

Presentation on Results for the 3rd Quarter FY2023

**February 13, 2024
Idemitsu Kosan Co.,Ltd.**

Table of Contents

- Highlights
- Results for the 3Q FY2023
- Progress on the mid-term management plan
- Reference
 - ✓ Financial results
 - ✓ Volume
 - ✓ Crude/product price and operation
 - ✓ Business overview

■ Highlights

Results for the 3Q FY2023

■ Summary

- ✓ Operating + equity income (segment income) decreased by ¥16.6 billion y-o-y, due to reduced inventory impact.
- ✓ Segment income excluding inventory impact increased by ¥48.8 billion, as the positive impact of time-lag in the petroleum business, etc. offset the negative impact of mine size reductions in the coal business and the decrease in coal prices in reaction to the sharp rise observed in the previous year

[¥ billions]

	3Q FY2022	3Q FY2023	Change	11/14 Forecasts FY 2023
Operating Income + Equity Income	323.8	307.3	(16.6)	265.0
<i>Inventory impact</i>	138.5	73.1	(65.3)	45.0
<i>Exc. inventory impact</i>	185.4	234.1	+48.8	220.0
Net Income Attributable to Owners of the Parent	249.6	239.1	(10.5)	180.0
<i>Exc. inventory impact</i>	153.6	188.3	+34.8	150.0

■ Forecasts for FY2023

- ✓ Although we anticipate a risk of decrease in 4Q profits due to recent issues at some refineries, full-year forecasts were not revised considering 3Q results exceeding full-year forecasts

■ Results for the 3Q FY2023

Key Topics

■ Trends in Petroleum Demand and Sales

- ✓ Demand for core products, particularly gasoline, has stabilized after recovery from reduction under COVID-19
- ✓ Jet fuel demand has remained on a recovery trend since FY2020

	FY2020	FY2021	FY2022	3Q FY2023
Core products	94.6%	98.6%	100.9%	97.5%
<i>Gasoline</i>	90.4%	99.6%	101.3%	97.9%
Jet fuel	54.2%	126.0%	136.8%	107.5%

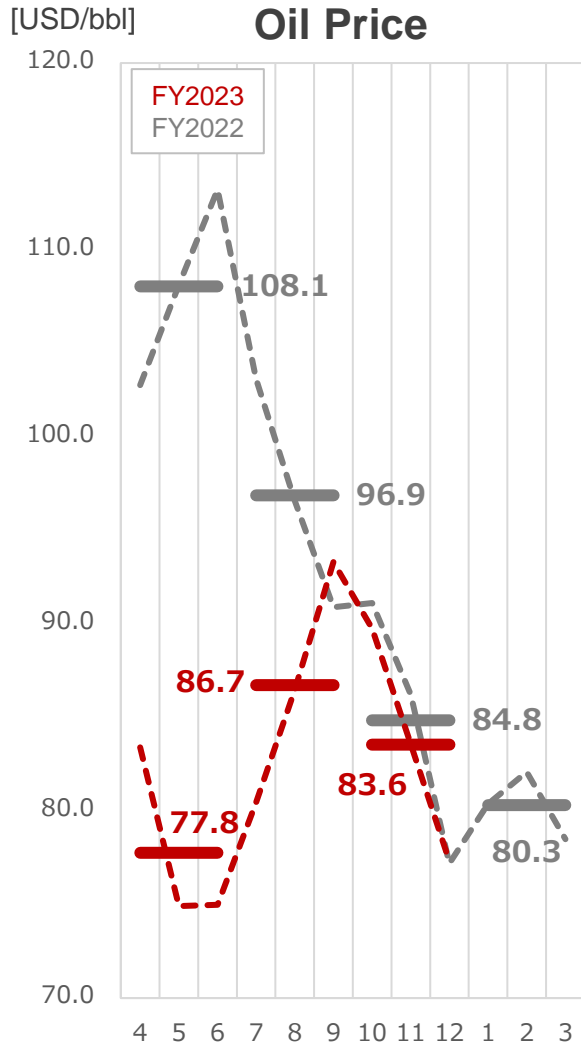
*Idemitsu sales growth rate (y-o-y)

■ Situation of Nghi Son Refinery in Vietnam

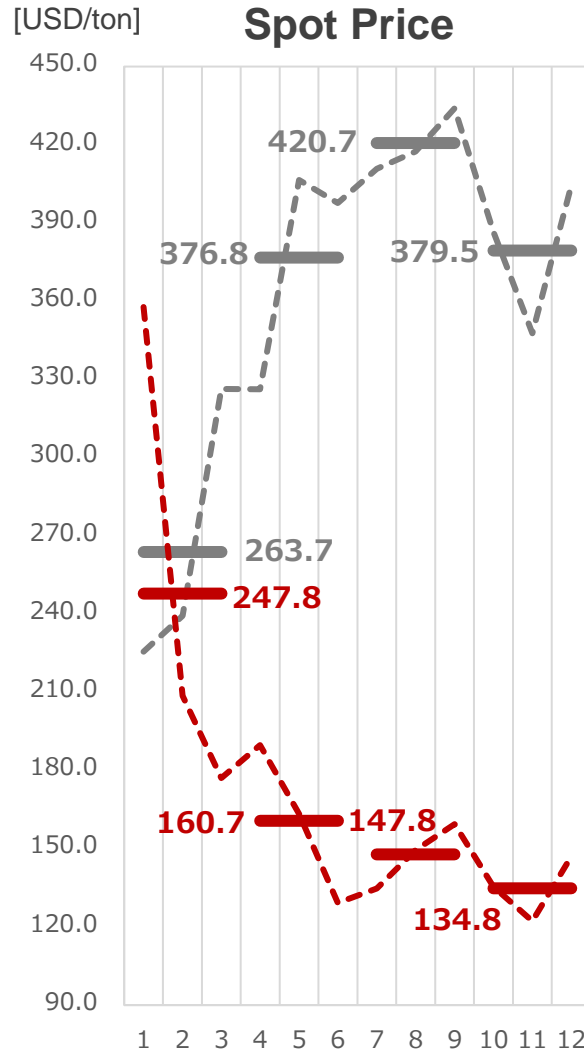
- ✓ Forecasting net loss mainly due to an increase of financing cost.
*Zero on consolidated basis due to loss on write-down of long-term loans receivable reported in FY2021
- ✓ Achieved positive operating income in 3Q. Also forecasting positive operating income excluding inventory impact for the full fiscal year
- ✓ High and stable capacity utilization as a result of increased productivity achieved through the regular maintenance
- ✓ Continuing constructive discussion with sponsors aiming at the profitability at net income level

Operating Environment

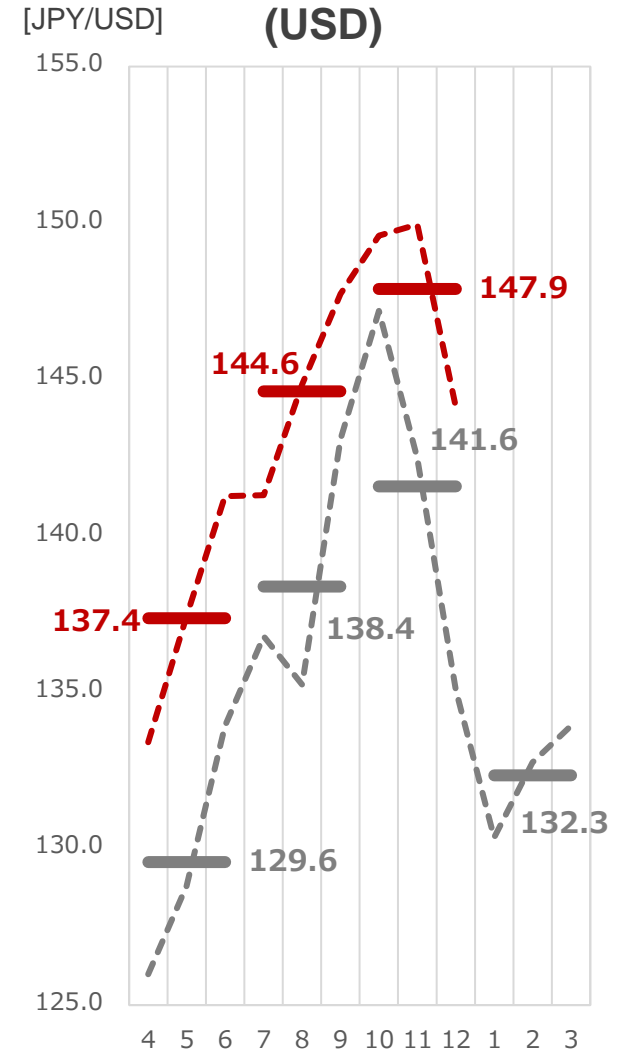
Dubai Crude



Australian Coal



Exchange Rate



Overview

■ Crude Oil/Coal/Exchange Rate

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

	3Q FY2022	3Q FY2023	Change	
Crude Oil (Dubai)	96.6	82.7	(13.9)	(14.4%)
Crude Oil (Brent)*	105.4	82.1	(23.3)	(22.0%)
Australian Coal Spot Price*	353.8	185.5	(168.3)	(47.6%)
Exchange Rate (TTM)	136.5	143.3	+6.8	+5.0%

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

■ Consolidated Income Statement(Summary)

[¥ billions]

	3Q FY2022	3Q FY2023	Change	
Net Sales	7,211.3	6,402.3	(809.0)	(11.2%)
Operating Income	298.9	293.7	(5.2)	(1.7%)
<i>Inventory impact</i>	138.5	73.1	(65.3)	(47.2%)
Equity Income	25.0	13.6	(11.4)	(45.7%)
Operating Income + Equity Income	323.8	307.3	(16.6)	(5.1%)
<i>Excluding inventory impact</i>	185.4	234.1	+48.8	+26.3%
Ordinary Income	336.8	327.3	(9.6)	(2.8%)
Extraordinary Income/Losses	16.8	(2.0)	(18.8)	—
Net Income Attributable to Owners of the Parent	249.6	239.1	(10.5)	(4.2%)
<i>Excluding inventory impact</i>	153.6	188.3	+34.8	+22.7%

Segment Information

■ Operating + Equity Income

[¥ billions]

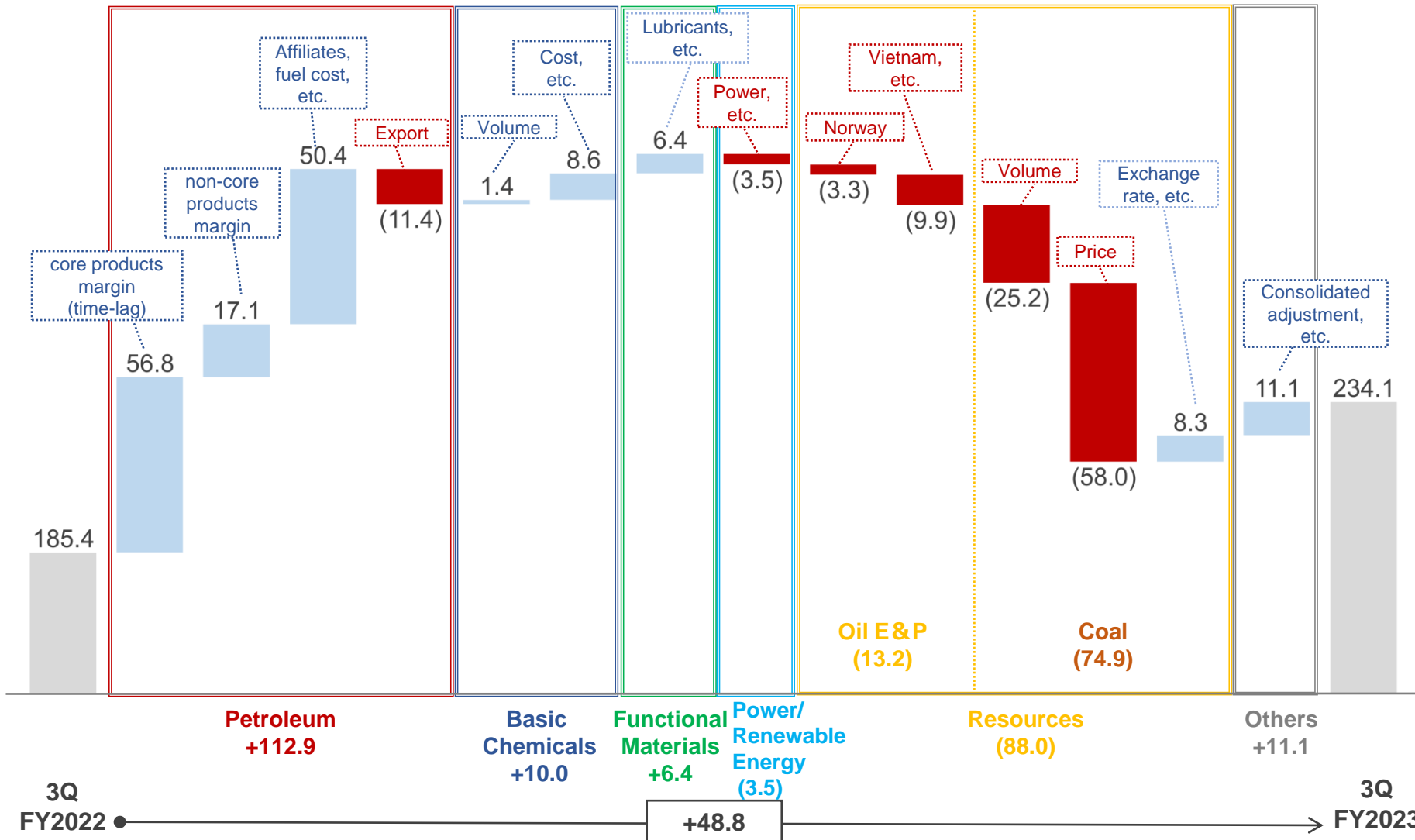
	3Q FY2022	3Q FY2023	Change	
Petroleum	139.7	187.2	+47.5	+34.0%
<i>Excluding inventory impact</i>	<i>1.2</i>	<i>114.1</i>	<i>+112.9</i>	<i>—</i>
Basic Chemicals	11.4	21.4	+10.0	+87.3%
Functional Materials	16.4	22.8	+6.4	+38.9%
Power and Renewable Energy	1.1	(2.3)	(3.5)	—
Resources*	177.7	89.7	(88.0)	(49.5%)
<i>Oil Exploration and Production</i>	<i>26.4</i>	<i>13.3</i>	<i>(13.2)</i>	<i>(49.8%)</i>
<i>Coal</i>	<i>151.3</i>	<i>76.4</i>	<i>(74.9)</i>	<i>(49.5%)</i>
Others/Reconciliation	(22.5)	(11.5)	+11.1	—
Total	323.8	307.3	(16.6)	(5.1%)
<i>Excluding inventory impact</i>	<i>185.4</i>	<i>234.1</i>	<i>+48.8</i>	<i>+26.3%</i>

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

Segment Information

Factors Affecting Operating + Equity Income (excluding inventory impact, y-o-y)

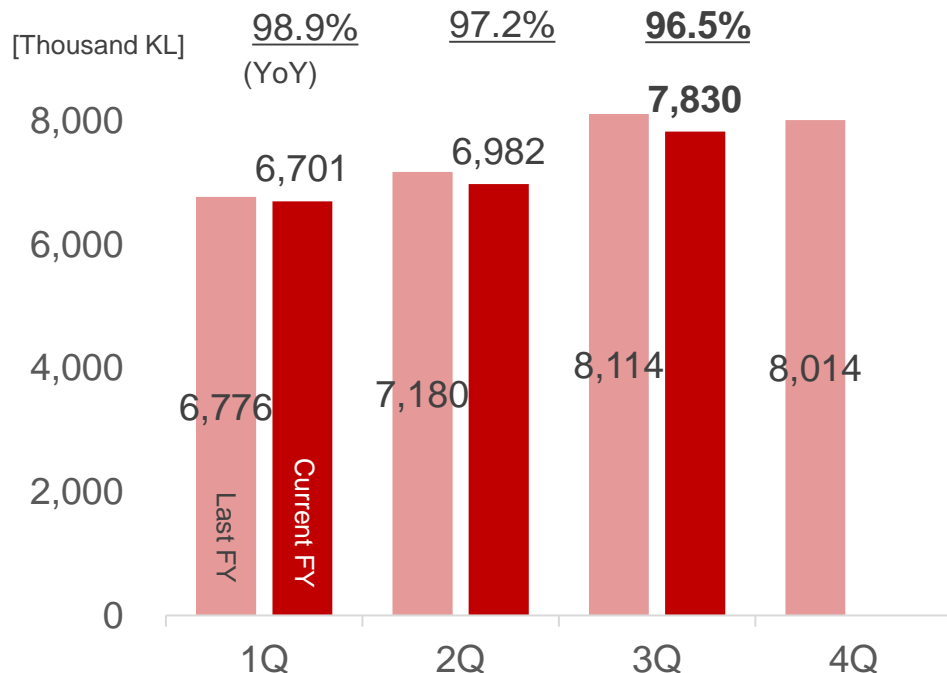
[¥ billions]



Segment Information

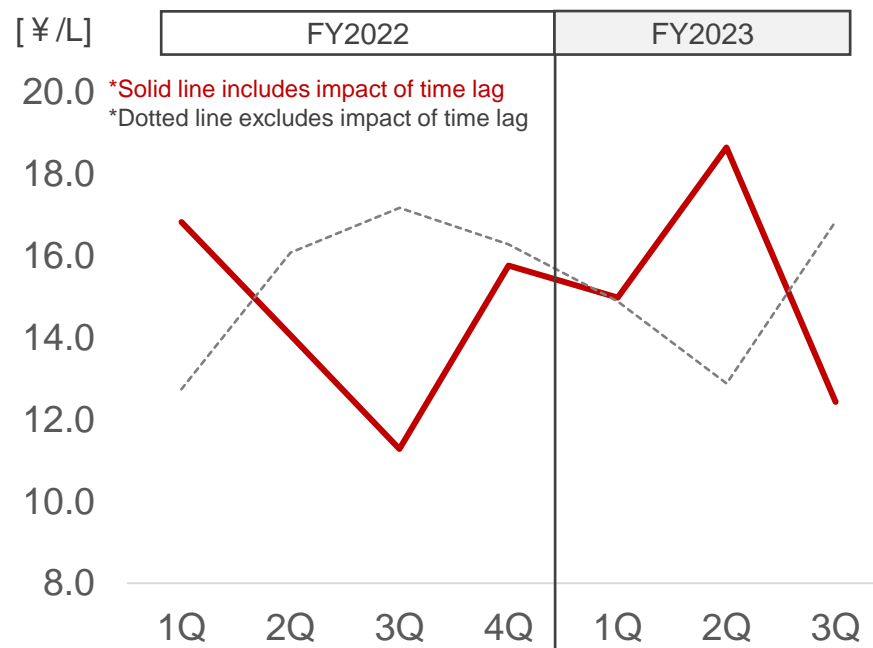
[Petroleum] YoY+¥112.9 (3Q FY22 : ¥1.2bn ➔ 3Q FY23 : ¥114.1bn)

[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)



- ✓ Profit increased as a result of improved domestic core product margins due to positive time-lag, improved non-core product margins and a decrease in fuel costs, etc.
- ✓ Increased earnings from international trading businesses also contributed to the profit
- ✓ The above was partially offset by a decrease in export volume due to regular maintenances

Segment Information

[Basic Chemicals] YoY+¥10.0bn (3Q FY22: ¥11.4bn ➔ 3Q FY23: ¥21.4bn)

- ✓ Sales volume improved following the regular maintenance in the last FY and sales expansion after the launch of PX operations at Chita
- ✓ Profits improved due to margin improvement and decrease in fuel costs, etc.

Product [USD/ton]	3Q FY22		3Q FY23		Change	
	Price	Margin	Price	Margin	Price	Margin
PX	1,109	355	1,039	403	(70)	+48
MX	1,038	284	934	297	(104)	+13
SM	1,203	449	1,034	398	(169)	(51)

[Functional Materials] YoY+¥6.4bn (3Q FY22: ¥16.4bn ➔ 3Q FY23: ¥22.8bn)

- ✓ Lubricants: Increased due to reversal of negative time lag in the previous FY
- ✓ Performance chemicals: Increased due to withdrawal from unprofitable businesses, etc.
- ✓ Electronic materials: Decreased due to reduced sales volume resulting from current weak demand for Smartphones and OLED-TVs

[Power/Renewable Energy] YoY-¥3.5bn (3Q FY22: ¥1.1bn ➔ 3Q FY23 : -¥2.3bn)

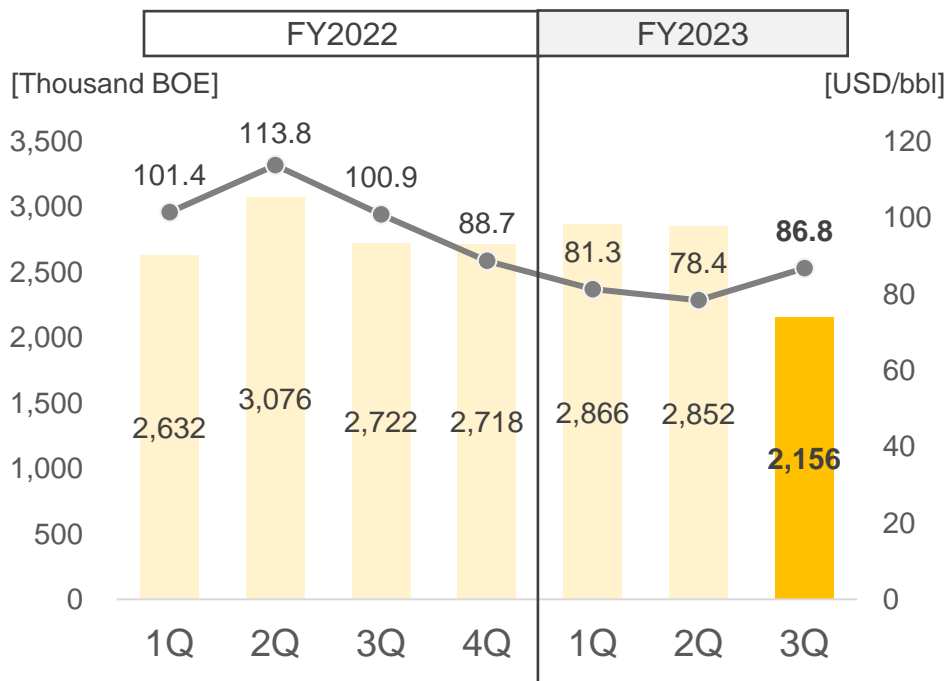
- ✓ Power: Decreased mainly due to reduced sales prices in spite of continuous initiatives towards sales within self generation
- ✓ Solar: Improved due to cost reductions from structural reforms and sales expansion of solar power for self-consumption model

Segment Information

[Oil E&P] YoY -¥13.2 bn

(3Q FY22 : ¥26.4bn ➔ 3Q FY23 : ¥13.3 bn)

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



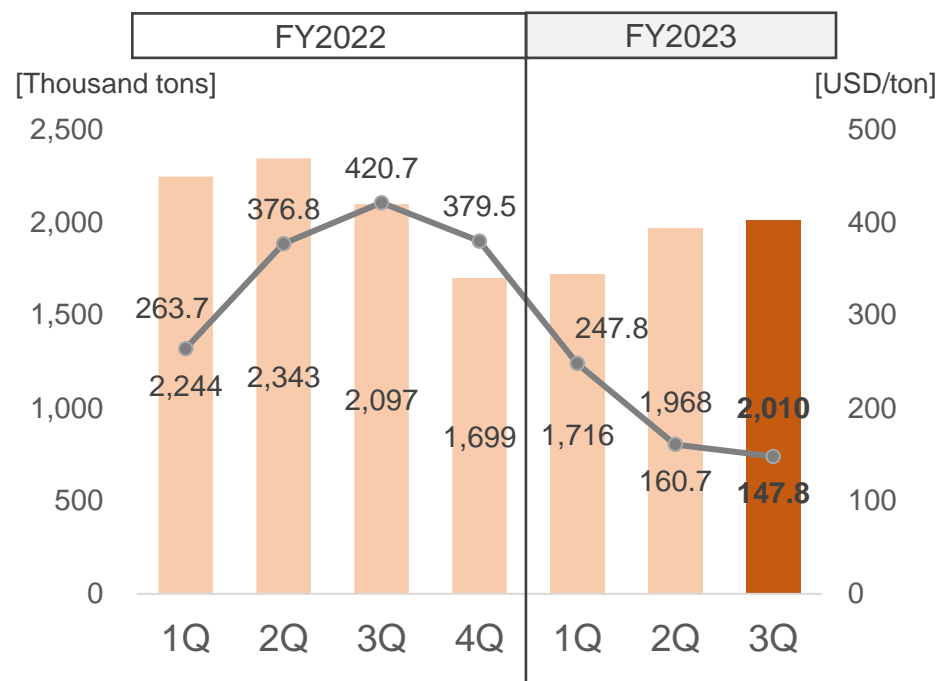
- ✓ Production volume decreased due to regular maintenances
- ✓ Profit decreased due to a fall in crude oil prices and to cost-related factors

* Figures reflect share of rights owned in resource development affiliates

[Coal] YoY -¥74.9 bn

(3Q FY22 : ¥151.3bn ➔ 3Q FY23 : ¥76.4 bn)

<Coal Production Volume and Australian Coal Spot Price Trends>



- ✓ Profit fell due to a decrease in production volume following a size reduction of mines as well as the reversal of the strong market conditions seen in the previous FY

* Terminated mining at Muswellbrook mines in March 2023

Balance Sheet

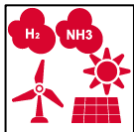
[¥ billions]

	3/31/2023	12/31/2023	Change		3/31/2023	12/31/2023	Change
Cash and Deposits	105.2	192.3	+87.1	Total Current Liabilities	2,164.0	2,367.7	+203.7
Receivables, Inventory, etc.	2,626.9	2,934.5	+307.6	Total Fixed Liabilities	1,072.1	1,073.3	+1.2
Total Current Assets	2,732.1	3,126.8	+394.8	Total Liabilities	3,236.1	3,441.0	+204.9
Tangible Fixed Assets	1,390.0	1,378.3	(11.8)	Shareholders' Equity and Other Comprehensive Income	1,614.5	1,817.8	+203.3
Other Fixed Assets	743.3	767.1	+23.8	Noncontrolling Interests	14.8	13.4	(1.4)
Total Fixed Assets	2,133.3	2,145.3	+12.0	Total Net Assets	1,629.3	1,831.2	+201.9
Total Assets	4,865.4	5,272.1	+406.8	Total Liabilities and Net Assets	4,865.4	5,272.1	+406.8

Net D/E ratio	0.87	0.70	(0.16)
Total Interest-bearing debt	1,503.4	1,473.3	(30.1)
Equity ratio	33.2%	34.5%	+1.3%

■ Progress on the Medium-Term Plan

*The icons on topics (from next page) related to progress in the medium-term plan shows business areas below



**Energy
one step ahead**



**Diverse resource
conservation
/circulation solutions**



Smart Yorozuya

Topics related to Progress on the Medium-term Plan(1/3)

■ 2nd SPS (syndiotactic polystyrene) production plant in Malaysia started commercial operation



- ✓ Production scale of SPS resin will be doubled with the 1st plant at Chiba
- ✓ Realizing more stable production and supply system of our proprietary material



SPS is used for automotive electronic parts and kitchen appliances

*Features: Lightweight and offers excellent heat resistance, electrical properties, chemical resistance and hydrolysis resistance

(Link to our disclosure document)

<https://www.idemitsu.com/en/news/2023/231218.html>

■ Establish a supply chain for Biomass PTA, a raw material for plastic bottle resin, etc. with OPTC (Oriental Petrochemical Taiwan Co., Ltd.) and Marubeni Corporation



- ✓ Contributing biomass PET resin production, a raw material for plastic bottle resin, etc. as well as CO2 reduction
- ✓ Planning to start production of biomass Purified Terephthalic Acid in Taiwan in 2024
- ✓ Idemitsu Kosan will produce biomass PX from biomass naphtha



Supply Chain Management
Marubeni

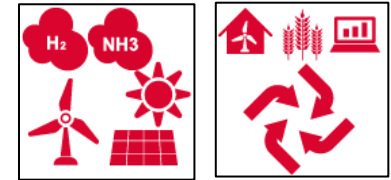
(Link to our disclosure document)

<https://www.idemitsu.com/en/news/2023/231221.html>

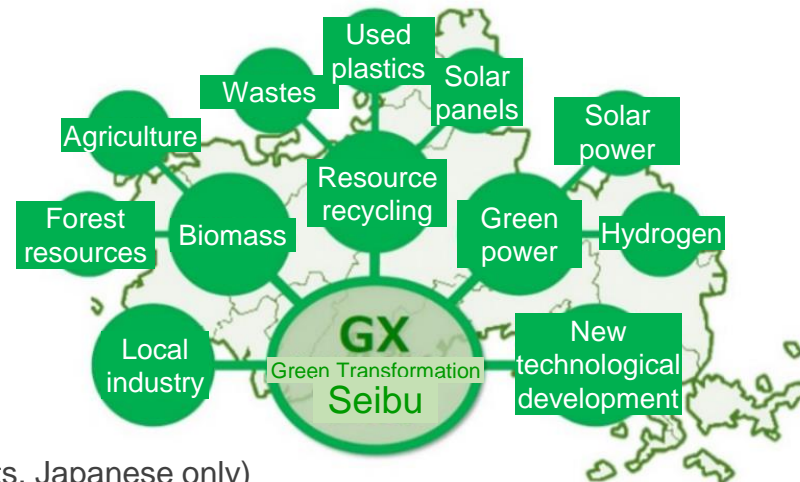
Topics related to Progress on the Medium-term Plan(2/3)

■ Seibu Oil formulated a new business concept for Yamaguchi Refinery

- ✓ Planning to terminate refinery operations in March 2024
- ✓ Turning to a hub by the 2030s for carbon-free energy for local consumption, recycling resources, etc.
- ✓ Core concept: Green Transformation Seibu (GX Seibu)
- ✓ Coordination with Sanyo-Onoda City, Yamaguchi Prefecture, and local companies and universities



Hub for regional industry that contributes to society by providing carbon-free energy for local consumption and recycling resources



(Links to our disclosure documents, Japanese only)

<https://www.idemitsu.com/jp/news/2023/240122.html>

https://www.idemitsu.com/jp/news/2023/240122_2.html

Topics related to Progress on the Medium-term Plan(3/3)

■ Construction of the integrated laboratory “Innovation Center” (tentative name) within the Chiba Complex



- ✓ Most of the functions of current 13 domestic laboratories will be aggregated in the Innovation Center
- ✓ Establishing a cross-organizational R&D framework and strengthening coordination with third parties
- ✓ Establishing an integrated framework from R&D to commercial production
- ✓ Total investment is forecasted to exceed 50 billion yen and construction is expected to be completed during fiscal year 2027



Anticipated exterior view of the Innovation Center

(Link to our disclosure document)

<https://www.idemitsu.com/en/news/2023/240129.html>

■ Reference

Financial Results

■ Net Sales by segment

[¥ billions]

	3Q FY2022	3Q FY2023	Change	
Petroleum	5,668.5	5,142.8	(525.7)	(9.3%)
Basic Chemicals	514.0	446.6	(67.4)	(13.1%)
Functional Materials	381.2	382.1	+0.9	+0.2%
Power and Renewable Energy	148.0	108.5	(39.6)	(26.7%)
Resources*	495.5	318.0	(177.5)	(35.8%)
<i>Oil Exploration and Production</i>	33.9	28.5	(5.4)	(16.0%)
<i>Coal</i>	461.6	289.5	(172.1)	(37.3%)
Others/Reconciliation	4.1	4.3	+0.2	+4.6%
Total	7,211.3	6,402.3	(809.0)	(11.2%)

*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]

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Petroleum	57.4	61.1	1.2	17.3	18.4	105.0	114.1
Equity income	7.0	12.4	12.8	12.9	4.9	3.8	6.9
Basic Chemicals	8.1	14.2	11.4	10.1	(1.4)	12.0	21.4
Equity income	(0.1)	(0.1)	0.5	(0.1)	(0.6)	(1.0)	(1.8)
Functional Materials	3.3	8.6	16.4	17.0	5.5	13.4	22.8
Equity income	0.0	0.3	(0.3)	(0.7)	(0.2)	(0.1)	0.4
Power and Renewable Energy	(3.7)	(2.9)	1.1	0.5	(0.5)	(0.4)	(2.3)
Equity income	(0.4)	(0.7)	(0.4)	(1.6)	0.3	0.3	0.8
Resources							
-Oil Exploration and Production	6.5	17.1	26.4	32.8	5.7	10.5	13.3
Equity income	2.9	6.7	10.6	13.7	3.5	5.3	7.3
-Coal	25.1	83.0	151.3	198.1	34.7	59.3	76.4
Equity income	—	—	—	—	(0.0)	(0.0)	(0.0)
Others/Reconciliation	(11.9)	(14.9)	(22.5)	(23.0)	(5.1)	(5.2)	(11.5)
Equity income	1.1	1.7	1.7	1.8	0.0	0.0	(0.0)
Total	84.9	166.2	185.4	252.7	57.4	194.6	234.1
Equity income	10.5	20.3	25.0	26.0	7.8	8.3	13.6

Financial Results

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

[¥ billions]

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Petroleum	57.4	3.7	(59.9)	16.1	18.4	86.6	9.0
Equity income	7.0	5.4	0.4	0.1	4.9	(1.0)	3.1
Basic Chemicals	8.1	6.1	(2.8)	(1.3)	(1.4)	13.4	9.4
Equity income	(0.1)	(0.0)	0.6	(0.6)	(0.6)	(0.4)	(0.8)
Functional Materials	3.3	5.3	7.8	0.6	5.5	7.8	9.4
Equity income	0.0	0.3	(0.6)	(0.4)	(0.2)	0.1	0.5
Power and Renewable Energy	(3.7)	0.8	4.0	(0.7)	(0.5)	0.1	(1.9)
Equity income	(0.4)	(0.3)	0.3	(1.2)	0.3	0.0	0.4
Resources							
-Oil Exploration and Production	6.5	10.5	9.3	6.4	5.7	4.8	2.8
Equity income	2.9	3.8	3.9	3.1	3.5	1.8	2.1
-Coal	25.1	57.8	68.4	46.8	34.7	24.6	17.2
Equity income	—	—	—	—	(0.0)	(0.0)	(0.0)
Others/Reconciliation	(11.9)	(3.0)	(7.7)	(0.5)	(5.1)	(0.1)	(6.3)
Equity income	1.1	0.6	0.1	0.0	0.0	0.0	(0.0)
Total	84.9	81.3	19.2	67.3	57.4	137.1	39.6
Equity income	10.5	9.8	4.7	1.0	7.8	0.5	5.2

Forecasts for FY2023 (unchanged from the announcement on 11/14)

■ Crude Oil/Coal/Exchange Rate

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

	5/9 Forecasts	11/14 Forecasts	Change		Assumptions (from Oct.)
Crude Oil (Dubai)	80.0	83.6	+3.6	+4.5%	85.0
Crude Oil (Brent)*	85.0	83.2	(1.8)	(2.1%)	86.5
Australian Coal Spot Price *	170.0	175.3	+5.3	+3.1%	145.0
Exchange Rate (TTM)	130.0	140.5	+10.5	+8.1%	140.0

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

■ Consolidated Income Statement(Summary)

[¥ billions]

	5/9 Forecasts	11/14 Forecasts	Change	
Net Sales	8,300.0	8,650.0	+350.0	+4.2%
Operating Income	140.0	250.0	+110.0	+78.6%
<i>Inventory impact</i>	<i>(30.0)</i>	<i>45.0</i>	<i>+75.0</i>	—
Equity Income	15.0	15.0	—	—
Operating Income + Equity Income	155.0	265.0	+110.0	+71.0%
<i>Excluding inventory impact</i>	<i>185.0</i>	<i>220.0</i>	<i>+35.0</i>	<i>+18.9%</i>
Ordinary Income	150.0	270.0	+120.0	+80.0%
Extraordinary Income/Losses	(8.0)	(17.0)	(9.0)	—
Net Income Attributable to Owners of the Parent	100.0	180.0	+80.0	+80.0%
<i>Excluding inventory impact</i>	<i>120.0</i>	<i>150.0</i>	<i>+30.0</i>	<i>+25.0%</i>

Segment Information (unchanged from the announcement on 11/14)

■ Operating + Equity Income

[¥ billions]

	5/9 Forecasts	11/14 Forecasts	Change	
Petroleum	43.0	135.0	+92.0	+214.0%
<i>Excluding inventory impact</i>	73.0	90.0	+17.0	+23.3%
Basic Chemicals	21.0	21.0	—	—
Functional Materials	19.0	23.0	+4.0	+21.0%
Power and Renewable Energy	0.0	(5.0)	(5.0)	—
Resources*	95.0	109.0	+14.0	+14.7%
<i>Oil Exploration and Production</i>	13.0	16.0	+3.0	+23.1%
<i>Coal</i>	82.0	93.0	+11.0	+13.4%
Others/Reconciliation	(23.0)	(18.0)	+5.0	—
Total	155.0	265.0	+110.0	+71.0%
<i>Excluding inventory impact</i>	185.0	220.0	+35.0	+18.9%

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

Sensitivity

■ Major items affecting operating profit by changes in assumptions (4Q)

	Assumption Items	Assumption from Jan. (announced on 11/14)	Range of fluctuation	Segment	Income impact (¥ billions)	Major Factors
Excluding inventory impact	Crude oil price	85.0\$/bbl	±10\$/bbl	Petroleum	±11.0	Fuel cost, time-lag
	Singapore product margin	—	±5\$/bbl		±12.0	Export
	Exchange rate	140.0¥/\$	±5¥/\$		±3.0	Fuel cost, time-lag
Inventory impact	Crude oil price	85.0\$/bbl	±10\$/bbl	Petroleum	±37.0	
	Exchange rate	140.0¥/\$	±5¥/\$		±11.0	

Sales Volume

■ Petroleum

[thousand KL,%]

	3Q FY2022	3Q FY2023	Change	
Gasoline	9,902	9,699	(203)	(2.1%)
Naphtha	288	277	(11)	(3.8%)
Jet Fuel	1,751	1,882	+131	+7.5%
Kerosene	2,092	1,940	(152)	(7.3%)
Diesel Oil	7,788	7,651	(137)	(1.8%)
Heavy Fuel Oil A	2,288	2,223	(65)	(2.9%)
Heavy Fuel Oil C	1,988	1,761	(227)	(11.4%)
Total Domestic Sales Volume	26,098	25,433	(665)	(2.5%)
Exported Volume	5,812	5,435	(377)	(6.5%)
Total Sales Volume	31,910	30,868	(1,042)	(3.3%)

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

Sales Volume

■ Basic Chemicals

[kt,%]

	3Q FY2022	3Q FY2023	Change	
Basic Chemicals	2,548	2,606	+58	+2.3%

■ Functional Materials

[KKL,kt,%]

	3Q FY2022	3Q FY2023	Change	
Lubricants	871	855	(16)	(1.8%)
Performance Chemicals	494	501	+7	+1.4%

*Lubricants include sales overseas

■ Power/Renewable Energy

[Mkwh,%]

	3Q FY2022	3Q FY2023	Change	
Retail Power Sales	2,621	1,433	(1,188)	(45.3%)

Production Volume

■ Resources (Oil E&P)

[KBOED,%]

	3Q FY2022	3Q FY2023	Change	
Vietnam	15.6	14.6	(1.0)	(6.2%)
Norway	15.3	14.2	(1.1)	(7.0%)
Total('000BOED)	30.9	28.8	(2.0)	(6.6%)
Total('000BOE)	8,430	7,874	(556)	(6.6%)

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

*The number shows Jan-Sep volume as fiscal year for Oil E&P in the Resources Segment ends in Dec.

* Corrected errors in Vietnam FY22

■ Resources (Coal)

[kt,%]

	3Q FY2022	3Q FY2023	Change	
Ensham	2,149	1,689	(460)	(21.4%)
Muswellbrook	972	15	(957)	(98.5%)
Boggabri	3,563	3,990	+427	+12.0%
Total	6,684	5,694	(990)	(14.8%)

*The numbers reflect our rights and ownership ratios

*The number shows Jan-Sep volume as fiscal year for Coal in the Resources Segment ends in Dec.

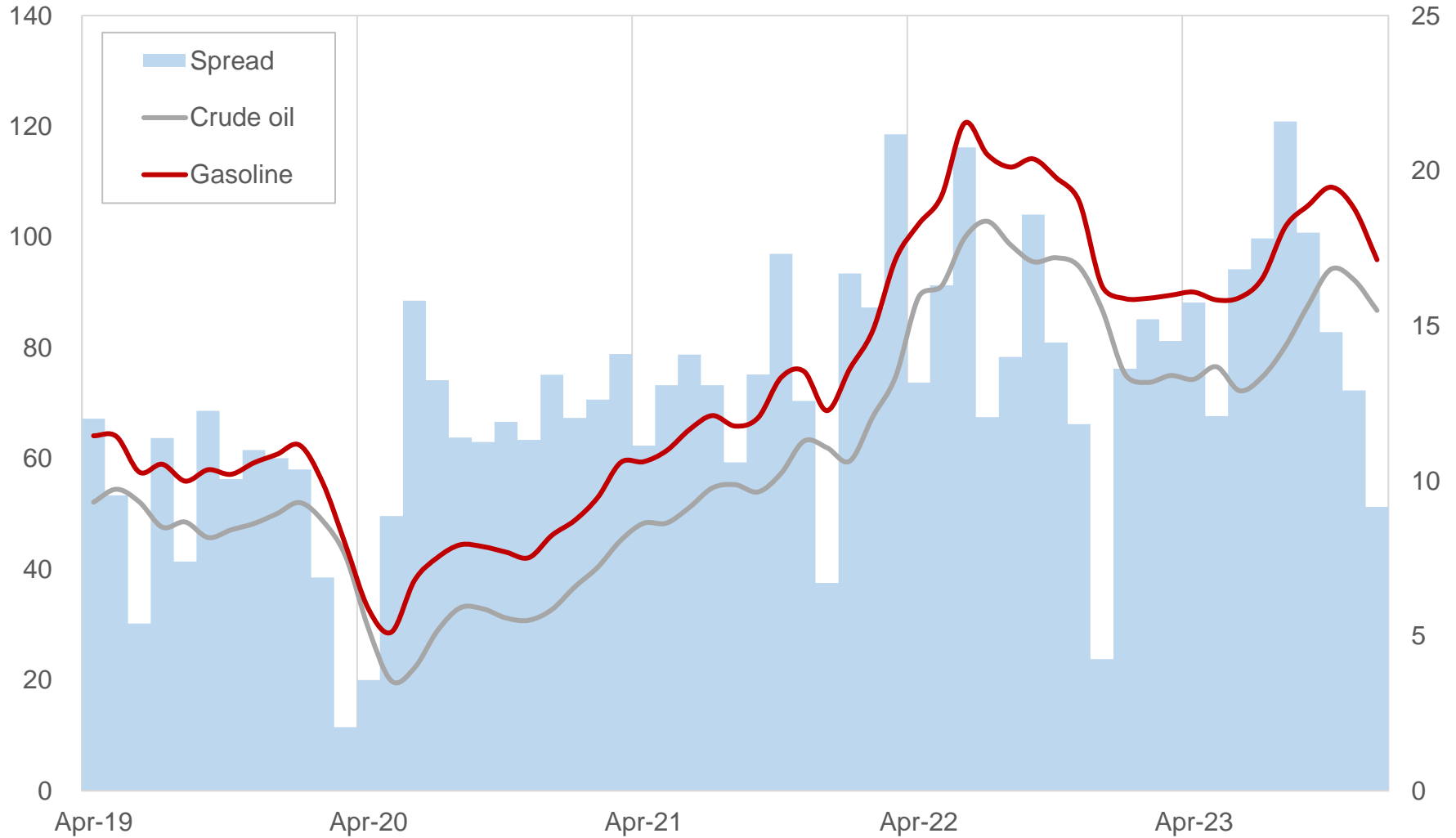
Crude Oil Prices(Dubai and Brent)



Gasoline-Crude Oil (Domestic spot price and spread)

[Price :JPY/L]

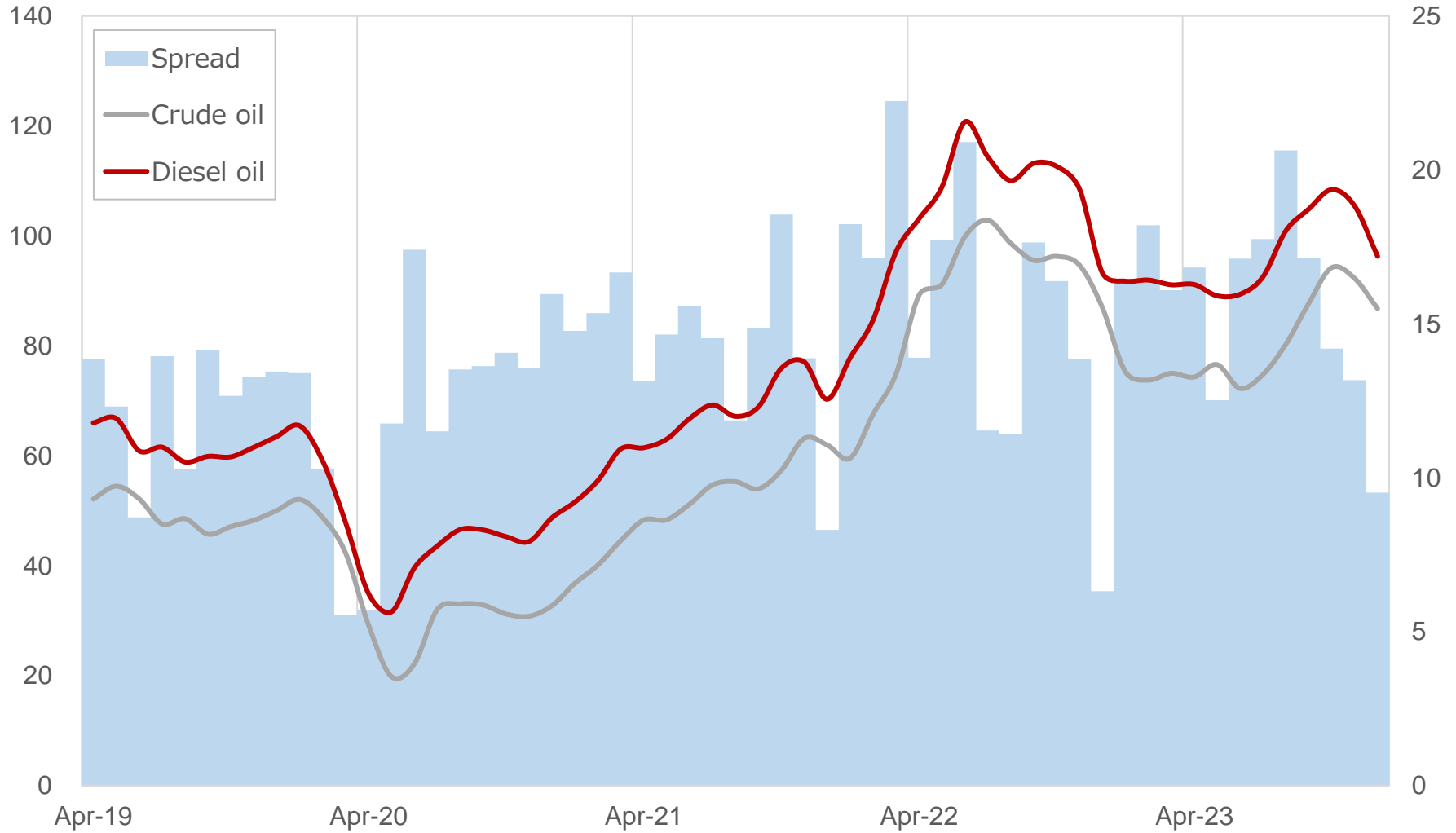
[Spread : JPY/L]



Diesel-Crude Oil (Domestic spot price and spread)

[Price :JPY/L]

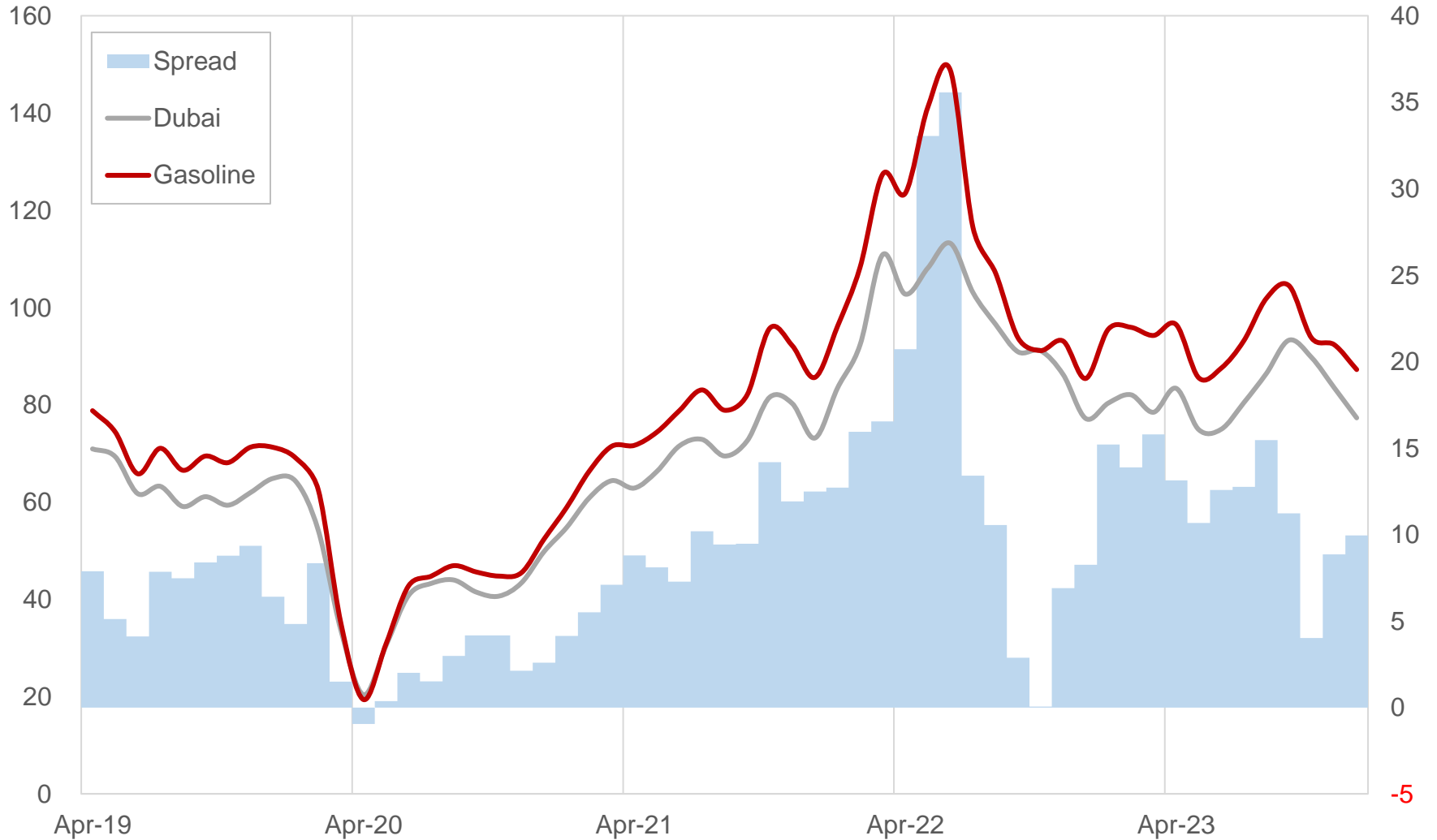
[Spread : JPY/L]



Gasoline-Crude Oil (Singapore spot price and spread)

[Price :USD/bbl]

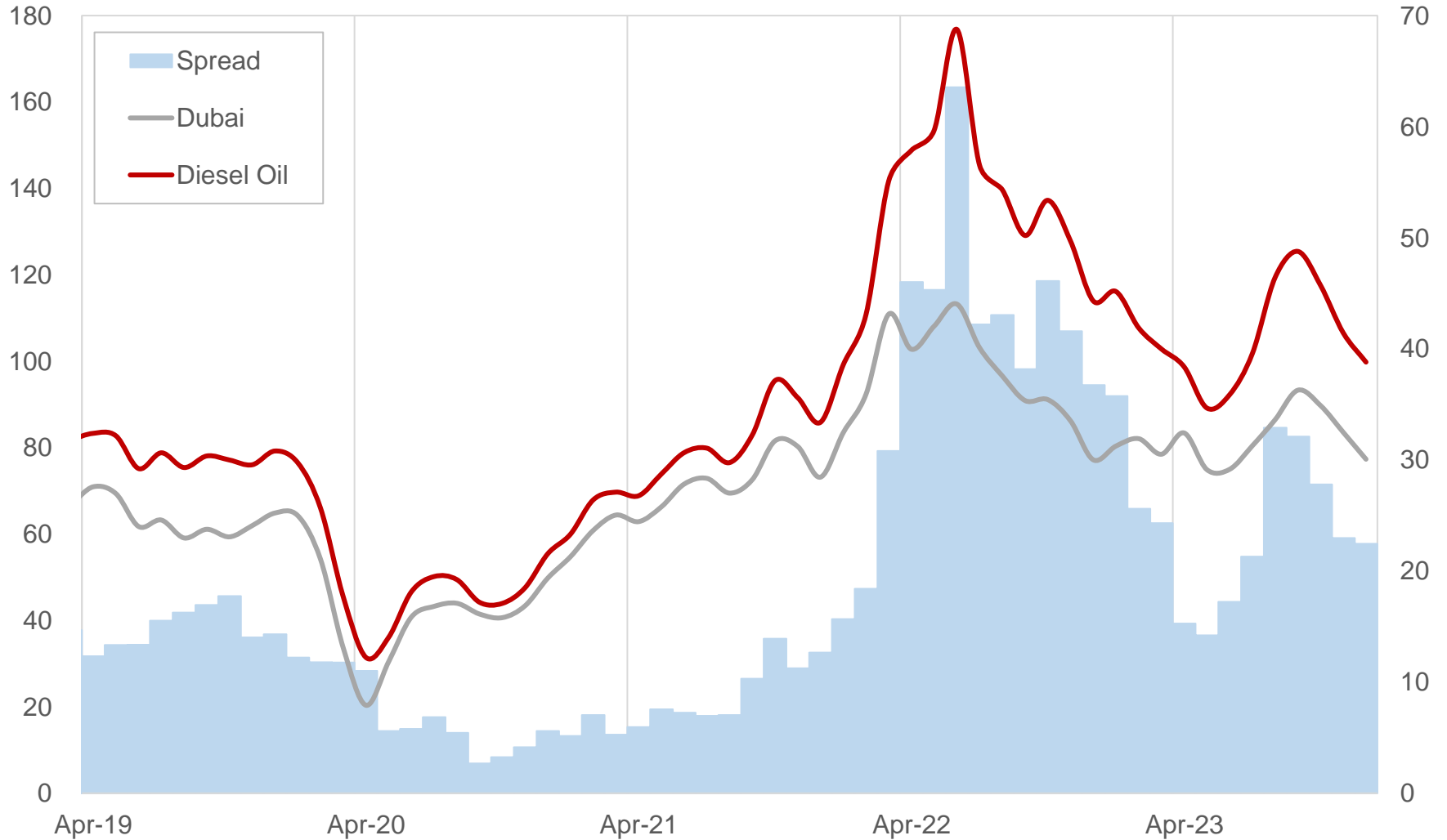
[Spread : USD/bbl]



Diesel-Crude Oil (Singapore spot price and spread)

[Price :USD/bbl]

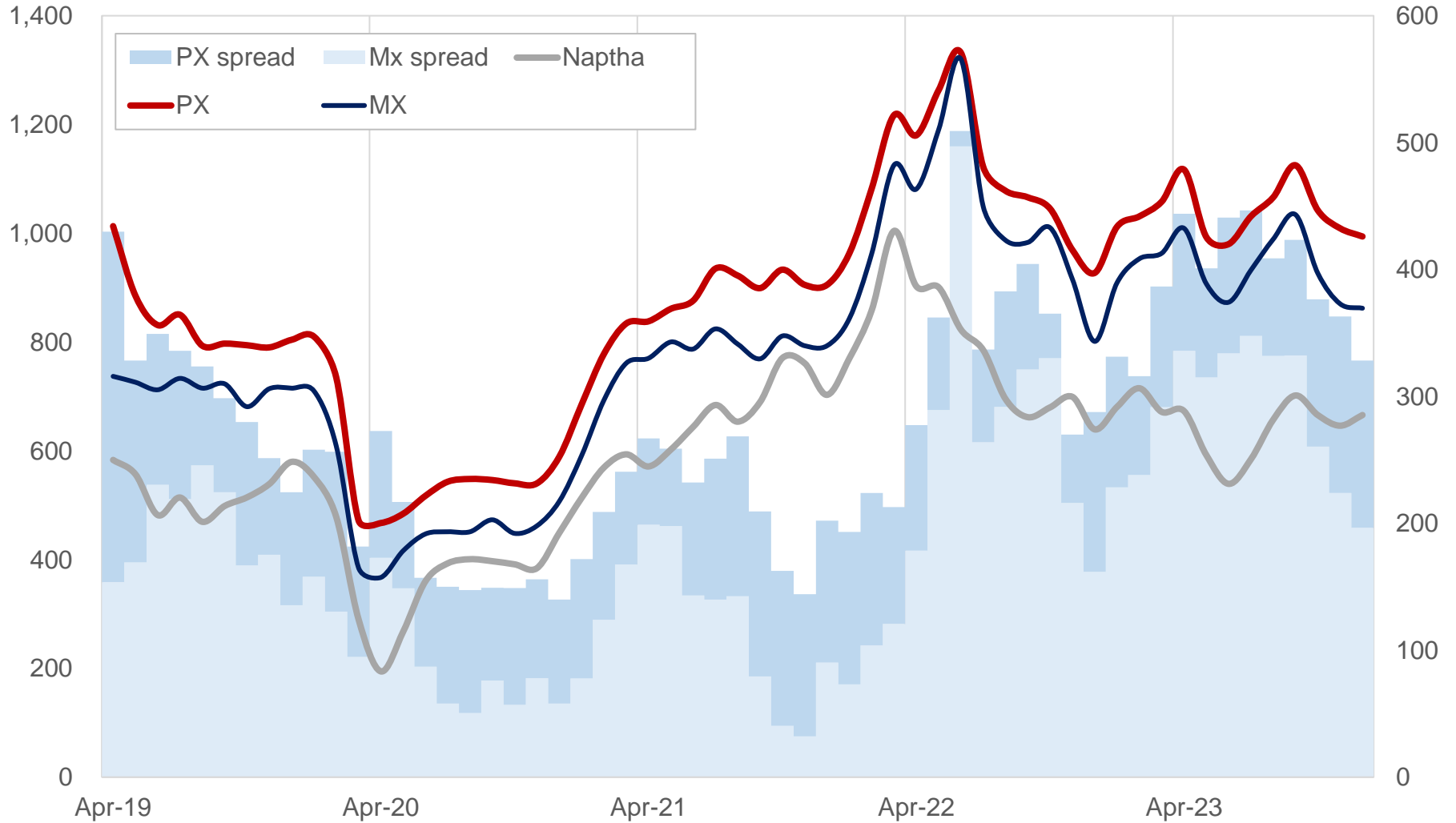
[Spread : USD/bbl]



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

[Price :USD/ton]

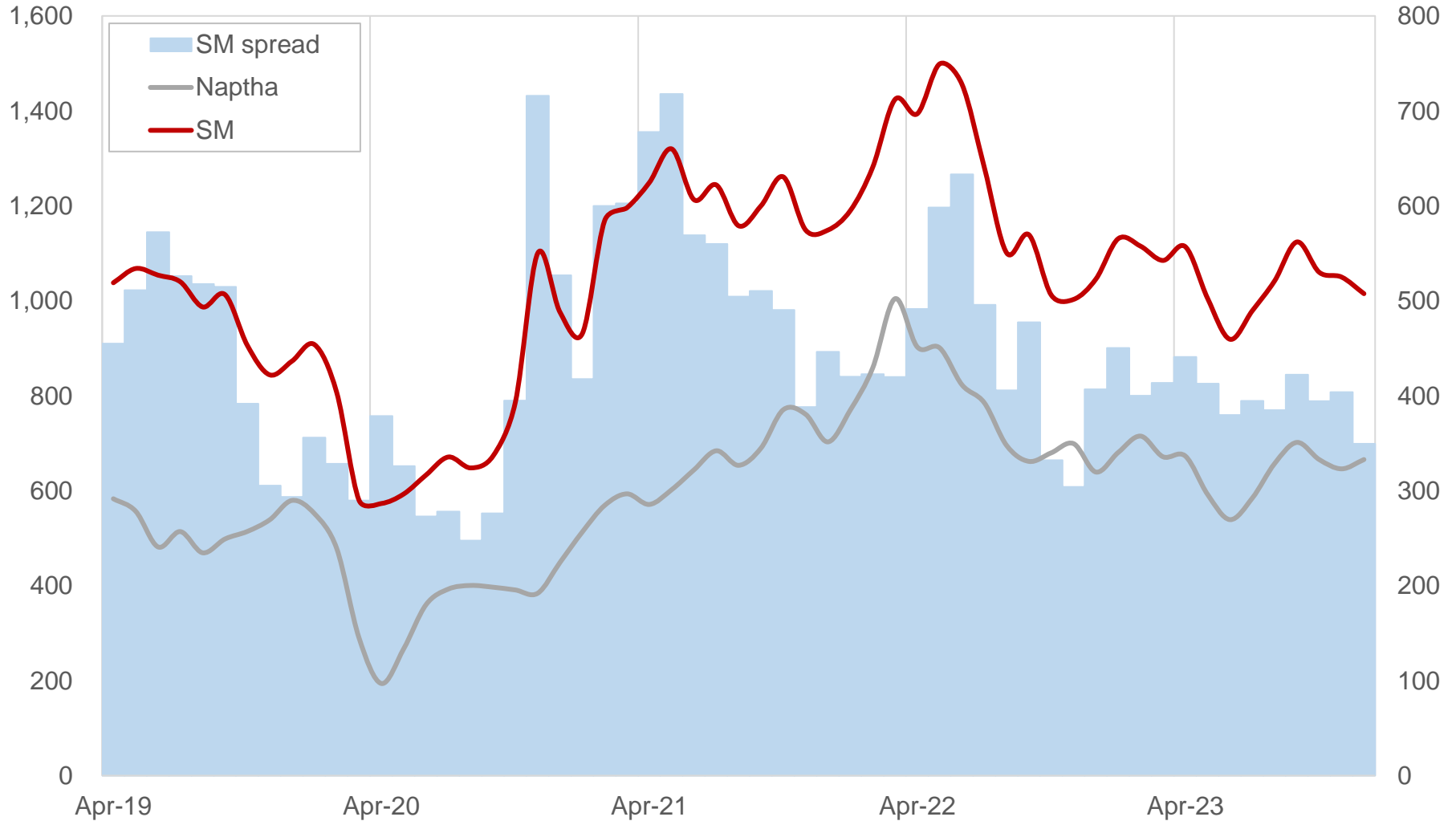
[Spread : USD/ton]



Styrene Monomer-Naphtha (price and spread)

[Price :USD/ton]

[Spread : USD/ton]



Operational Data

■ Refineries Utilization

FY2019	FY2020	FY2021	FY2022	FY2023 (3Q)
87%	78%	77%	83%	78%

*on BCD basis(including regular maintenance)

■ Number of Service Stations

FY2019	FY2020	FY2021	FY2022	FY2023 (3Q)
6,384	6,311	6,216	6,136	6,012

Overview of the Company

FY2022, actual or
as of the end of March 2023

■ Petroleum Segment

- Refining Capacity **945 KBD** *1,2)
- Domestic fuel oil sales volume
35 million KL/year *3)
- Number of service stations **6,100**

■ Basic Chemicals Segment

(Production Capacity*2))

- Ethylene **1 mil tons/year**
- Para-Xylene **0.84 mil tons/year**
- Mixed Xylene **0.94mil tons/year**
- Styrene monomers **0.79 mil tons/year**

■ Power and Renewable Energy Segment

- Power generation capacity **1.94GW**
- Renewable energy **0.83GW**

■ Functional Materials Segment

(Lubricants, Performance Chemicals, Electronic Materials, Bitumen (High Performance Asphalt), Pesticides and Functional Feed, Lithium Solid Electrolytes)

- Lubricants (sales volume):**1.2 mil KL/year**
- Engineering plastics(sales volume):**150,000 tons/year**
- Adhesive materials(production capacity): **65,000 tons/year**
- OLED materials(production capacity): **26 tons/year**

■ Resources Segment *4)

- Crude oil production **29,000 BD**
- Thermal coal production **6 mil tons/year**

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

*2 excluding Nghi Son's capacity

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

*4 For resources segment, the numbers are based on forecasts for FY2023. Muswellbrook was ceased in FY22. Ensham is decided to be sold

Petroleum Segment

as of the end of March 2023

[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	100.0%
Seibu Oil	Yamaguchi	120	52	30			100.0%
		945	239	72	189	27	
Nghì Son Refinery and Petrochemical LLC	Overseas Nghì Son *1,2 (Thanh Hoa, Vietnam)	200	105		80		35.1%
		200	105		80		

*1 Capacity before equity ratio reflection

*2 Yamaguchi refinery is scheduled to stop operation by the end of March 2024.

Basic Chemicals Segment

as of the end of March 2023

[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	0.374	0.265		0.210	
	Aichi		0.357	0.170		
	Tokuyama	0.623	0.214		0.340	
Showa Yokkaichi Sekiyu	Yokkaichi			0.518		75.0%
Seibu Oil	Yamaguchi			0.250		100.0%
	Total	0.997	0.836	0.938	0.550	
Idemitsu SM (Malaysia) Sdn. Bhd.	Overseas Pasir Gudang (Johor, Malaysia)				0.240	70.0%
	Nghi Son Refinery and Petrochemical LLC		Nghi Son (Thanh Hoa, Vietnam)	0.700		35.1%
	Total		0.700		0.240	

Functional Materials Segment (1/2)

Lubricants

- ◆ Product categories
 - Automotive lubricants (engine oil, etc.)
 - Grease
 - Industrial lubricants (hydraulic actuation oil, cutting oil, etc.)

- ◆ Global business with a focus on automotive lubricants
 - #8 global share
 - Over 50% overseas sales

- ◆ R&D centers
 - Japan and overseas (US, China, etc.)
- ◆ Global lubricant network



- Manufacturing/sales/R&D network in 28 countries
- Strengthening existing facilities and developing new facilities

Performance Chemicals

- ◆ Product categories
 - Engineering plastics, adhesives materials, derivative products, solvents and functional materials

- ◆ Major products, applications, features
 - Engineering plastics

(Product) PC/Polycarbonates
 (Applications) smartphones, lenses, automotive lights, etc.
 (Features) highest impact resistance among plastics

(Product) SPS/ Syndiotactic Polystyrene resin
 (Applications) automotive electronic parts, kitchen appliances, etc.
 (Features) lightweight and offers excellent heat resistance, electrical properties, chemical resistance, and hydrolysis resistance



Daytime Running Lamp (DRL)



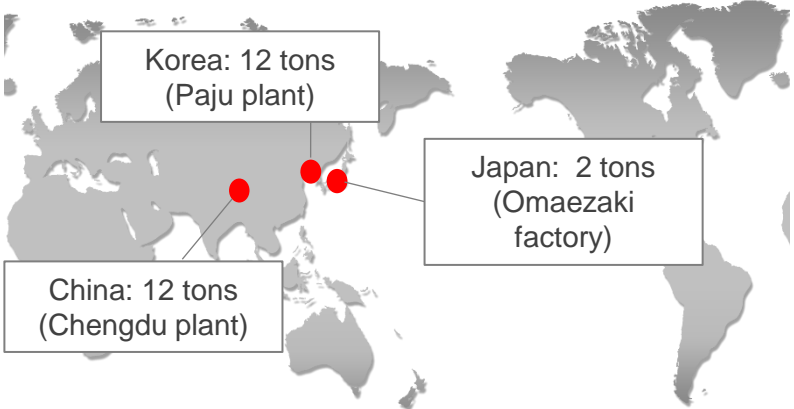



Automotive parts

- Adhesive materials
- (Product) Hydrogenated petroleum resin
 (Applications) Tackifier for hot-melt adhesives



Disposable diapers and other hygiene products

Functional Materials Segment (2/2)

Electronic Materials	Bitumen (High Performance Asphalt)
<ul style="list-style-type: none"> ◆ Product categories <ul style="list-style-type: none"> • Organic EL materials • Display semiconductor materials etc. ◆ OLED manufacturing/customer support  <ul style="list-style-type: none"> • 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 • Aiming to develop and commercialize oxidative semiconductor materials which are expected to conserve energy and enhance image quality of display products 	<ul style="list-style-type: none"> ◆ Asphalt manufacturer which aims to develop state-of-the-art technologies <ul style="list-style-type: none"> • Recycling, longer life, carbon neutrality ◆ Product categories <ul style="list-style-type: none"> • Engineering/construction asphalt • Industrial asphalt • Value-added asphalt for roads  <p style="text-align: center;">Maybright (Value-added asphalt for roads)</p>
Pesticides and Functional Feed	
<ul style="list-style-type: none"> ◆ Product categories <ul style="list-style-type: none"> • Chemical pesticides (Daconil 1000*1, etc.) • Plant-derived pesticides • Functional Feeds (RUMINUP*2, etc.) <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Daconil 1000</p> </div> <div style="text-align: center;">  <p>RUMINUP® M</p> </div> </div>	

*1 Protective disinfectants less affecting organism that has the stable effect toward various crops and damage owing to disease

*2 An animal husbandry material containing cashew nut shell liquid that has the effect of reducing methane gas in cattle burps

Power /Renewable Energy Segment

Power	Category	Power Plant	Operating Company	Stake Owned (%)	Power generation capacity* (10,000 KW)
	Solar	34 domestic locations	Idemitsu, other	—	18.7
	Biomass	Keihin Biomass Power Plant (Kanagawa)	Keihin Biomass Power	100	4.9
		Tosa Power Plant (Kochi)	Tosa Green Power	50	0.3
		Fukui Green Power (Fukui)	Fukui Green Power	10	0.1
		Tokuyama Biomass Power Plant (Yamaguchi)	Idemitsu	—	5.0
	Wind	Rokkasho Village Wind Farm (Aomori)	Futamata Wind Development	40	2.0
	Geothermal	Takigami Binary Power Plant (Oita)*	Idemitsu Oita Geothermal	100	0.5
	Renewable (Japan)				31.5
	Fire	Ohgishima Power Station (Kanagawa)	Ohgishima Power	25	30.5
		Mizue Thermal Power Plant (Kanagawa)	Toa Oil	100	27.6
		Aichi Refinery Power Plant (Aichi)	Idemitsu	—	25.0
	Domestic				114.9
	Solar	Overseas (North America, Vietnam, etc.)	—	—	52.1
	Fire	Overseas	—	—	27.1
	Overseas				79.2
	Total				194.1

*Reflects Idemitsu's stake

- ◆ Owing 836 thousand KW(Japan:315, Overseas:521) 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

Solar

- ◆ Terminated production in June 2022
- ◆ Shifting to a system integrator which engages in solar power generator design, construction, maintenance and recycling

Resources Segment (Gas and Oil E&P)

Business Overview

1. Producing and selling crude oil/gas in Vietnam and Norway
2. Exploration and development of gas 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 2023

		Rights owned (%) ^{*1}	Destination
Sao Vang and Dai Nguyet gas field (Vietnam)		43.08	Asia
Norway	Snorre	9.60	Europe
	Tordis/Vigdis	9.60	
	Statfjord/East	4.80	
	Sygna	4.32	
	Fram	15.00	
	H-Nord	28.80	
	Byrding	15.00	
	Vega	3.30	
Duva	30.00		

^{*1} Companies in which Idemitsu owns rights

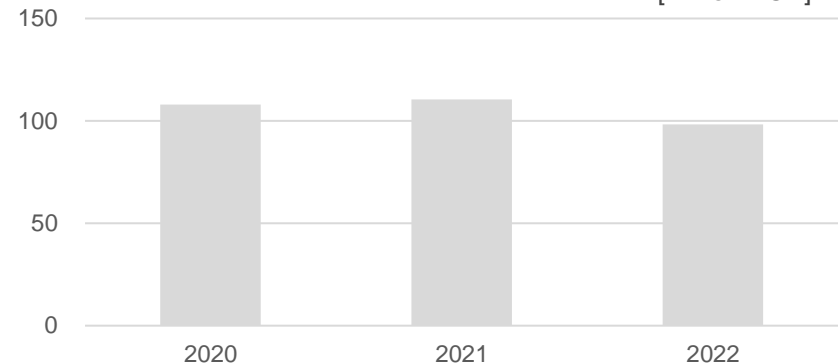
Norway : INPEX Idemitsu Norge AS

Vietnam : Idemitsu Gas Production (Vietnam) Co.,Ltd.

Production Oil/Gas Reserves

◆ Reserves ^{*2,3}

[million BOE]



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

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

◆ 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

Resource Segment (Coal)

Business Overview	Business Structure Reforms
<p>[Business Strategy]</p> <ul style="list-style-type: none"> ◆ Stable supply and profit maximization by leveraging the highly competitive Boggabri Mine ◆ Engage in low-carbon solution businesses such as Idemitsu Green Energy Pellets ◆ Leverage management resources built up over years of experience in Australia to transition to new businesses such as rare metals, renewable energy, hydrogen/ammonia, etc. <p>1. Mining Operations</p> <p>Owning an Australian coal mine (Boggabri Mine) and has established a whole supply chain from production to sales, providing a stable supply of high-quality coal mainly to Japan</p> <p>[Overview of Boggabri Mine]</p> <p>Location: New South Wales</p> <p>Coal quality: thermal coal (80%), raw coal (SS/PCI) (20%)</p> <p>Port for shipments: Newcastle Harbor (about 360 km by train)</p>  <p>*Mining operations at Muswellbrook Mine were terminated in 2022 and a decision to sell Ensham Mine has been finalized</p>	<p>◆ Idemitsu Green Energy Pellets (black pellets)</p> <ul style="list-style-type: none"> • CO₂ emissions can be reduced by replacing coal with black pellets in fuel used at coal-fired power stations • Succeeded in a mixed combustion to replace 20-30% of coal fuel with black pellets • Planning to operate a commercial plant that produces 120,000 tons/year in Vietnam in FY23. Aiming to reach 3,000,000 tons/year by 2030   <p>Vietnam Commercial Plant</p> <p>◆ New businesses in Australia</p> <ul style="list-style-type: none"> • Rare metals: Invested in Vecco, which engages in vanadium operations in Australia • Renewable energy: Commercialization verification of pumped storage hydroelectric power generation at the post-mining Muswellbrook coal mine site

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.