



ENEOS

Security Code Tokyo 5020

May 12, 2025

ENEOS Group

FY2024 Financial Results and FY2025 Forecast

ENEOS Holdings, Inc.
[E'-ne-ohs]

ENEOS Group Japan's Premier Energy and Materials Corporate Group

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Highlights of Financial Results and Forecast

Highlights of FY2024 Results

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- Operating profit was ¥106.1bn, up ¥81.1bn since the March forecast, due to increase in inventory valuation with the rise in oil prices at the end of March.
- Operating profit excl. inventory valuation was ¥429.3bn, down ¥10.7bn since the March forecast, due to impairment loss of Renewable Energy business caused by the rise in interest rates.

(¥bn)	FY2024 Forecast in Mar.	Changes	FY2024 Actual	Changes	FY2023 Actual
Operating profit¹	25.0	+81.1	106.1	-275.3	381.4
Inventory valuation	-150.0	+92.4	-57.6	-129.3	71.7
Operating profit excl. inventory valuation	175.0	-11.3	163.7	-146.0	309.7
Discontinued operation profit (equivalent to its operating profit)	265.0	+0.6	265.6	+182.1	83.5
Operating profit incl. discontinued operations / excl. inventory valuation	440.0	-10.7	429.3	+36.1 (P.11-14 for details)	393.2
Profit ²	110.0	+116.1	226.1	-62.0	288.1
Profit ² excl. inventory valuation	215.0	+51.4	266.4	+28.5	237.9
ROE excl. inventory valuation	7.0%	+1.4 pt.	8.4%	+0.6pt.	7.8%

¹ After the partial sale of JX Advanced Metals(JXAM)'s shares, it was classified as discontinued operations, including its subsidiaries. Operating profit does not include discontinued operations, and FY2023 results have also been revised accordingly.

² Profit attributable to owners of the parent

Highlights of FY2025 Forecast

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- Operating profit is expected to be ¥360.0bn, up ¥253.9bn compared to last year, due to the reversal of goodwill impairment and the sale of maritime transportation business.
- Expected operating profit excluding inventory valuation is **¥410.0bn, same level as last year's result due to the positive impact of full-year Goi Thermal Power Plant operation and one-time factors**, despite negative impact of Oil and Natural Gas E&P business caused by dropping oil price and strong yen.

(¥bn)	FY2024 Actual	Changes	FY2025 Forecast	■ Breakdown of one-time factors included in <u>-¥19.3bn</u> (¥bn) Loss of gain on sale of JX Advanced Metals (JXAM) -153.3 Reduction of JXAM equity stake (100% → 42%) -79.5 Reversal impact of goodwill impairment (Petroleum Products business) +164.5 Sale of maritime transportation business +70.0 Reversal impact of Impairment loss of Renewable Energy business +17.5 (Total +19.2)
Operating profit	106.1¹	+253.9	360.0	
Inventory valuation	-57.6	+7.6	-50.0	
Operating profit excl. inventory valuation	163.7	+246.3	410.0	
Discontinued operation profit (equivalent to its operating profit)	265.6	-265.6	—	
Operating profit incl. discontinued operations (excl. inventory valuation)	429.3	<u>-19.3</u>	<u>410.0</u>	
Profit²	226.1	-41.1	185.0	
Profit² (excl. inventory valuation)	266.4	-46.4	220.0	
ROE (excl. inventory valuation)	8.4%	-1pt.	7%	

¹ After the partial sale of JXAM's shares, it was classified as discontinued operations, including its subsidiaries. Operating profit does not include discontinued operations, and FY2023 results have also been revised accordingly.

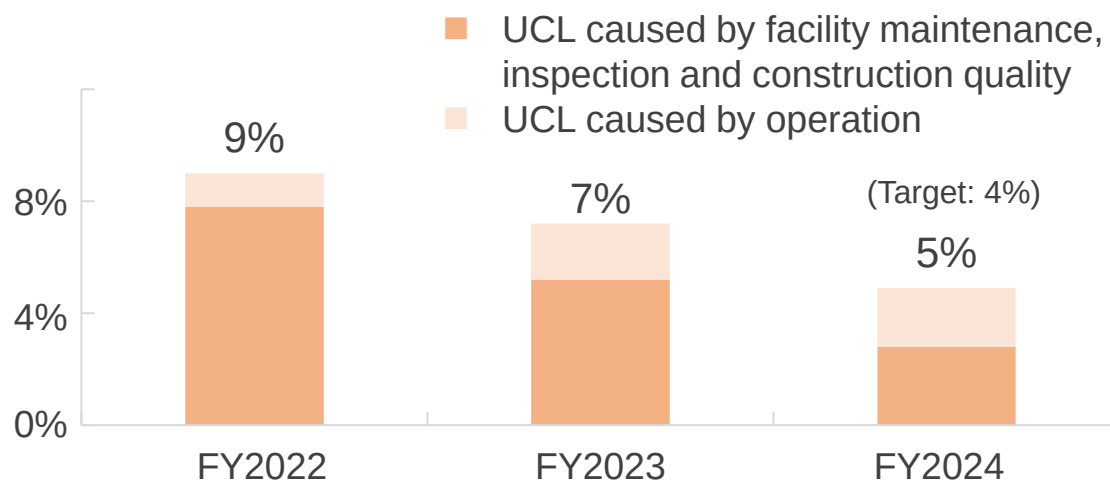
² Profit attributable to owners of the parent

UCL (Unplanned Capacity Loss)

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- **UCL has decreased** to the level almost reaching the target, through multiple measures.
- From FY2025 onwards, we aim for not only further UCL improvement, but also **refinery utilization rate excluding periodic repairs of 90%** in FY2027 through investments to improve planned operations, and maximization of profits through refinery utilization rate improvement by shortening repairing period.

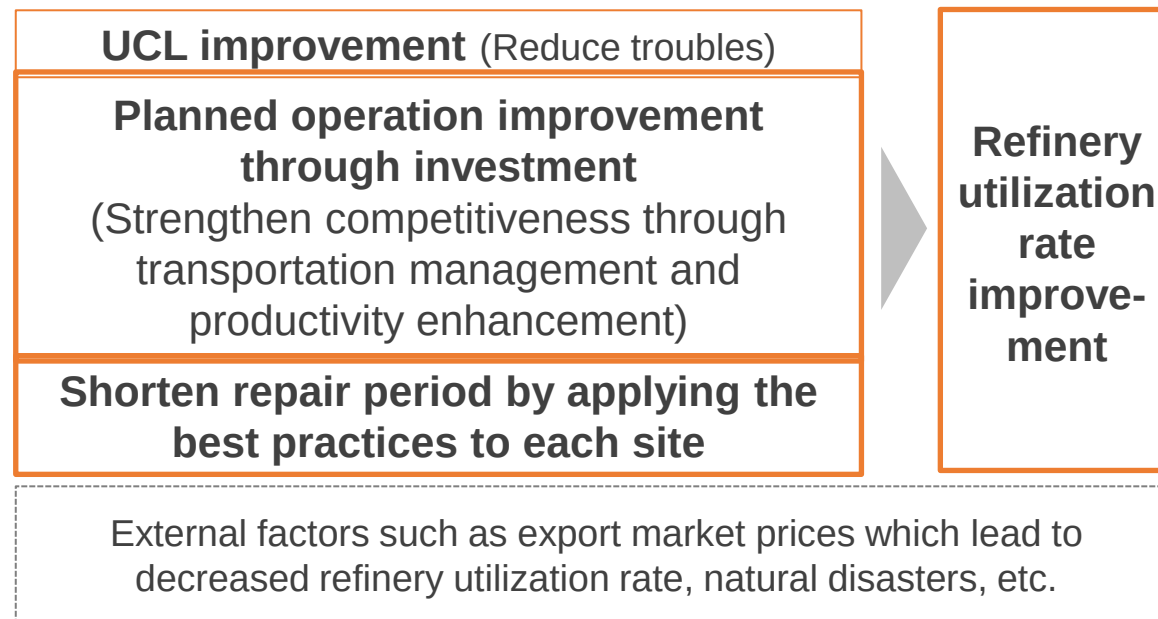
Historical UCL



- Improved by moving inspections forward, enhancing construction quality, etc.
- Troubles caused by non-regular work reduced. We aim for further improvement by detecting signs of troubles earlier, etc.

Approach to Improving Refinery Utilization Rate

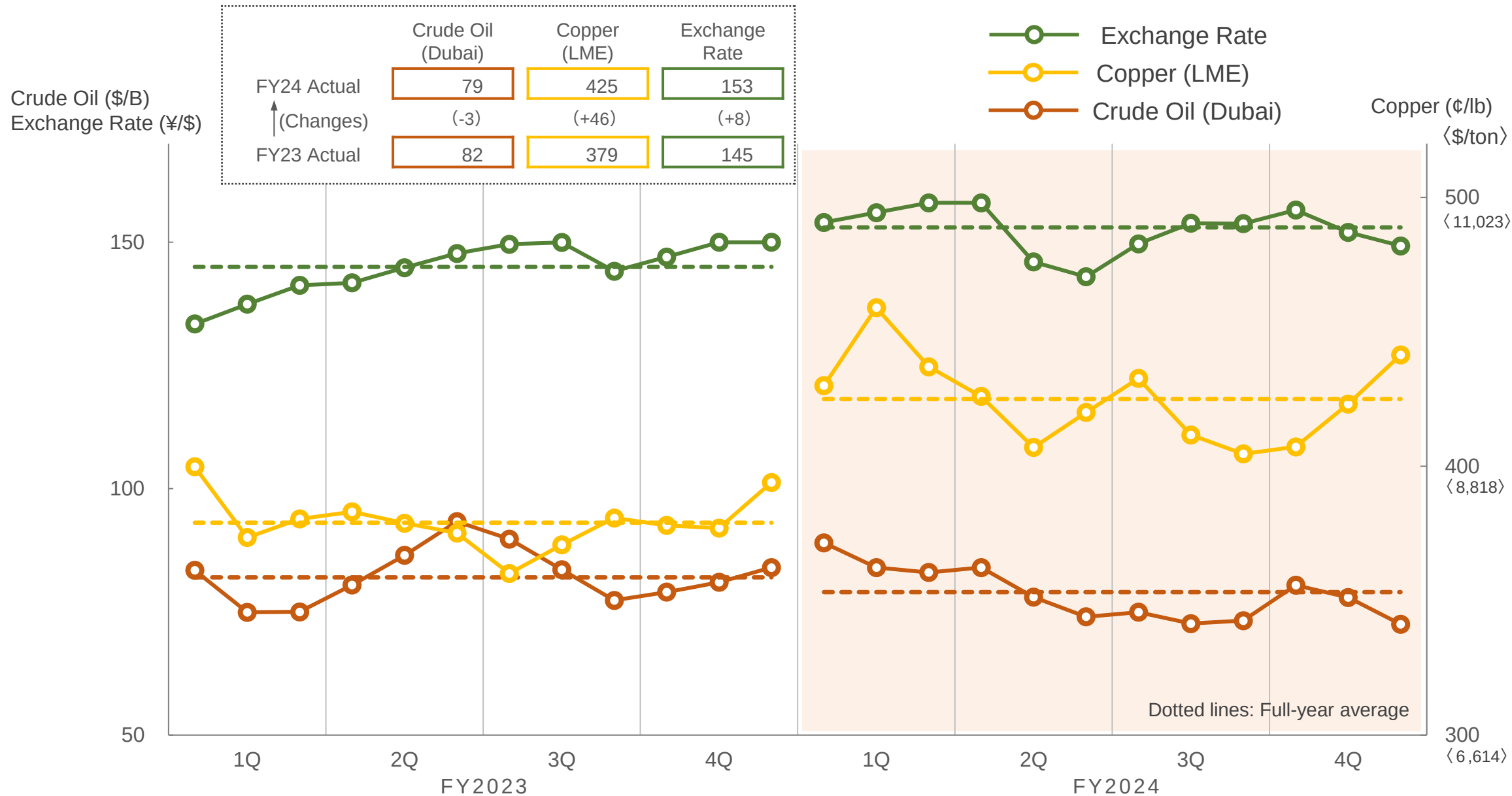
UCL will be monitored continuously as an indicator for improving refinery utilization rate



2 Business Environment

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

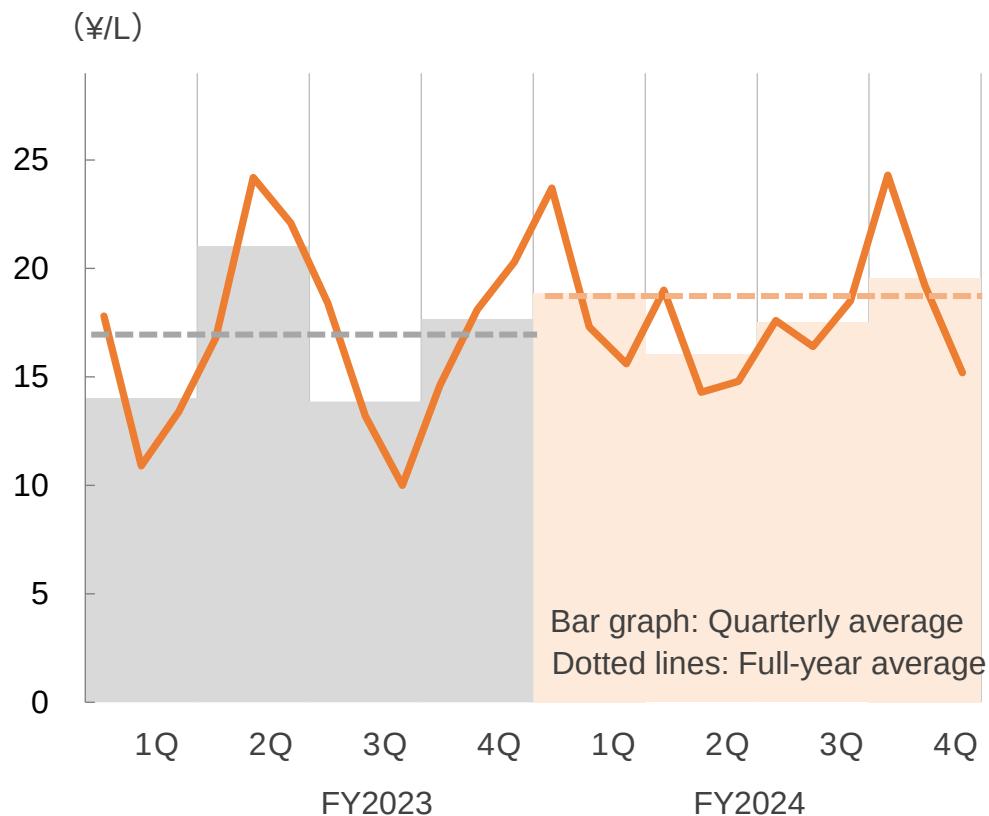
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Petroleum Products¹ and Paraxylene Margin Indexes

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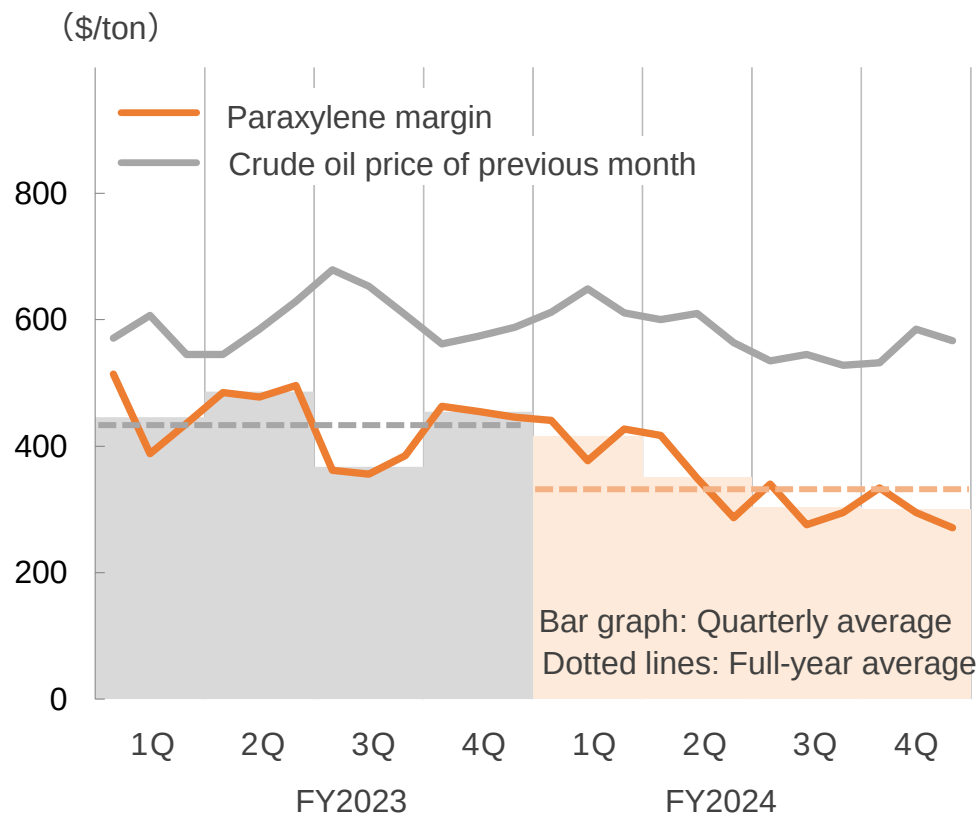
Petroleum Products Margin Index ²



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)

Paraxylene Margin Index ³



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 price is used.

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

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Financial Results for FY2024

Overview of Financial Results

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		FY23 Actual	FY24 Actual	Changes		(Reference) March forecast
Crude oil (Dubai)	(\$/B)	82	79	-3	-4%	78
Copper (LME)	(¢/lb)	379	425	+46	+12%	422
Exchange rate	(¥/\$)	145	153	+8	+6%	153
Revenue	(¥bn)	12,344.6	12,322.5	-22.1	-0%	12,600.0
Operating profit	(¥bn)	381.4	106.1	-275.3	-72%	25.0
(Inventory valuation)	(¥bn)	71.7	-57.6	-129.3	—	-150.0
Finance income	(¥bn)	-13.5	-17.9	-4.4	—	-15.0
Profit before tax	(¥bn)	367.9	88.2	-279.7	-76%	10.0
Profit attributable to owners of the parent	(¥bn)	288.1	226.1	-62.0	-22%	110.0
Operating profit incl. discontinued operations (excl. inventory valuation)						
Operating profit Incl. discontinued operations	(¥bn)	393.2	429.3	+36.1	+9%	440.0
Profit attributable to owners of the parent	(¥bn)	237.9	266.4	+28.5	+12%	215.0

Note: After the partial sale of JXAM's shares, it was classified as discontinued operations, including its subsidiaries. Revenue, operating profit, finance income and profit before tax do not include discontinued operations, and FY23 results have also been revised accordingly.

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Operating Profit by Segment

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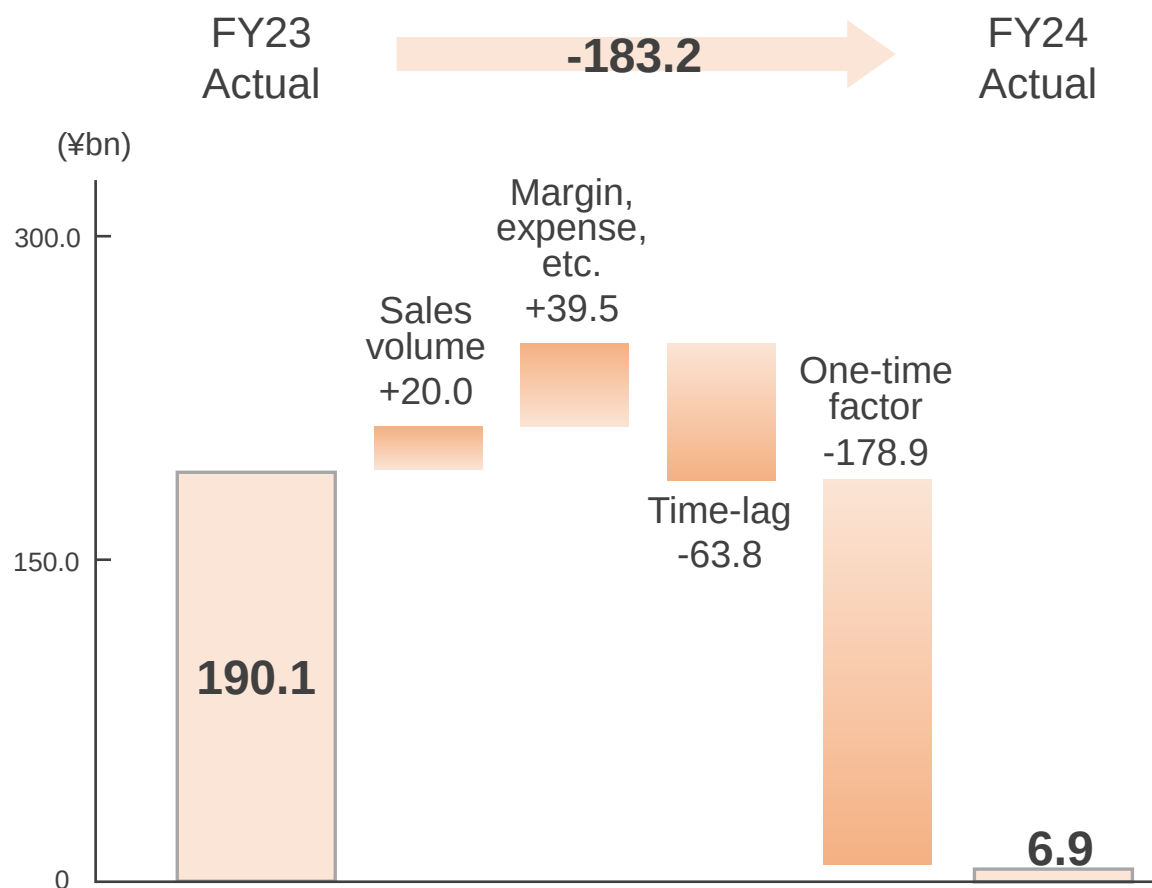
	FY23 Actual	FY24 Actual	Changes		(Reference) March forecast
Operating profit incl. discontinued operations (excl. inventory valuation)	393.2	429.3	+36.1	+9%	440.0
Petroleum Products	261.8	-50.7	-312.5	—	-140.0
Inventory valuation	71.7	-57.6	-129.3	—	-150.0
Excl. inventory valuation	190.1	6.9	-183.2	-96%	10.0
Oil and Natural Gas E&P	91.5	87.4	-4.1	-4%	80.0
High Performance Materials	7.2	17.7	+10.5	+146%	16.0
Electricity	-6.4	21.0	+27.4	—	23.0
Renewable Energy	-11.8	-16.9	-5.1	—	-4.0
Metals¹	81.1	111.1	+30.0	+37%	90.0
Other	41.5	202.1	+160.6	+387%	225.0
Gain on sale of JX Advanced Metals ¹	—	153.3	+153.3	—	175.0
NIPPO, consolidation adjustment, etc.	41.5	48.8	+7.3	+18%	50.0

Note: FY23 results in the former Energy segment are restructured based on new segmentation with the business separations in Apr. 2024.

¹ Discontinued operation profit (equivalent to its operating profit)

Operating Profit – Petroleum Products excl. inventory valuation

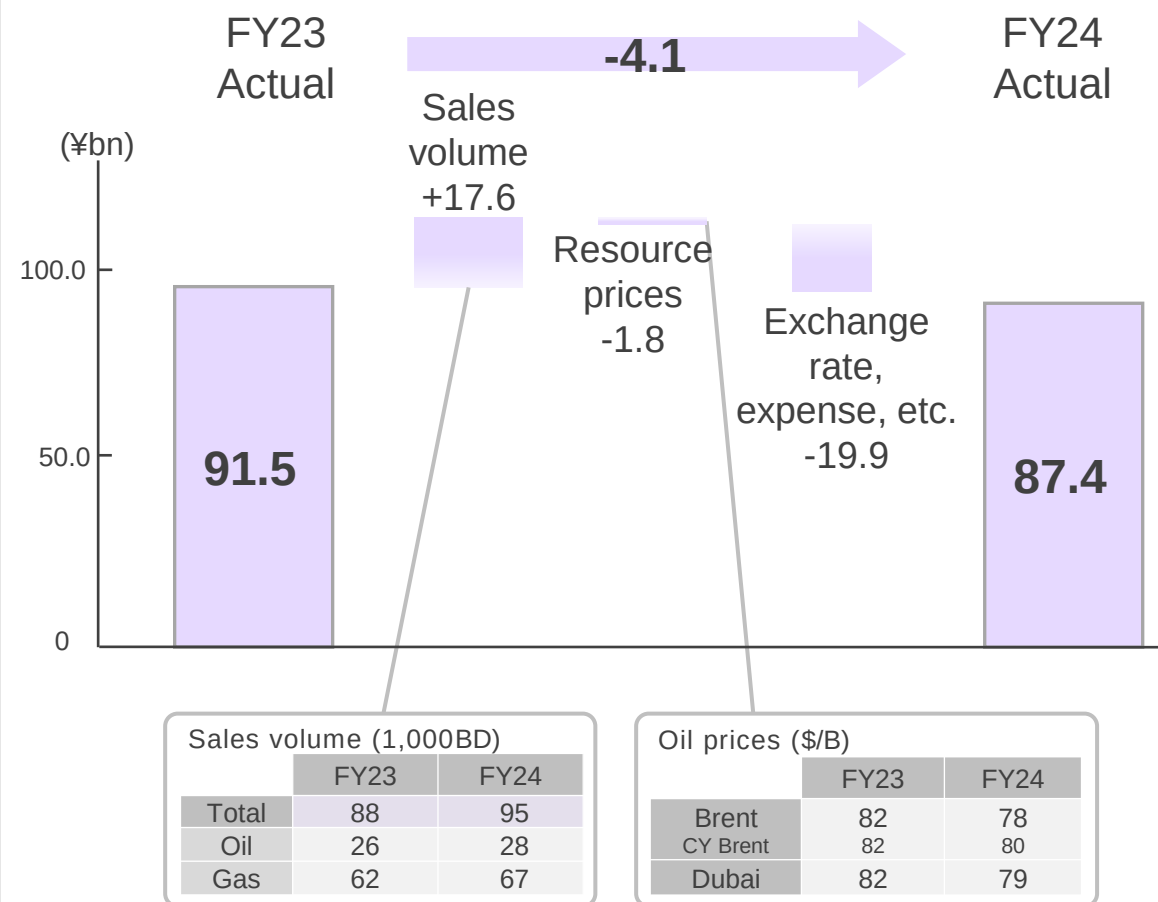
Decreased due to negative time-lag with the drop in oil price, impairment loss of goodwill, etc. despite improved margins.



Operating Profit – Oil and Natural Gas E&P

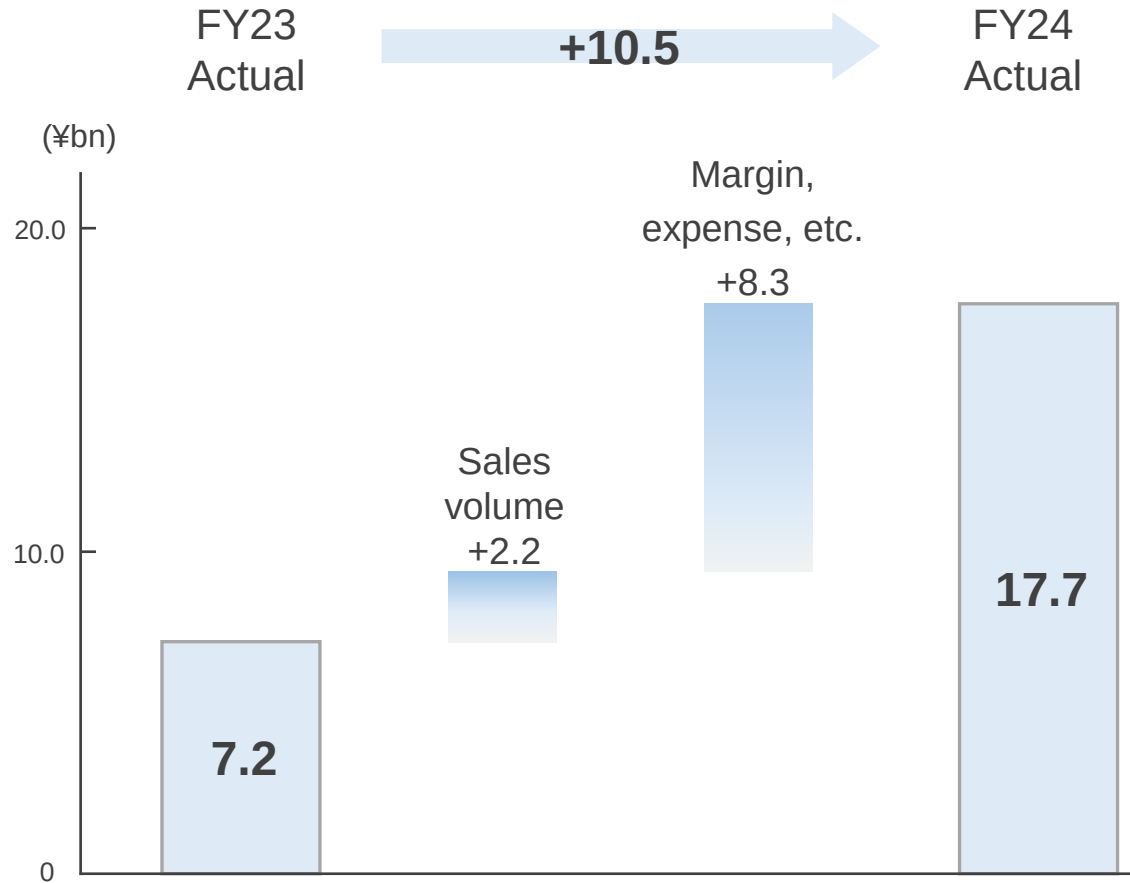
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Decreased due to the loss of a one-time profit caused by the integration of JDC Co., Ltd. in FY23, increased expenses, etc., despite increased sales volume and weak yen.



Operating Profit – High Performance Materials

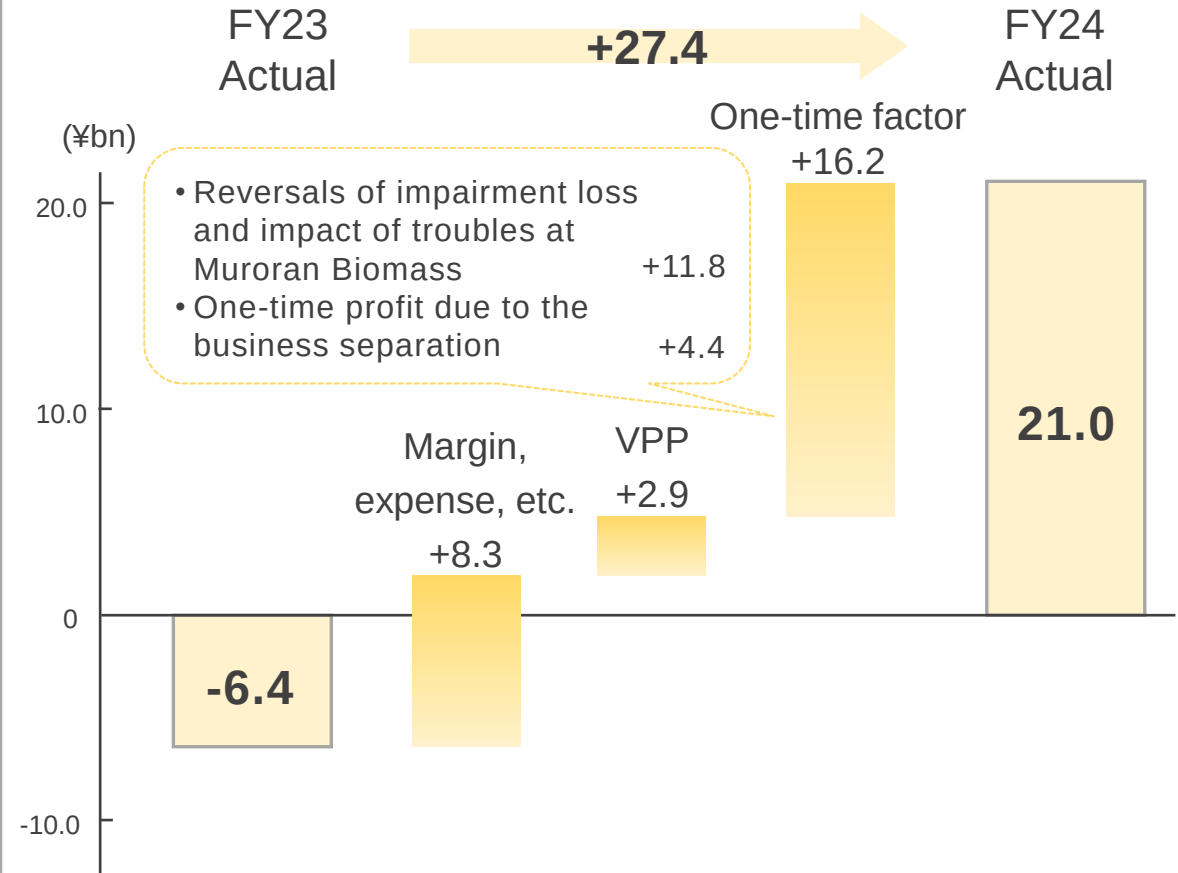
Increased due to higher sales volumes of elastomers and high performance materials, improved margins due to increased sales prices with higher costs and weak yen, and higher market price of Butadiene.



Operating Profit – Electricity

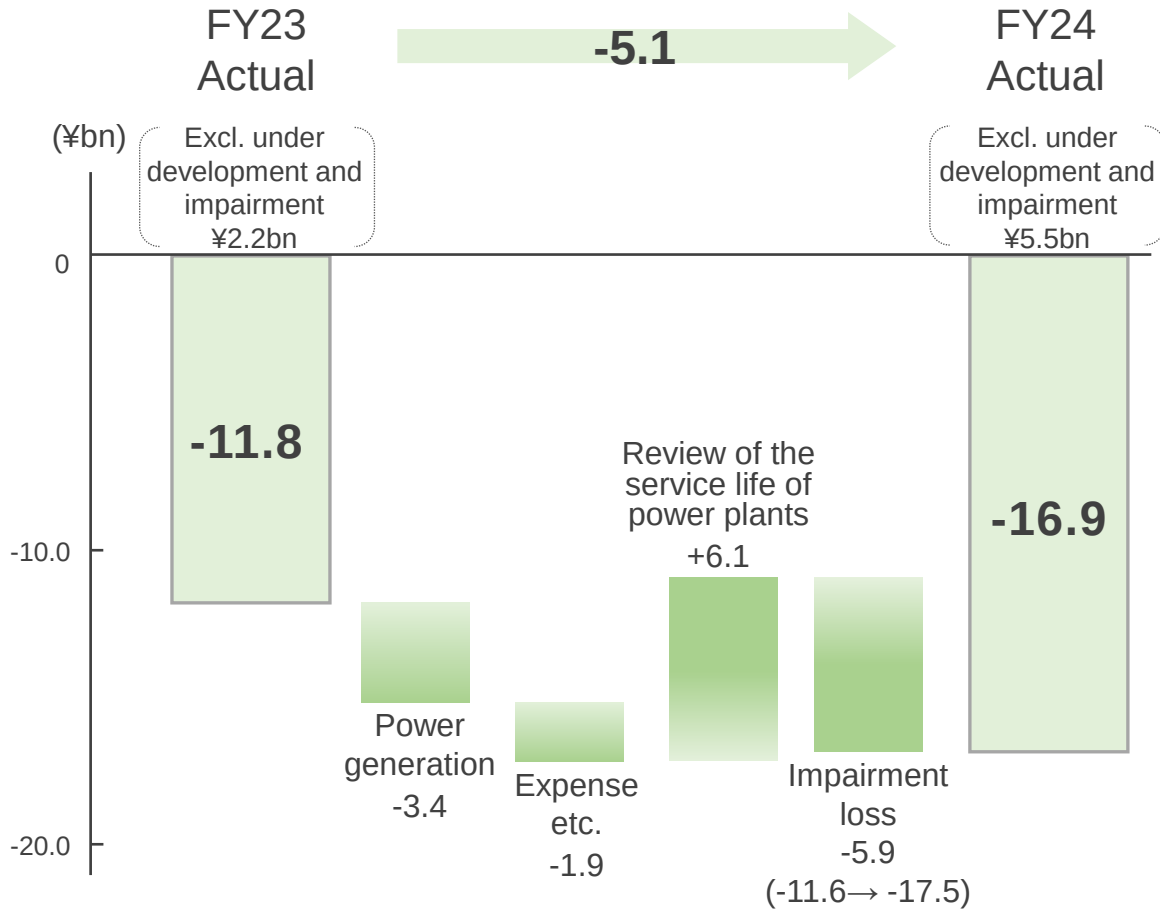
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Increased due to improved margins with the start of operation of Goi Thermal Power Plant, entering VPP supply-demand balancing market, reversals of impairment loss and impact of troubles from FY23, etc.



Operating Profit – Renewable Energy

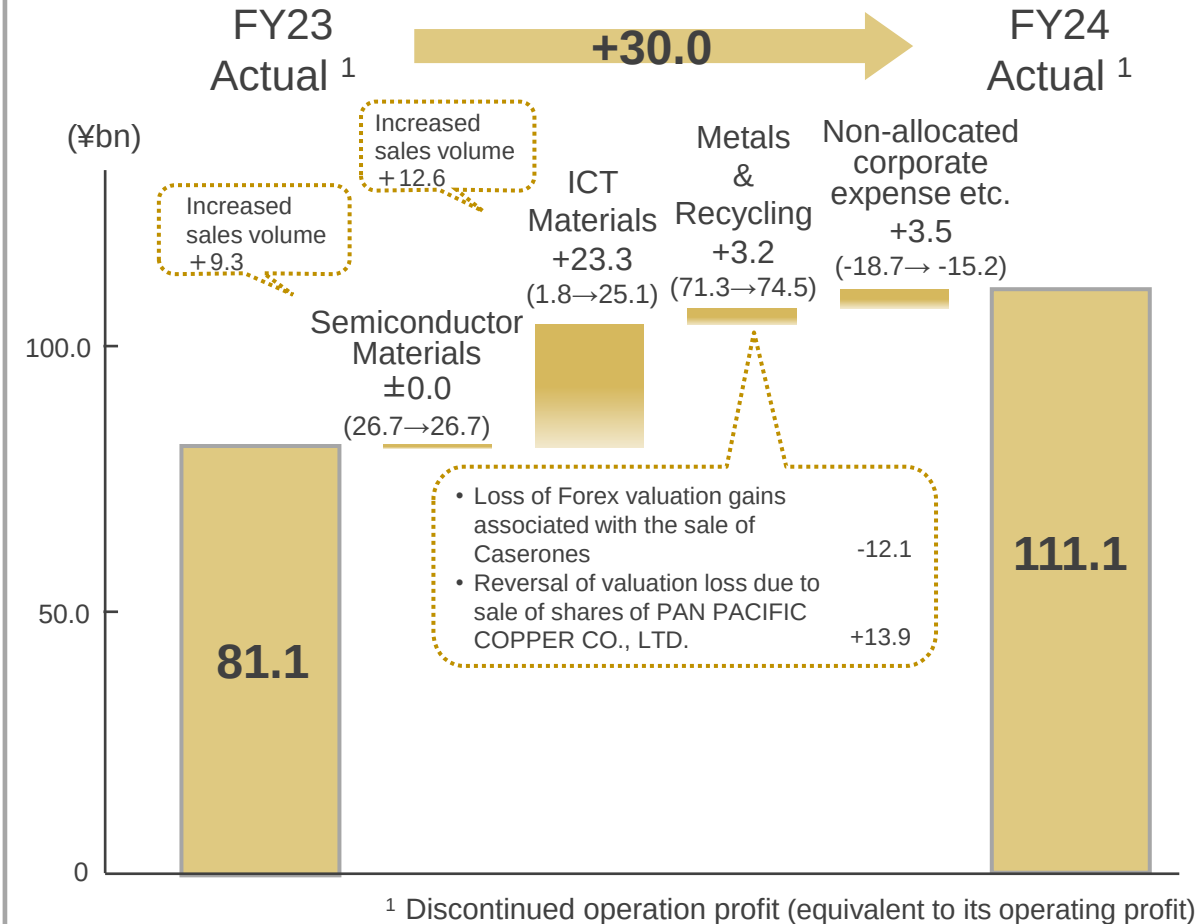
Decreased due to plant issues, decreased sunlight and impairment loss, despite the positive impacts of startups of power plants and a review of the service life of power plants.



Operating Profit – Metals

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Increased due to higher sales volumes in semiconductor materials and ICT materials, caused by customers' completion of inventory adjustment and demand growth.



Consolidated Balance Sheets and Cash Flows

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Consolidated Cash Flows

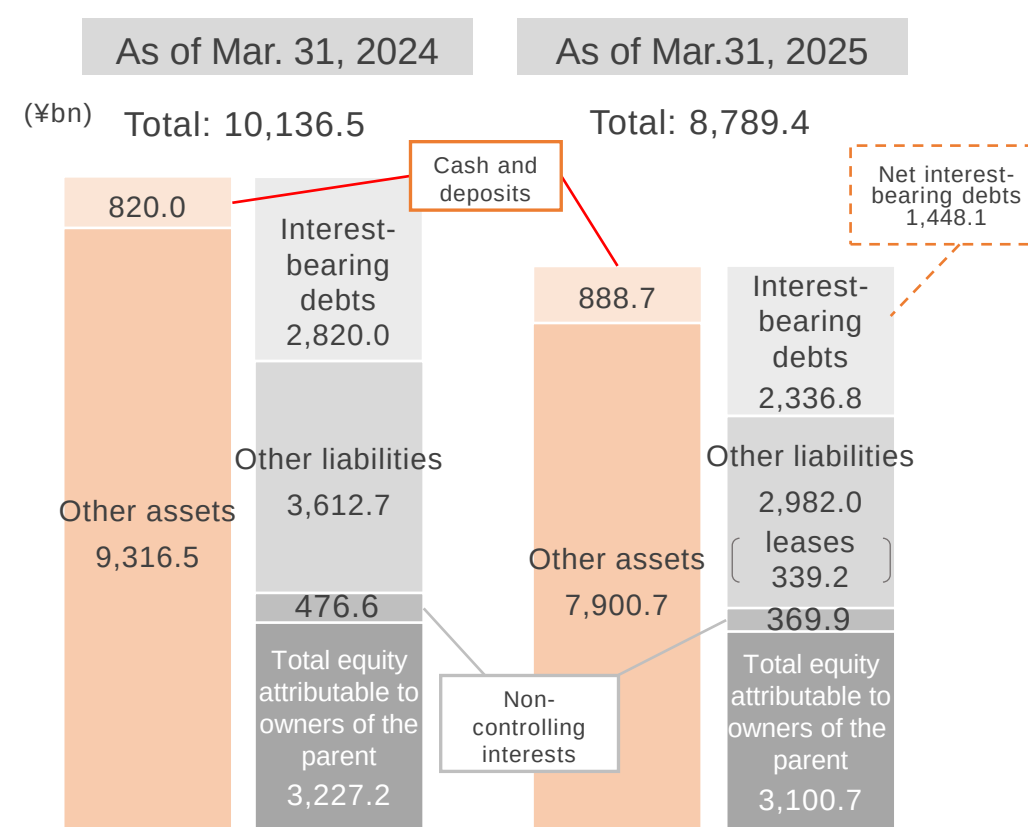
	FY24 Actual	
(¥bn)	Excl. IFRS 16 leases	Financial accounting basis
Operating profit (excl. inventory valuation)	429.3	429.3
Depreciation & amortization	283.3	364.9
Other (working capital & tax payment etc.)	-217.4	-217.4
Cash flows from operating activities Excl. holiday impact	495.2 588.4	576.8 670.0
Capital investment	-394.1	-394.1
Other ¹	524.9	524.9
Cash flows from investing activities	130.8	130.8
Free cash flows Excl. holiday impact	626.0 719.2	707.6 800.8
Dividends and other ²	-377.2	-458.8
Net cash flows	248.8	248.8

¹ Includes gain on sale of JX Advanced Metals of ¥440.0bn ³

² Includes share buybacks of ¥232.2bn

³ Reference value based on the offering price of 820 yen

Consolidated Balance Sheets



	As of March 31, 2024	As of March 31, 2025
Equity ratio attributable to owners of the parent	31.8%	35.3%
Net D/E ratio After adjusting for hybrid bonds	0.66 0.46 ⁴	0.48 0.34 ⁴

⁴ excl. lease liabilities, incl. non-controlling interests → details on p.22

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4 Forecast for FY2025

Overview of FY2025 Forecast

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			FY24 Actual	FY25 Forecast	Changes	
	Crude oil (Dubai)	(\$/B)	79	75	-4	-5%
	Exchange rate	(¥/\$)	153	140	-13	-8%
	Revenue	(¥bn)	12,322.5	11,700.0	-622.5	-5%
	Operating profit	(¥bn)	106.1	360.0	+253.9	+239%
	(Inventory valuation)	(¥bn)	-57.6	-50.0	+7.6	—
	Finance income	(¥bn)	-17.9	-15.0	+2.9	+16%
	Profit before tax	(¥bn)	88.2	345.0	+256.8	+291%
	Profit attributable to owners of the parent	(¥bn)	226.1	185.0	-41.1	-18%
	Operating profit incl. discontinued operations (excl. inventory valuation)					
	Operating profit Incl. discontinued operations	(¥bn)	429.3	410.0	-19.3	-4%
	Profit attributable to owners of the parent	(¥bn)	266.4	220.0	-46.4	-17%

Operating Profit by Segment

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	FY24 Actual	FY25 Forecast	Changes	
Operating profit incl. discontinued operations (excl. inventory valuation)	429.3	410.0	-19.3	-4%
Petroleum Products	-50.7	190.0	+240.7	—
Inventory valuation	-57.6	-50.0	+7.6	—
Excl. inventory valuation	6.9	240.0	+233.1	—
Oil and Natural Gas E&P	87.4	55.0	-32.4	-37%
High Performance Materials	17.7	13.0	-4.7	-27%
Electricity	21.0	23.0	+2.0	+10%
Renewable Energy	-16.9	1.0	+17.9	—
Other	313.2	78.0	-235.2	-75%
Gain on sale of JXAM shares	153.3 ¹	—	-153.3	-100%
Metals	111.1 ¹	25.0	-86.1	-77%
NIPPO, consolidation adjustment, etc.	48.8	53.0	+4.2	+9%

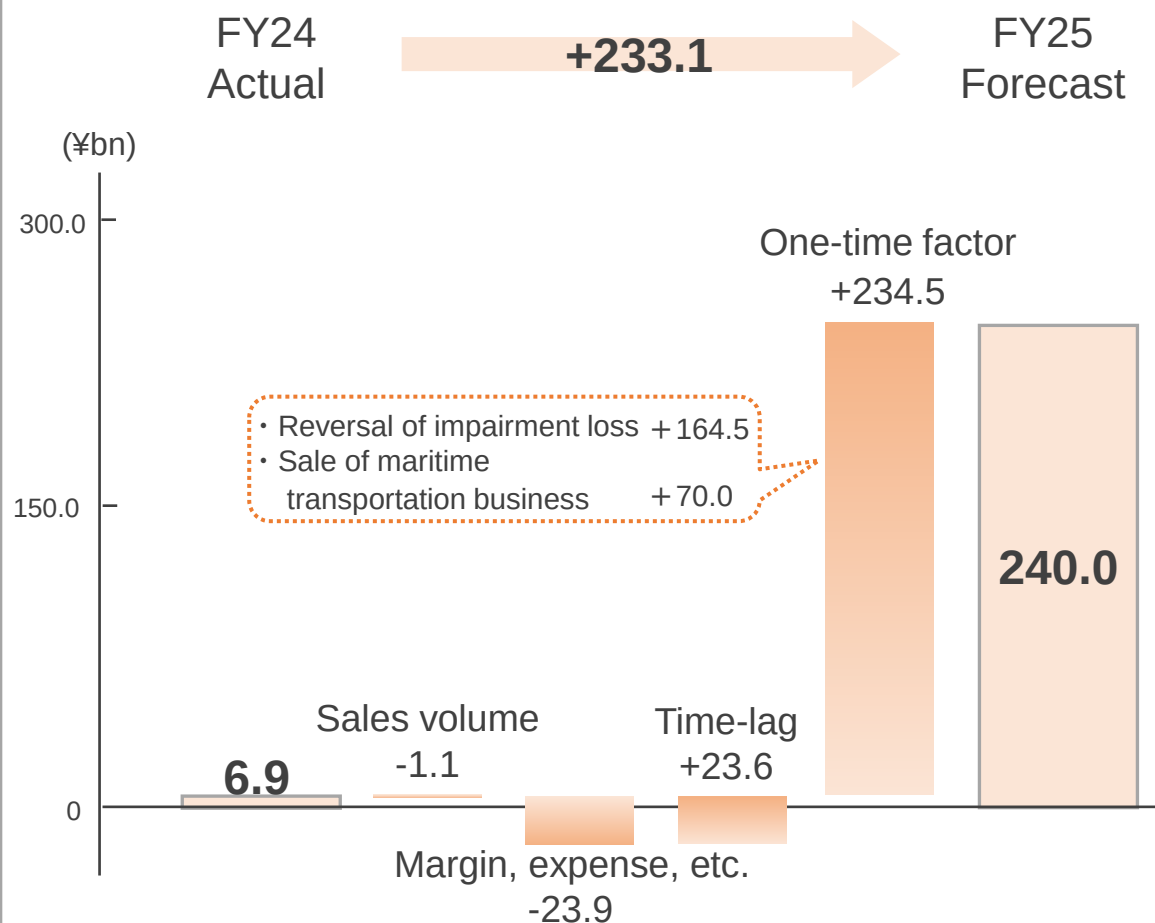
Note: Metals business is classified in Other segment from FY25 due to the separation

¹ Discontinued operation profit (equivalent to its operating profit)

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Operating Profit – Petroleum Products excl. inventory valuation

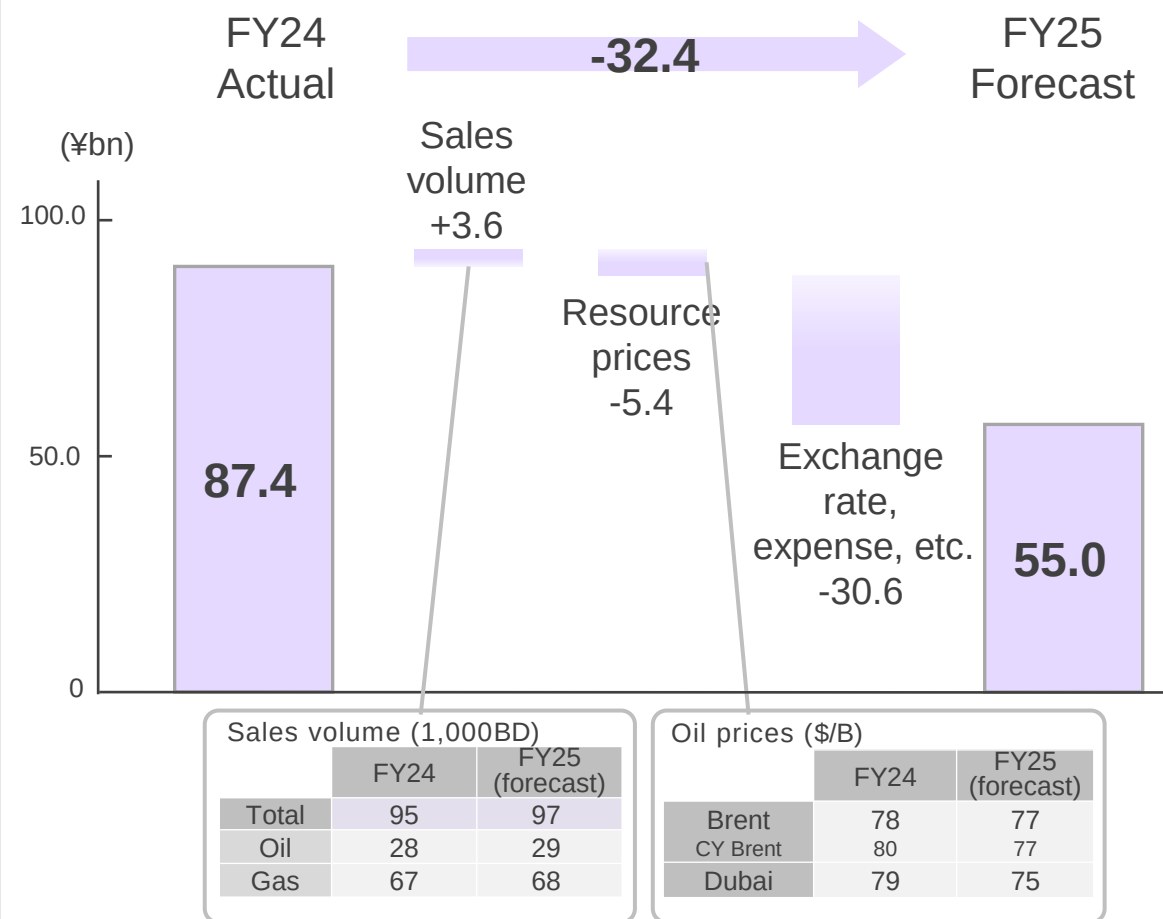
Expected to increase due to less negative time-lag, reversal of goodwill impairment, one-time profit from the sale of maritime transportation business, etc.



Operating Profit – Oil and Natural Gas E&P

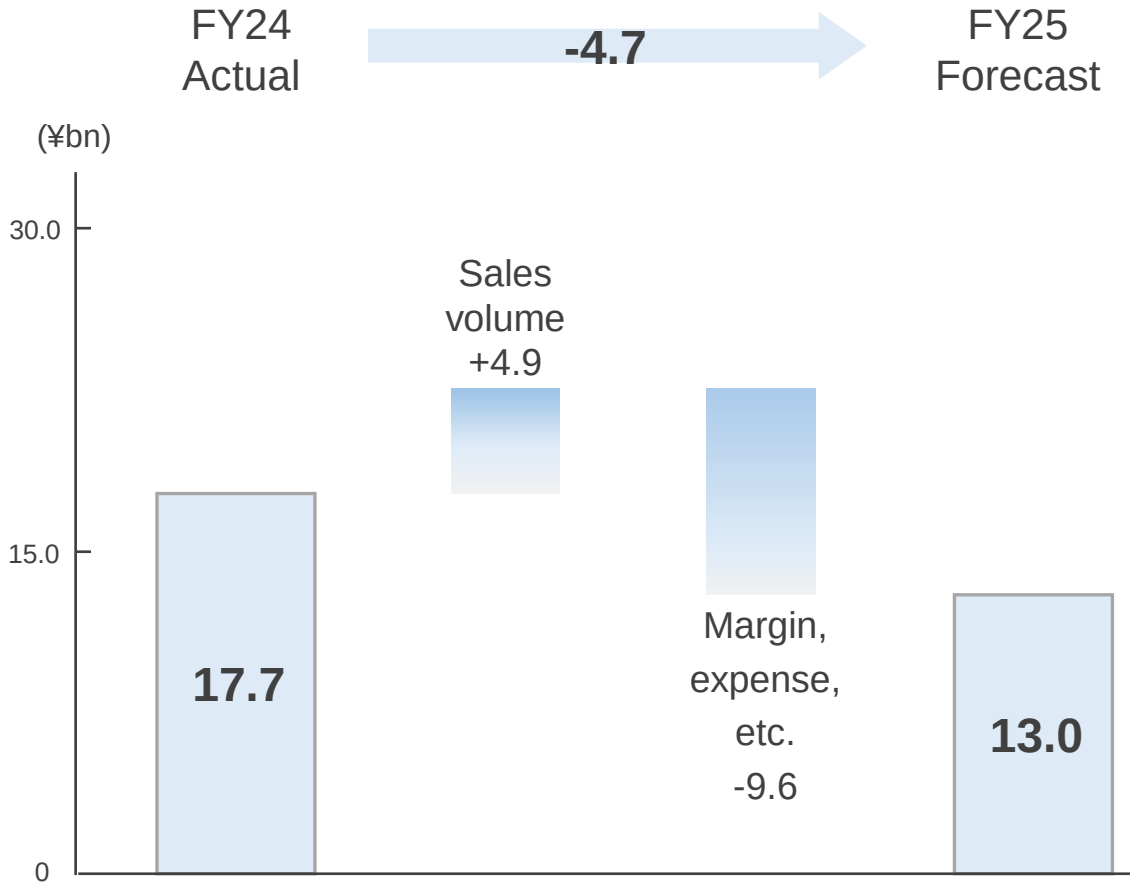
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Expected to decrease due to falling resource prices, strong yen and increased expense, despite higher sales volume.



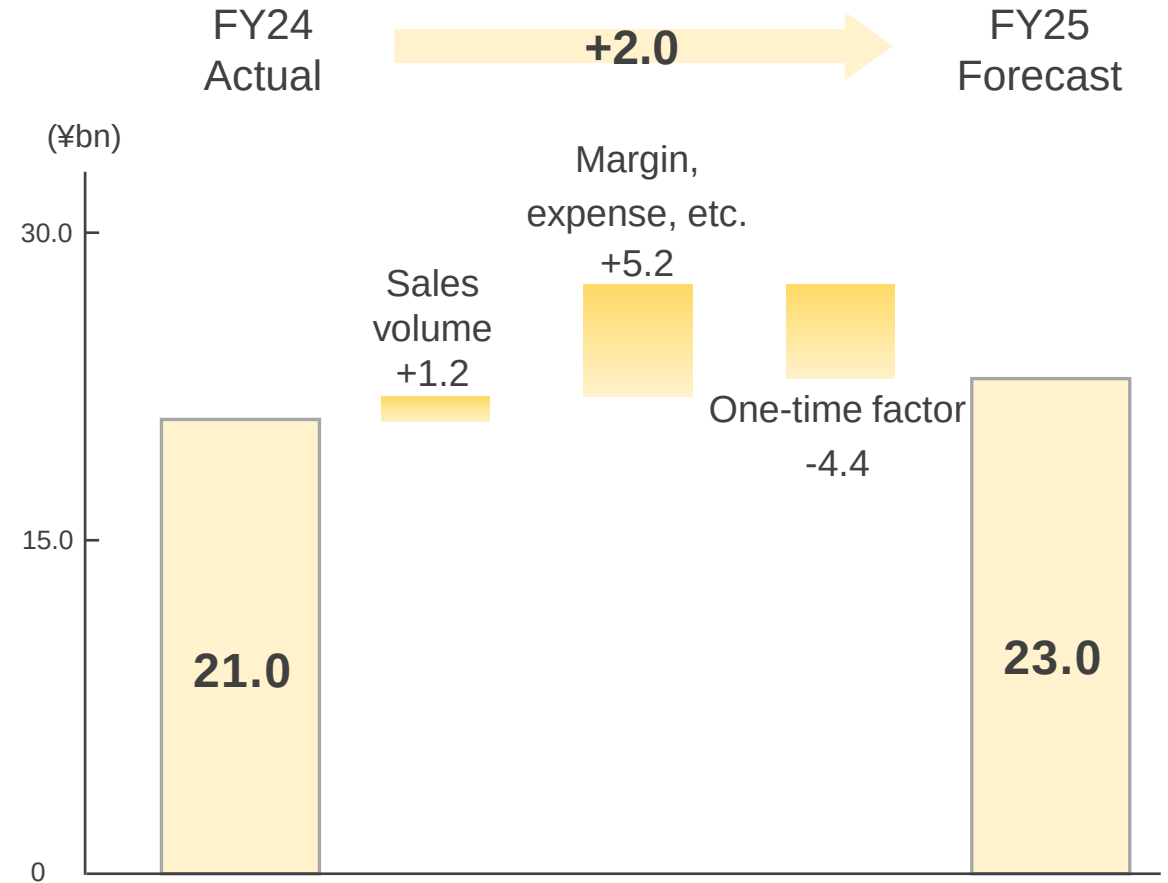
Operating Profit – High Performance Materials

Expected to decrease due to higher expense mainly caused by inflation, strong yen, falling butadiene price, etc., despite expected expansions centered on elastomers.



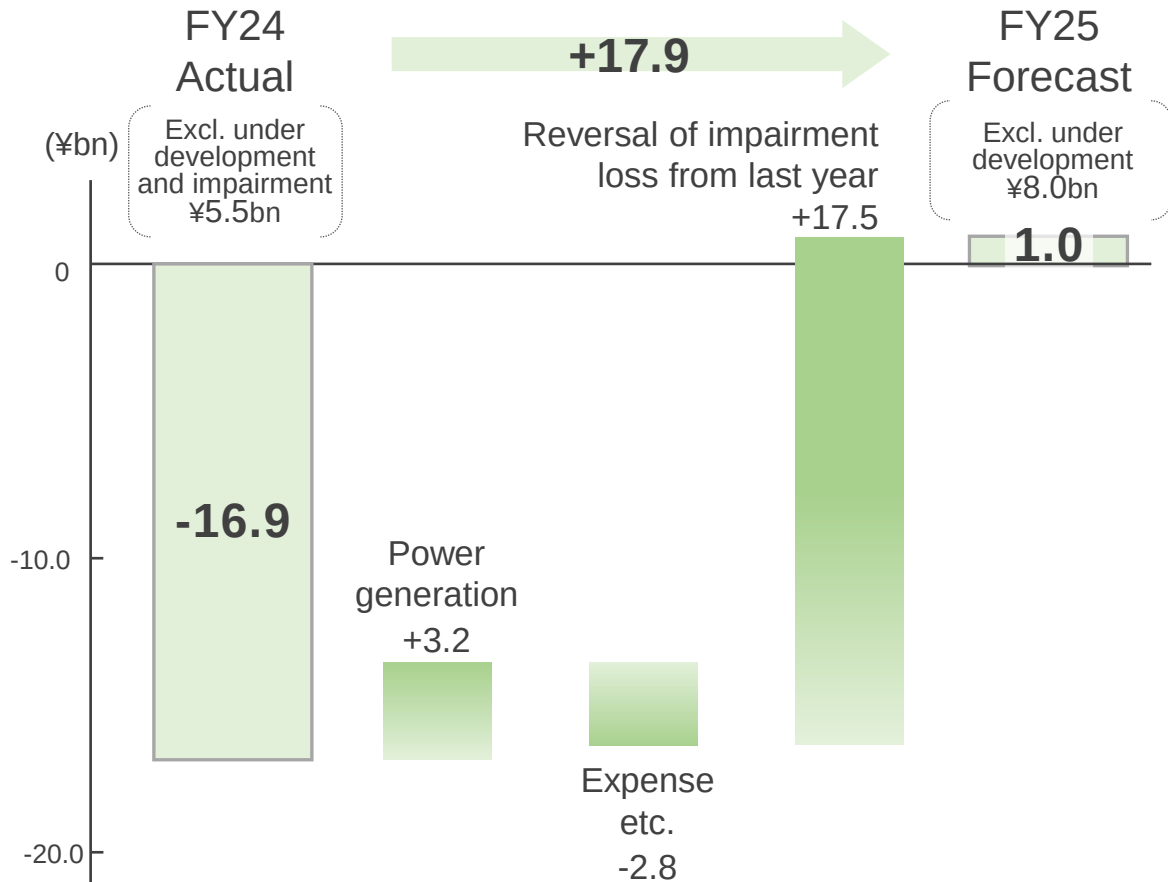
Operating Profit – Electricity

Expected to increase due to margin improvement with the operation of Goi Thermal Power Plant, despite the loss of one-time profit caused by business separation.



Operating Profit – Renewable Energy

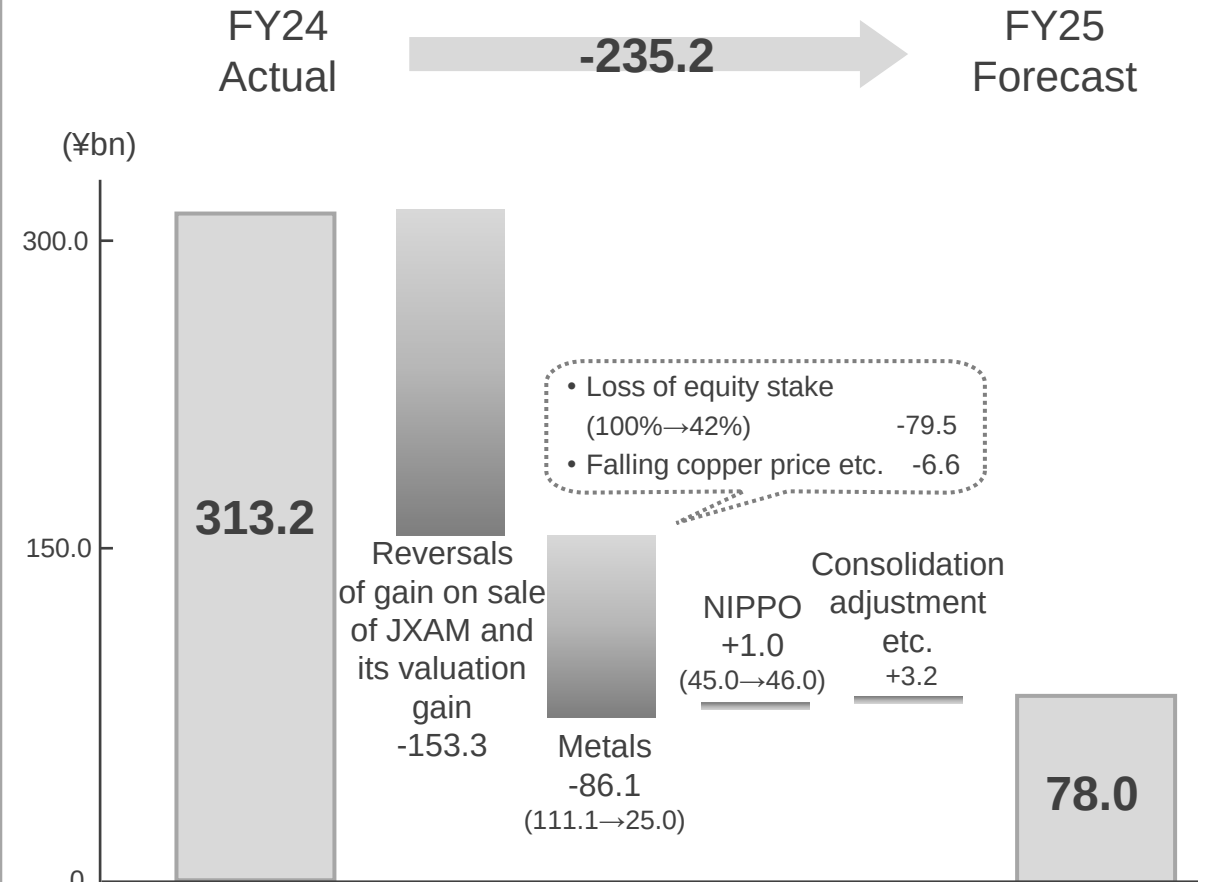
Expected to increase with new power plant operation launches, gains on utilizing storage batteries, reversals of FY24's negative impacts of decreased sunlight, plant troubles and impairment loss.



Operating Profit – Other

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Expected to remain mostly unchanged, excluding the impact of the sale of JX Advanced Metals shares.



Consolidated Balance Sheets and Cash Flows Forecast ¹

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Consolidated Cash Flows

	FY25 Forecast
	(¥bn)
Operating profit (excl. inventory valuation)	410.0
Depreciation & amortization	316.0
Excl. Lease depreciation	265.0
Other (working capital & tax payment etc.)	38.0
Cash flows from operating activities	764.0
Excl. holiday impact	669.0
Capital investment	-626.0
Other	87.0
Cash flows from investing activities	-539.0
Free cash flows	225.0
Excl. holiday impact	130.0
Dividends and other	-118.0
Net cash flows	107.0

Consolidated Balance Sheets

	As of Mar. 31, 2026
Net D/E ratio After adjusting for hybrid bonds	0.46

Change in calculation method of net D/E ratio:

- ✓ Based on disclosures of other companies etc., we will add lease liabilities to net interest-bearing debts and deduct non-controlling interests from equity since FY2025.
- ✓ Additionally, we adopted a method for consolidated cash flows in which depreciation & amortization includes lease depreciation.

¹ Excludes capital allocation through allocation management

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Progress of Initiatives Aimed at Enhancing Corporate Value

Progress of Initiatives Aimed at Enhancing Corporate Value

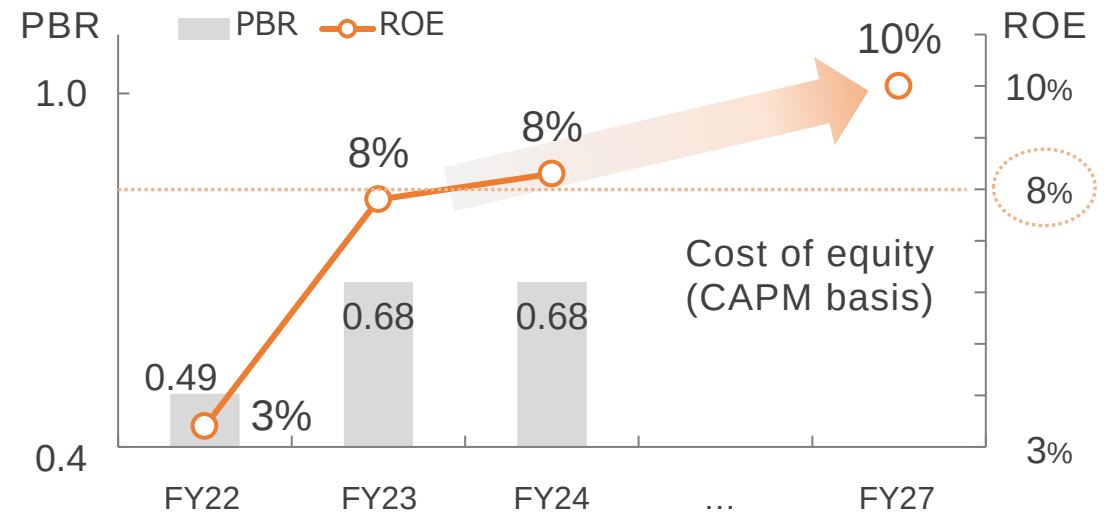
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- A variety of measures were taken for sustainable corporate value in FY2024, such as business portfolio restructuring through the listing of JX Advanced Metals, share buybacks to pursue optimal capital structure, enhancing profitability by reducing refinery troubles, etc.
- **ROE excl. inventory valuation improved** through those actions, but it has not reached the level of exceeding cost of equity continuously, as PBR remains lower than 1.0.

Measures in FY2024

- **Listing of JX Advanced Metals**
Manifested its value, resolved Conglomerate Discount
- **Share buybacks and cancellation**
Cumulative share buybacks of ¥250.0 bn in FY23-24 for further equity efficiency and maximization of mid/long-term corporate value
- **Reduction of refinery troubles**
Bringing inspections forward and enhancing construction quality
- UCL: 9%(FY22)→5%(FY24)
- **Start of operation at Goi Thermal Power Plant**
Reduced procurement cost with cutting-edge high-efficiency facilities
- **Business process re-engineering**
Gained cumulative total of ¥130.0bn in FY23-24

Historical PBR/ROE (excl. inventory valuation)



$$\text{PBR} = 1 + \frac{\text{Equity spread (ROE - Cost of equity)}}{\text{Cost of equity - Growth rate}}$$

Initiatives Aimed at Enhancing Corporate Value

- Aiming for PBR of 1.0 or higher, improve ROIC by implementing the measures of the Fourth Medium-Term Management Plan, such as profit maximization by streamlining existing businesses, portfolio restructuring through carefully selected investments, etc.

Our Approach for FY2025 Onwards

ROIC Improvement

- | | |
|--|---|
| <ul style="list-style-type: none"> ■ Thorough improvement of efficiency <ul style="list-style-type: none"> • Pursue earnings improvement opportunities through comprehensive visualization including Group companies • Considering AI utilization in every operation for significant improvements in operational efficiency ■ Maximization of refinery utilization rate <ul style="list-style-type: none"> • Achieve 90% excluding periodic repairs in FY2027 through appropriate investment in repair costs and measures to improve reliability ■ Restructuring of production/supply systems <ul style="list-style-type: none"> • Considering shutting down one Kawasaki ethylene unit • Decided to suspend lubricant production at Yokohama Plant and considering relocating to another site | <ul style="list-style-type: none"> ■ Partial transfer of maritime transportation business <ul style="list-style-type: none"> • In response to surge in vessel prices and enhanced environmental restrictions, determined the transfer to the best owner ■ Carefully selected investments to expand early earnings generation business (overseas fuel oil business) and low-carbon business (LNG/biofuels etc.) <ul style="list-style-type: none"> • Overseas fuel oil business: Expansion by acquiring overseas assets (Trading business, biofuels, etc.) • Jet fuel: Strengthen supply systems in response to increased inbound demand • LNG: Additional investments in southeast Asia and Oceania, where we have years of expertise • SAF: Establish in-house production system of 400ML/year from FY28 onwards |
|--|---|

Alignment of Remunerations for Directors with Corporate Value Enhancement

- Adopt TSR as an indicator for share-based remuneration calculation¹, emphasizing mid/long-term profitability and sharing value with shareholders

Enhancement of Shareholder Returns (Dividend Increase)

- **Determined a dividend per share of ¥30** to show our ambition to realize the Fourth Medium-Term Management Plan and **progressively increase dividends based on financial results** starting from ¥30/share

Summary of Our Countermeasures after the Incidents of Former Presidents

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- Sincerely addressing the issues identified through the incidents and implementing countermeasures to prevent recurrence

①Enhancing Director selection process

- Enhanced human resource due diligence when selecting Directors (focused on risks pertaining to violation of norms, harassment and alcohol)

②Enhancing normative awareness of Officers

- Declared commitment to compliance (CEOs, etc. of HD and main Group companies)
- Held on-site compliance training 4 times in 1 year, with outside experts etc. as lecturers
- Variety of e-learning about compliance overall and important legislations, with 100% participation rate

③Behavioral management of Directors

- Formulated and implemented rules for Directors attending social gatherings

④Strengthening monitoring of Directors

- Implemented upward feedback for Directors
receiving objective insights from employees about their behavior and the current state of management

6 Reference

			FY23 Actual	FY24 Actual	FY25 Forecast
All segments	Exchange rate	(¥ / \$)	145	153	140
Petroleum Products	Crude oil (Dubai)	(\$ / B)	82	79	75
	Sales volume of Petroleum Products ¹	(10,000 KL)	4,529	4,435	4,390
Oil and Natural Gas E&P	Sales volume (crude oil equivalent)	(1,000 B / day)	88	95	97
	Crude oil (Brent)	(\$ / B)	82	78	77
High Performance Materials	Elastomers sales volume index ²	(%)	101	101	109
Electricity	Japan Electric Power Exchange	(¥ / kWh)	10.7	12.3	—

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

² Index calculated relative to the sales volume in FY2022, which is set as the base year (100%).

Sensitivity Analysis

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■ Impact of index change on operating profit in FY25 (from Apr. 2025)

		(¥bn)	
Index	Change	Segment	Impact
Crude Oil (Dubai)	5 \$/B Increase	Petroleum Products	(+) 10.0
		Excl. time-lag	(-) 5.0
		Oil and Natural Gas E&P	(+) 9.0
		Subtotal	(+) 19.0
		Excl. time-lag	(+) 4.0
		Inventory valuation	(+) 50.0
		Total	(+) 69.0
		Excl. time-lag	(+) 54.0
Exchange Rate	5 ¥/\$ Weaker yen	Petroleum Products	(+) 10.5
		Excl. time-lag	(+) 3.0
		Oil and Natural Gas E&P	(+) 4.0
		High Performance Materials	(+) 0.5
		Subtotal	(+) 15.0
		Excl. time-lag	(+) 7.5
		Inventory valuation	(+) 25.0
		Total	(+) 40.0
		Excl. time-lag	(+) 32.5

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.