



# Medium-term Management Plan (FY2026–2030)

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12 May 2026

Idemitsu Kosan Co.,Ltd.

Securities code: 5019

# Truly inspired

How often do we consider the countries and communities we touch,  
and how much empathy do we have for the people living there?

Are we contemplating what's best for them and then doing our utmost to act in their interests?

Each day, we must reflect on our actions;

we must strive to do better not only for ourselves, but also for others.

When we come together and our efforts are united, we make the impossible possible.

With integrity, solidarity, and determination, we will overcome any challenge we face.

The Origin of Management

人間尊重

# Mid-term Management Plan (FY2026–2030) Summary

- By strengthening “Growth Power” through the combination of business, human capital, and our business platform, we aim to stably achieve a PBR above 1x and sustainably enhance corporate value

## Strategy overview

<b>Business strategy</b>	<b>GRIT</b>	Exploiting existing businesses
	<b>GROWTH</b>	Creating growth businesses
	<b>CNX</b>	Staging up low-carbon / decarbonization businesses
<b>Human capital strategy</b>	<b>Empower all employees to be the main drivers of transformation</b>	Strengthen on-site capabilities
	<b>More co-creation / innovation</b>	Promote co-creation Enhance ability to create new value
<b>Business platform</b>	Strengthen the business foundation and promote value creation, centered on enhancing management processes through DX / AX*1	

**FY2026–2030 cumulative investment amount ¥1,800 bn**

## Financial targets\*2

**ROE**      **FY2027–2028: 12%**  
**FY2030: ≥13%**

**ROIC**      **FY2030: ≥7%**

**Profit before tax\*3**      **FY2030: ¥360 bn**

**Total payout ratio**      **FY2026–2030: ≥50%**  
(Introduction of progressive dividends)

\*1 AI Transformation \*2 IFRS standards \*3 Excluding financial expenses

Review of Previous Mid-term Plan (FY2023–2025)

Business Environment for New Mid-term Plan (FY2026–2030)

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# Review of the Previous Mid-term Management Plan —Overall—

## Results of key initiatives

### 1. Investments in business structure reforms

- Review of the previous Mid-term Management Plan**  
 Due to higher profits from petroleum and functional materials, we achieved operating + equity income and ROE targets. However, temporary factors such as crude oil price fluctuations also contributed significantly
- Key challenges in the new Mid-term Management Plan**  
 Build a stable earnings base and further improve capital efficiency

### 2. Human capital investments

- Review of the previous Mid-term Management Plan**  
 We set three key themes for our human capital strategy: “Embody management philosophy / vision,” “Deepen DE&I,” and “Bring out the full potential of each individual,” and implemented various measures, including establishing the New Action Guideline
- Key challenges in the new Mid-term Management Plan**  
 Rebuild the human capital strategy linked to business strategy, and further embed and practice the New Action Guideline to drive transformation

### 3. Evolution of the business platform

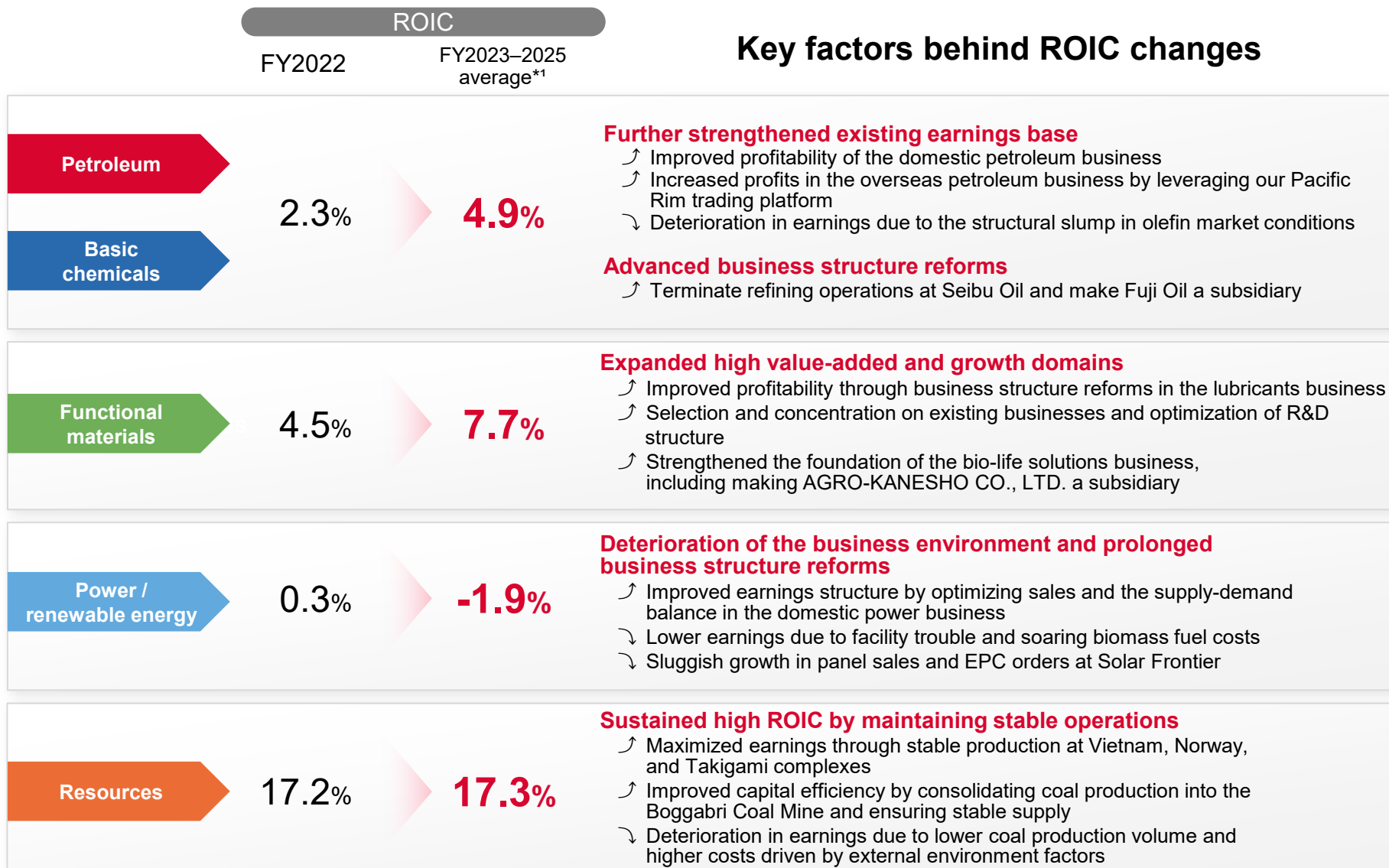
- Review of the previous Mid-term Management Plan**  
 We worked on developing DX talent, optimizing and streamlining operations through AI, and enhancing the use of MI + AI in R&D, contributing to company-wide productivity improvements and value creation
- Key challenges in the new Mid-term Management Plan**  
 Promote data-driven management and business process re-engineering through AI, maximize use of the newly established Innovation Center, enhance governance / ERM, and other measures

Indicator*1	FY2025	
	Target	Actual
Operating + equity income (FY2023–2025 cumulative)	¥230 bn (¥600 bn)	¥244 bn (¥769 bn)
ROE	10%	10.6%
ROIC	7%	6.5%
Fossil fuel business profit contribution	≤70%	98%
GHG reduction	-46%	-21%
CO <sub>2</sub> reduction*2 CI*3	-10% (FY2030)	-0.6% (FY2024)
Idemitsu Engagement Index (EI)	≥75%	70%
DE&I	Female recruiting ratio Female ratio in key positions** Male ratio taking childcare leave	46% 7% 98%
Investments in education per employee	≥¥100,000	¥69,000

\*1 Excluding inventory impact \*2 Scope 1+2 \*3 Carbon Intensity, Scope 1+2+3

\*\* Including promotions effective July 1, 2026

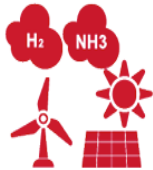
# Review of the Previous Mid-term Management Plan —ROIC by Segment—



# Review of the Previous Mid-term Management Plan —Business Portfolio Transition—

- Promoted social implementation of "3 business domains" toward a carbon neutral (CN) and circular society by 2050

## Energy one step ahead



### Step-by-step social implementation through cross-company collaboration and policy support

- **Blue ammonia** Worked jointly with Mitsubishi Corporation to consider participation in ExxonMobil's blue ammonia production project. Considering transforming the Tokuyama Complex into an ammonia base and building a supply system to companies in the Shunan Complex
- **e-methanol** Promoted initiatives to procure from overseas, including joint investment with JOGMEC in HIF Global. Considering building a hydrogen supply chain and manufacturing synthetic fuels, etc., in Tomakomai
- **SAF** Considering construction of manufacturing equipment at Chiba / Tokuyama complexes. Worked to build a global supply chain, including investment in Jet Zero Australia and demonstration cultivation of the oil crop pongamia, etc.
- **Biofuel** Launched "Idemitsu Renewable Diesel" and "Idemitsu Biodiesel 5"
- **Carbon offset fuel** Launched "Idemitsu Carbon Offset Fuel (ICOF)"
- **Black pellets** Commenced commercial production of "Idemitsu Green Energy Pellets" in Vietnam

## Diverse resource conservation / circulation solutions



### Advancing commercialization and expansion by maximizing use of our assets

- **Solid electrolytes for next-generation batteries** Accelerated the development of materials and manufacturing processes toward commercialization through collaboration with Toyota Motor Corporation, etc. Decided to build large pilot facilities, and pursue business opportunities in related fields, including CVC investment in a Dutch lithium battery solutions company
- **Chemical recycling of used plastics into oil** Completed construction of the Pyrolysis facility in area adjacent to the Chiba Complex in January 2026

## Smart Yorozuya

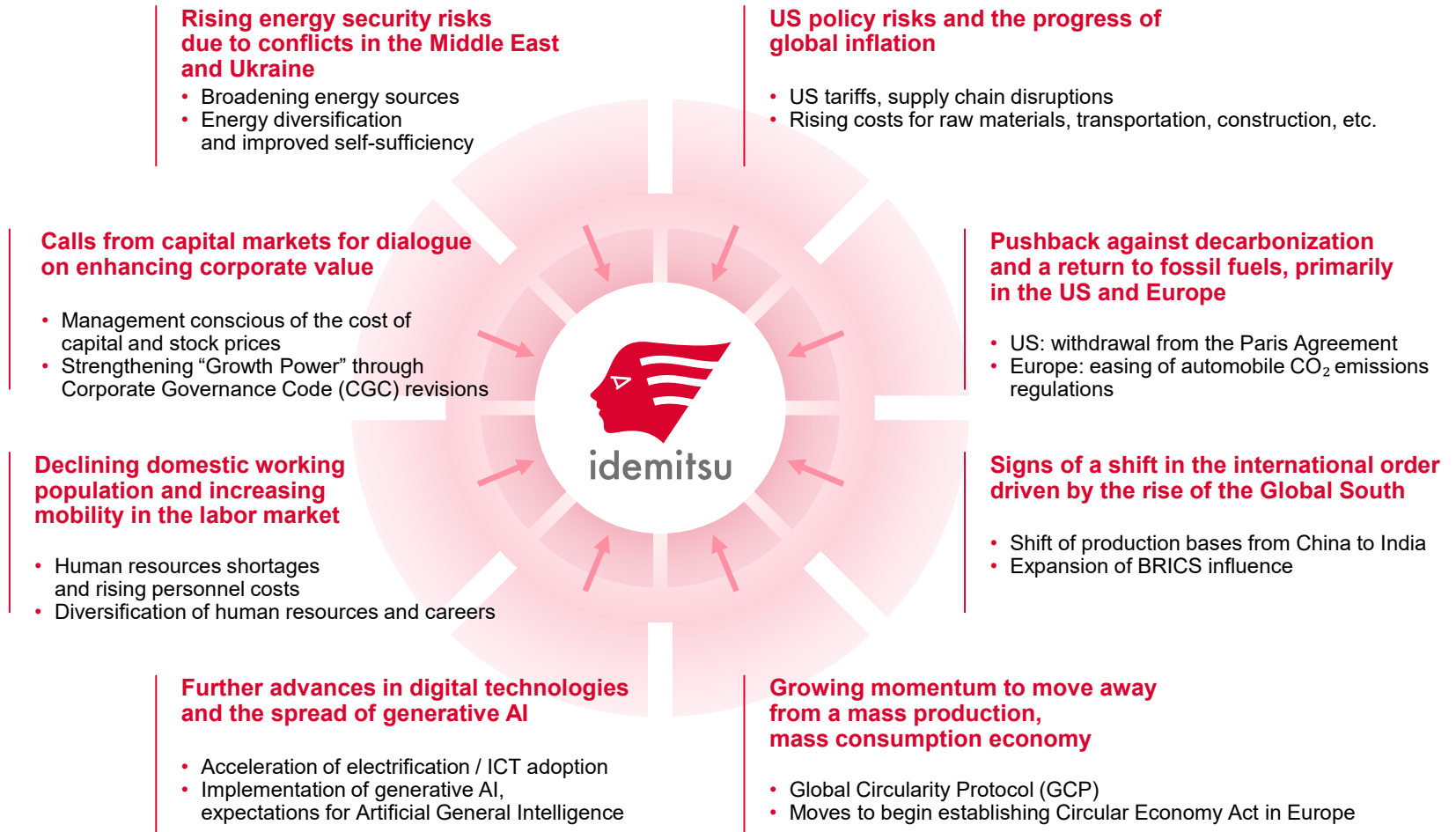


### Steadily expand and implement solutions, and contribute to enhancing the added value of service stations

- **Drive On app** Strengthened customer touchpoints through official application (over 13 million downloads)
- **One-stop shop for mobility** Rolled out 24 mobility service specialty stores, "apolloONE," nationwide, including coating and vehicle sales. Strengthen further initiatives, including a strategic business alliance with KeePer Technical Laboratory Co., Ltd.
- **apollostation Type Green** Rolled out 27 environmentally-friendly SS using locally-sourced wood nationwide

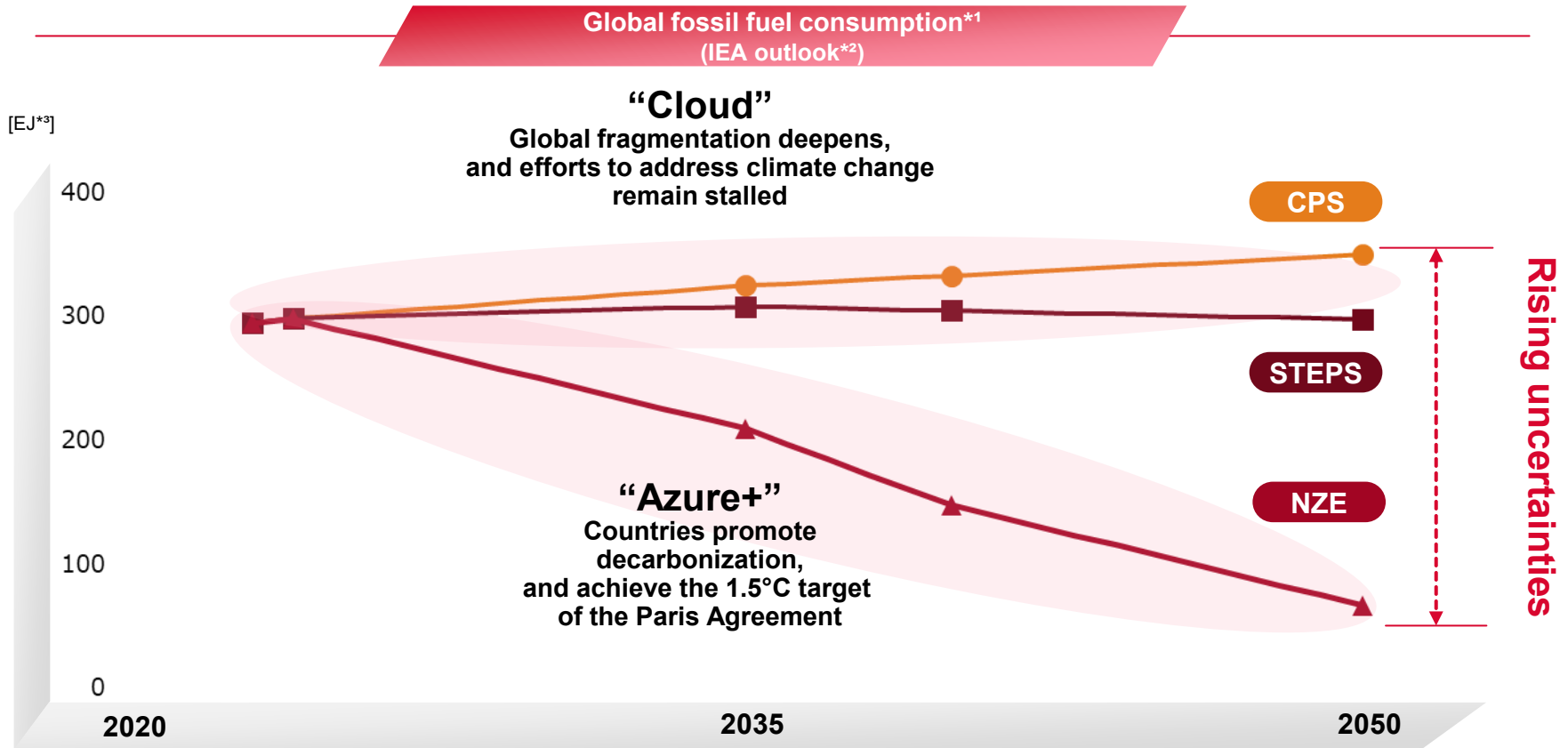
# Business Environment —Macroeconomic Environment—

- The operating environment surrounding our business is transforming markedly amid shifts in politics, the economy, and the environment



# Business Environment —Fossil Fuel Demand—

- Fossil fuel demand is heavily influenced by national policies and technological advances, making the long-term outlook highly uncertain



\*1 Prepared by Idemitsu based on IEA, “World Energy Outlook 2025” (fossil fuel consumption is the total consumption of oil, gas, and coal)

\*2 CPS = Current Policies Scenario (a scenario that assumes only policies already enacted as laws will continue)

STEPS = Stated Policies Scenario (a scenario that considers, in addition to policies already enacted, specific plans and targets officially announced by governments)

NZE = Net Zero Emissions by 2050 Scenario (a scenario in which net zero emissions are achieved globally by 2050)

\*3 EJ = exajoules (10<sup>18</sup> power joules)

# Mid-term Management Plan (FY2026–2030)

## Summary

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## In Formulating the Mid-term Management Plan (FY2026–2030)

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Amid rising uncertainties in the business environment, under the new Mid-term Management Plan, we will **rebalance our business strategy** and **enhance “Growth Power”** through a more pragmatic approach to achieve mid- to long-term growth.

- We will strengthen the foundation of our existing businesses, such as petroleum products, whose social importance is being reaffirmed, and persistently work to improve profitability and capital efficiency.
- In domains expected to grow over the mid- to long-term, we will expand the creation of new businesses by leveraging our strengths, including our technological capabilities and networks in Japan and overseas.
- To achieve CN by 2050 and contribute to mid- to long-term energy security, we will stage up low-carbon and decarbonization businesses while carefully assessing timeframes.

We will drive these initiatives **across our five business segments** and through **co-creation with partners**, to **enhance corporate value** and contribute to **resolution of social challenges**.

# Mid-term Management Plan (FY2026–2030) Outline

**2030 vision**  
**Your Reliable Partner**  
**for a Brighter Future**

<b>FY2030 financial targets*1</b>	ROE	FY2027–2028 <b>12%</b>	FY2030 <b>≥13%</b>	Profit before tax*2	<b>¥360 bn</b>	
<b>KPI</b>	ROIC	Cumulative investment amount	Total payout ratio (period average)	Transformation leaders (advanced practitioner of Action Guideline)	Idemitsu EI	vs. 2013 CO <sub>2</sub> reduction
	<b>≥7%</b>	<b>¥1,800 bn</b>	<b>≥50%</b>	<b>2,000</b>	<b>80%</b>	<b>-30–46%</b>

## Business strategy

### GRIT

Exploiting existing businesses

### GROWTH

Creating growth businesses

### CNX

Staging up low-carbon / decarbonization businesses

Co-creation with partners

## Human capital strategy

Strengthen on-site capabilities

Promote co-creation

Enhance ability to create new value

Empower all employees to be the main drivers of transformation

More co-creation / innovation (Deepen DE&I)

## Business platform

Build the resilient business platform that accelerates business × human capital strategies

DX / AX\*3

R&D / CVC\*3

Intellectual property

Governance / ERM

Safety / environment / quality

Finance

# Business Strategy Policy

- Achieve sustainable growth through the three themes (GRIT, GROWTH, and CNX) and contribute to the resolution of social challenges

## Business strategy for enhancing corporate value

### Social challenges

**Ensuring energy security**  
Pursuing an optimal balance of S+3E\*<sup>1</sup>

**Balancing the low-carbon / decarbonization of energy and economic development (GX)**

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**Rising demand for energy and materials in overseas growth markets, and increasingly complex supply chains**

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**Diversifying energy and materials needs driven by electrification / ICT**



\*<sup>1</sup> Japan's basic energy policy principle, which aims to achieve energy security, economic efficiency, and environmental sustainability, while ensuring safety as an absolute prerequisite

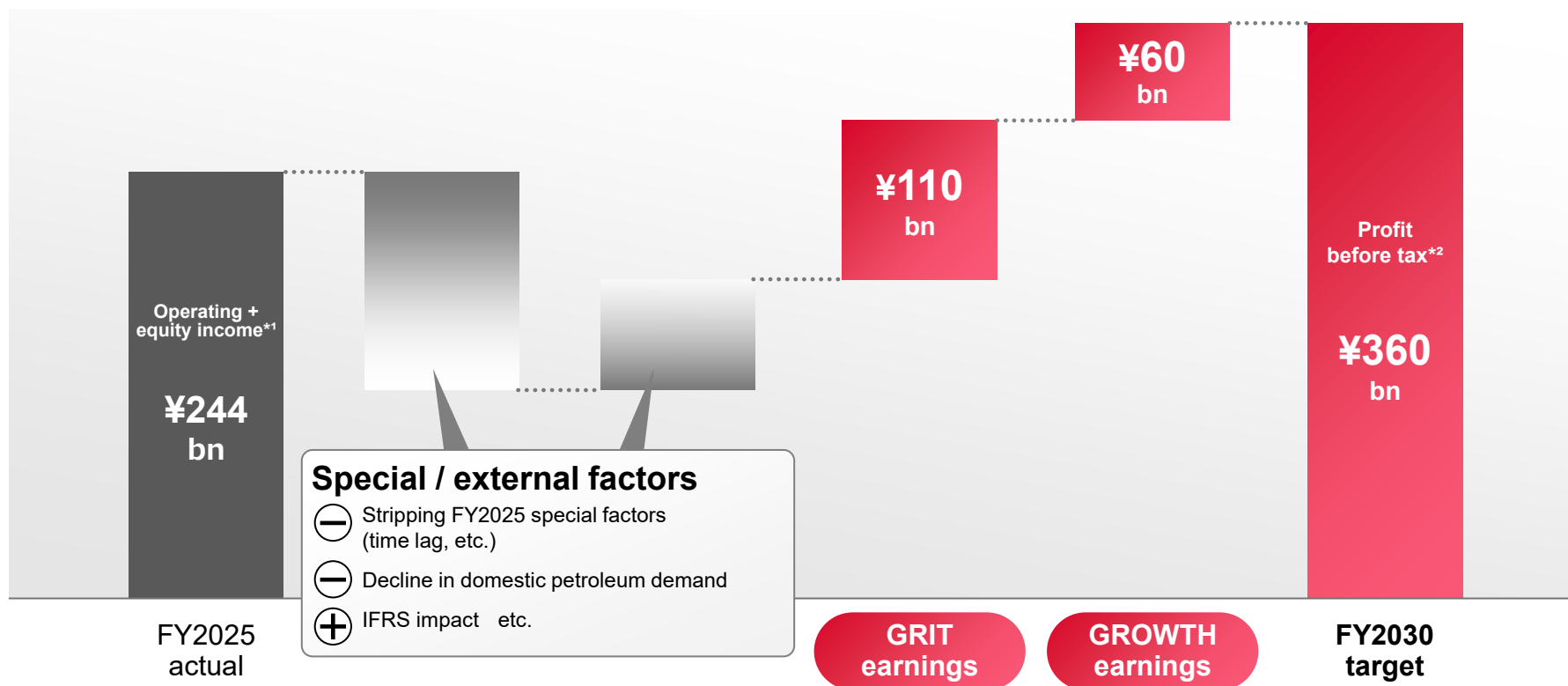
\*<sup>2</sup> The power of perseverance garnered through Guts, Resilience, Initiative, and Tenacity

\*<sup>3</sup> Carbon Neutral Transformation

# Financial Targets (Profit Bridge)

- Through FY2030, expand earnings mainly through GRIT and target ROE of 13% and ROIC of 7% or higher

<b>Japan GAAP</b>			<b>IFRS</b>
<b>10.6%</b>	—————	<b>ROE</b>	<b>≥13%</b>
<b>6.5%</b>	—————	<b>ROIC</b>	<b>≥7%</b>



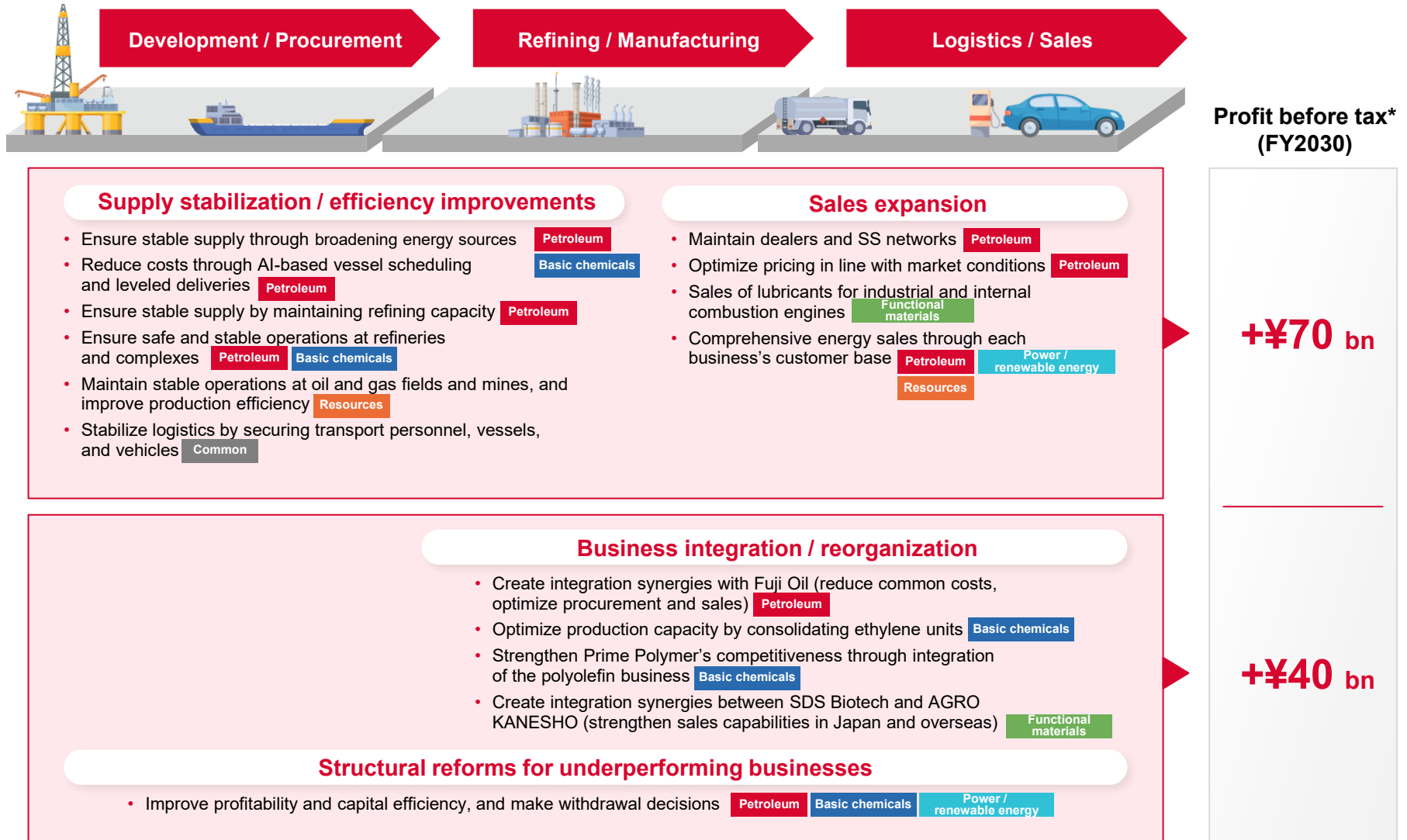
# Mid-term Management Plan (FY2026–2030)

## Overview and Details

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# GRIT: Exploiting Existing Businesses

- Persistently strengthen the value chain of existing businesses to achieve both “stable supply” and “high capital efficiency”



# Safe and Stable Operations at Refineries, Complexes, and Refining Companies

- Aim to stably achieve utilization rates\* of 90% or higher through measures that accelerate and advance existing initiatives

## Ongoing initiatives

### Safety management

Strengthen on-site implementation of process safety management

### Operations management

Enhance / advance human capital development by strengthening education and training

### Facility management

Improve reliability by reviewing damage factors and critical facilities

By FY2030

Target

90% or higher

## Acceleration and advancement measures



### Promote the use of digital technology

Advance / improve efficiency of operations through in-house developed maintenance work support system and AI agents



### Investments to improve utilization rates

Invest to prevent troubles and minimize opportunity losses in the event of an outage, and strengthen partnerships with partner companies to ensure reliable maintenance execution



### Strengthen on-site capabilities

Establish staffing structures to enhance risk awareness and expand development opportunities, and create an environment that promotes skills transfer



### Vertical / horizontal collaboration between the Head office and on-site

Drive the rollout of best practices on-site through the Head office team

FY2023–2025

3-year average utilization rates\*

86%

\* Utilization rates excluding scheduled turnarounds (BSD basis)

## Maintain Dealers and SS Networks

- By enhancing apollostation's brand value, and expanding customer touchpoints, we will evolve into a one-of-a-kind SS that continues to be supported by local communities, while maintaining a network of approx. 1,100 dealers and 6,000 SS nationwide



### Further strengthen the apollostation brand

- Deploy a new VI\* and new brand system to strengthen the connection between Idemitsu and apollostation and increase brand awareness
- Strengthen user communication by leveraging apollostation's new character "Apochan"

### Further enhance customer touchpoints

- By further expanding services on Idemitsu's official Drive On app, provide one-stop support for customers' smart mobility lives
- Leverage the strengths of approximately 6,000 SS nationwide to provide high-quality mobility services needed in each community

### Support structure

On-site support structure provided by **eight branches nationwide and functional group companies + a mobility service expert team**

# Structural Reforms for Underperforming Businesses

- Promote structural reforms for businesses facing challenges, and make decisions on business restructuring based on earnings / financial conditions

## Overview and direction of key businesses facing challenges

### Nghi Son Refinery (NSRP)



- The government and sponsors have worked closely together, achieving positive operating income for five consecutive years (excluding inventory impact)
- With stable high-capacity operations continuing, no losses are expected to be recorded in the consolidated financial statements during the Mid-term Management Plan period
- Advance measures to improve earnings, including diversifying crude oil procurement sources, aiming for an early return to positive net income and sustained profitability from FY2030 onward

### Basic chemicals



- While promoting initiatives to optimize production capacity, including consolidation of ethylene plants, near-term earnings improvement has been delayed due to worsening market conditions
- Continue optimizing cracker capacity to stabilize earnings in the olefin business
- Pursue higher added value by strengthening competitiveness in derivative products and building a resource circulation chain

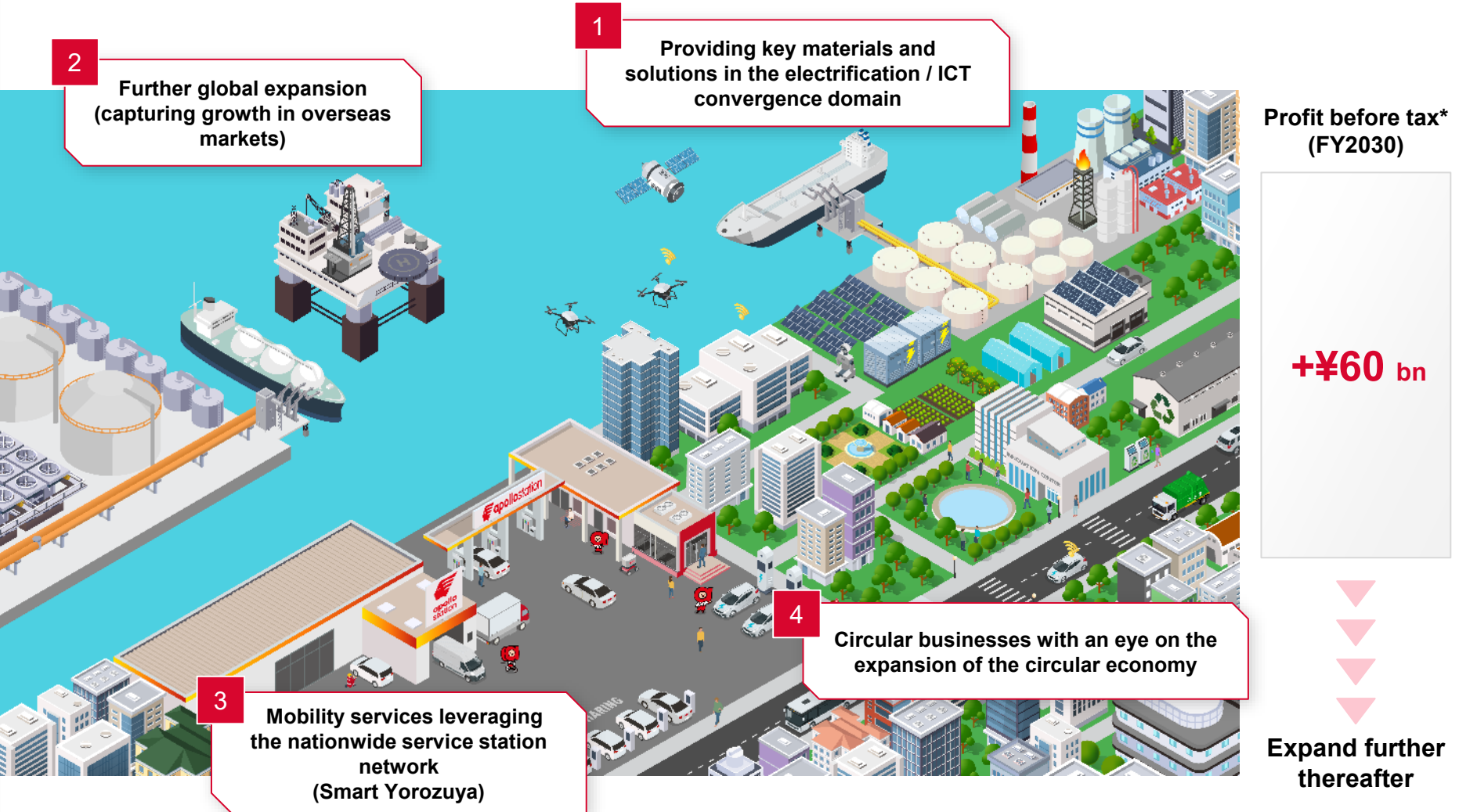
### Power / renewable energy



- While a certain level of earnings improvement initiatives has been achieved mainly in domestic businesses, the structural reforms are becoming prolonged
- Expand domestic earnings through stable operation of power plants and increased sales, leveraging our networks
- At Solar Frontier, plan an early return to profitability by advancing cost structure reforms, including workforce optimization, and shifting resources to the high-profitability / high-growth EPC business
- For overseas businesses, advance selection and concentration strategies so as to improve earnings and reduce invested capital

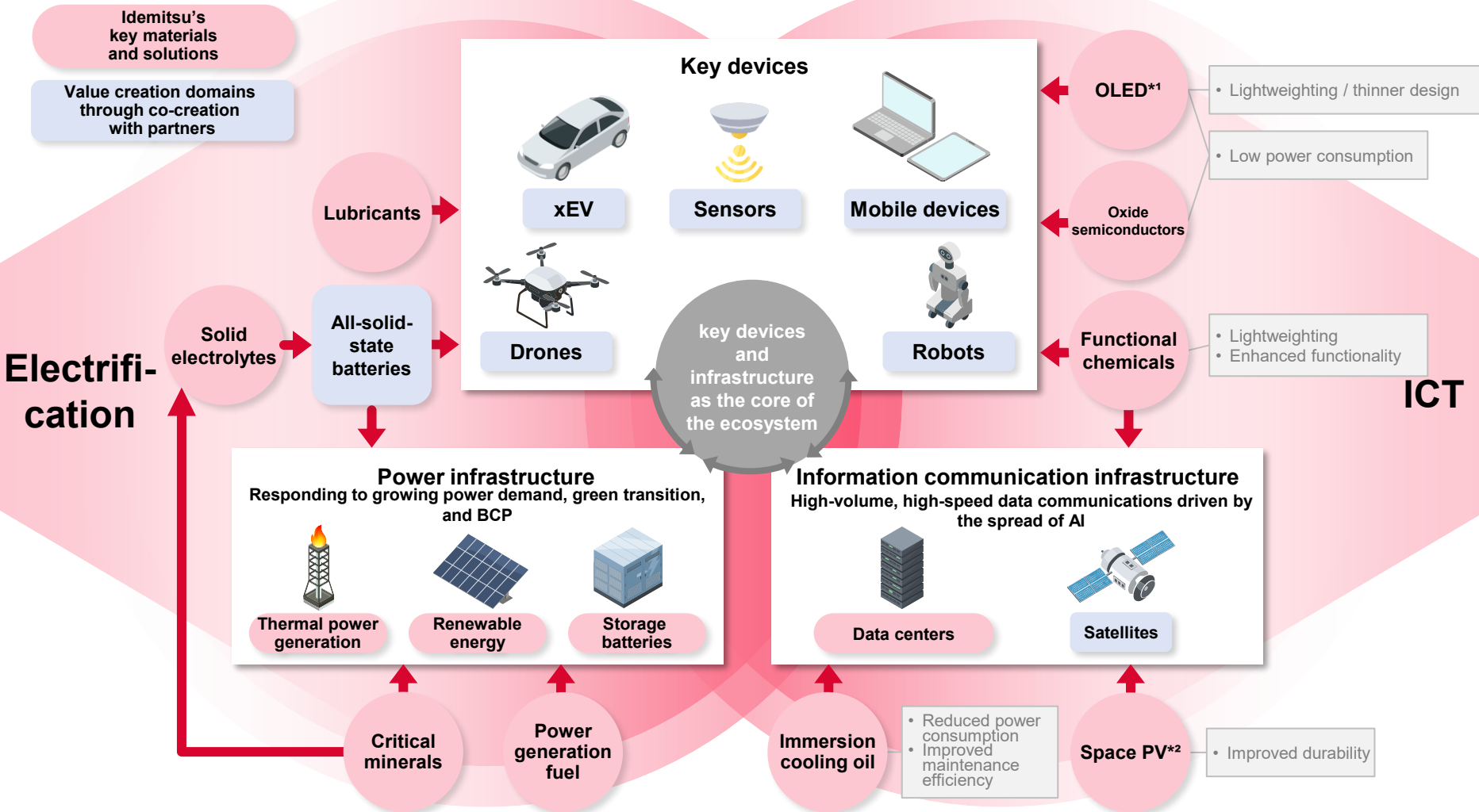
# GROWTH: Creating Growth Businesses

- With an eye on sustainable growth, we will promote the creation and expansion of businesses in growth areas such as electrification / ICT, and overseas markets



# Electrification / ICT —Overview—

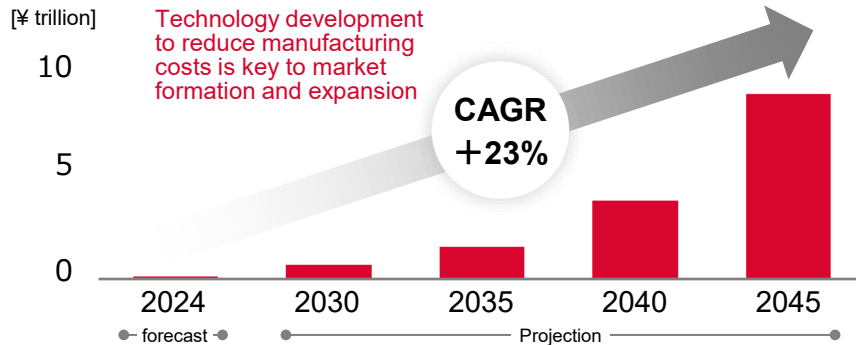
- Provide material solutions that are key to advancing the ecosystem in the electrification / ICT convergence domain



# Electrification / ICT —Lithium Solid Electrolytes—

- Advance initiatives toward commercialization of lithium solid electrolytes, which are expected to grow rapidly as next-generation battery materials

## Assumed market size of all-solid-state batteries\*



## Our strengths

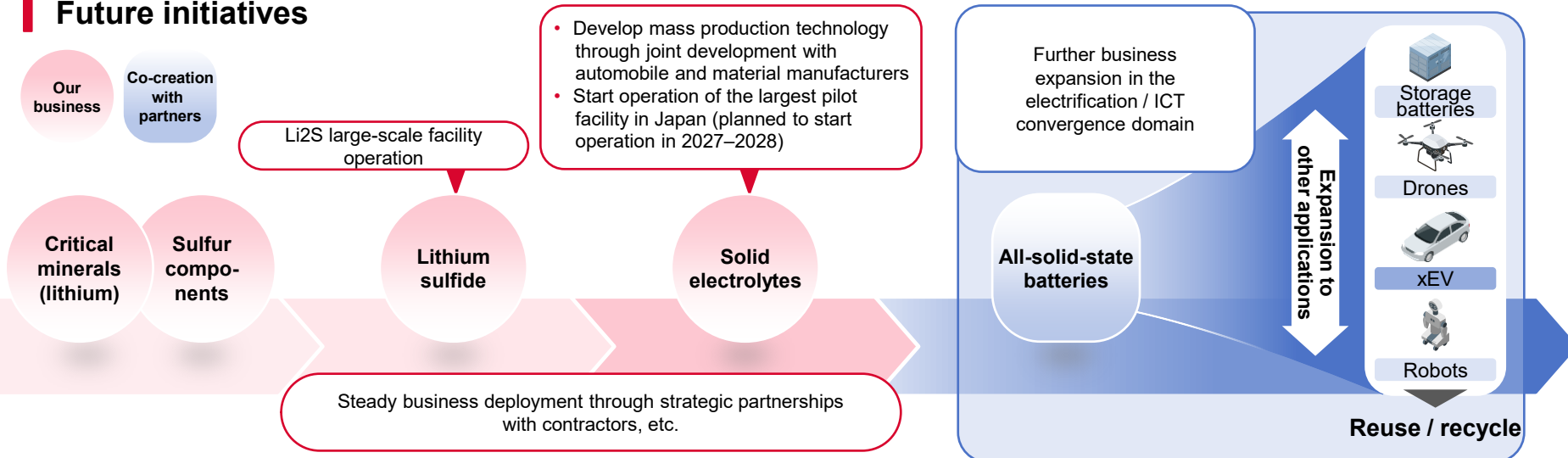
### Integrated value chain

Build an integrated value chain from raw materials to products, covering critical minerals, sulfur components, lithium sulfide, and solid electrolytes, to achieve high cost competitiveness

### Expertise in handling sulfur component and fine particle

Leverage sulfur component handling know-how cultivated through petroleum refining and high-purity lithium sulfide manufacturing technologies, etc., to drive efforts toward technology development and mass production

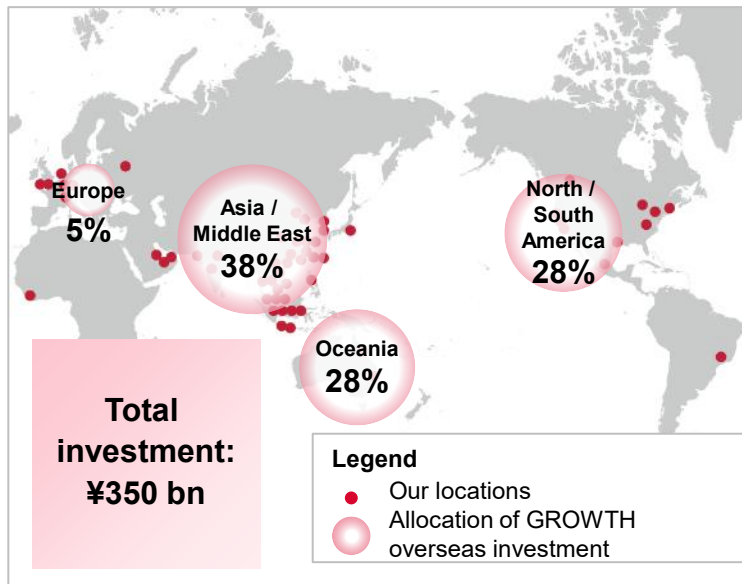
## Future initiatives



## Further Global Expansion —Overview—

- Leverage our networks and strengths to accelerate business development tailored to the characteristics of global growth markets

### Our global locations and future initiatives by region



- North / South America**
- Asia / Middle East**
- Oceania**
- Europe**

- Cross-regional initiatives**
- Further strengthen the fuel oil business, including trading
  - Enter LNG business
  - Expand sales of lubricants for industrial and internal combustion engines
  - Deploy farmer-focused solutions
- Enter North American gas trading business
  - Expand sales of immersion cooling oil for data centers
  - Expand sales of polymer modified asphalt
  - Expand sales of petrochemical products
  - Strengthen the upstream gas business
  - Expand sales of refrigerating machine oil (Asia and the Middle East)
  - Produce metallurgical coal in Australia
  - Advance the critical minerals business in Australia
  - Startup investment

### Our strengths globally

Robust fuel oil trading platform in the Pacific Rim

Technical capabilities and partnerships with local companies in Southeast Asia in highly functional paving materials

Strong networks with automotive OEMs and a global customer base built through our lubricants business

Product portfolio and proposal capabilities for agri-bio products tailored to customer needs

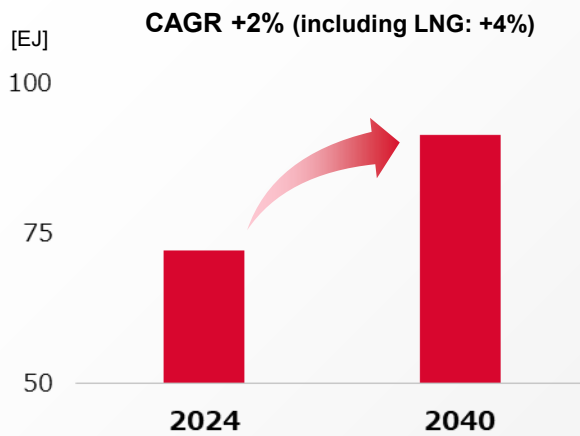
Coal supply chain and operational expertise in Australia (exploration, development, and production)

## Further Global Expansion —Gas and LNG—

- Capture a broad range of market opportunities across the supply chain through upstream expansion, entry into LNG, and gas trading

### Gas / LNG market environment

#### Global natural gas final consumption projections\*



- As a practical solution toward low-carbon / decarbonization and ensuring energy security, natural gas / LNG is increasingly valued worldwide
- Against the backdrop of rapid population growth and economic development, demand growth is particularly pronounced in Asia
- Driven by rising power demand related to AI and data centers, the gas / LNG market is also expanding in North America

### Future initiatives



#### Expand the upstream natural gas business (exploration, development, and production)

- Expand exploration and development of gas fields in regions such as Southeast Asia by leveraging our capabilities and capitalizing on our track record in both Vietnam and Norway



#### Enter LNG businesses

- Invested in MidOcean Energy, which holds a global business portfolio, in March 2026
- Acquire upstream interests and trading / marketing opportunities



#### Promote natural gas trading business

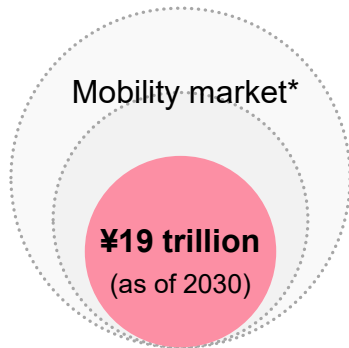
- Expand natural gas trading business, including supply for data centers
- Create business development opportunities by building networks with partners

\* Prepared by Idemitsu based on IEA, "World Energy Outlook 2025," and other external data

## Mobility Service (Smart Yorozuya)

- Starting with car body care and maintenance, strengthen customer touchpoints through both physical and digital channels, and build a one-stop mobility services business

### Mobility industry market environment



- The vehicle distribution and car care markets are estimated at ¥19 trillion
- The rise in vehicle usage years assumes long-term ownership, accelerating the expansion of the car care market and the shift from ownership to usage
- Shortages of mechanics and repair shops are becoming the norm

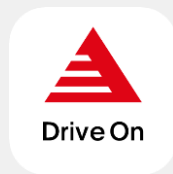
### Our strengths and vision

#### Physical



Nationwide SS network of approx. 6,000 locations  
Human resources and governance that support high-quality service delivery

#### Digital



Mobility-related app with 4 million monthly active users

### Future initiatives

#### Evolve from refueling SS to mobility service hubs

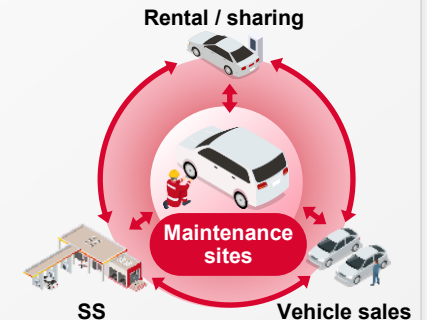
##### Expand the car body care business

- Strengthen partnership with KeePer Technical Laboratory
- Accelerate rollout of coating and car washing specialty stores



##### Strengthen the vehicle provision business

- Build a maintenance network (people, locations, skills) that complements the SS network
- Expand services through collaboration with companies such as rental, car sharing, and used car sales operators



#### Strengthen customer touchpoints by leveraging our digital platform

- Leverage customer and vehicle data obtained through physical touchpoints to provide the optimal services at optimal timing for each customer



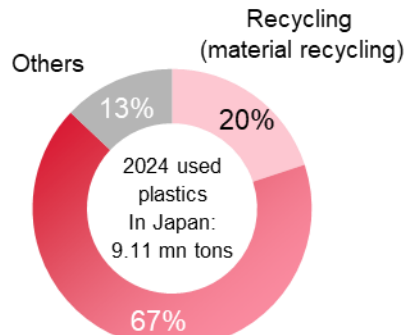
# Circular Business (Chemical Recycling of Used Plastics)

- Build a resource circulation business model leveraging existing assets, and newly capture the growing market demand for recycled plastics

## Market environment

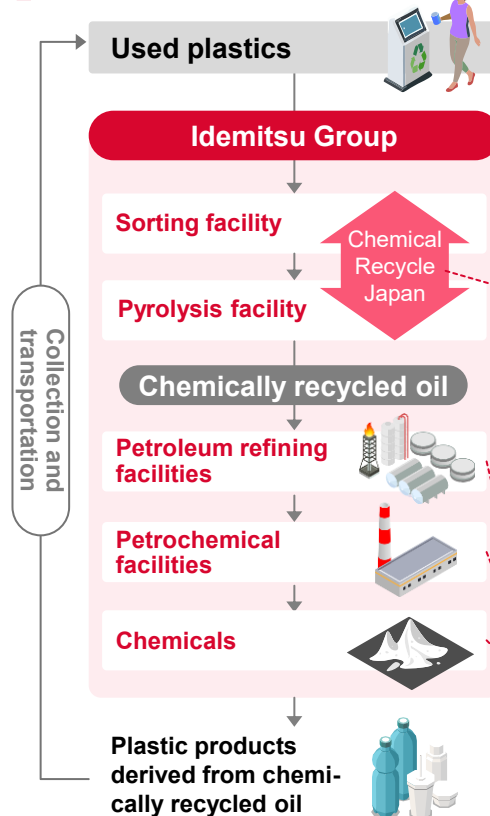
### Market environment for recycled plastics\*1

- Regulations promoting a circular economy are expanding in Japan and overseas, driving demand for recycled plastics
- Chemical recycling technology enables the recycling of used plastics that were previously unrecyclable



**Chemical recycling raw material target:**  
6.08 million tons / year (67%)

## Our strengths



### Ability to handle diverse raw materials, efficiency, and scalability

- Efficiently convert diverse raw materials derived from PE / PP / PS into oil
- Process both industrial and general waste
- Expand processing capacity in line with demand



Chemical Recycle Japan Co., Ltd.  
Ichihara Complex\*2  
(processing cap.:20,000 tons / year)

### Enhance added value by leveraging the existing value chain

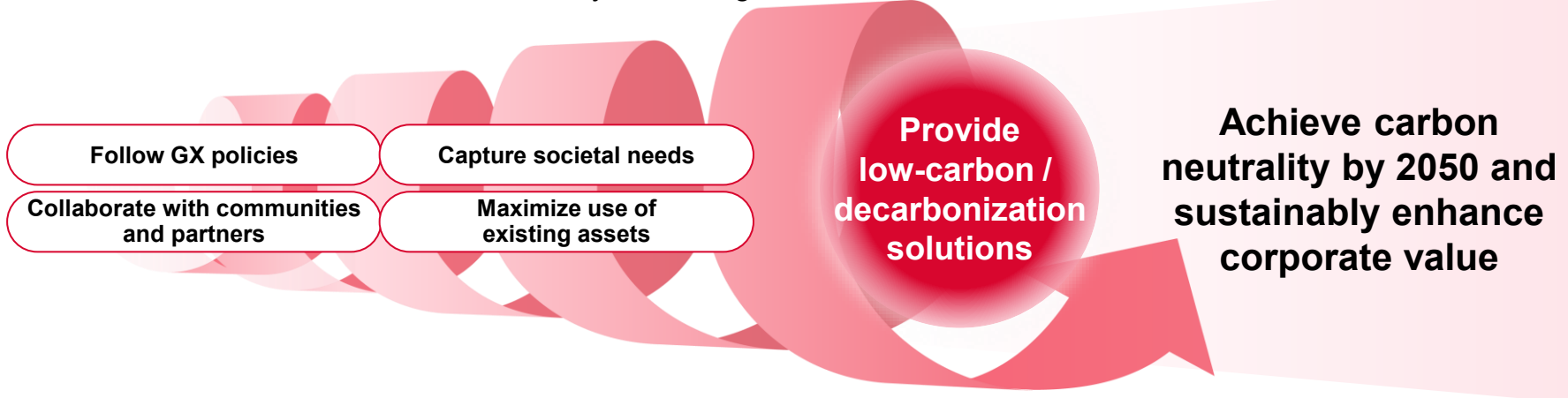
- Leverage petroleum refining and petrochemical assets
- Supply plastic raw materials tailored to customer needs (Prime Polymer, PS Japan)

## Future initiatives

Maximize operation of the chemical recycling facility which started commercial operation in April 2026  
Further expand the business in Japan and overseas in line with demand growth

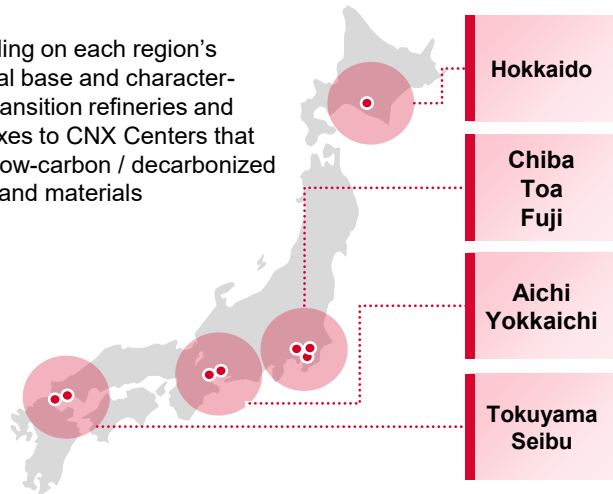
# CNX: Staging up Low-Carbon / Decarbonization Businesses

- To achieve CN by 2050 and contribute to mid- to long-term energy security, we will stage up low-carbon / decarbonization businesses while carefully assessing timeframes



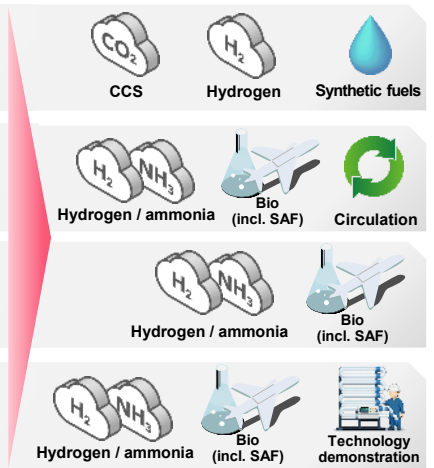
## CNX Center Concept

Depending on each region's industrial base and characteristics, transition refineries and complexes to CNX Centers that supply low-carbon / decarbonized energy and materials



	Regional characteristics
<b>Hokkaido</b>	<ul style="list-style-type: none"> <li>Abundant renewable energy resources, track record of large-scale CCS demonstration</li> <li>Demand for liquid fuels in cold regions where alternatives are limited</li> </ul>
<b>Chiba Toa Fuji</b>	<ul style="list-style-type: none"> <li>Demand for low-carbon / decarbonization at one of Japan's largest industrial complexes</li> <li>Infrastructure in major metropolitan areas (international airports, circular resources)</li> </ul>
<b>Aichi Yokkaichi</b>	<ul style="list-style-type: none"> <li>Concentration of high-value-added industries with Japan's largest shipment value</li> <li>Demand for low-carbon / decarbonization through multi-industry collaboration</li> </ul>
<b>Tokuyama Seibu</b>	<ul style="list-style-type: none"> <li>Petrochemical complex aiming for low-carbon / decarbonization through wide-area collaboration</li> <li>Existing assets and properties</li> </ul>

## Solutions



## Deployment of Low-Carbon / Decarbonization Solutions Toward FY2030

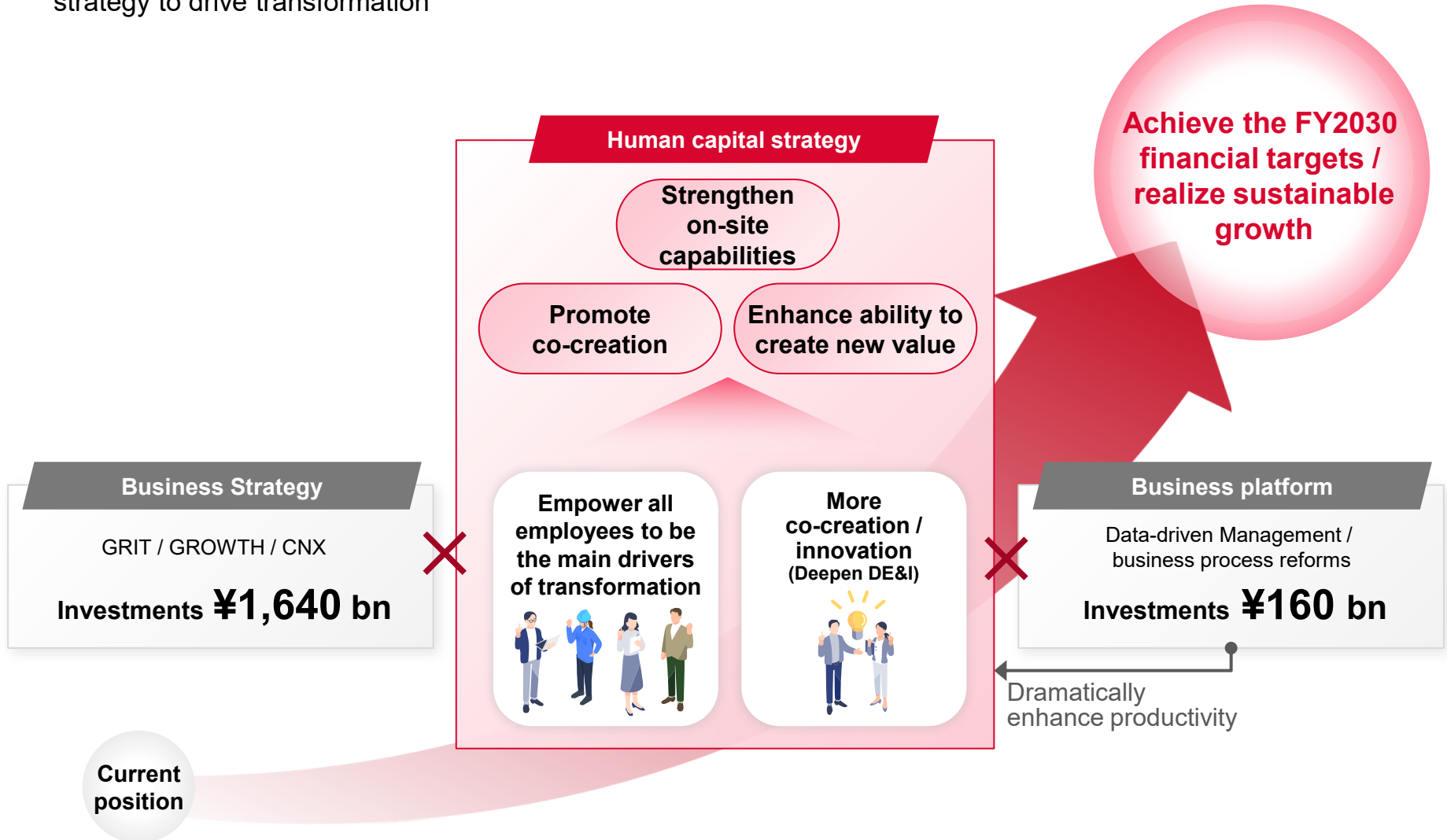
- Advance low-carbon / decarbonization and diversification of energy and materials while addressing diverse scenarios and needs

Solution	Key initiatives toward FY2030
<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>• Develop geothermal energy and maximize its value</li> <li>• Secure diverse renewable energy sources and promote decarbonization proposals leveraging non-fossil value</li> </ul>
<b>Bio-fuels / chemicals</b>	<ul style="list-style-type: none"> <li>• Reinforce SAF supply structure (diversifying feedstocks, domestic manufacturing, overseas sourcing)</li> <li>• Expand sales of bio-diesel and bio-fuel oil (Idemitsu Renewable Diesel, Idemitsu Biodiesel 5, etc.)</li> <li>• Grow black pellet sales (Idemitsu Green Energy Pellets)</li> <li>• Build a supply network for bio-chemicals</li> <li>• Address introduction of direct bioethanol-blended gasoline</li> </ul>
<b>Hydrogen / ammonia</b>	<ul style="list-style-type: none"> <li>• Build hydrogen and ammonia supply systems (domestic green hydrogen production, overseas procurement, development of domestic ammonia supply hubs)</li> </ul>
<b>Synthetic fuels</b>	<ul style="list-style-type: none"> <li>• Stepwise social implementation of synthetic fuels (creating demand, domestic production, overseas procurement)</li> </ul>
<b>Offset products</b>	<ul style="list-style-type: none"> <li>• Expand supply of offset fuels (Idemitsu Carbon Offset Fuel)</li> </ul>
<b>Offset / Negative emissions</b>	<ul style="list-style-type: none"> <li>• Social implementation of CCS (Tomakomai)</li> <li>• Create carbon credits through AWD*<sup>1</sup>, forest carbon sequestration, etc.</li> </ul>

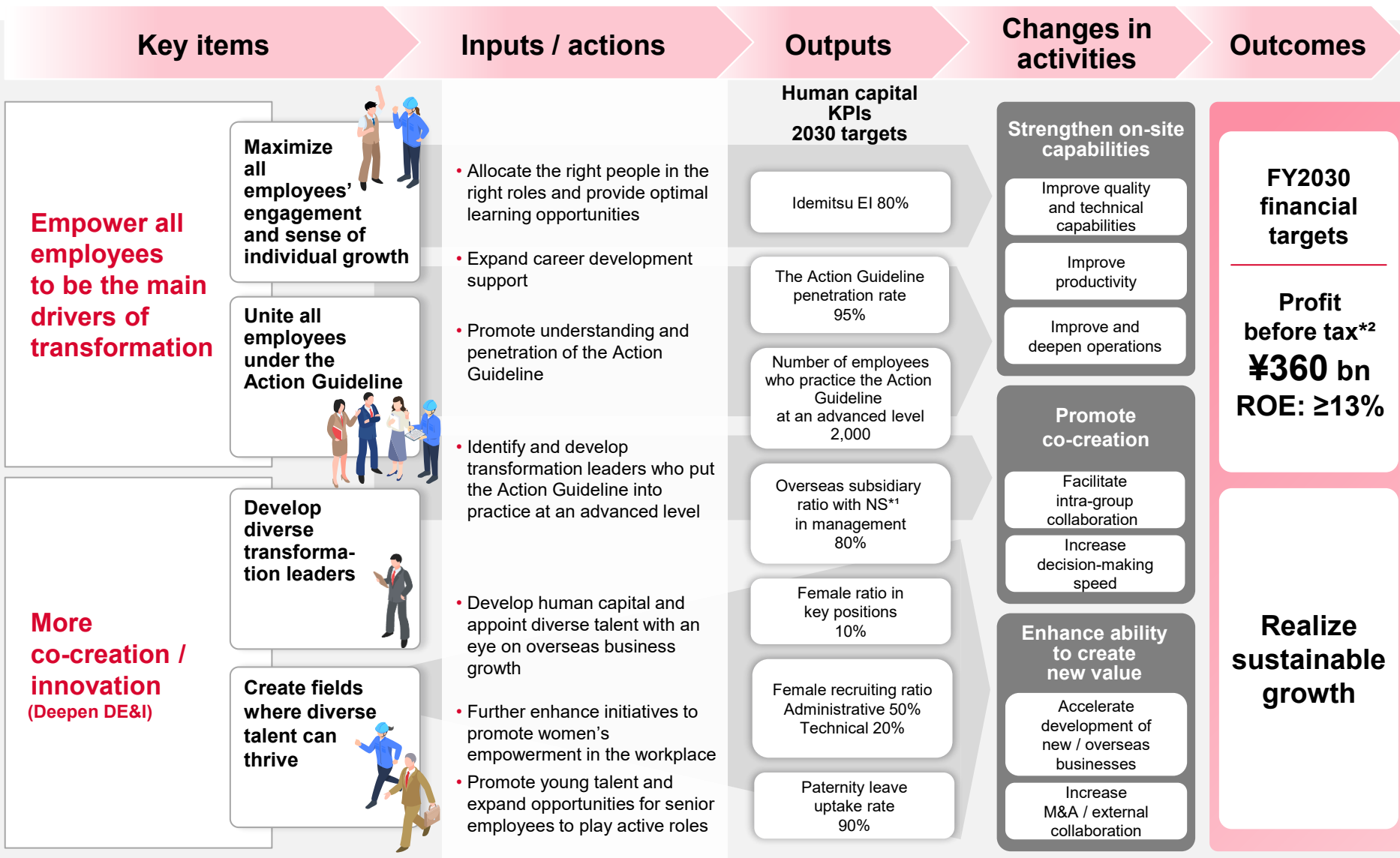
\*<sup>1</sup> AWD: Abbreviation for Alternate Wetting and Drying, an initiative to reduce GHG (methane) through intermittent irrigation

# Human Capital Strategy —For Realizing Sustainable Growth—

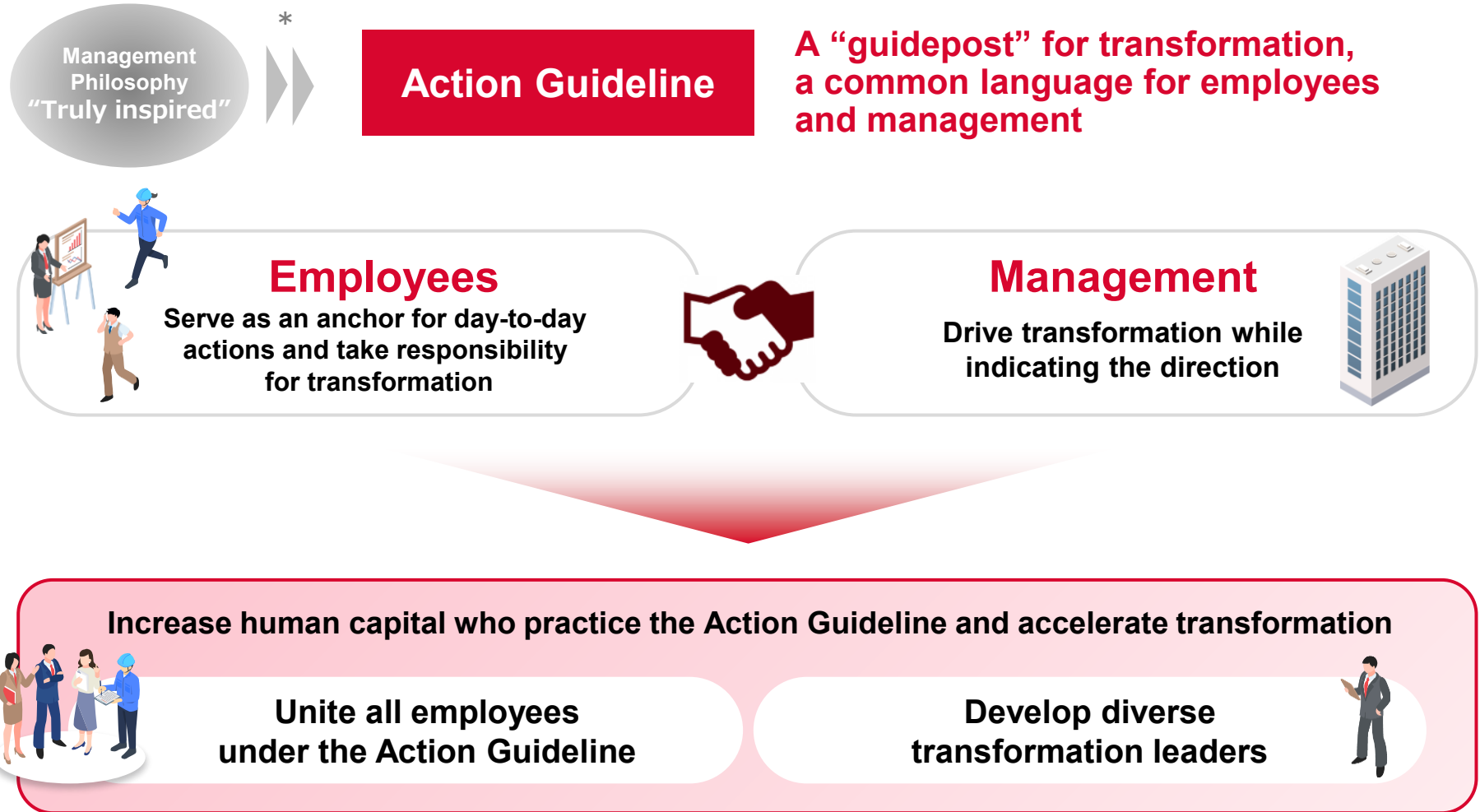
- To achieve the FY2030 financial targets and realize sustainable growth, we will roll out a new human capital strategy to drive transformation



# Human Capital Strategy Outline



# Action Guideline as the Foundation of the Human Capital Strategy



\* Looking ahead to the new Mid-term Management Plan, we established the Action Guideline in FY2025 that embodies our Management Philosophy, "Truly inspired."  
By linking it with the human resources systems (recruitment, development, evaluation, job rotations, etc.), we have established a mechanism that encourages employees to put the Action Guideline into practice

# DX / AX Strategy

- Accelerate business strategy and human capital strategy by advancing management processes through the use of AI

Develop the DX / AX foundation

Accelerate Mid-term Management Plan strategies through DX / AX

## Data



- BPR, plus structuring and centralizing company-wide data
- Visualize human capital skills and thinking / behavioral traits

## Systems



- Shift from a data platform to an integrated AI utilization platform
- Strengthen data governance and cyber security

## Human capital



- Develop 450 DX experts
- Strengthen personnel exchange between business and IT divisions

## Data-driven management

Business decisions / execution through the use of data and AI

- Optimize marketing and maximize customer value through the effective use of customer data across the Idemitsu Group
- Place and develop human capital based on business and human capital data
- Utilize market, technology, and competitor data strategically

## Business process reforms

Redesign and automate processes with AI agents

- Develop materials using MI / AI
- Establish supply chain management that can respond swiftly to environmental changes
- Ensure safe and stable operations and maximize earnings through AI-based predictive monitoring, etc.
- Replace standard tasks with AI and allocate human capital to high value-added work

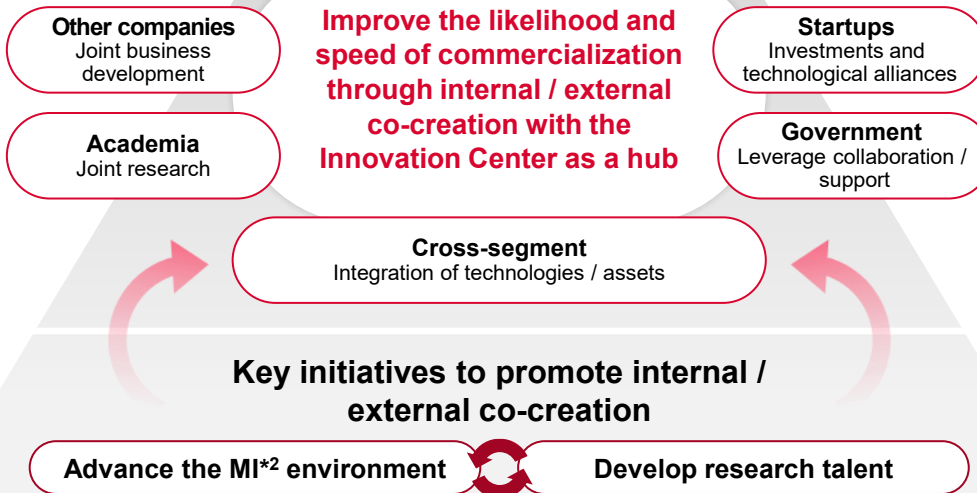
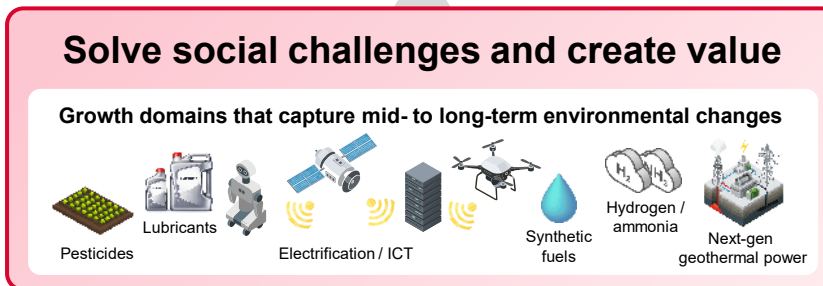
# Innovation Strategy (R&D / CVC)

- With the Innovation Center as a hub, we will bring together internal and external technologies. Taking the lead, we will drive co-creation with the world's best partners to solve social challenges and create value

**Innovation Center (tentative name)  
(scheduled for completion in March 2028 /  
within the Chiba Complex) \*1**



- Consolidate laboratories for production technology, development technology, and other functions currently spread across multiple sites
- Build an end-to-end structure from R&D through commercial production
- Aim to build a cross-business R&D structure and strengthen external collaboration



\*1 Design, etc. may be subject to change \*2 Materials Informatics

# Intellectual Property Strategy

- Support corporate value maximization through the “defense” and “offense” of our overall intellectual assets



\* IP landscape: When formulating business strategy or management strategy, conduct analysis that incorporates IP information into business and management information, and share the analysis results (overview of the current situation, future outlook, etc.) with business leaders and management

# Governance and ERM

- Advance governance and risk management functions to enhance “Growth Power”

## Deepening corporate governance

### ■ Board functions

- Review board composition based on skill / career matrix and optimize member balance
- Revise submission criteria and pre-review processes for board deliberations
- Expand programs to enhance our business understanding for outside directors and auditors

### ■ Global corporate functions

- Strengthen support by overseas functional subsidiaries in identifying local legal and regulatory risks as well as tax risks, and promoting the creation of business opportunities

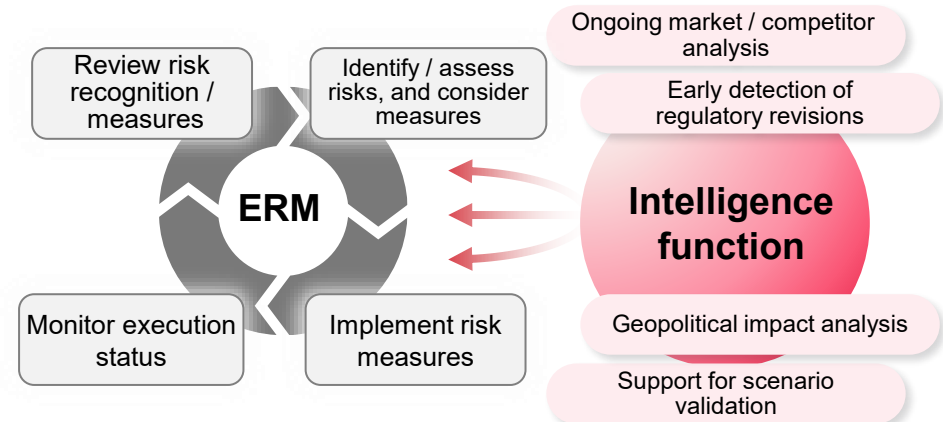
### ■ Executive driving function

- Utilize the Advisory Board\* to deepen management strategy discussions and accelerate execution
- Advance investment deliberation and stage-gate management

## Improving decision-making quality through enhanced ERM

### ■ Responsiveness to uncertainty

- Utilize scenario analysis to increase strategic flexibility
- Strengthen market and regulatory intelligence to support appropriate investment decisions
- Assess geopolitical risks to strengthen the basis for business continuity



\* An advisory council to the President, comprising external specialists who provide expert management advice

# Safety, Environment, and Quality Management

- Build a robust business foundation through further improvement of safety, environment, and quality management systems

**Strengthen safety, environment & quality foundations**

Key Initiatives

- Comprehensive hazard management for risk reduction
- Safety management with partner companies
- Response to severe natural disasters
- Strengthening quality compliance

**Improve risk identification & response by business**

Key Initiatives

- Timely risk identification by division through safety, environment, and quality indicators, and continuous improvement for risk reduction

**Strengthen company-wide response to environmental changes**

Key Initiatives

- Human resource development in safety, environment, and quality fields
- Strengthening company-wide KPI management for safety, environment, and quality

## Advance disaster response through the Safety & Security

**Safety & Security Advisory Committee**



(incl. external experts)

Report  
Inquiry

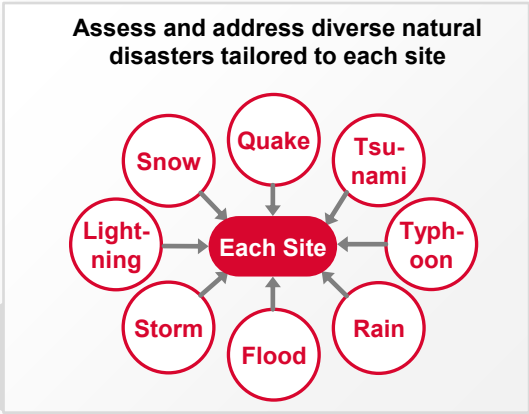
**Board of directors / president**

Establishment of "Natural Disaster Risk Management Guidelines"

Leverage external expert insights

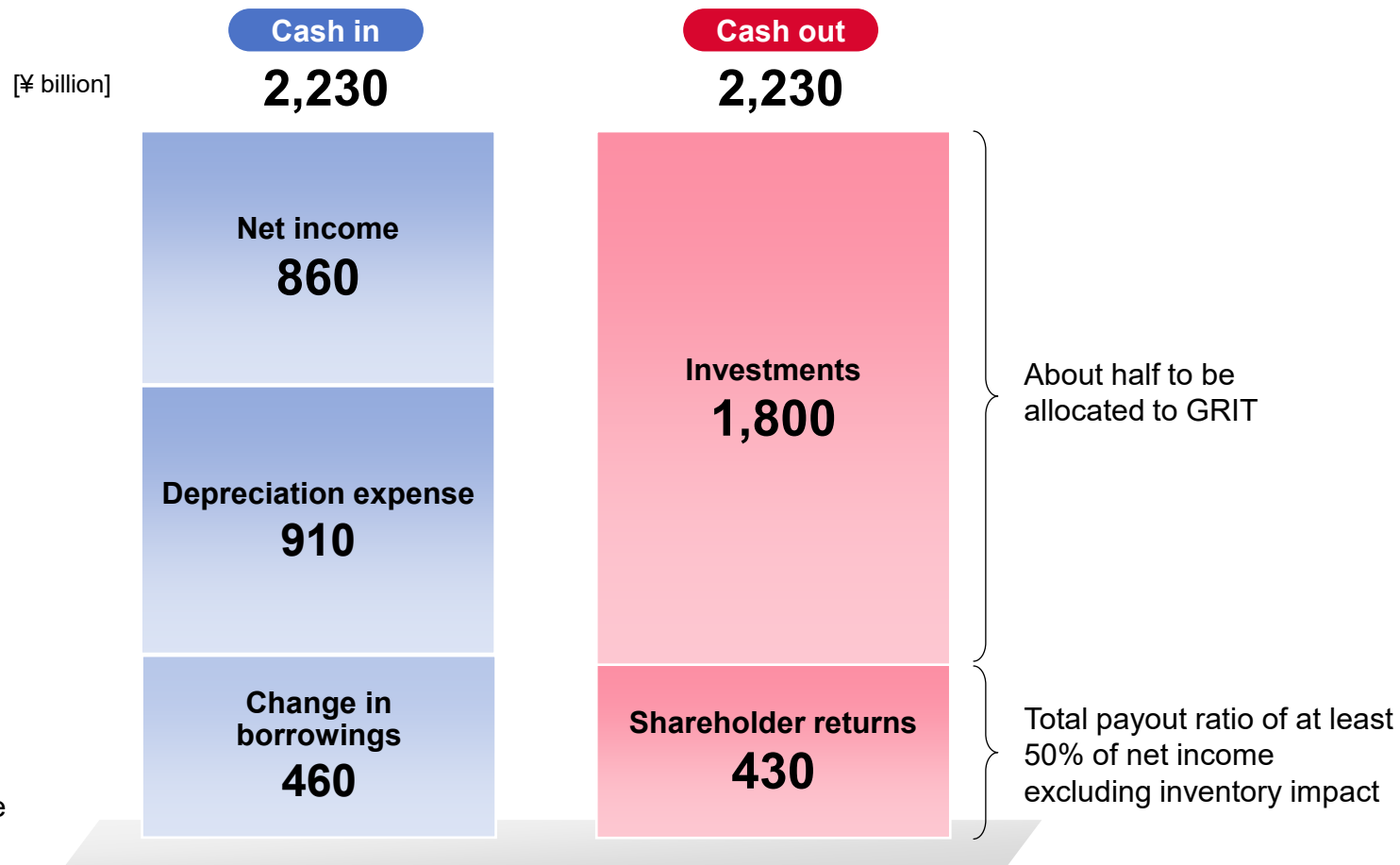
**Production & logistics sites**

Promote disaster countermeasures at each site per guidelines



## Cash Allocation

FY2026–2030 (five-year cumulative)



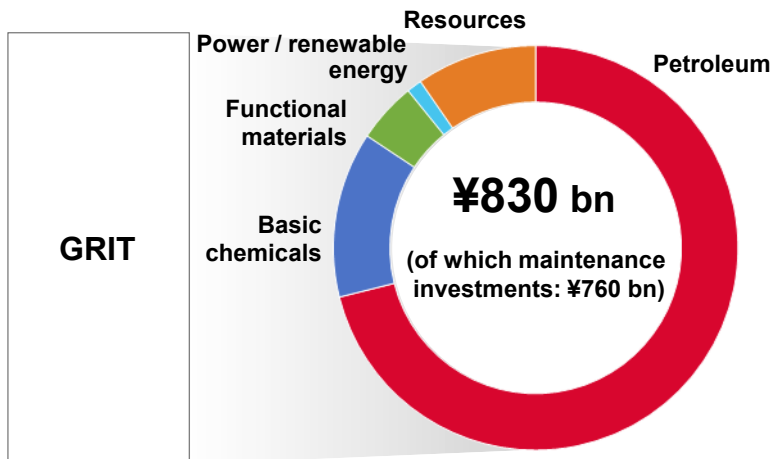
# Investment Plan

Cumulative investment for FY2026–2030:

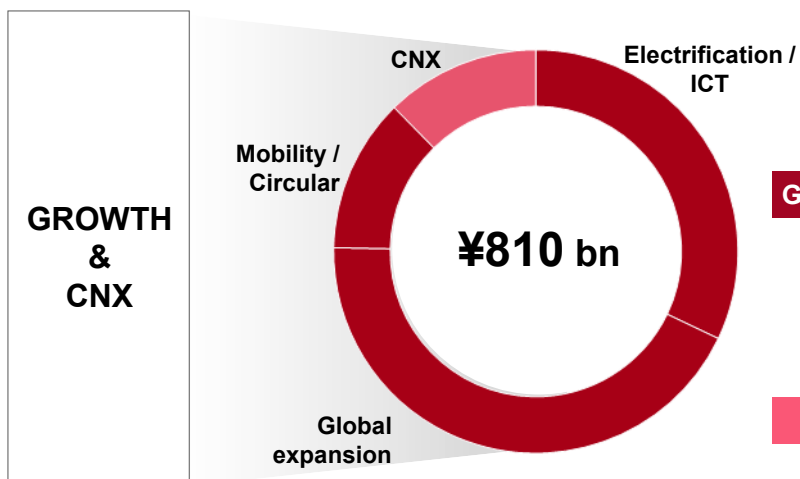
¥1,800 bn

Of which:

Maintenance investments: ¥870 bn



- **Petroleum: ¥590 bn**  
Allocate approx. 70% of total GRIT to the petroleum business  
Increase maintenance investments by approx. 30% vs. the previous Mid-term Plan to achieve stable operation
- **Basic chemicals: ¥110 bn**  
Achieve stable operation through increased maintenance investments
- **Functional materials: ¥40 bn**  
Enhance competitiveness of functional materials through strengthening production and development foundations
- **Power / renewable energy: ¥10 bn**  
Stabilize power plant operations through increased maintenance investments
- **Resources: ¥80 bn**  
Achieve stable operation at existing coal mines and gas fields



**GROWTH**

**Electrification / ICT: ¥260 bn**  
Provide key materials and solutions centered on solid electrolytes

Functional materials    Power / renewable energy    Resources

**Global expansion: ¥350 bn**  
Strengthen overseas trading, expand the gas / LNG business, etc.

Petroleum    Functional materials    Resources

**Mobility / Circular: ¥100 bn**  
Develop new business models leveraging existing assets

Petroleum    Basic chemicals

**CNX**

**CNX: ¥100 bn**  
Develop CN solutions such as ammonia, SAF, and synthetic fuels

Petroleum    Resources

**Business platform**

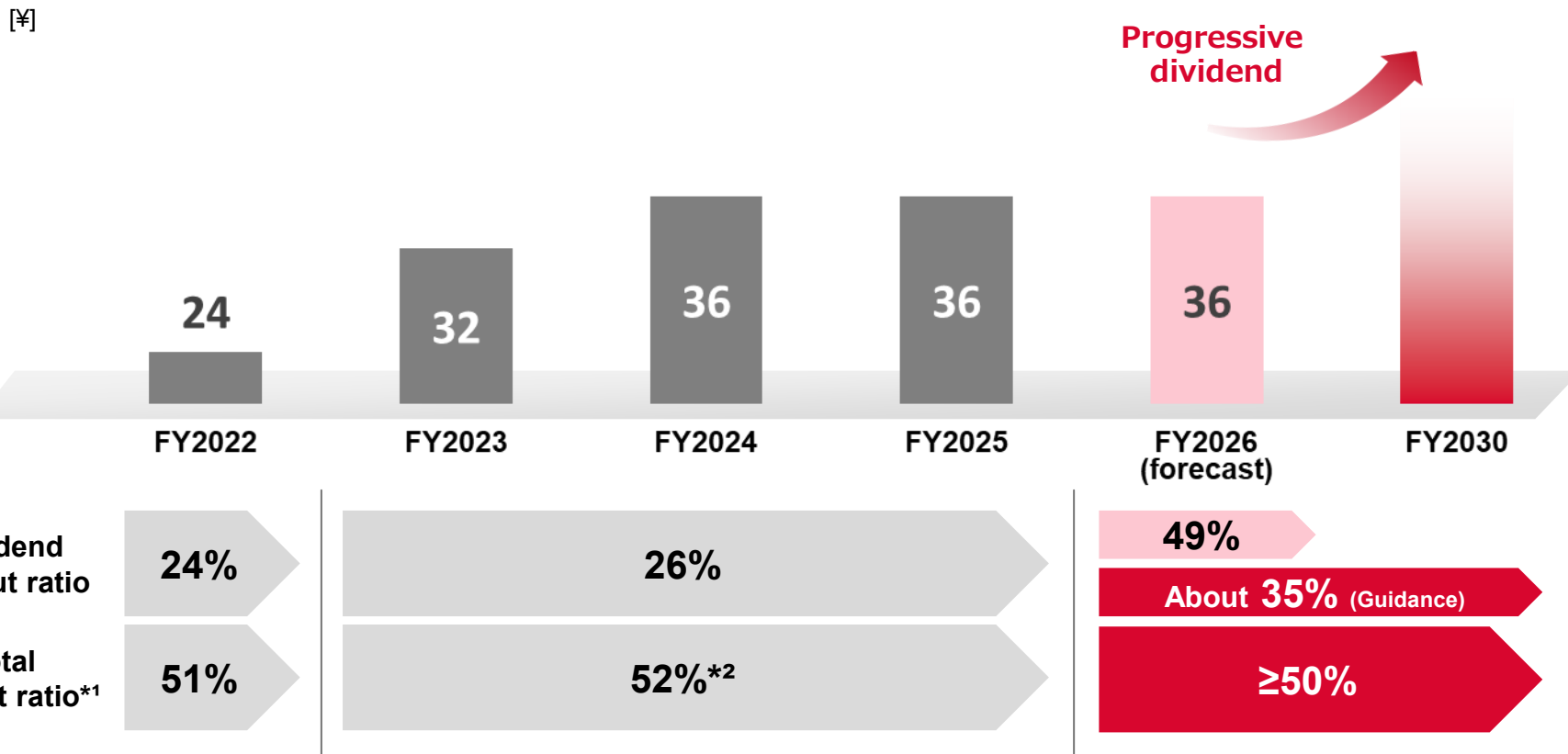
¥160 bn  
(of which maintenance investments: ¥110 bn)

**Digital investments and other corporate: ¥160 bn**  
Enhance management processes through investments in DX / AX  
Strengthen internal and external co-creation through establishment of new Innovation Center, etc.

# Shareholder Returns

- Achieve more stable shareholder returns by **increasing the allocation to dividends** while maintaining **a total payout ratio of 50% or more**\*<sup>1</sup>.
- \* For FY2026, dividend per share is currently expected to remain flat due to negative time lag, etc.
- Introduce **a progressive dividend** with a minimum annual dividend of ¥36 per share.

## Trends in annual dividend per share



\*<sup>1</sup> Total payout ratio based on net income excluding inventory valuation effects

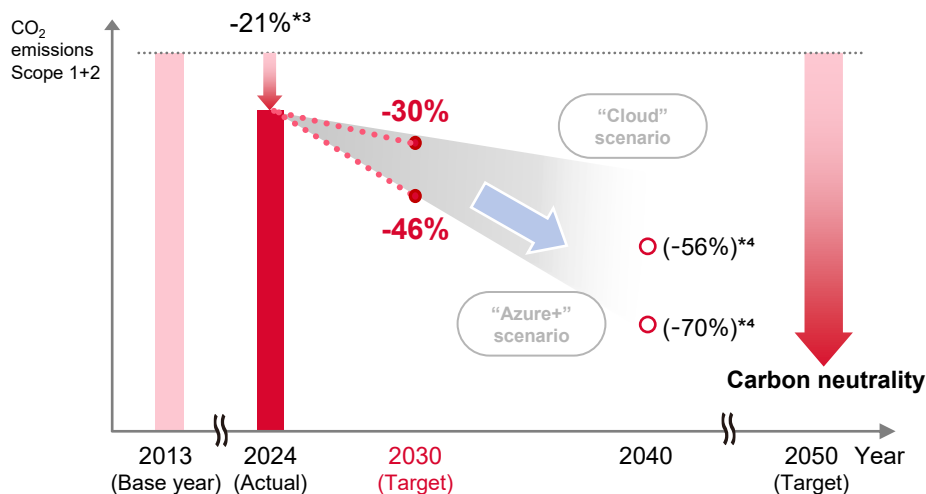
\*<sup>2</sup> Additionally, we executed ¥100 billion in share buybacks in FY2024

# GHG Reduction Targets

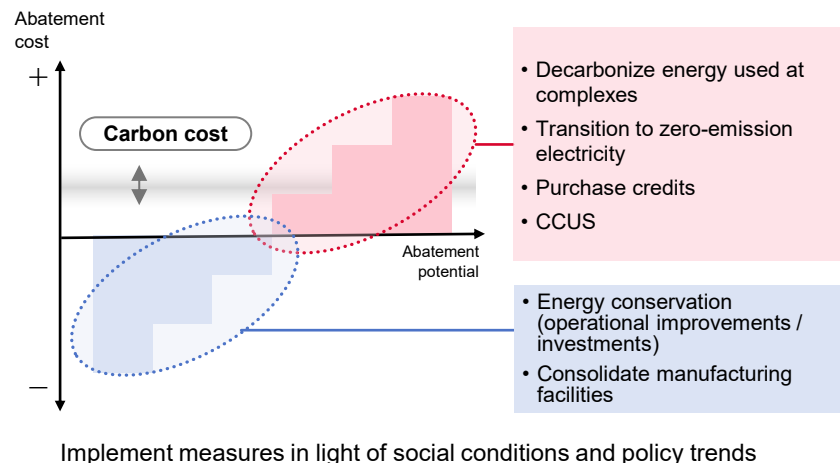
- In response to rising uncertainties, we have revised our targets. Going forward, while responding flexibly and with agility to changes in the business environment, we aim to achieve both carbon neutrality by 2050 and corporate growth

<b>GHG Reduction</b>	<b>CO<sub>2</sub> emissions*<sup>1</sup> (Scope 1+2)</b>	<b>Carbon Intensity (CI)*<sup>2</sup> (Scope 1+2+3)</b>
	2030: -30–46% reduction (vs. 2013) 2050: carbon neutrality	2040: -20–50% reduction (vs. 2020)

## Scope 1+2: CO<sub>2</sub> emissions



## Scope 1+2 CO<sub>2</sub> reduction measures (example)



- |  |  |  |   |
|--|--|--|---|
| <b>Examples of CI reduction measures</b> | <ul style="list-style-type: none"> <li>LNG</li> <li>Renewable energy</li> <li>Biofuel</li> </ul> | <ul style="list-style-type: none"> <li>Hydrogen and ammonia</li> <li>Synthetic fuels</li> <li>Idemitsu Green Energy Pellets</li> </ul> | <ul style="list-style-type: none"> <li>Tree planting, CCUS, etc.</li> </ul> |
|--|--|--|---|

\*<sup>1</sup> CO<sub>2</sub>, which accounts for approximately 99% of the Company’s GHG emissions, is adopted as the target

\*<sup>2</sup> Indicator of CO<sub>2</sub> emissions per unit of energy supplied

\*<sup>3</sup> Figures revised in accordance with the GHG Protocol

\*<sup>4</sup> -70%: CO<sub>2</sub> emissions equivalent to the 2040 NDC (Nationally Determined Contribution), -56%: CO<sub>2</sub> emissions for item (5) (existing) technological progress scenario in the Agency for Natural Resources and Energy’s “Outlook for Energy Supply and Demand in FY2040” (February 2025)

# Inspiring the future with energy and materials.

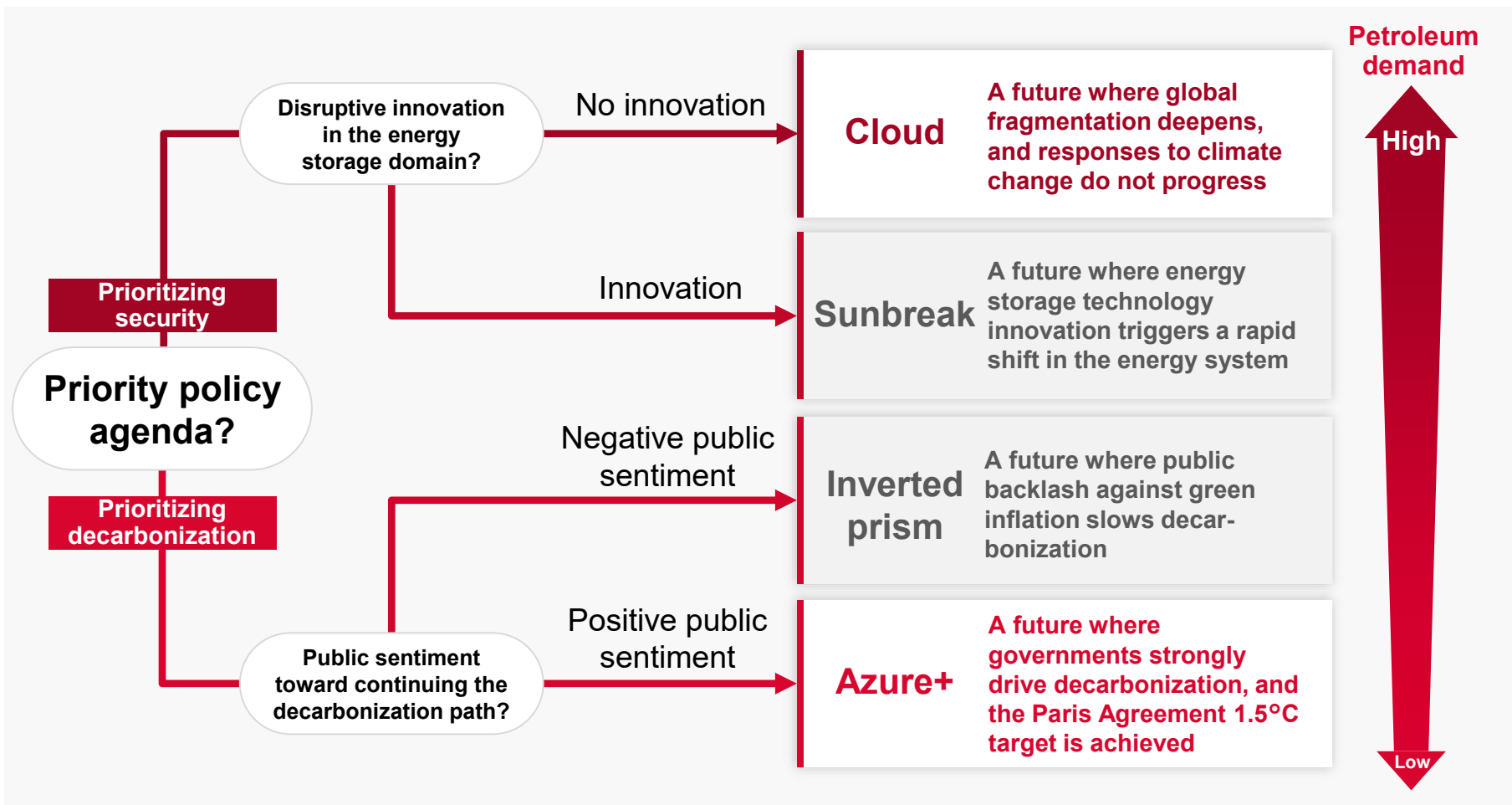
In this era of increasing uncertainty, each employee of Idemitsu Kosan will work tirelessly to ensure stable supplies of energy and materials. And as ***Your Reliable Partner for a Brighter Future***, we will harness the expertise we have cultivated and continue expanding our business domain to take on the challenges of tomorrow.



# Appendix

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## Business Environment Scenarios —Overview—



[Scenario scope] Timeframe: until 2050, Regions: Japan and the Asia-Pacific region, Domains: energy-related areas

## Assumptions

Item		Unit	FY25 Actual	FY26 Plan	FY27 Plan	FY28 Plan	FY30 Plan
<b>Crude oil</b>	Dubai	\$/BBL	71.8	81.3	65.0	65.0	65.0
<b>Coal</b>	Australian spot	\$/t	105.4	126.1	115.0	120.0	130.0
<b>Foreign exchange</b>	USD	JPY/USD	150.7	151.3	150.0	150.0	150.0
<b>Basic chemicals: Spread on Asian products</b>	Paraxylene	\$/t	259	269	300	300	330
	Styrene monomer	\$/t	330	327	350	375	425

## Profit by Segment

### Profit Before Tax Excluding Financial Expenses

[¥ billion]

Segment	J-GAAP	IFRS			
	FY25 Actual*	FY26 Plan	FY27 Plan	FY28 Plan	FY30 Plan
Petroleum	207	105	190	212	225
Basic chemicals	-7	-30	3	5	23
Functional materials	33	32	43	41	62
Power / renewable energy	-2	4	10	13	14
Resources	33	45	47	48	74
Other	-21	-16	-38	-44	-38
<b>Total</b>	<b>244</b>	<b>140</b>	<b>255</b>	<b>275</b>	<b>360</b>

\* Operating + Equity Income (excluding inventory impact)

## Financial Targets (ROIC by Segment)

- Promote GRIT, GROWTH, and CNX in each segment to achieve both higher ROIC and growth investments

[¥ billion]

Segment*1	FY2025 (Japan GAAP)			FY2028 (IFRS)			FY2030 (IFRS)			Key factors behind ROIC changes (FY2030)
	NOPAT	Invested capital	ROIC	NOPAT*2	Invested capital (IFRS impact)	ROIC	NOPAT *2	Invested capital	ROIC	
Petroleum	*3660	2,120	3%	161	2,410 (+210)	7%	183	2,460	7%	<ul style="list-style-type: none"> <li>Strengthen the petroleum supply chain</li> <li>Strengthen the overseas trading platform</li> <li>Reform the basic chemicals business</li> </ul>
Basic chemicals										
Functional materials	235	290	8%	30	370 (+15)	8%	45	460	10%	<ul style="list-style-type: none"> <li>Promote M&amp;A in advanced materials domain</li> <li>Increase overseas lubricants sales</li> </ul>
Power / renewable energy	55	210	3%	10	100 (+5)	10%	10	90	11%	<ul style="list-style-type: none"> <li>Promote selection of and concentration on overseas businesses</li> <li>Improve earnings at Solar Frontier</li> </ul>
Resources	*3280	210	13%	35	390 (+23)	9%	48	450	11%	<ul style="list-style-type: none"> <li>Expand the gas / LNG business</li> <li>Develop metallurgical coal and critical minerals</li> </ul>
Others	-13	0	-	-26	300 (-140)	-	-22	300	-	<ul style="list-style-type: none"> <li>Invest in Lithium solid electrolyte / CNX / Digital</li> <li>Reduce costs through consolidated procurement</li> <li>IFRS impact</li> </ul>
<b>Total</b>	<b>110</b>	<b>2,830</b>	<b>4%</b>	<b>210</b>	<b>3,570 (+113)</b>	<b>6%</b>	<b>264</b>	<b>3,790</b>	<b>7%</b>	

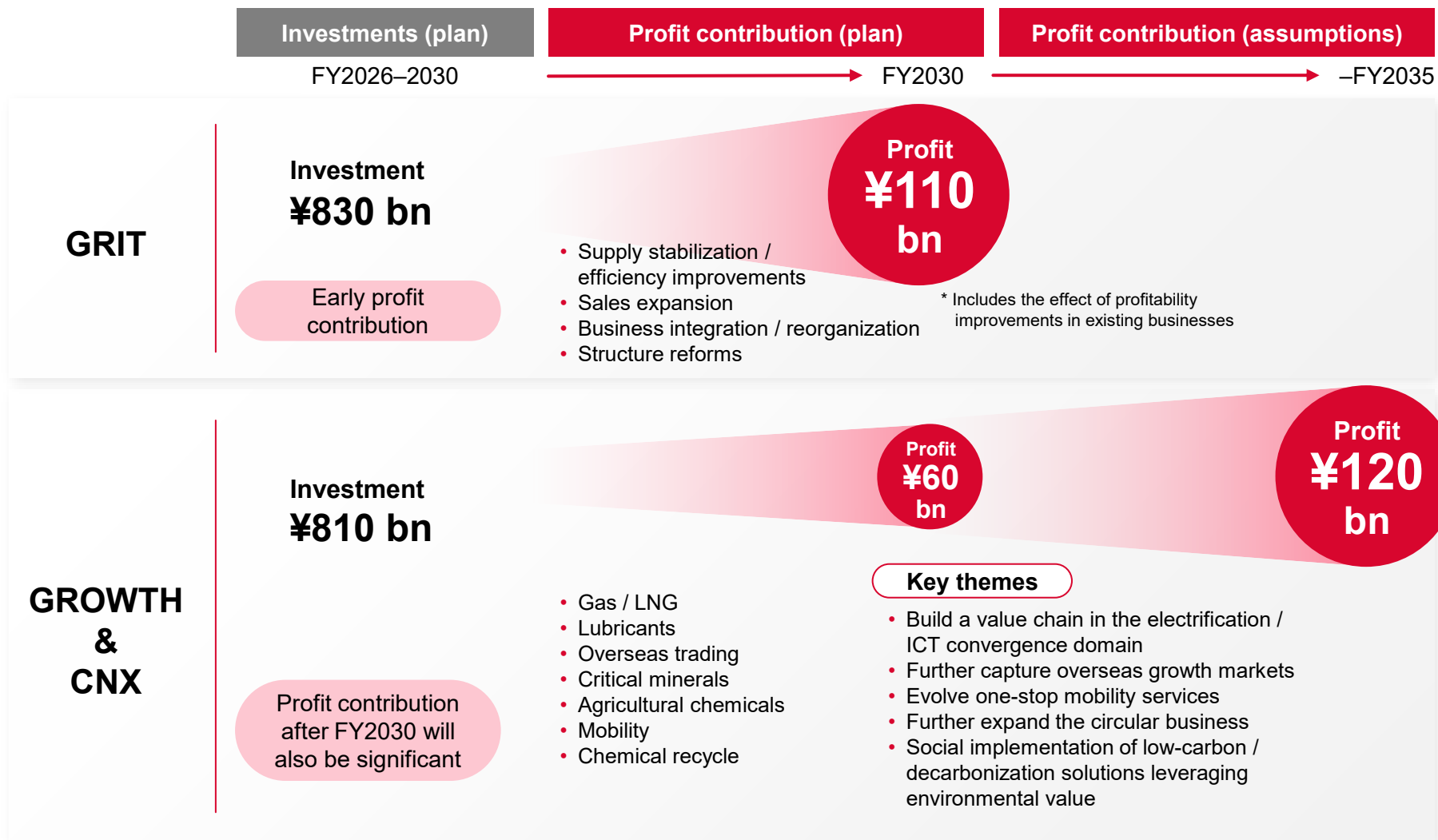
\*1 Due to a review of segment classification, the bitumen business is recorded in functional materials in FY2025 and in petroleum from FY2026 onward

\*2 Profit after tax excluding financial expenses

\*3 Excluding inventory impact and external environment: adjusted for the time lag impact in petroleum and for coal prices (coal prices adjusted to \$120/t based on the FY2025 plan assumptions)

## Investment Returns

- GRIT to deliver early profit contribution, promote GROWTH / CNX with profit contribution from FY2031 onward, also in view



## Balance Sheet Impact of IFRS Adoption

- With the adoption of IFRS, liabilities increase by approx. ¥260 billion, and total equity decreases by approx. ¥430 billion
- As this impact is the result of a change in accounting standards, adjustments to the balance sheet will be made in line with IFRS standards and there will be no impact on PL

### Key changes

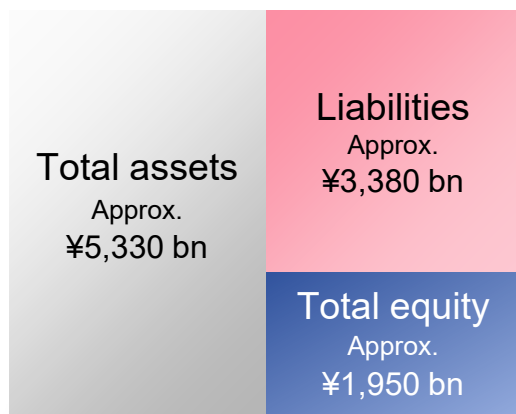
#### Liabilities

- **Recognition of lease liabilities +¥260 bn, etc.**

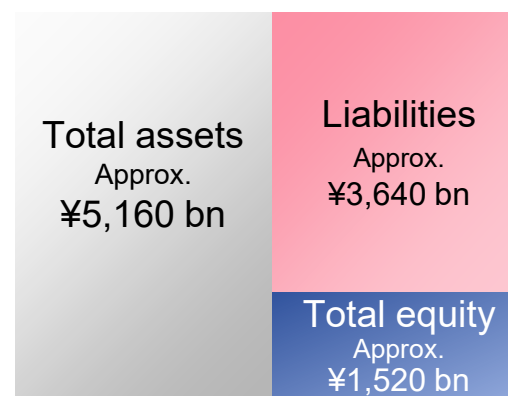
#### Total equity

- **Review of land valuation: -¥320 bn**  
(Mainly the impact of changing the book value of land that was revalued in the past based on the Act on Revaluation of Land)
- **Recognition of a provision for the NSRP outstanding completion guarantee balance: -¥110 bn**  
(Under Japan GAAP, an impairment loss on receivables has already been recorded based on the business value assessment of NSRP. Recording an equity-method investment loss would result in double-counting of losses and was therefore considered unnecessary. Under IFRS, in addition to the impairment loss on receivables, recording an equity-method investment loss is also required. However, since loss recognition is limited to the total of investments, long-term loans, and debt guarantees, an additional provision is recorded for the outstanding completion guarantee balance that was not provided for under Japan GAAP)
- **Goodwill impairment at the time of the integration with Showa Shell Sekiyu: -¥90 bn, etc.**
- **Accounting change for periodic repair expenses, etc.: +¥90 bn**

#### End of FY2025 (Japan GAAP)




#### End of FY2025 (IFRS)\*



-¥430 bn  
vs. J-GAAP

## Action Guideline

	Action Guideline	Definitions
Basic Attitudes	 Complete Sense of Ownership	Willingness to take ownership of matters in which you are involved, as well as the responsibility for completing them
	 Constant Desire for Growth	Willingness to self-reflect every day, always learning and growing
	 Deep Regard for Sincerity and Mutual Trust	Willingness to empathize with all involved, both inside and outside the Company, offering respect and supporting their potential
Competencies	 Take on New Challenges Boldly	The ability to set high goals and take on challenges continuously, unconstrained by precedent and undeterred by failure
	 Think Thoroughly and Make Confident Decisions	The ability to think from a multifaceted perspective, then make timely decisions with confidence and conviction
	 Overcome Differences	The ability to listen and understand another's position, then find a workable solution that allows you to move forward
	 Empower People	The ability to recognize the potential of all people, then leverage their capabilities to the fullest

# Creating Forums for “Practicing the Action Guideline” and “Co-creation and Innovation”

- The “Idemitsu Employee Association”<sup>\*</sup> proactively takes the lead in organizing the following two forums

## “Forum for direct dialogue between management and employees”

Host town hall meetings and continue dialogue centered on the Action Guideline (a common language for employees and management). Through this, each employee deepens understanding of management policies and the direction of transformation, and links it to **practicing the Action Guideline (= realization of transformation)**.



2025 town hall meeting

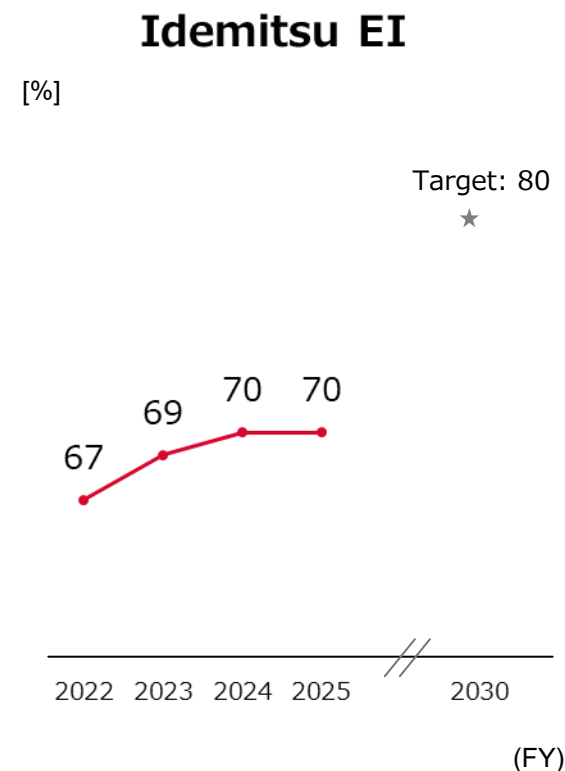
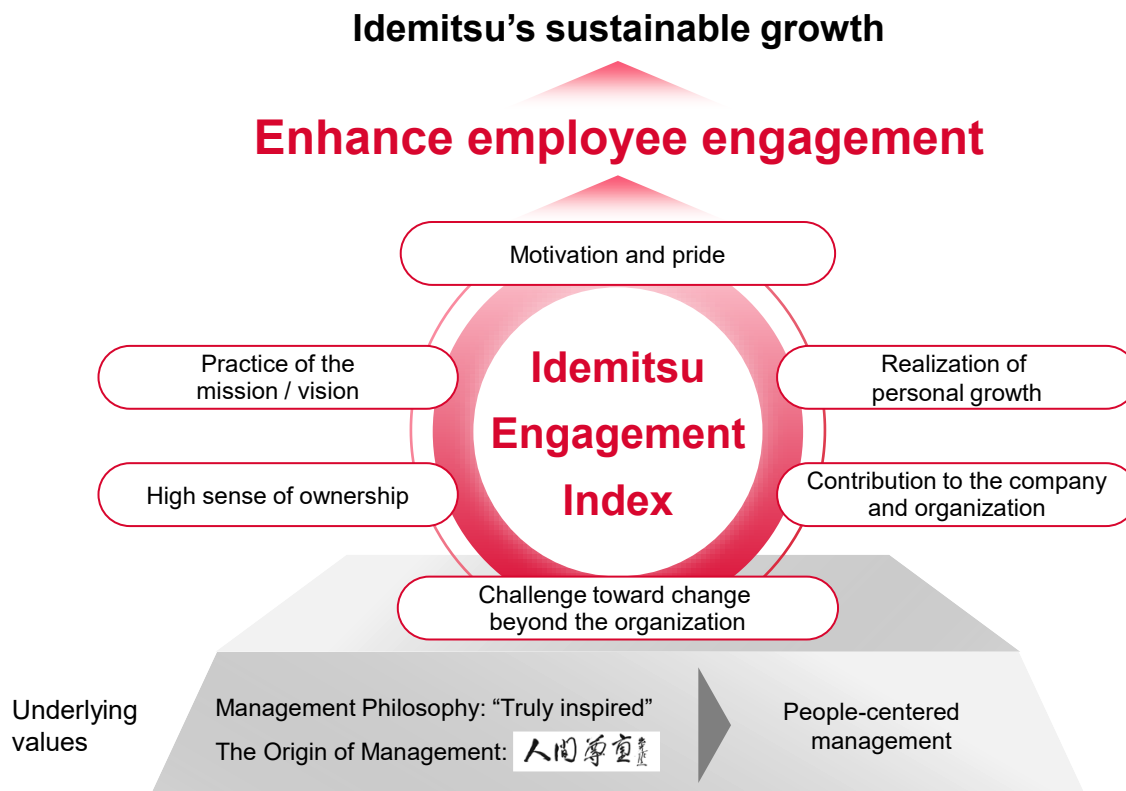


### \* Idemitsu Employee Association

In FY2024, we established the “Idemitsu Employee Association.” With the goal of providing forums where each employee can participate in discussions to create a better company and organizational culture, it carries out its activities.

## Idemitsu Engagement Index (Idemitsu EI)

- Calculated from the scores of specific questions in the engagement survey (the composition of questions is not disclosed)
- A “comprehensive index” that measures improved engagement and sense of growth, alignment between the Company’s direction and one’s role, and the degree to which the Management Philosophy and core values are embedded and embodied
- Gradually increasing since FY2022, when calculation began. Aim for a further leap in this Mid-term Management Plan



## GHG Reduction Initiatives —Examples—

Reduction scope	Examples of initiatives
<p><b>Scope 1+2 reductions</b></p>	<ul style="list-style-type: none"> <li>• Optimize production through consolidation of ethylene plants in the Chiba area</li> <li>• Build and charter six next-generation environmentally friendly VLCCs in 2026–2029 (methanol dual-fuel, LNG dual-fuel, ammonia-ready vessels)</li> <li>• Fuel switching at asphalt plants and lubricant plants</li> <li>• Undertake design work, etc., aiming to launch the “advanced CCS” project in the Tomakomai area</li> <li>• Install solar panels on lubricants plant roofs (India, America, Thailand, Indonesia)</li> <li>• Demonstration project for next-generation agricultural solar power generation</li> <li>• Plan to introduce Australia’s largest-capacity Vanadium Flow Battery at the Boggabri Coal Mine</li> </ul>
<p><b>Scope 3 reductions / avoided emissions</b></p>	<ul style="list-style-type: none"> <li>• Launched “Idemitsu Carbon Offset Fuel (ICOF)”</li> <li>• Launched next-generation biofuel “Idemitsu Renewable Diesel (IRD)”</li> <li>• Design manufacturing facilities and build a supply structure for Sustainable Aviation Fuel (SAF)</li> <li>• Completed an oil chemical recycling facility for recycling used plastics</li> <li>• Develop solid electrolytes for next-generation batteries (all-solid-state batteries)</li> <li>• Phosphorus-free and ash-free diesel engine oil “idemitsu AshFree” and energy-saving hydraulic oil “Daphne Super Hydro ST” certified as the “Kawasaki Carbon Neutral Brand”</li> <li>• Launched RUMINUP® livestock feed that suppresses methane generation from livestock</li> <li>• Start operation of the “Himeji Energy Storage Station” equipped with grid storage batteries</li> <li>• Launched the new solution “idemitsu-R40” that supports the transition of coal-fired boilers to carbon neutrality</li> <li>• Launched commercial operations of coal-alternative biofuel “Idemitsu Green Energy Pellets”</li> </ul>

## Disclaimer

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Information on performance forecasts, strategy, and management policies, etc. stated herein other than historical facts are forward-looking statements which have been prepared by Idemitsu's management based on currently available information.

Many factors with potential risks and inherent uncertainties may affect actual performance, including macroeconomic trends, crude oil prices, trends in demand for petroleum products, market conditions, foreign exchange rates, and interest rates.

As a result, please be advised that actual performance may differ significantly from forecasts, etc. due to fluctuations in such factors.