% | 21.5 |
| | High Performance Materials | 14.0 | | 9.0 | -5.0 | -36% | 16.7 |
| | Electricity | 6.0 | | 6.0 | ±0.0 | ±0% | 14.4 |
| | Renewable Energy | -2.0 | | 0.0 | +2.0 | — | -36.4 |
| | Oil & Natural Gas E&P | 50.0 | | 80.0 | +30.0 | +60% | 114.0 |
| | Metals | 90.0 | | 85.0 | -5.0 | -6% | 68.7 |
| | Semiconductor Materials | 30.0 | | 24.0 | -6.0 | -20% | 34.6 |
| | ICT Materials | 19.0 | | 4.0 | -15.0 | -79% | 21.8 |
| | Metals & Recycling | 57.0 | | 72.0 | +15.0 | +26% | 18.7 |
| | Non-allocated corporate expenses and other | -16.0 | | -15.0 | +1.0 | — | -6.4 |
| Other | 40.0 | | 35.0 | -5.0 | -13% | 47.6 | |

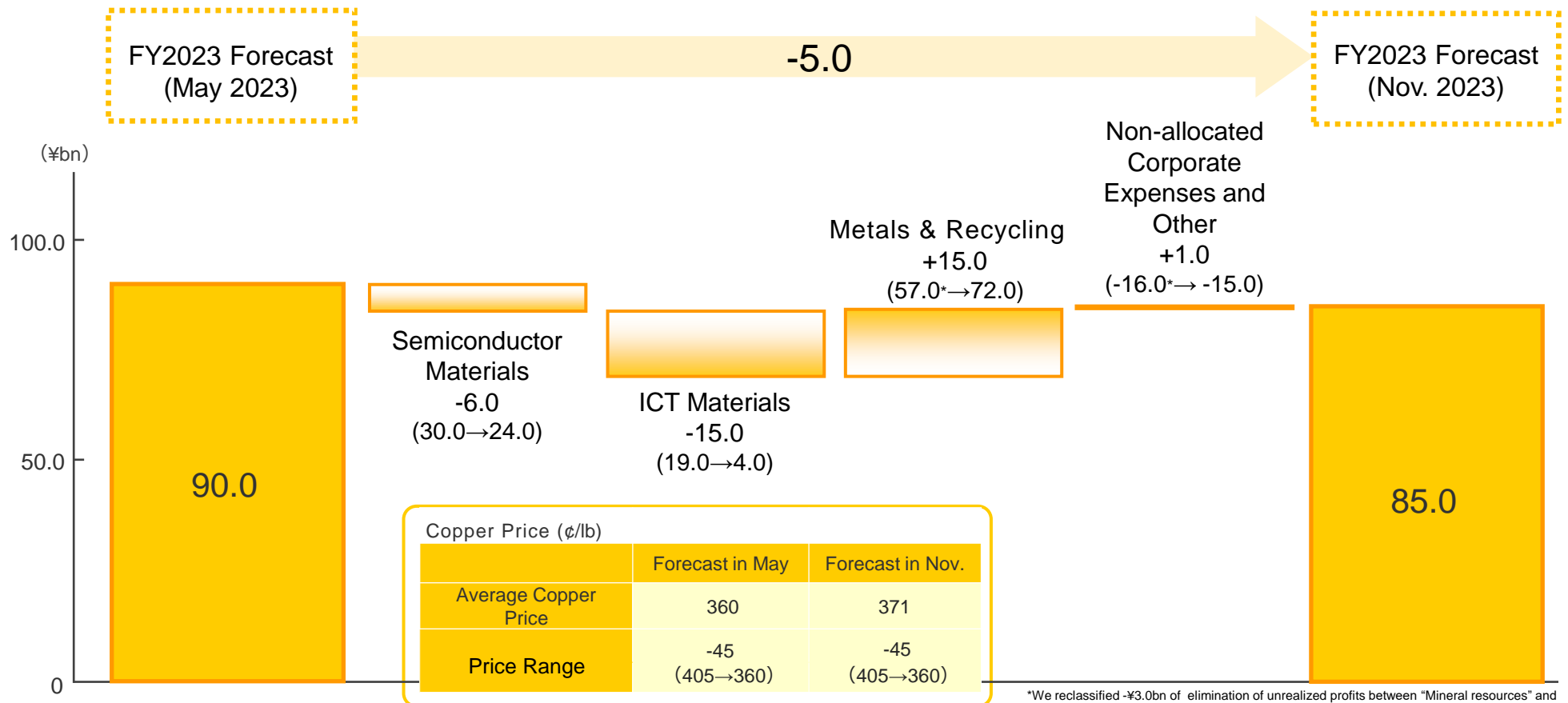
Despite lower export volume, expecting +¥10bn increase compared to the forecast announced in May due mainly to factoring in a positive time-lag impact, improvements of actual margins, etc.



Expecting +¥30bn increase in profits compared to the forecast announced in May due to yen depreciation, lower expenses and a positive impact of the acquisition of Japan Drilling Co.



Despite improvements due to yen depreciation, estimate ¥5bn decrease compared to the forecast announced in May due mainly to lower sales volumes in semiconductor materials and ICT materials.



*We reclassified -¥3.0bn of elimination of unrealized profits between "Mineral resources" and "Smelting and Recycling" expected to be classified in "Non-allocated Corporate Expenses and other" as of the May announcement into "Metals & Recycling" which includes both "Mineral Resources" and "Smelting and Recycling"

Reference

| | | | FY2022 | | | FY2023 | | |
|-----------------------|---|--------------------|--------|--------|-----------|--------|--------|-----------|
| | | | 1Q | 1H | Full Year | 1Q | 1H | Full Year |
| | | | Actual | Actual | Actual | Actual | Actual | Forecast |
| All segments | Exchange rate | (¥/ \$) | 130 | 134 | 135 | 137 | 141 | 141 |
| Energy | Crude oil (Dubai) | (\$/B) | 108 | 102 | 93 | 78 | 82 | 84 |
| Oil & Natural Gas E&P | Sales volume (Crude oil equivalent) | (1,000 B / day) | 88 | 87 | 86 | 82 | 86 | 88 |
| | Crude oil (Brent) | (\$/B) | 112 | 105 | 95 | 78 | 82 | 85 |
| Metals | Copper (LME) | (¢/lb) | 432 | 392 | 388 | 385 | 382 | 371 |
| | Equity entitled copper mine production ¹ | (1,000 tons) | 50 | 92 | 200 | 56 | 95 | 177 |
| | PPC copper cathode sales | (1,000 tons) | 150 | 322 | 633 | 156 | 324 | 628 |
| | Precision rolled products sales | (1,000 tons/month) | 3.7 | 3.6 | 3.1 | 2.2 | 2.3 | 2.5 |

¹ Including impacts of partial sale of Caserones Copper Mine interest from FY2023/2Q

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

■ Impact of index change on operating income in FY2023 (from Oct. 2023)

| | | | (¥bn) | |
|----------------------|---------------------------|-------------------------|--------|------|
| Index | Changes | Segment | Impact | |
| Crude Oil (Dubai) | + 5\$/B | Energy | (-) | 0.5 |
| | | Oil and Natural Gas E&P | (+) | 3.0 |
| | | Subtotal | (+) | 2.5 |
| | | Inventory Valuation | (+) | 43.0 |
| | | Total | (+) | 45.5 |
| Copper (LME) | +10¢/lb | Metals | (+) | 2.0 |
| | | Total | (+) | 2.0 |
| Exchange Rate | 5¥/\$ Yen Depreciation | Energy | (+) | 2.0 |
| | | Oil and Natural Gas E&P | (+) | 2.0 |
| | | Metals | (+) | 2.0 |
| | | Subtotal | (+) | 6.0 |
| | | Inventory Valuation | (+) | 26.0 |
| Total | (+) | 32.0 | | |

➤ Terminated Operation of Wakayama Refinery

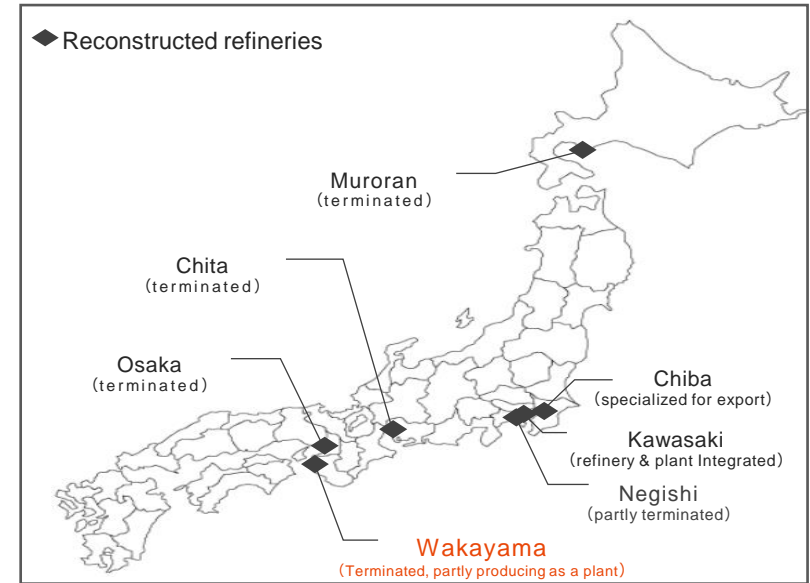
- ✓ Implementing reconstruction of production/supply lines, strengthening competitiveness of base business

Status of production line reconstruction (after JX&TG integrated)

| | Apr. 2017 | ➔ | Nov. 2023 |
|---------------------------------|-----------------|--------------------|-----------------|
| Number of refineries and plants | 15 | (-4) | 11 |
| Crude refining capacity | 1.93 million BD | (-0.29 million BD) | 1.64 million BD |

Incl. Wakayama :
-0.12 million BD

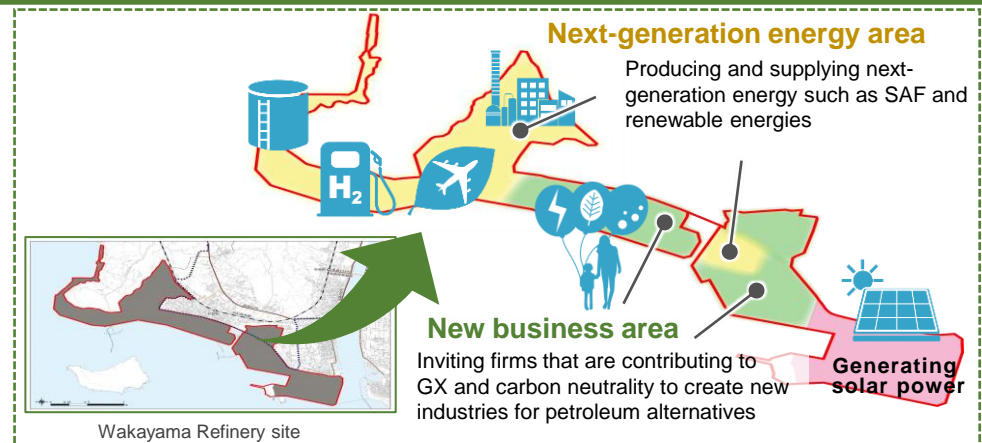
- Murooran plant: Terminated (Apr. 2019)
- Kawasaki refinery/plant: Integrated (Apr. 2019)
- Osaka refinery: Terminated (Oct. 2020)
- Chiba refinery: Specialized for exports (Dec. 2020)
- Chita plant: Terminated (Oct. 2021)
- Negishi refinery: Partly terminated (Oct. 2022)
- **Wakayama refinery: Terminated (Oct. 2023)**



➤ Utilizing the Wakayama site as a base for producing and supplying next-generation energy

- ✓ Collaborating with METI, Wakayama prefecture, Kainan and Arida City, utilizing ENEOS Wakayama site as a next-generation energy/products supply center for carbon neutrality, to make it a model site for GX¹ implementation.
- ✓ Carrying out initiatives to make it one of the main production sites for SAF² in Japan.

¹ Green Transformation ² Sustainable Aviation Fuel

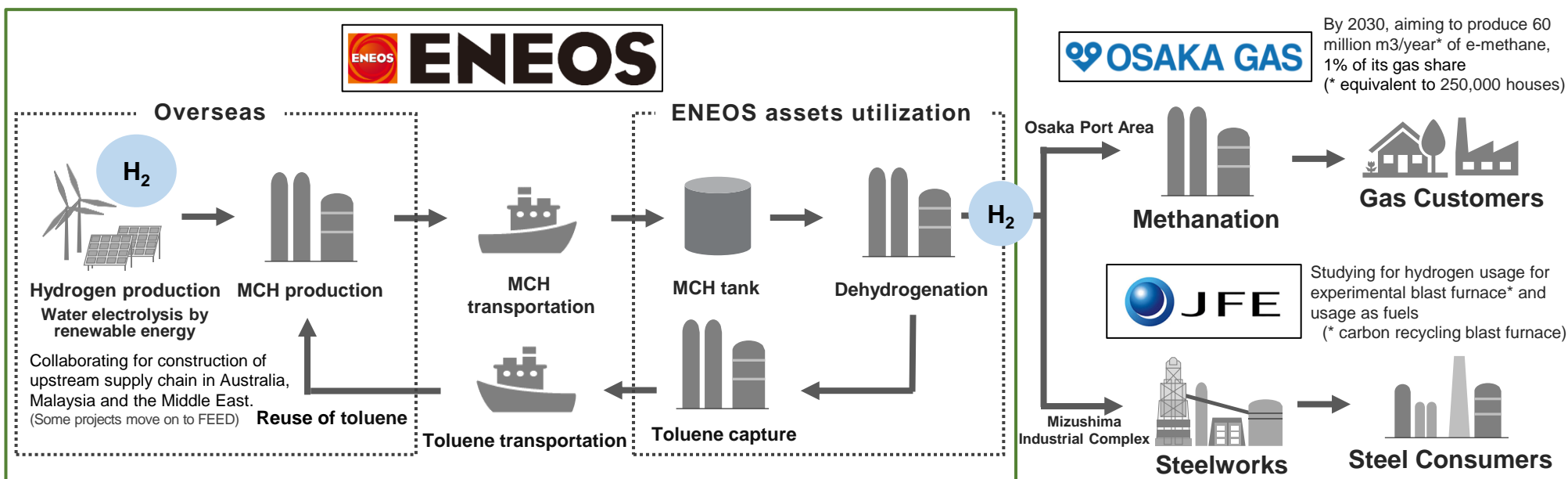


➤ Establishing hydrogen supply chains

✓ Commenced joint study with ①Osaka Gas and ②JFE for large-scale utilization of CO2-free hydrogen.

① ENEOS produces CO2-free hydrogen and transports it to Osaka Gas e-methane production plants.

② ENEOS produces CO2-free hydrogen and transports it to JFE steelworks (blast furnace etc.)



➤ MCH (Methylcyclohexane)

- ✓ MCH is a liquid organic hydrogen carrier (LOHC), which is a liquid produced by adding hydrogen to toluene.
- ✓ MCH is easy to store and transport under normal temperature/pressure, and it is possible to save initial investment by utilizing our assets.
- ✓ MCH utilization as a hydrogen carrier has already been demonstrated. We are currently considering large-scale studies utilizing the Green Innovation Fund.

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) changes in laws and regulations; and
- (3) risks related to litigation and other legal proceedings.