

ENEOS Holdings, Inc.

FY2023 Financial Results and FY2024 Forecast

Highlights of Financial Results and Forecast p.3

Progress and Outlook of Third Medium-Term Management Plan p.5

Shareholder Returns p.14

Progress of Initiatives Aimed at Enhancing Corporate Value p.16

Business Environment p.18

Financial Results for FY2023 p.21

Forecast for FY2024 p.28

Reference p.36

Highlights of Financial Results and Forecast

Highlights of Financial Results for FY2023 and Forecast for FY2024

4

**FY2023
(Actual)**

	<u>FY2022 Actual</u>		<u>FY2023 Actual</u>	<u>Changes</u>
Operating Income (excl. inventory valuation)	¥ 246.5 bn	➔	¥ 393.2 bn	+ ¥ 146.7 bn
Net Income Attributable to owners of the parent (excl. inventory valuation)	¥ 96.6 bn		¥ 237.9 bn	+ ¥ 141.3 bn

- Operating income excl. inventory valuation significantly increased due mainly to a reversal of negative time-lag of petroleum products¹ and export margins in last year and improvements in actual margins in petroleum products¹ and petrochemicals.

**FY2024
(Forecast)**

	<u>FY2023 Actual</u>		<u>FY2024 Forecast</u>	<u>Changes</u>
Operating Income (excl. inventory valuation)	¥ 393.2 bn	➔	¥ 400.0 bn	+ ¥ 6.8 bn
Net Income Attributable to owners of the parent (excl. inventory valuation)	¥ 237.9 bn		¥ 210.0 bn	- ¥ 27.9 bn

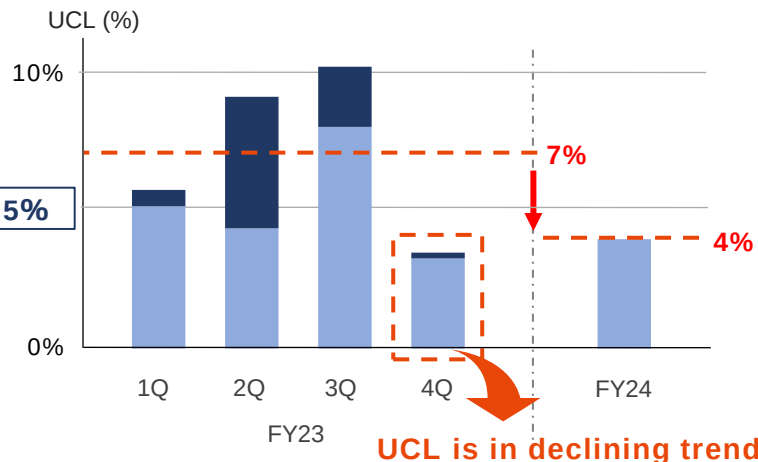
- While factoring in cancellation of positive time-lag of petroleum products¹ and exports, operating income excl. inventory valuation will mostly remain unchanged due mainly to improvement in refinery troubles and review of procurement portfolio in the Electricity segment.

Progress and Outlook of Third Medium-Term Management Plan

➤ UCL (Unplanned Capacity Loss)

Continuously executing trouble reduction measures and increase in maintenance costs

■ UCL caused by facility maintenance, inspection and construction quality
■ UCL caused by operation — Yearly average of UCL (FY24 is a target)



■ UCL caused by facility maintenance, inspection and construction quality

✓ Current UCL is declining due to the execution of continuous trouble reduction measures (enhancing facility maintenance strategies, sharing knowledge with construction contractors, acceleration of inspection, strengthening management structure, etc.) and increase in maintenance costs.

✓ Executing additional measures such as support by head office specialists in order to deal with troubles, which have increased in difficulty due to aging of facilities.

■ UCL caused by operation

✓ Decrease in current operational UCL due to ①enhancement of ability to detect signs of troubles and ②collaboration by sharing knowledge of operation, maintenance, engineering.

✓ Strengthening management of non-regular work such as start-ups of facilities (identifying high risks for start-ups and informing all refineries, placing well-trained engineers for support).

Aiming to achieve UCL 4% in FY2024 by executing effective measures

➤ BPR (Business Process Re-engineering)

¥54.0 bn in improvements in cumulative total since the start of BPR. In addition to cumulative improvements of ¥100.0 bn during the 3rd Mid-Term Management Plan period, pursuing further accumulation.

Factors	Main Measures Taken So Far	Improvements (¥bn)	
		~FY2023 Actual Improvement from FY2022	~FY2024 Target Improvement from FY2023
Profit improvement/ cost cutting (PL)	Strengthening procurement capability, optimization of transport and sales structures, reviewing business portfolio and sales prices, optimization of IT system, etc.	47.0 <u>27.0</u>	56.0 <u>9.0</u>
Asset efficiency improvement (BS)	Selling out unnecessary and low-efficiency assets, etc.	7.0	5.0

Policies on initiatives for the realization of carbon neutrality

Reduction of our greenhouse gas emissions (Scope 1+2)



- ✓ Curbing greenhouse gas emissions
- ✓ Artificial fixation of CO₂
- ✓ Increase of natural absorption of CO₂

Contribution to the reduction of society's greenhouse gas emissions (Scope 3)



- ✓ Contribution to the reduction of emissions in the energy area
- ✓ Contribution to the reduction of emissions in the materials and services area

Progress of Third Medium-Term Management Plan

Targets

FY2023

FY2024 - FY2025

on the timeline are measures implemented in FY2023. Please click or tap to jump to the corresponding news releases.

➤ **Forest Absorption:** [Creating credits from forest absorption to achieve 500kt per year, the 3rd Mid-Term Mgmt Plan target](#)

- ✓ **3rd Mid-Term Mgmt Plan target:** 500kt CO₂ absorption per year with natural absorption such as forest absorption

Jul.: Joint investment in US large forestry fund

Nov.: Concluded agreement for collaboration with Morimachi Kayabegun, Hokkaido and Nippon Life on utilization of forests to realize decarbonized society

Forest Absorption¹ **220kt/year**

FY2023 (As of Mar. 31)

FY2025 (As of Mar. 31)

500kt/year

➤ **CCS:** [Implementing initiatives to build CCS/CCUS value chain with leading domestic and overseas companies with Japanese government support](#)

- ✓ **Long-Term Vision target:** Store ~3,000kt of CO₂ per year by 2030, 4,000kt~10,000kt of CO₂ per year in 2040

[Selected as offshore wind power producer in Happo Town and Noshiro City, Akita, planning to launch construction in FY2025](#)

➤ **Renewable Energy**

- ✓ **3rd Mid-Term Mgmt Plan target:** 2GW generation capacity at the end of FY2025²
- ✓ **Long-Term Vision target:** 6-8GW in FY2040

[Expanding capacity to achieve 3rd Mid-Term Mgmt Plan target: 2GW](#)

May: Launched Agatsuma Kogen Onshore Wind Power Plant
Aug.: Launched Sanda Mega Solar Power Plant
Sep.: Launched Edenvale Solar Power Plant in Australia
Mar.: Launched Yachiyo 2 Mega Solar, etc.

Jun.: Launched Wakayama Solar Power Plant
Sep.: Launched Naka Kyushu 2 Wind Power Plant
Feb.: Launched Fukuoka Mega Solar, etc.

Renewable Energy Capacity² **1.2 GW**

FY2023 (As of Mar. 31)

FY2025 (As of Mar. 31)

2GW

➤ **SAF:** [In addition to collaborations with Japanese government, prefectures and cities, expanding partnership structure in resource procurement to establish stable SAF supply chain](#)

- ✓ **Long-Term Vision target:** 50% of domestic market share in 2040

➤ **Hydrogen:** [Launched feasibility study for collaboration with a number of leading companies and for social practice to establish hydrogen supply chain](#)

- ✓ **Long-Term Vision target:** Supply 250kt per year in 2030 and 1,000~4,000kt per year / 50% of domestic market share in 2040

➤ **Low-carbon high-octane gasoline:** [Launched studies and evaluations with domestic and overseas partners for the proliferation of CN fuel](#)

- ✓ **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

1 Project-based expected generation

2 Capacity based on ownership ratio (sum of operating plants/under construction)

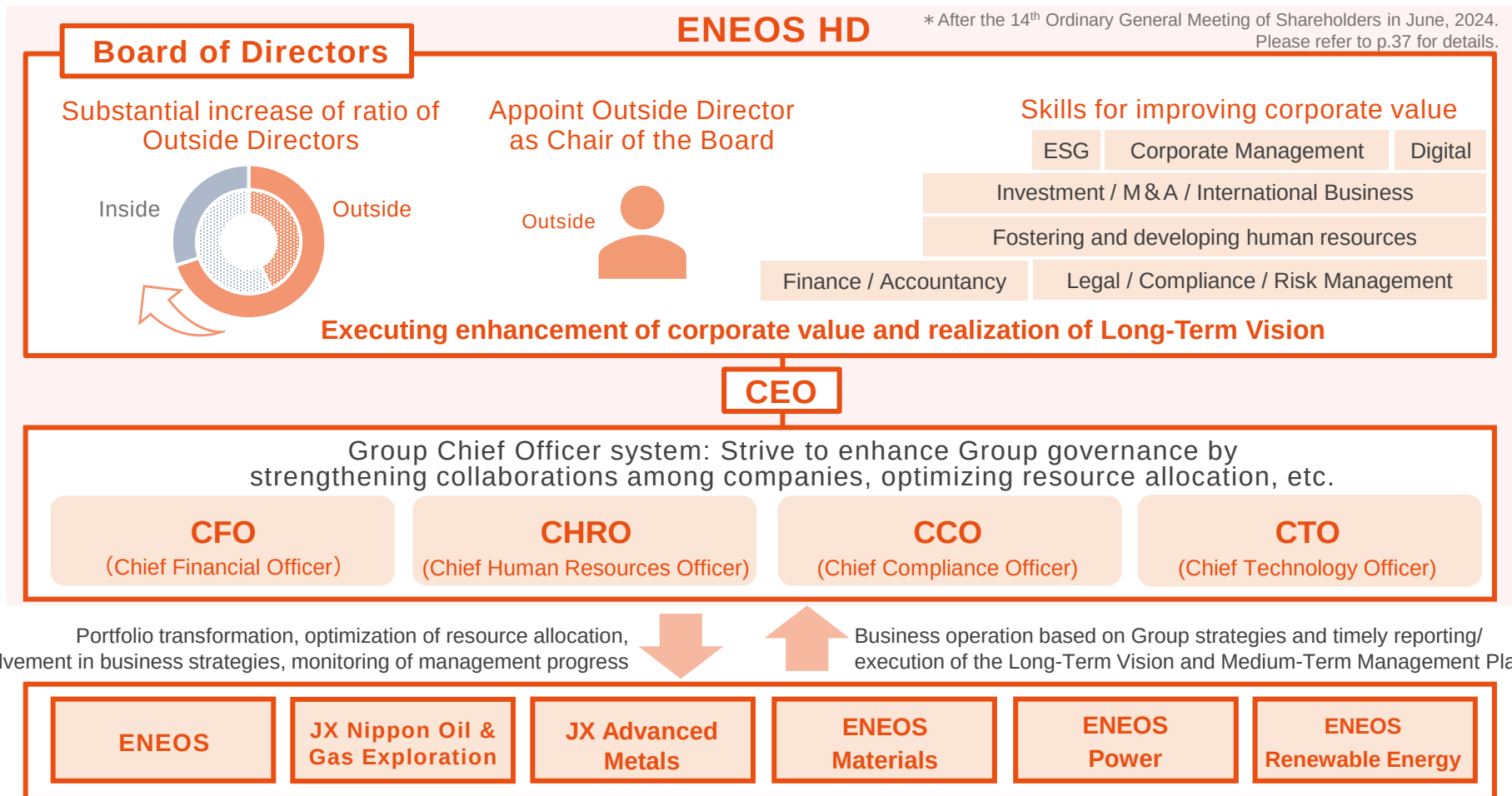
3 Available in Japanese only

➤ Enhancement of Governance

✓ Reforming the Group management structure and improving transparency of corporate governance

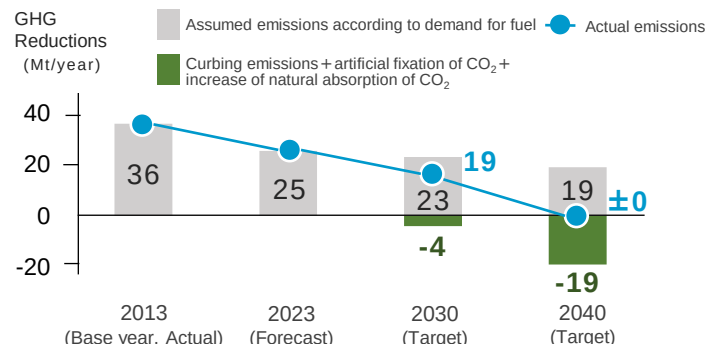
Ceased management of HD and ENEOS in an integrated manner, introduced a Group Chief Officer system on Apr. 1, 2024.

HD will constantly monitor ROIC>WACC of the entire Group and each business, and **advance portfolio management** by strengthening collaborations among companies and optimizing resource allocation for further growth of each business.



➤ Reducing GHG Emissions

✓ Reduction of ENEOS' emissions (Scope 1+2)



Scope 1+2

Reducing emissions mainly through efficiency improvement of refineries, CCS, forest absorption to realize carbon neutrality in 2040

- ✓ Reducing emissions of GHG through efficiency improvement of refineries, etc. (presumption of FY2023: 2Mt reduction compared to FY2013)
- ✓ Commissioned feasibility study for implementation of advanced CCS business from JOGMEC to establish implementable CCS value chain by FY2030
- ✓ Joining both domestic and overseas projects to create and utilize forest absorption credits (0.2Mt/year)

Scope 3

Moving forward with Japanese government and other companies to realize carbon neutrality of the entire supply chain in 2050

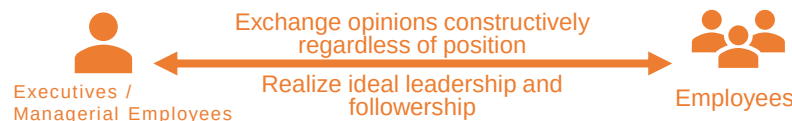
- ✓ First oil company in Japan to construct a system for calculation and management of CFP by utilizing data collected at refineries to grasp and manage Scope 3 emissions

➤ Enhancing Employee Engagement and Group Human Resource Strategy

✓ Reforming environment to enable employees to work comfortably and with pride

- Analyzing questionnaires to employees, setting goals and measures to take in short/mid/long-term
- Executives commit to implement “executives change first” together with employees in managerial positions and execute dialogue with employees to close the gap between Management and employees
- Become a company which can make better corporate decisions from variety of opinions by respecting and listening to each other

Brushing up training, 360° feedback, coaching, etc.



Regularly execute surveys on harassment and engagement

Develop, acquire and enhance human resources supporting “today’s normal,” taking the lead for “tomorrow’s normal”

✓ Diversification, talent engagement and reskilling

We have set and are advancing quantitative targets for each business company

Note: Data and targets of ENEOS Corp., partly including ENEOS Corp. employees assigned to other companies

Number of female employees in managerial positions: 58 (target: ≥ 100)	Percentage of male employees taking childcare leave: 81% (target: ≥ 90%)
Number of mid-career-employed in managerial positions: 71 (target: ≥ 80)	Percentage of advanced digital personnel: 19% (target: ≥ 20%)
Number of online learning support system users in total: 800 (target: ≥ 1,500)	

- ✓ Human resource strategies and construction of succession plans under consideration by CHRO

	FY2022 Actual	FY2023 Actual	FY2024 Forecast	3 rd Mid-Term Mgmt. Plan
ROIC ^{1, 2}	3 %	5 % (Group total WACC: 4%)	5 %	(FY2025) 7% or higher
Net Income (Excl. inventory valuation)	¥ 96.6 bn	¥ 237.9 bn	¥ 210.0 bn	(3-year total) ¥ 700.0 bn
ROE (Excl. inventory valuation)	3 %	8 % (equity cost: 8%)	7 %	(FY2025) 10 % or higher
Net D/E Ratio (After adjusting for hybrid bonds)	0.76	0.46	0.5	0.8 or lower
Free CF (After the payment of lease debt)	- ¥ 306.6 bn	¥ 691.1 bn	¥ 150.0 bn	(3-year total) ¥ 500.0 bn

1: Excluding incubation businesses

2: FY2024 forecast is estimated value

	FY2023 Actual		FY2024 Forecast		
(¥bn)	ROIC ¹	Adjusted Operating Income ¹ / Invested Capital ¹	ROIC ¹	Adjusted Operating Income ¹ / Invested Capital ¹	WACC
Petroleum Products ²	5%	149.9 / 3,300.0	5%	150.0 / 3,180.0	3%
High Performance Materials	3%	5.2 / 180.0	5%	8.0 / 170.0	5%
Electricity	-3%	-4.3 / 150.0	3%	4.0 / 160.0	2%
Renewable Energy	-2%	-8.2 / 560.0	0%	-2.0 / 590.0	2%
Oil and Natural Gas E&P ²	17%	64.8 / 380.0	14%	60.0 / 430.0	10%
Metals	6%	72.3 / 1,130.0	6%	60.0 / 1,060.0	6%
Other	6%	28.2 / 460.0	7%	30.0 / 410.0	3%
Group Total ²	5%	307.9 / 6,160.0	5%	310.0 / 6,000.0	4%

Invested Capital in FY2022: ¥1,180.0 bn

Petroleum Products

ROIC > WACC in FY2023 and 2024 due to improvements in actual margins.

We aim to further improve ROIC by cost reduction and carefully selected invested capital in addition to sales of low-efficiency assets as a project of BPR and improvements in refinery troubles.

High Performance Materials

We aim for ROIC > WACC in FY2025 by reestablishing strategies for expanding the lineup of leading products, in addition to sales price improvements and cost reduction.

Electricity

We aim for ROIC > WACC in FY2024 and further ROIC improvement in FY2025 by reducing bilateral procurement and generating power at low cost associated with start-up of Goi Thermal Power Plant.

Renewable Energy

ROIC < WACC since the business is still in the growing phase, however, power generation capacity and profit excluding depreciation/amortization is steadily being created.
EBITDA: ¥22.7bn in FY2023, ¥22.0bn in FY2024

Oil and Natural Gas E&P

ROIC was preferable level in FY2023 due to the profit contribution from expansion PJ of existing gas field.
In FY2024, aim to maintain ROIC > WACC and to invest for further increase in returns of existing assets.

Metals

Despite the late recovery of semiconductor/ICT materials demand in FY2023, executed transformation of portfolio through sales of Caserones, PPC, etc. Better ROIC expected in FY2025 through recovery of semiconductor materials and measures enhancing ICT materials.

1: Result and forecast excl. FY23 Group Total ROIC and adjusted operating income are estimated value

ENEOS Holdings, Inc.

2: Excluding incubation businesses

Copyright © ENEOS Holdings, Inc. All Rights Reserved.

- ✓ Invest in the scope of profits and depreciation/amortization and aim to maximize free CF by flexibly executing asset sales from a standpoint of asset efficiency and portfolio
- ✓ Execute carefully selected strategic investments prioritizing profitability and financial discipline

Cash Flow Plan

Investment Plan

Major Strategic Investments in FY2023

(¥bn)

Cash IN

Cash OUT

Net Income
870.0 ¹

Incl. 295.3 in
FY2023

**Depreciation
&
Amortization**
830.0

Incl. 255.9 in
FY2023

Asset Sales 160.0

Working Capital
etc. 320.0
Incl. 354.7 in
FY2023

Investment
1,680.0

Free CF
+500.0

Strategic
1,070.0

Incl. 175.3 in
FY2023

**Business
Maintenance**
610.0
Incl. 224.4 in
FY2023

3-year total
1,680.0

- ✓ Efficient determination according to stage gate system based on business characteristics
- ✓ Implementing **cold-eye review** for large-scale investments from a standpoint of profitability etc.

see p.38 for details

Establishment of a Solid Earnings Base (Short-term return)

- ✓ **Goi LNG Thermal Power Plant** Starting up in 2H, 2024
- ✓ **Tangguh LNG PJ, Indonesia** Started supply in Oct. 2023
- ✓ **New plant under construction for treated rolled copper foil (ICT materials)** Completed in Mar. 2024

Acceleration of Initiatives for the Realization of Energy Transition (Mid to long-term return)

- ✓ SC establishment of Hydrogen, SAF, CCS
- ✓ Expansion of renewable energy generation capacity
- ✓ Forest absorption PJ
- ✓ Technological development for CN fuel

Investment within
the scope of profits and
depreciation / amortization

¥184.9 bn in FY2023

- ✓ Reviewed businesses and assets from a standpoint of asset efficiency
 - ✓ Transformed portfolio through partial sale of smelting & mining businesses in Metals segment (Caserones, Los Pelambres, PPC)
- Accelerate transformation from “machine industry” company to “technology based” company. Please refer to “JX Advanced Metals Group’s Medium- to Long-term Business Strategies and Business Targets” (announced on May 14th) for details.

- While reviewing owned assets and businesses based on asset efficiency, optimizing balance sheet by pursuing optimal capital structure and reduction of capital costs

Major measures in FY2023

◆ Partial sales of smelting & mining business in Metals segment

- Sale of 51% of shares of the operating company of Caserones Copper Mine
- Sale of 20% of shares of PAN PACIFIC COPPER CO., LTD.
- Sale of 3.27% of shares of Los Pelambres Copper Mine

◆ Asset sales in Energy segment

- Closed site of Yokohama plant
- Closed site of gas terminal in Osaka

◆ Sales of lease properties in the other business (NIPPO)

◆ Sales of cross-shareholdings

	FY2021	FY2023
Amount of bonds (¥bn)	300.0	100.0

◆ Issuance of hybrid bonds

◆ Acquisition / cancellation of treasury shares ¹

Impacts on B/S

(¥bn)

Other assets -640.0

Net interest-bearing debt -380.0

Other debt -300.0

Non-controlling interests +10.0

Total equity attributable to owners of the parent +30.0

	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Number of securities	50	42	36	33
Impact on B/S (¥bn)	114.0	133.0	57.0	47.0

Net interest-bearing debt -50.0

Total equity attributable to owners of the parent +50.0

Net interest-bearing debt +20.0

Total equity attributable to owners of the parent -20.0

Mar. 31, 2024

Cash and cash equivalents

820.0

Other Assets
9,316.5

Non-controlling interests

Net Interest-bearing Debt
2,000.0

Interest-bearing Debt
2,820.0

Other Debt
3,612.7

476.6

Total Equity attributable to owners of the parent
3,227.2

Change in net D/E ratio by implementing major measures in FY2023
-0.1 compared to Mar. 31, 2023

1: Executed before Mar. 31, 2024, based on "Notice of Resolution to Acquire Treasury Shares and Cancellation of Treasury Shares" released on Feb. 9, 2024

Shareholder Returns

Determined additional share buyback of ¥200.0bn

See “Notice Regarding Share Buyback, Termination of the Buyback and Cancellation of Treasury Shares” disclosed on May 14, 2024 for details

- Financial strength has improved by pursuing asset efficiency and reviewing portfolio
 - ➔ Determined the shareholder return from a standpoint of **enhancing asset efficiency and maximizing mid to long-term corporate value**
- No change in basic ideas of Return Policy and Third Medium-Term Management Plan

Mar. 31, 2024
Net D/E ratio

0.46

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.

Indication of shareholder return in Third Medium-Term Management Plan

【Dividend】

Continuation of stable dividends
Minimum dividend of 22 yen per share

【Total Return Ratio】

FY2023	FY2024	FY2025
On average over the three-year period, <u>50%</u> or more of net income, excl. inventory valuation		

Plan for FY2024

Considering current financial strength, determined share buyback of ¥200.0bn in addition to 22 yen /share dividend

(Based on resolution period)		FY2024 (Forecast)
Net Income excl. inventory valuation	¥bn	210.0
Dividend	¥bn	65.0 (¥22/share)
Share Buyback	¥bn	200.0
Total Return Amount	¥bn	265.0

Total Return Ratio

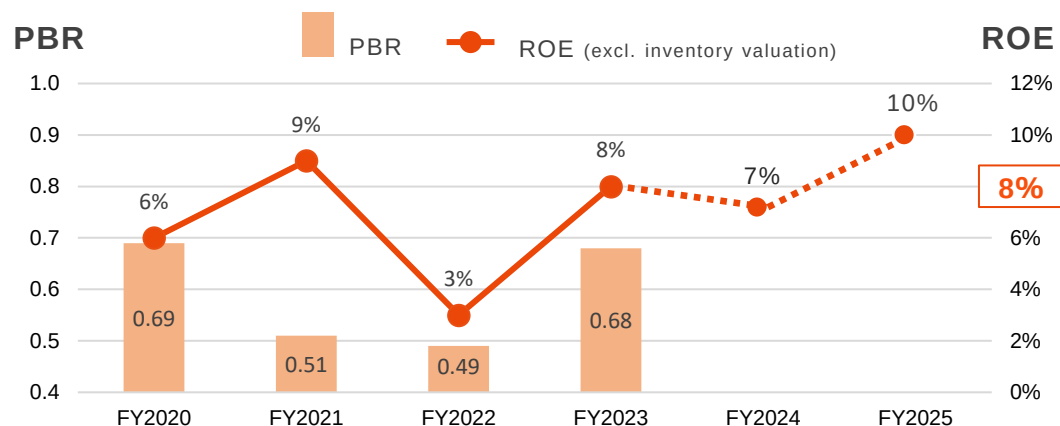
FY24 single year: **126%**

FY23/24 avg.: **85%**

Details such as acquisition period, etc. are in timely disclosure document indicated above.

Progress of Initiatives Aimed at Enhancing Corporate Value

➤ Trends of PBR and ROE



Cost of equity is around 8% on CAPM basis

$$\text{PBR} = 1 + \frac{\text{Equity Spread (ROE - Cost of Equity)}}{\text{Cost of Equity - Expected Growth Rate}}$$

Tasks for enhancing PBR

- Current equity spread has greatly improved, however, it is difficult to say we are generating stable “R” due to tax expense impact.
- It is urgent to **continuously generate equity spread (especially enhancement of “R” in ROE)**.
- Reduction of equity cost and enhancement of expected growth rate through realization of appropriate capital structure and dialogue with the market and information disclosure are important tasks too.

Strive to generate equity spread by enhancing ROE (improve profitability by executing 3rd Mid-Term Mgmt. Plan and pursue optimal capital structure) and **execute initiatives based on dialogue with the market**

➤ Future Initiatives

Improving ROE

Enhance profitability

- Lower UCL (4%)
- Business Process Re-engineering
- Stable petroleum products margins
- Start-up of Goi Thermal Power Plant
- Improvement in High Performance Materials segment profit

Improving ROE

Execution of optimal capital structure

- Based on improved financial strength, execute flexible shareholder returns
- Continue to pursue optimal capital structure by implementing balance sheet management

Lowering Cost of Equity

Enhance disclosure and engagement

- Continue setting engagement opportunities between Outside Directors and investors (at the request of investors, our Outside Directors participated in ESG Briefing Session from FY2023)
- Continue disclosing initiatives for governance enhancement

Improving Expected Growth Rate

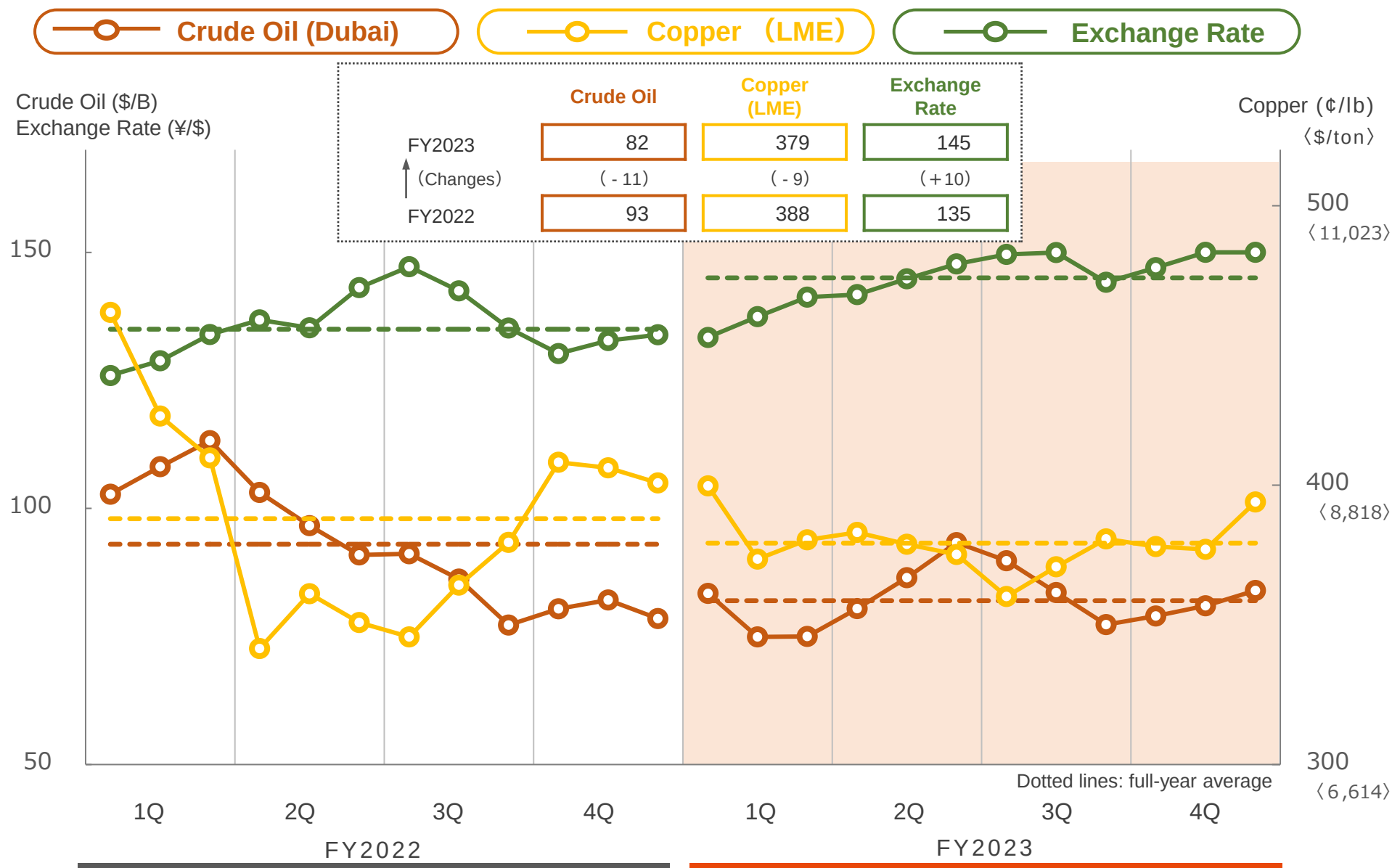
Advance initiatives for energy transition + Enhance information disclosure

- ➔ Planning to hold briefing sessions for investors on CCS/CCUS and renewable energy in FY2024

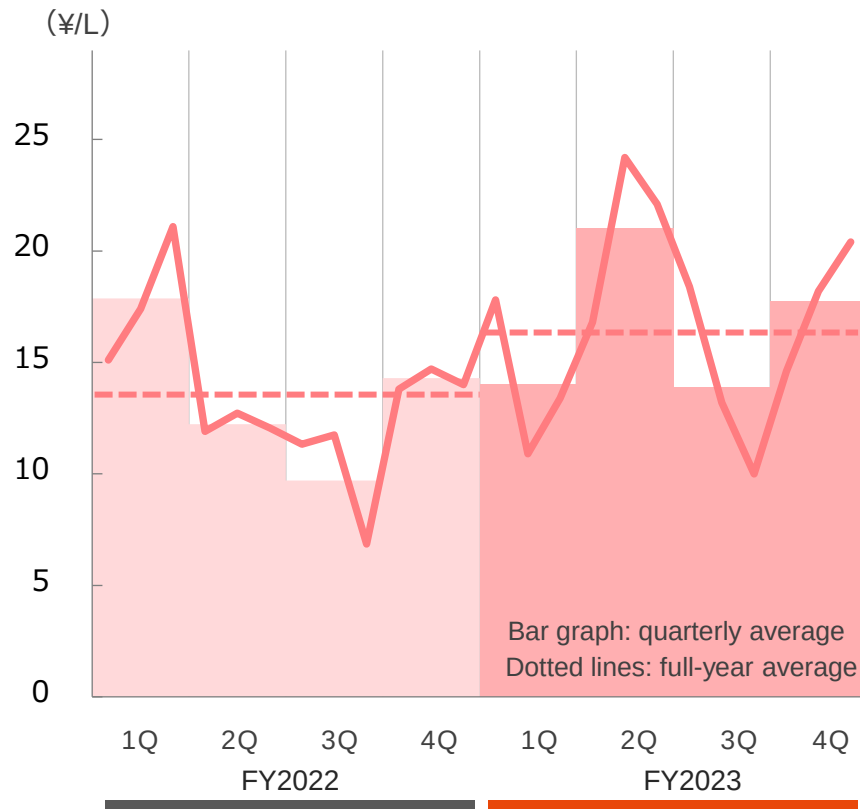


Enhancing corporate value through JX Advanced Metals IPO

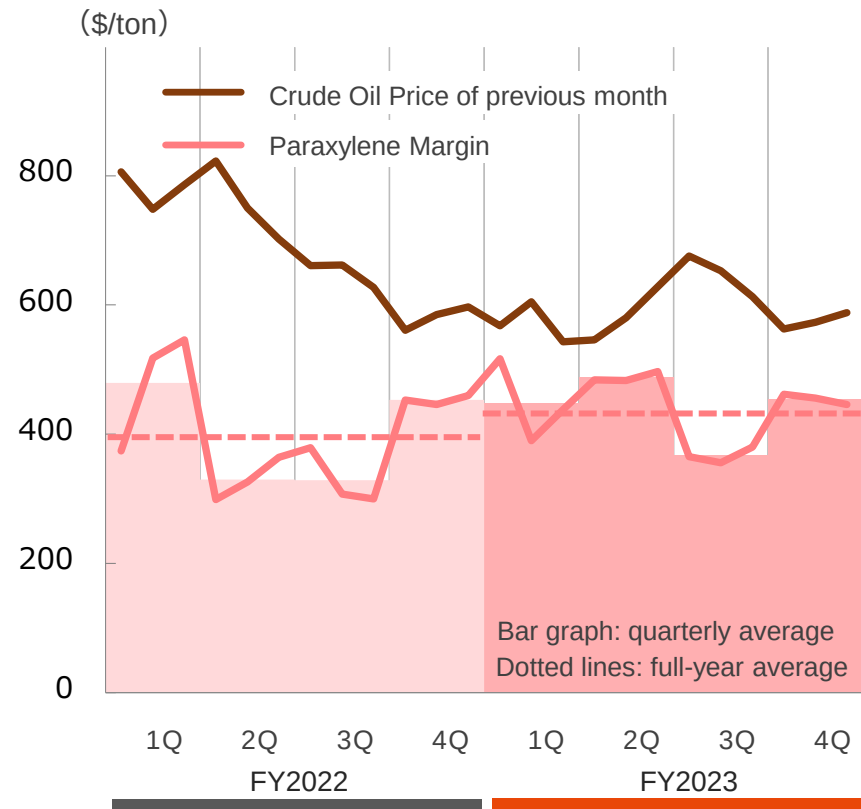
Business Environment



Petroleum Products Margin Index ²



Paraxylene Margin Index ³



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

(April 1, 2023 - March 31, 2024)

		FY2022 Actual	→	FY2023 Actual	Changes	
Crude Oil (Dubai)	(\$/B)	93		82	-11	-12%
Copper (LME)	(¢/lb)	388		379	-9	-2%
Exchange rate	(¥/\$)	135		145	+10	+7%
Net Sales	(¥bn)	15,016.6		13,856.7	-1,159.9	-8%
Operating Income	(¥bn)	281.3		464.9	+183.6	+65%
Inventory Valuation	(¥bn)	34.8		71.7	+36.9	+106%
Finance Income	(¥bn)	-23.9		-16.8	+7.1	—
Income before tax	(¥bn)	257.4		448.1	+190.7	+74%
Profit attributable to owners of the parent	(¥bn)	143.8		288.1	+144.3	+100%
■ Profit excl. inventory valuation						
Operating Income	(¥bn)	246.5		393.2	+146.7	+60%
Profit attributable to owners of the parent	(¥bn)	96.6		237.9	+141.3	+146%

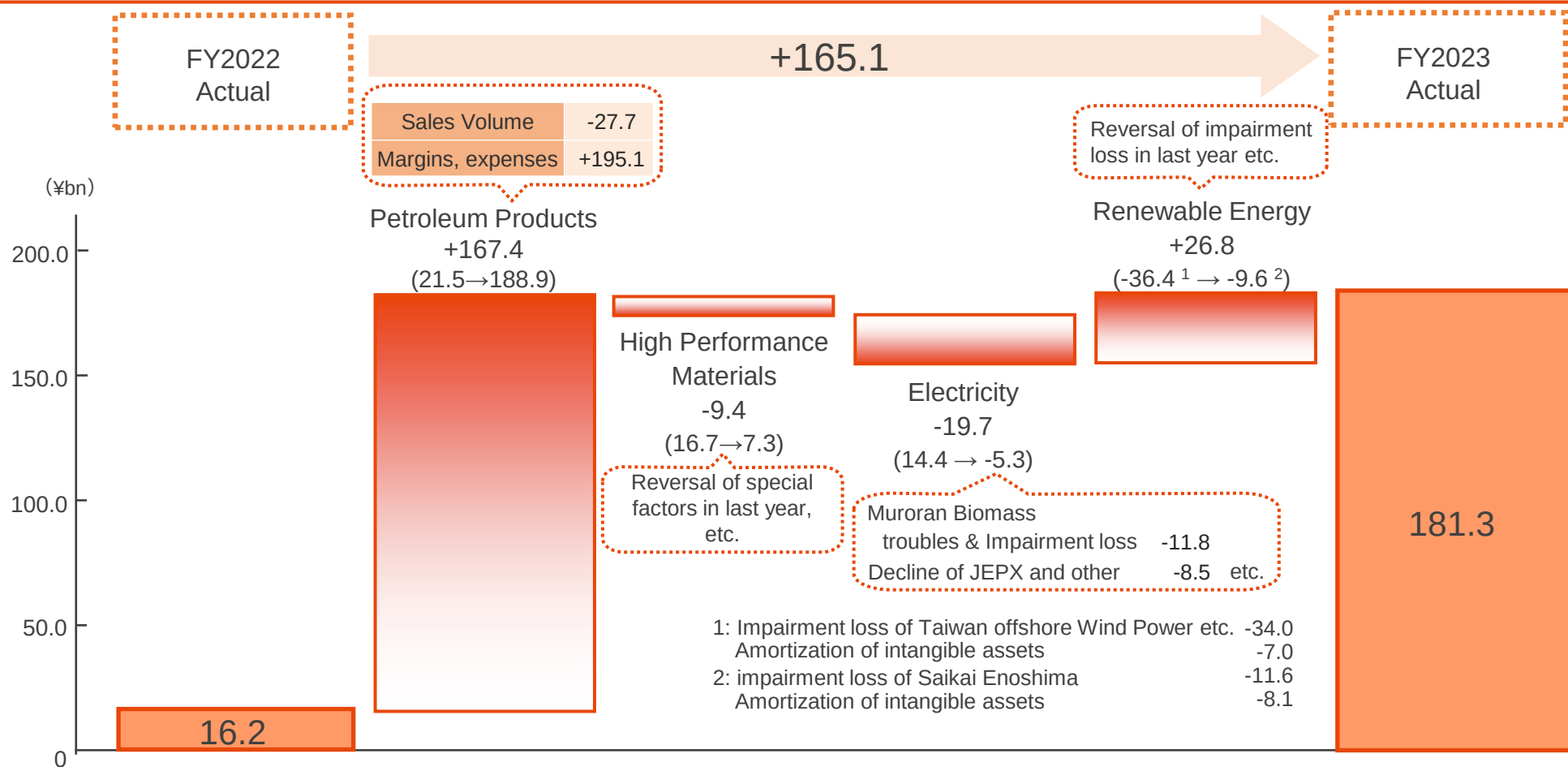
Operating Income by Segment

23

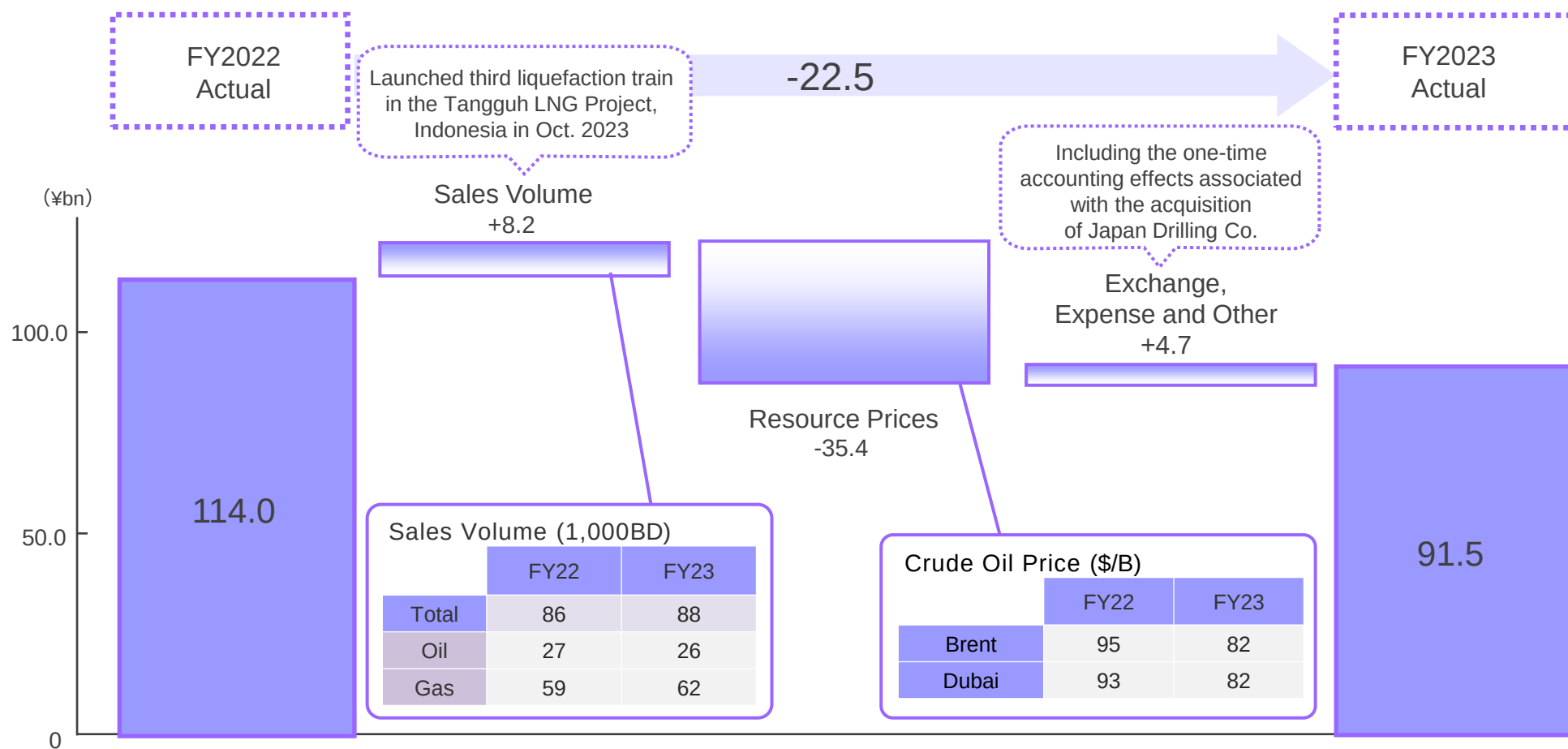
		FY2022 Actual	→	FY2023 Actual	Changes	
(¥bn)						
Total Operating Income excl. inventory valuation		246.5		393.2	+146.7	60%
Segments	Energy	51.0		253.0	+202.0	+396%
	Inventory Valuation	34.8		71.7	+36.9	+106%
	Excl. Inventory Valuation	16.2		181.3	+165.1	+1,019%
	Petroleum Products	21.5		188.9	+167.4	+779%
	High Performance Materials	16.7		7.3	-9.4	-56%
	Electricity	14.4		-5.3	-19.7	—
	Renewable Energy	-36.4		-9.6	+26.8	—
	Oil and Natural Gas E&P	114.0		91.5	-22.5	-20%
	Metals	68.7		81.1	+12.4	+18%
	Semiconductor Materials	33.3	1	26.7	-6.6	-20%
	ICT Materials	21.8		1.8	-20.0	-92%
	Metals & Recycling	26.0		71.3	+45.3	+174%
	Non-allocated corporate expenses and other	-12.4		-18.7	-6.3	—
Other		47.6		39.3	-8.3	-17%

1: In the May 2023 disclosure, the unrealized profit that was accounted for in the "General Corporate Expenses" amounting to a profit of +¥6.0bn has been reclassified. Specifically, - ¥1.3bn between "Thin Film Materials" and "Tantalum & Niobium," and +¥7.3bn between "Mineral Resources" and "Smelting & Recycling" have been reallocated to the "Semiconductor Materials" and "Metals & Recycling" business segments, respectively.

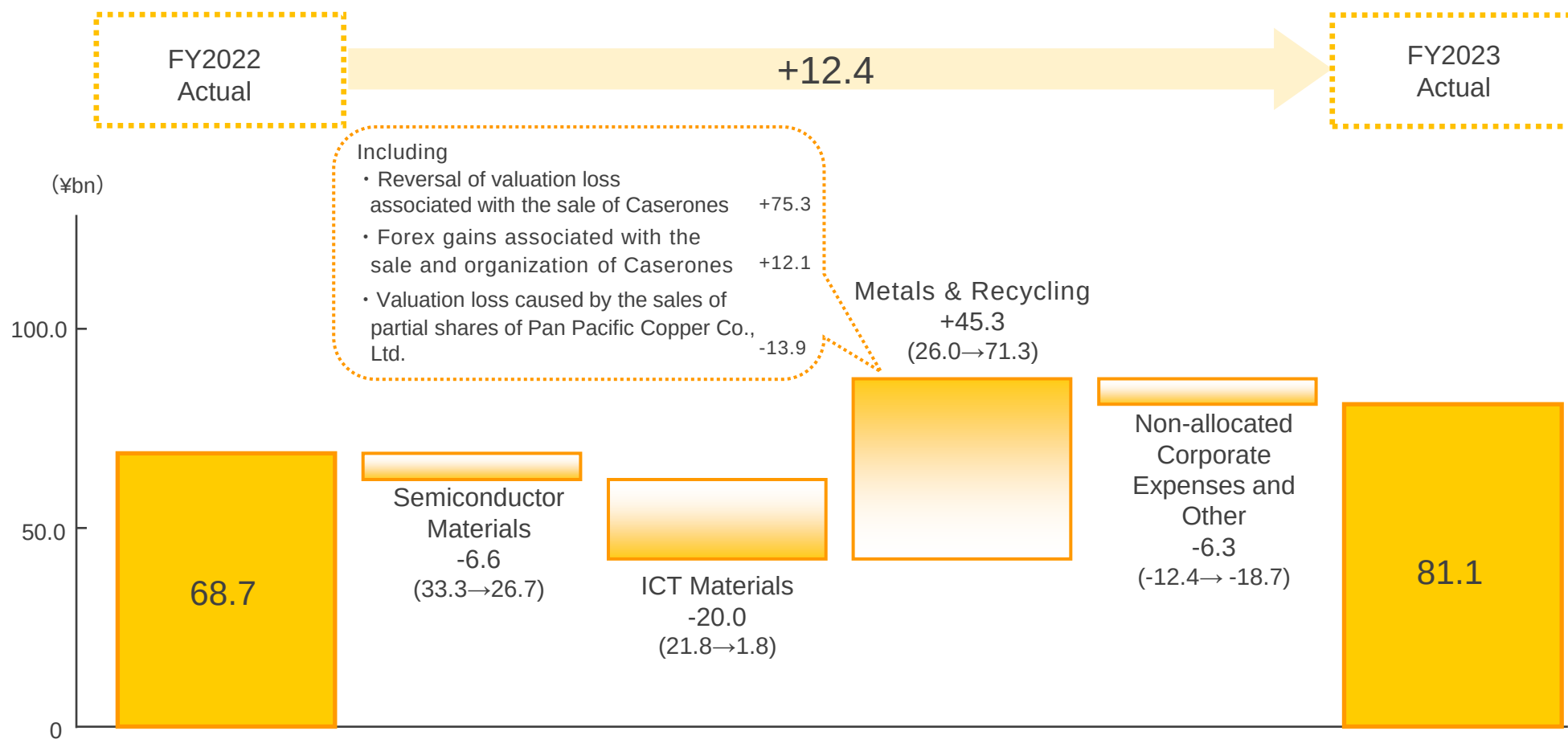
Significant increase in profits due mainly to a reversal of time-lag in petroleum products and export margins and improvement in actual margins of petroleum products and petrochemicals



Decrease in profits due to a decline in resource prices, despite profit improvement with the acquisition of Japan Drilling Co. and increase in sales volume led by launch of supply of an expansion project of an existing natural gas field



Increase in profit due mainly to a reversal of valuation loss of Caserones, despite decreases in sales volumes of semiconductor materials / ICT materials, profit loss associated with partial sale of Caserones Copper Mine and valuation loss caused by partial sale of shares of copper business subsidiary



Consolidated Balance Sheets

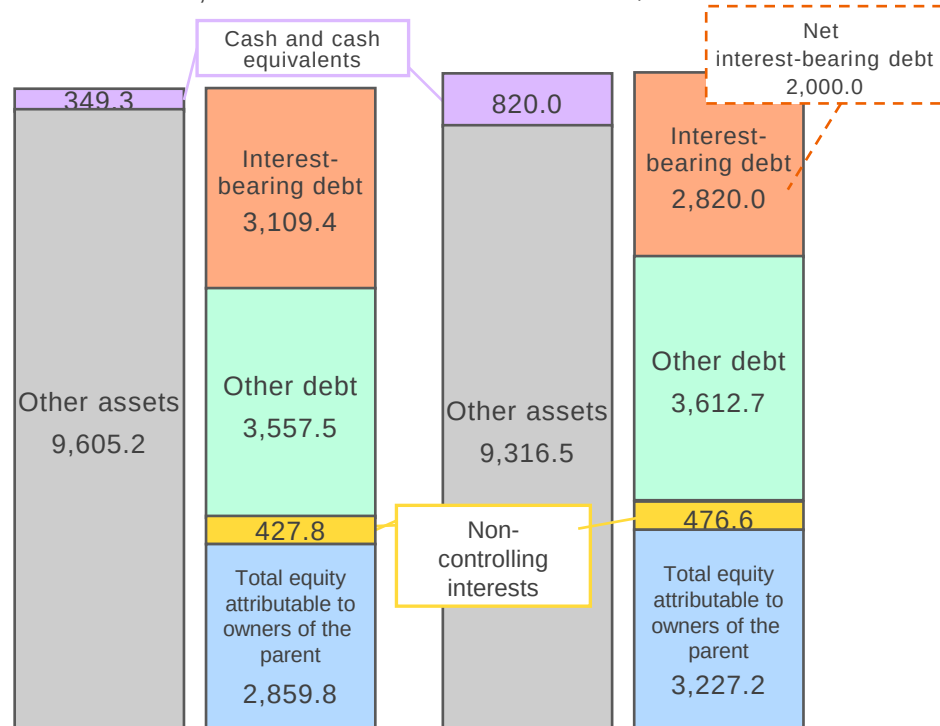
As of Mar. 31, 2023

As of Mar. 31, 2024

(¥bn)

Total: 9,954.5

Total : 10,136.5



As of Mar.31, 2023

As of Mar. 31, 2024

Equity ratio
attributable to
owners of the parent

28.7%

31.8%

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

0.76

0.46

Consolidated Cash Flows

FY2023

Financial accounting
basis

(¥bn)	
Operating income (Excl. inventory valuation)	
Depreciation and amortization	
Other (working capital and tax payment, etc.)	
Cash flows from operating activities Excluding the impact of holidays	

Capital investment	
Asset sales and other	
Cash flows from investing activities	

Free cash flows
Excluding the impact of holidays

Dividends and other

Net cash flows

Excl. IFRS 16 leases

393.2
255.9
* 283.0
932.1
838.9

-399.7
158.7
-241.0

691.1
597.9

-114.0

577.1

393.2
334.1
283.0
1,010.3
917.1

-399.7
158.7
-241.0

769.3
676.1

-192.2

577.1

* Including positive impact of ¥93.2bn due to the impact of holidays and ¥120.0bn of net-advanced tax payment (for consumption tax related to subsidies for petroleum products, etc.)

The impact of holidays: Impact causing timing differences in gasoline tax payment due to holidays

Forecast for FY2024

(Apr. 1, 2024 – Mar. 31, 2025)

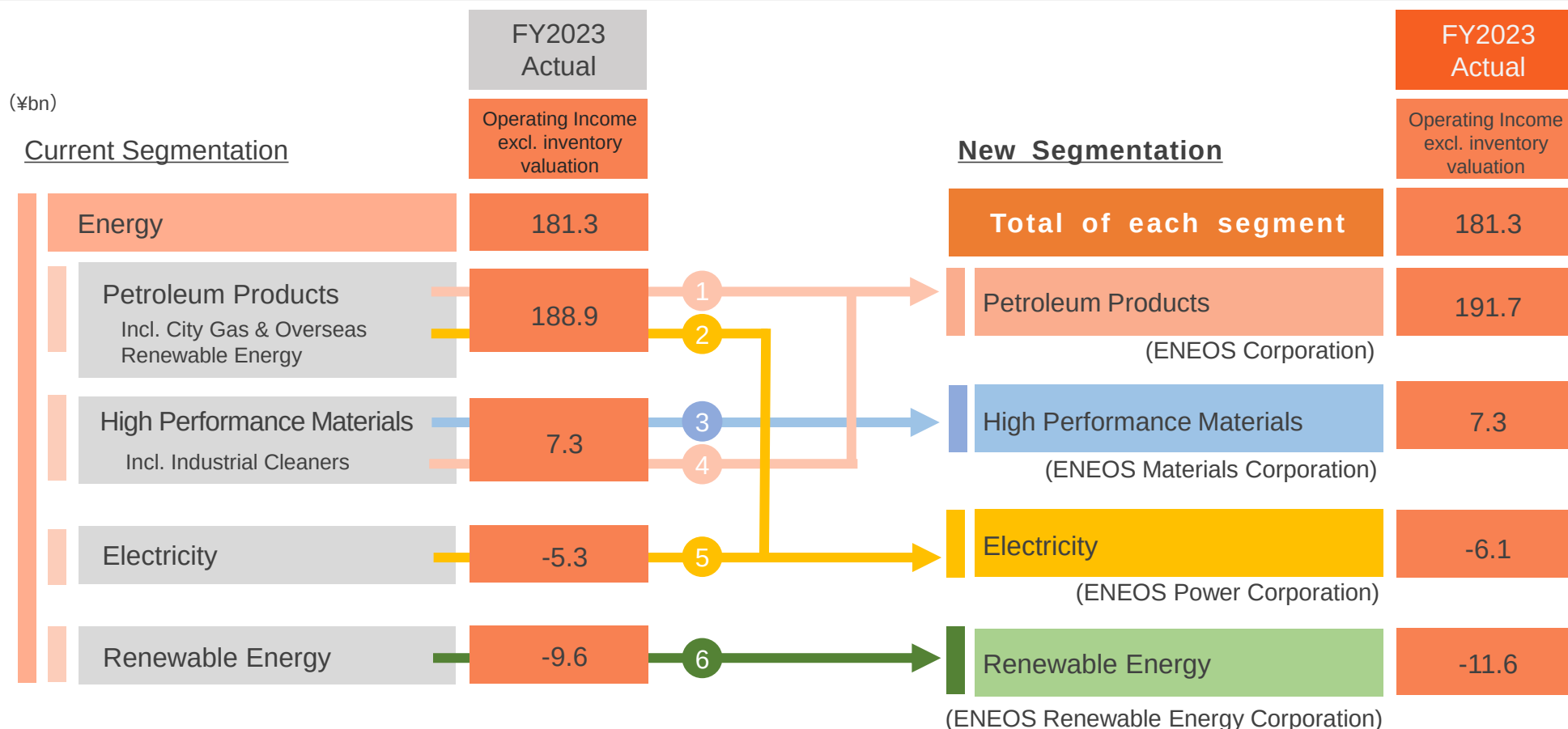
		FY2023 Actual	FY2024 Forecast	Changes	
Crude Oil (Dubai)	(\$ / B)	82	80	-2	-2%
Copper (LME)	(¢ / l b)	379	380	+1	+0%
Exchange Rate	(¥ / \$)	145	145	±0	—
Net Sales	(¥bn)	13,856.7	14,600.0	+743.3	+5%
Operating Income	(¥bn)	464.9	400.0	-64.9	-14%
Inventory Valuation	(¥bn)	71.7	0	-71.7	—
Finance Income	(¥bn)	-16.8	-20.0	-3.2	—
Income before tax	(¥bn)	448.1	380.0	-68.1	-15%
Profit attributable to owners of the parent	(¥bn)	288.1	210.0	-78.1	-27%
Profit excl. inventory valuation					
Operating Income	(¥bn)	393.2	400.0	+6.8	+2%
Profit attributable to owners of the parent	(¥bn)	237.9	210.0	-27.9	-12%

[Reference] Change in Segments Associated with Separation of Companies

30

- ✓ With the conversion of the High Performance Materials business, the Electricity business and the Renewable Energy business into separate companies, which was executed on Apr.1, 2024, subsegments of the Energy segment were converted into individual segments (also moving some of the businesses).

- | | |
|---|--|
| 1 "Petroleum Products" as a new segment | 2 "City Gas" and "Overseas Renewable Energy" integrated into "Electricity" |
| 3 "High Performance Materials" as a new segment | 4 "Industrial Cleaners" integrated into "Petroleum Products" |
| 5 "Electricity" as a new segment | 6 "Renewable Energy" as a new segment |



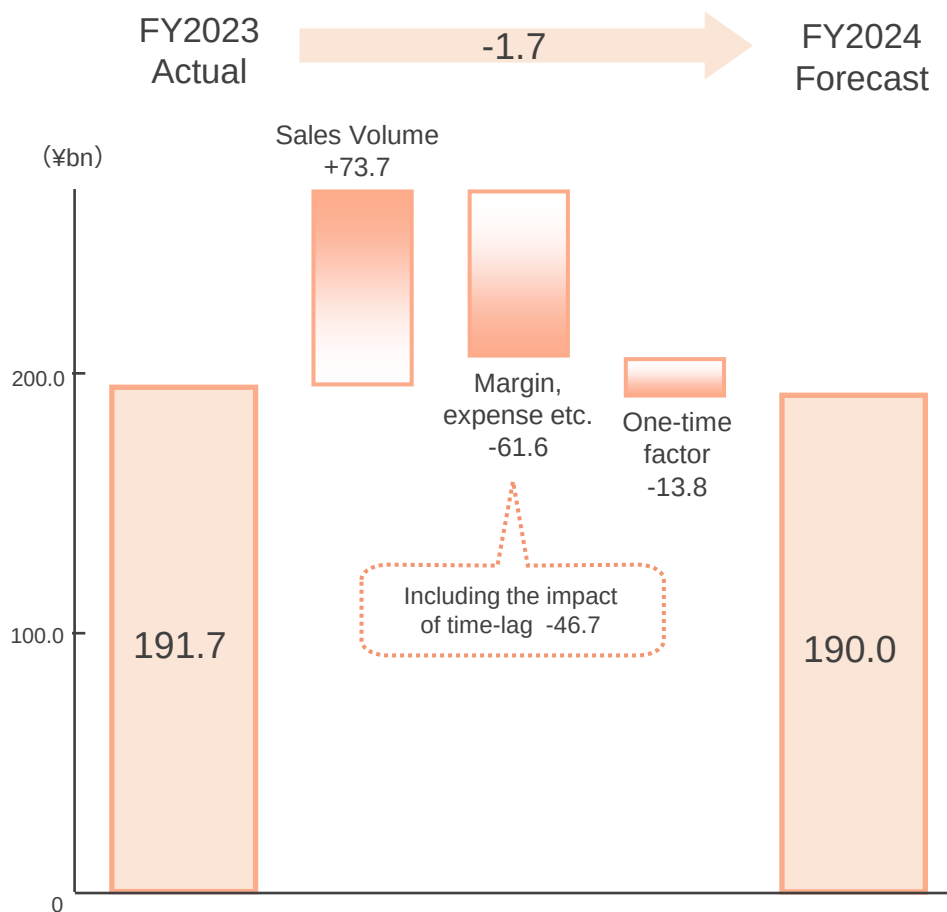
Operating Income by Segment

31

		FY2023 Actual	→	FY2024 Forecast	Changes	
(¥bn)						
Total Operating Income excl. inventory valuation		393.2		400.0	+6.8	+2%
Segments	Petroleum Products	263.4		190.0	-73.4	-28%
	(Inventory Valuation)	71.7		0	-71.7	—
	Excl. Inventory Valuation	191.7		190.0	-1.7	-1%
	High Performance Materials	7.3		11.0	+3.7	+51%
	Electricity	-6.1		6.0	+12.1	—
	Renewable Energy	-11.6		-3.0	+8.6	—
	Oil & Natural Gas E&P	91.5		80.0	-11.5	-13%
	Metals	81.1		70.0	-11.1	-14%
	Semiconductor Materials	26.7		34.0	+7.3	+27%
	ICT Materials	1.8		12.0	+10.2	+567%
	Metals & Recycling	71.3		34.0	-37.3	-52%
	Non-allocated corporate expenses and other	-18.7		-10.0	+8.7	—
	Other	39.3		46.0	+6.7	+17%

Petroleum Products Operating Income excl. inventory valuation

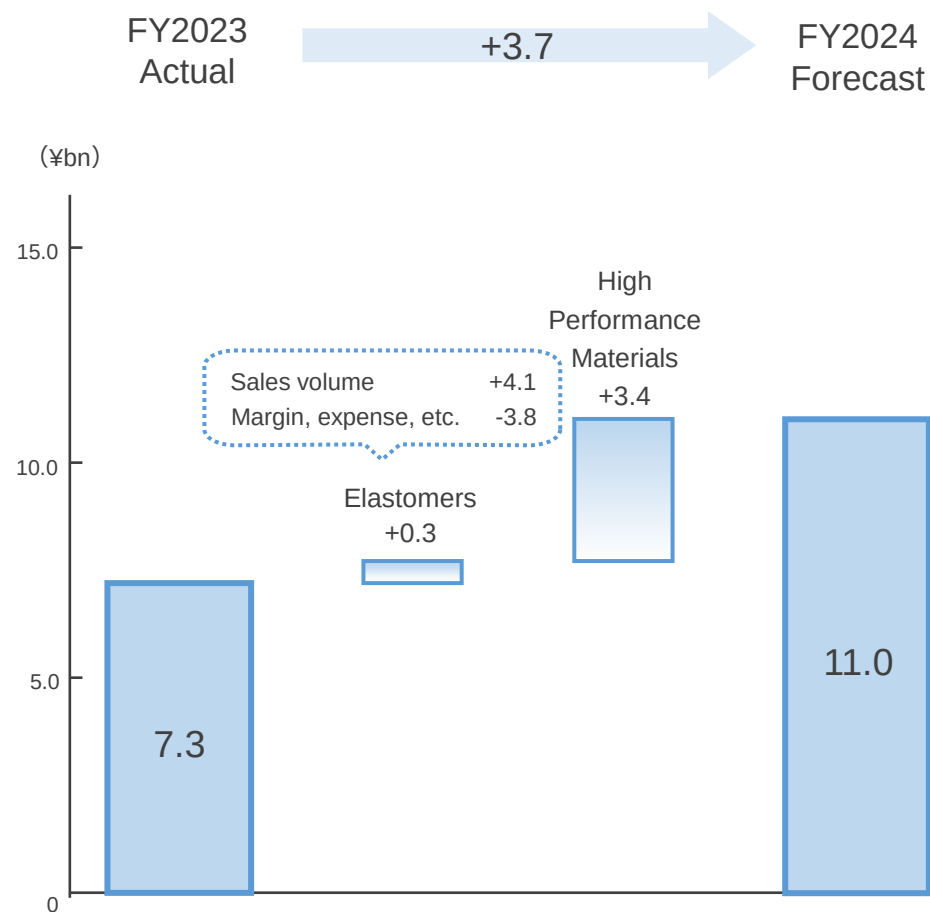
While factoring in cancelation of time-lag of last year and deterioration of the market conditions for exports, profits mostly remain unchanged due mainly to reduction of refinery troubles and increase in sales volume of exports.



High Performance Materials Operating Income

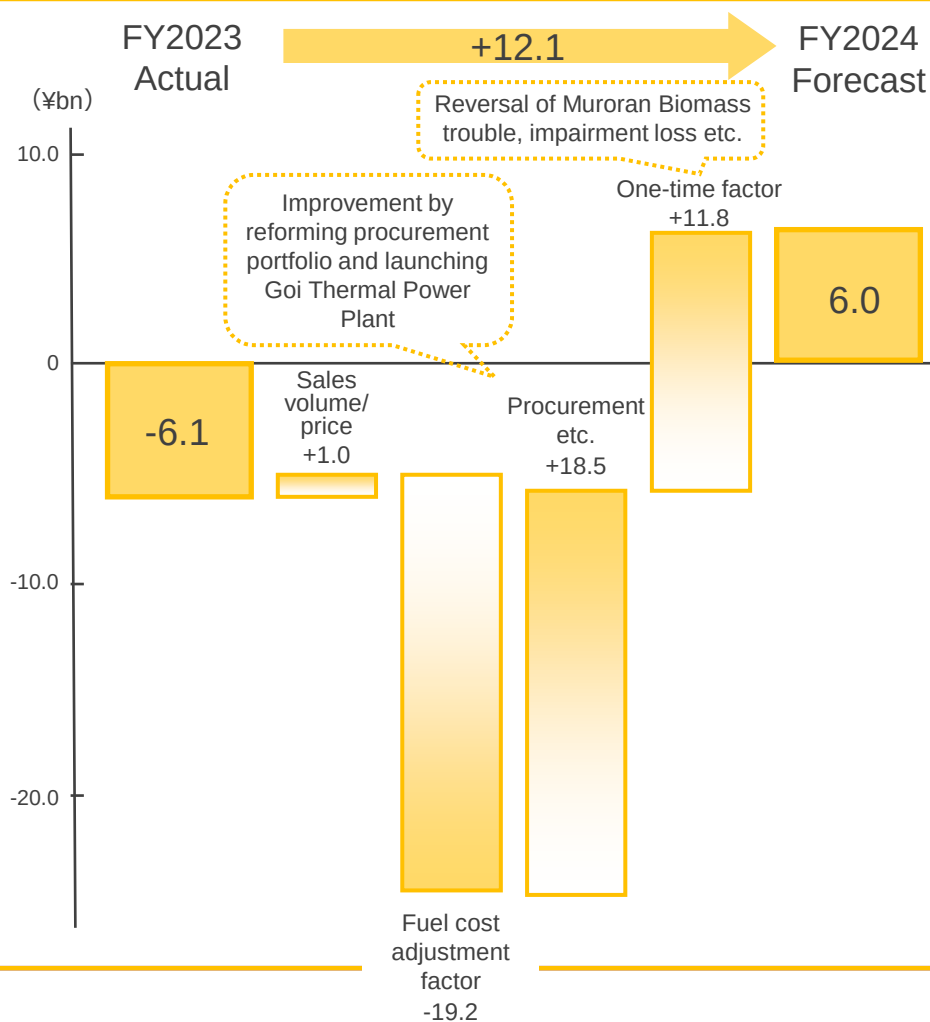
32

- Elastomers: Expect profit to remain mostly unchanged due to increase in expenses offset by recovery in sales volume
- High performance materials: Expect profit to increase due to increase of sales volume



Electricity Operating Income

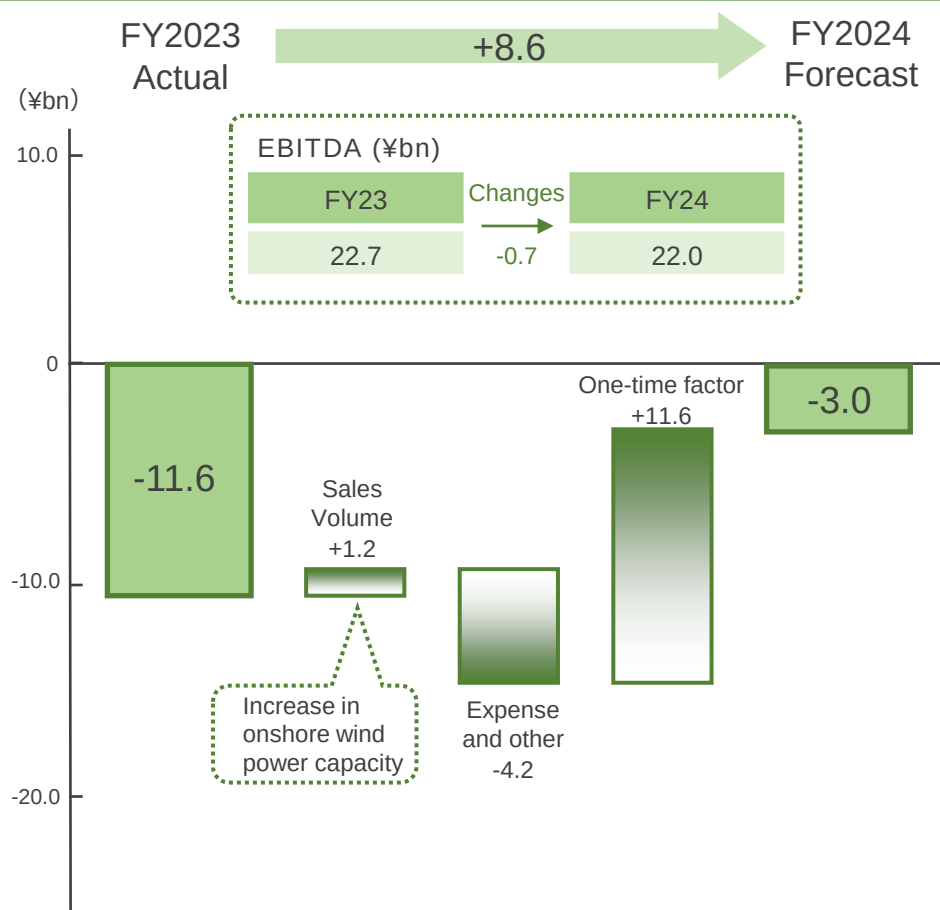
Expect profit to increase mainly by reforming procurement portfolio and procurement cost reduction due to launch of Goi Thermal Power Plant, despite negative impact of fuel cost adjustment.



Renewable Energy Operating Income

33

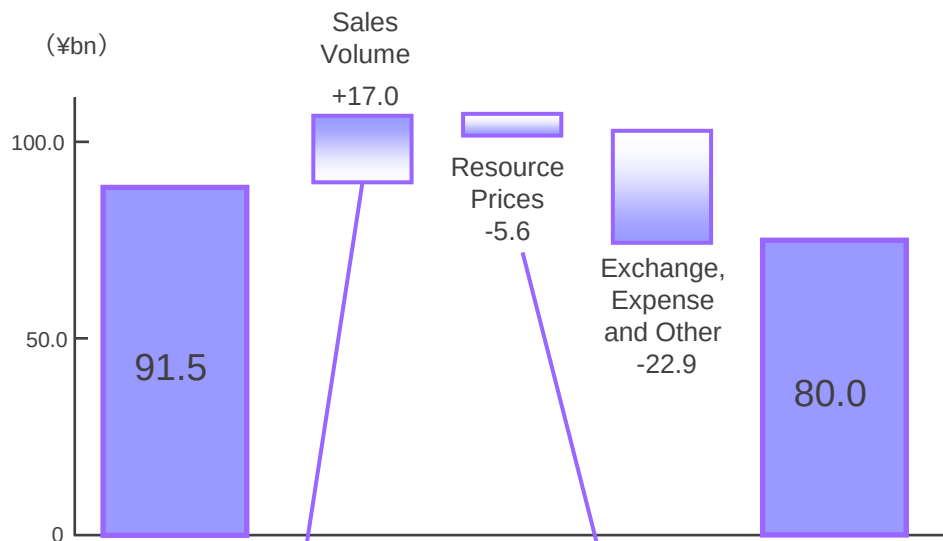
Expect profit to increase due to expansion of power generation capacities and reversal of impairment loss of last year, despite increase in expenses factoring in launches of power plants.



Oil and Natural Gas E&P Operating Income

Expect decrease in profit due mainly to increase in expenses, despite expected increase in sales volume with the full-year contribution of supply of an expansion project of an existing natural gas field in FY2023, etc.

FY2023 Actual → FY2024 Forecast
-11.5



Sales Volume (1,000BD)

	FY23	FY24
Total	88	96
Oil	26	28
Gas	62	67

Crude Oil Price (\$/B)

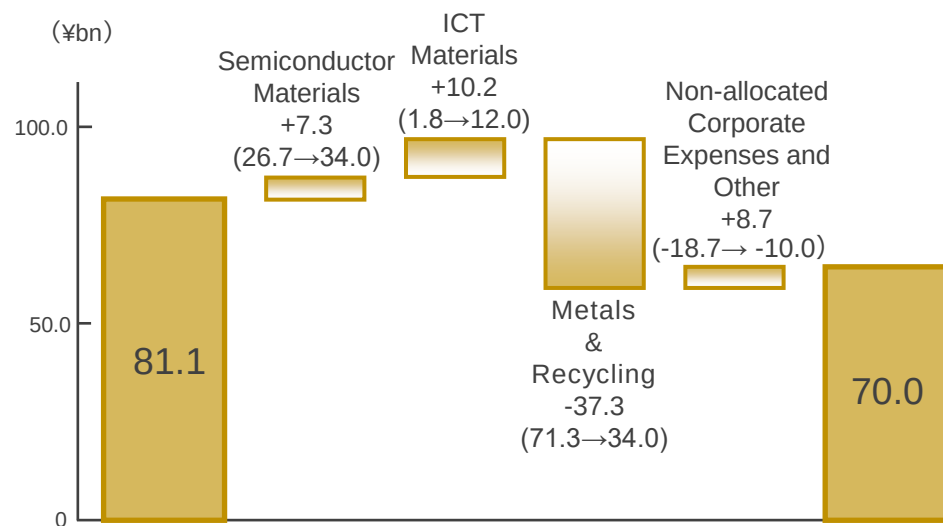
	FY23	FY24
Brent	82	81
Dubai	82	80

Metals Operating Income

34

Expect decrease in profit due mainly to decrease in production at mines where we have investments and partial sales of shares of copper business subsidiaries etc., despite expecting increase in sales volume of semiconductor materials / ICT materials associated with the completion of inventory adjustment.

FY2023 Actual → FY2024 Forecast
-11.1



Consolidated Cash Flows

		FY2024 Forecast	
		Excl. IFRS 16 leases	Financial accounting basis
(¥bn)			
	Operating income (Excl. inventory valuation)	400.0	400.0
	Depreciation and amortization	301.0	352.0
	Other (working capital and tax payment, etc.)	-97.0	-97.0
	Cash flows from operating activities	604.0	655.0
	Excluding the impact of holidays	① 697.2	748.2
	Capital investment	-493.0	-493.0
	Asset sales and other	39.0	39.0
	Cash flows from investing activities	② -454.0	-454.0
Free cash flows		150.0	201.0
Excluding the impact of holidays		③ 243.2	294.2
Dividends and other		④ -300.0	-351.0
Net cash flows		-150.0	-150.0

- ✓ Cash flows from operating activities excluding the impact of holidays expected to be ¥697.2bn (①)
- ✓ Cash flows from investing activities expected to be -¥454.0bn (②) which includes negative impact of capital investment of ¥493.0bn, leading to free cash flows excluding the impact of holidays expected to be ¥243.2bn (③)
- ✓ (④) Including negative impact of ¥ 230.0bn in share buybacks

The impact of holidays: Impact causing timing differences in gasoline tax payment due to holidays

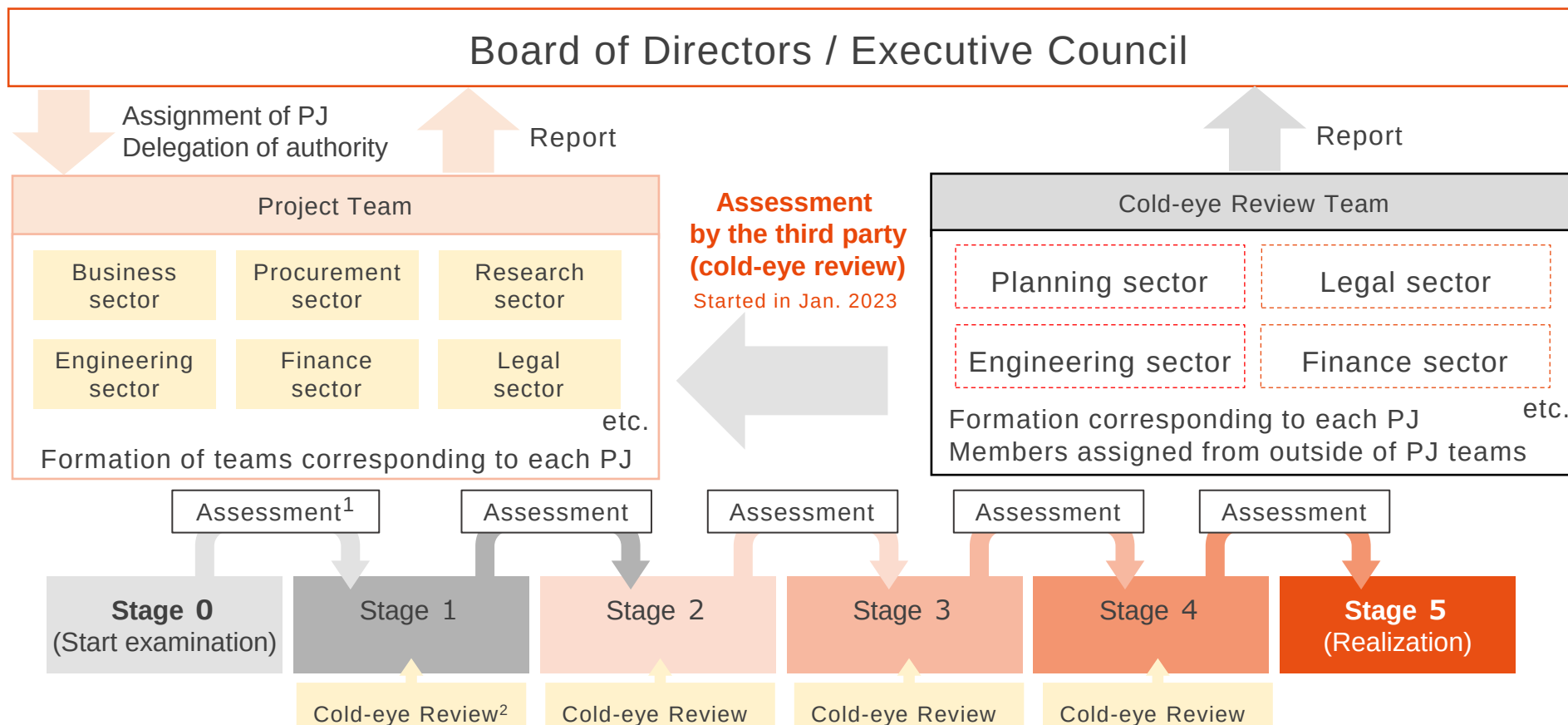
Reference

- ✓ Based on review of Group management structure, reorganize skills needed for HD Directors
- ✓ Reset management skills which are necessary to achieve our Long-Term Vision (**careful selection of investment** for energy transition), our Group Philosophy and material ESG issues (including **ensuring prevention of recurrence of inappropriate behavior**) etc.
- ✓ Select Directors who contribute to enhancement of ENEOS Group corporate value by identifying areas in which the Company has particularly high expectations from experience, etc. of each Director

Outside ★		ESG	Corporate management	Digital	Investment/ M&A/ International business	Fostering and developing human resources	Finance / Accounting	Legal/ Compliance / Risk management
	Miyata Tomohide	●	●		●	●		
	Tanaka Soichiro	●			●		●	●
★	Kudo Yasumi	●	●		●	●		
★	Tomita Tetsuro	●	●	●		●		
★	Oka Toshiko	●	●		●		●	
★	Kawasaki Hiroko	●		●		●		●
	Shiota Tomoo	●			●		●	
★	Kanno Hiroyuki	●				●		●
★	Tochinoki Mayumi	●		●			●	●
★	Toyoda Akiko	●			●		●	●

(Max. 4 areas of high expectation per person)

Realization of our Long-Term Vision and enhancement of corporate value



- 1 Assessment for each stage based on business strategy, business scheme, investment profitability, risk assessment/valuation, practice plan, etc.
As stage proceeds, further detailed assessments will be conducted, making efficient decisions on feasible investments.
- 2 For large-scale investments and crucial M&As, in addition to Stage Gate system, we conduct cold-eye review in terms of technology (feasibility, processes etc.), economical efficiency (preconditions/costs, base/worst cases, business WACC etc.) and legality.

***Monitoring structures for main subsidiaries by HD is under examination, as well as lowering the level of price of investments subject to assessment.**

			FY2021	FY2022	FY2023	FY2024
			Actual	Actual	Actual	Forecast
All segments	Exchange rate	(¥ / \$)	112	135	145	145
Petroleum Products	Crude oil (Dubai)	(\$ / B)	78	93	82	80
	Sales volume of Petroleum products ¹	(10,000 KL)	4,560	4,632	4,529	4,496
High Performance Materials	Elastomers sales volume index ²	(%)	100	89	89	94
Electricity	Japan Electric Power Exchange	(yen / kWh)	13.5	20.4	10.7	-
Oil and Natural Gas E&P	Sales volume (Crude oil equivalent)	(1,000 B / day)	93	86	88	96
	Crude oil (Brent)	(\$ / B)	80	95	82	81
Metals	Copper (LME)	(¢ / lb)	440	388	379	380
	Precision rolled products sales	(1,000 tons / month)	3.9	3.1	2.3	2.8

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

2: Index calculated relative to the sales volume in FY2021, which is set as the base year (100%).

■ Impact of index change on operating income in FY2024 (from Apr. 2024)

		(¥bn)	
Index	Changes	Segment	Impact
Crude Oil (Dubai)	+ 5\$/B	Petroleum Products	(−) 4.0
		Oil and Natural Gas E&P	(+) 8.0
		Subtotal	(+) 4.0
		Inventory Valuation	(+) 47.0
		Total	(+) 51.0
Copper (LME)	+10¢/lb	Metals	(+) 2.0
		Total	(+) 2.0
Exchange Rate	5¥/\$ Yen Depreciation	Petroleum Products	(+) 4.0
		High Performance Materials	(+) 0.5
		Oil and Natural Gas E&P	(+) 4.0
		Metals	(+) 3.0
		Subtotal	(+) 11.5
		Inventory Valuation	(+) 25.0
		Total	(+) 36.5

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.