# Presentation on Results for the 2nd Quarter FY2024

November 12, 2024

Idemitsu Kosan Co.,Ltd.

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# Highlights

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# Results for the 2Q FY2024

## Summary

- ✓ Operating + equity income (segment income) decreased by ¥97.8 billion y-o-y, mainly due to a decrease in export margins and reversal of the inventory impact in the previous FY
- ✓ Steady progress towards full-year forecasts due to solid domestic margins

[¥ billions]

| | 2Q FY2023 | 2Q FY2024 | Change | 5/14 full-year forecasts FY2024 |
|---|---|---|---|---|
| **Operating Income + Equity Income** | 211.2 | 113.4 | (97.8) | 185.0 |
| ***Inventory impact*** | *16.7* | *(0.6)* | *(17.3)* | *(0)* |
| ***Exc. inventory impact*** | *194.6* | *114.0* | *(80.5)* | *185.0* |
| **Net Income Attributable to Owners of the Parent** | 164.9 | 99.4 | (65.5) | 125.0 |
| ***Exc. inventory impact*** | *153.4* | *99.9* | *(53.5)* | *125.0* |

## Full-year forecasts for FY2024

- ✓ Remains unchanged despite steady progress towards full-year forecasts, in light of the recent downtrend in crude oil prices, etc.

## Dividends

- ✓ Dividends for FY2024 increases from ¥32/share to ¥36/share (interim: ¥18, year-end ¥18) to reflect increased earning power and set it as minimum for the medium-term plan period


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# Results for the 2Q FY2024

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# Topics

## Trends in Petroleum Demand and Sales

- ✓ Gasoline demand decreased due to less ownership of gasoline-powered vehicles and improved fuel efficiency. Diesel oil demand also decreased due to streamlined logistics
- ✓ Jet fuel demand has been on a recovery trend since COVID-19

| | FY2022 | **FY2023** | **2Q FY2024** |
|---|---|---|---|
| Core products | 100.9% | **97.5%** | **97.9%** |
| *Gasoline* | *101.3%* | ***97.9%*** | ***97.8%*** |
| Jet fuel | 136.8% | **105.7%** | **100.2%** |

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

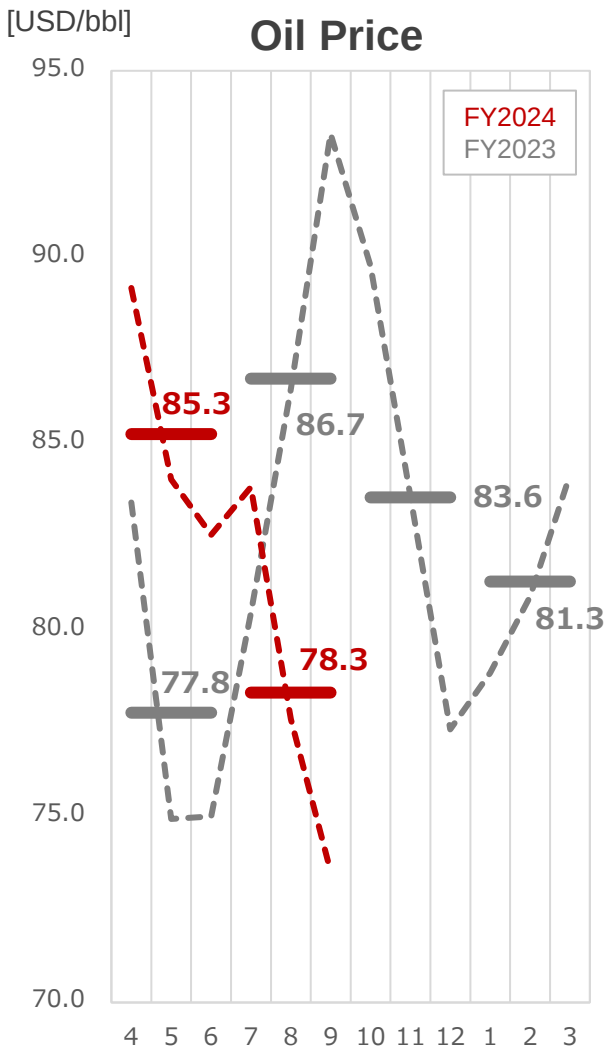
## Situation of Nghi Son Refinery in Vietnam

- ✓ Operating profit was positive in 1st half due to high utilization at over 100%, but forecasting operating losses in 2nd half despite continued high utilization, because of a decease in overseas margins.
- ✓ Zero equity income/losses on consolidated basis due to the provision of allowance for doubtful accounts reported in FY2023
- ✓ Continuing constructive discussions between sponsors aimed at achieving positive net profits in FY2025

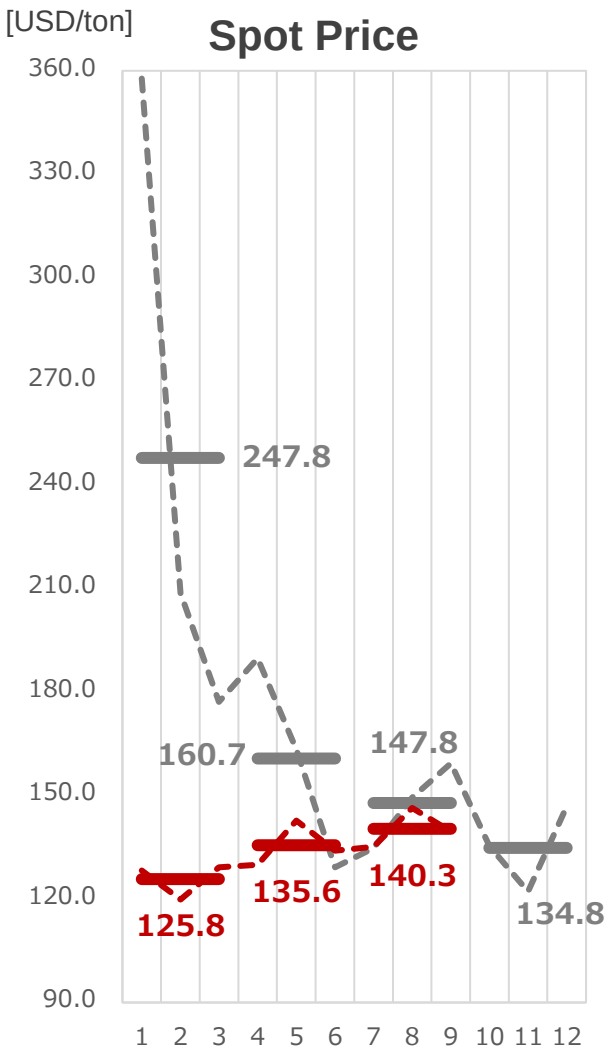

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# Operating Environment

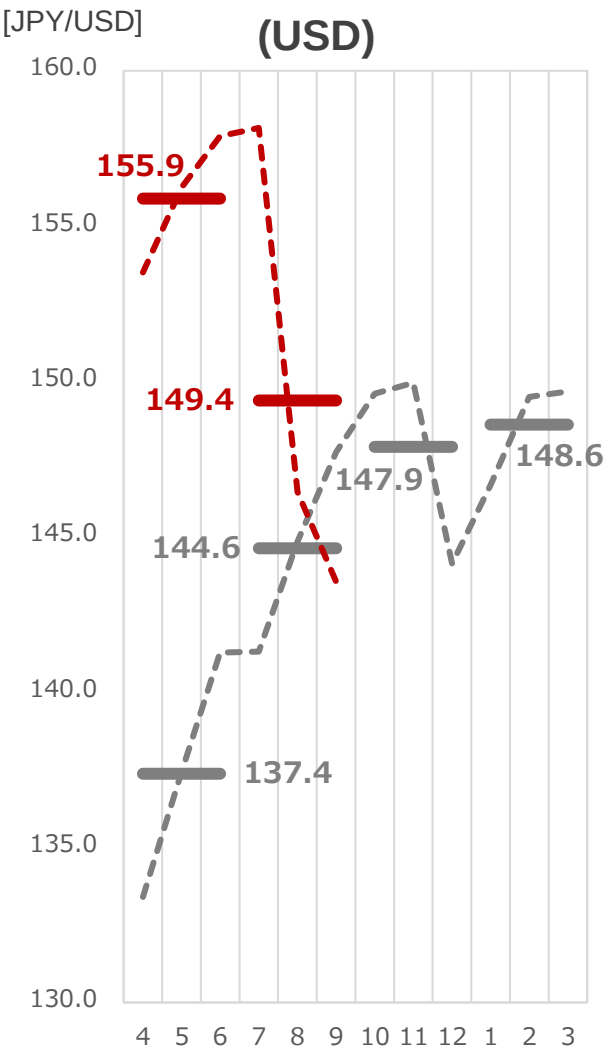
## Dubai Crude Oil Price




## Australian Coal Spot Price




## Exchange Rate (USD)




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# Overview

## Crude Oil/Coal/Exchange Rate

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

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| Crude Oil (Dubai) | 82.3 | 81.8 | (0.5) | (0.6%) |
| Crude Oil (Brent)* | 79.8 | 84.1 | +4.3 | +5.4% |
| Australian Coal Spot Price* | 204.3 | 130.7 | (73.6) | (36.0%) |
| Exchange Rate (TTM) | 141.0 | 152.6 | +11.6 | +8.3% |

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

## Consolidated Income Statement(Summary)

[¥ billions]

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| Net Sales | 4,024.5 | 4,504.0 | +479.6 | +11.9% |
| Operating Income | 202.9 | 97.3 | (105.6) | (52.0%) |
| *Inventory impact* | *16.7* | *(0.6)* | *(17.3)* | – |
| Equity Income | 8.3 | 16.1 | +7.8 | +93.2% |
| **Operating Income + Equity Income** | **211.2** | **113.4** | **(97.8)** | **(46.3%)** |
| ***Excluding inventory impact*** | ***194.6*** | ***114.0*** | ***(80.5)*** | ***(41.4%)*** |
| Ordinary Income | 226.5 | 124.9 | (101.6) | (44.9%) |
| Extraordinary Income/Losses | 1.3 | 5.9 | +4.5 | +336.9% |
| **Net Income Attributable to Owners of the Parent** | **164.9** | **99.4** | **(65.5)** | **(39.7%)** |
| ***Excluding inventory impact*** | ***153.4*** | ***99.9*** | ***(53.5)*** | ***(34.9%)*** |

*Gross average method of inventory valuation
*Inventory impact represents the impact of inventory valuation and the reduction in book value of inventory assets

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# Segment Information

## Operating ＋ Equity Income

[¥ billions]

| | 2Q FY2023 | 2Q FY2024 | Change | | 5/14 full-year forecasts FY2024 |
|---|---|---|---|---|---|
| **Petroleum** | 121.7 | 62.2 | (59.6) | (48.9%) | **102.0** |
| ***Excluding inventory impact*** | *105.0* | *62.8* | *(42.3)* | (40.2%) | ***102.0*** |
| **Basic Chemicals** | 12.0 | 3.4 | (8.6) | (71.6%) | **26.0** |
| **Functional Materials** | 13.4 | 16.0 | +2.6 | +19.7% | **31.0** |
| **Power and Renewable Energy** | (0.4) | (5.8) | (5.4) | – | **(3.0)** |
| **Resources*** | 69.8 | 42.8 | (27.0) | (38.7%) | **57.0** |
| *Oil Exploration and Production* | *10.5* | *9.9* | *(0.6)* | *(5.5%)* | *12.0* |
| *Coal* | *59.3* | *32.8* | *(26.5)* | *(44.6%)* | *45.0* |
| **Others/Reconciliation** | (5.2) | (5.1) | +0.1 | – | **(28.0)** |
| **Total** | 211.2 | 113.4 | (97.8) | (46.3%) | **185.0** |
| ***Excluding inventory impact*** | *194.6* | *114.0* | *(80.5)* | (41.4%) | ***185.0*** |

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

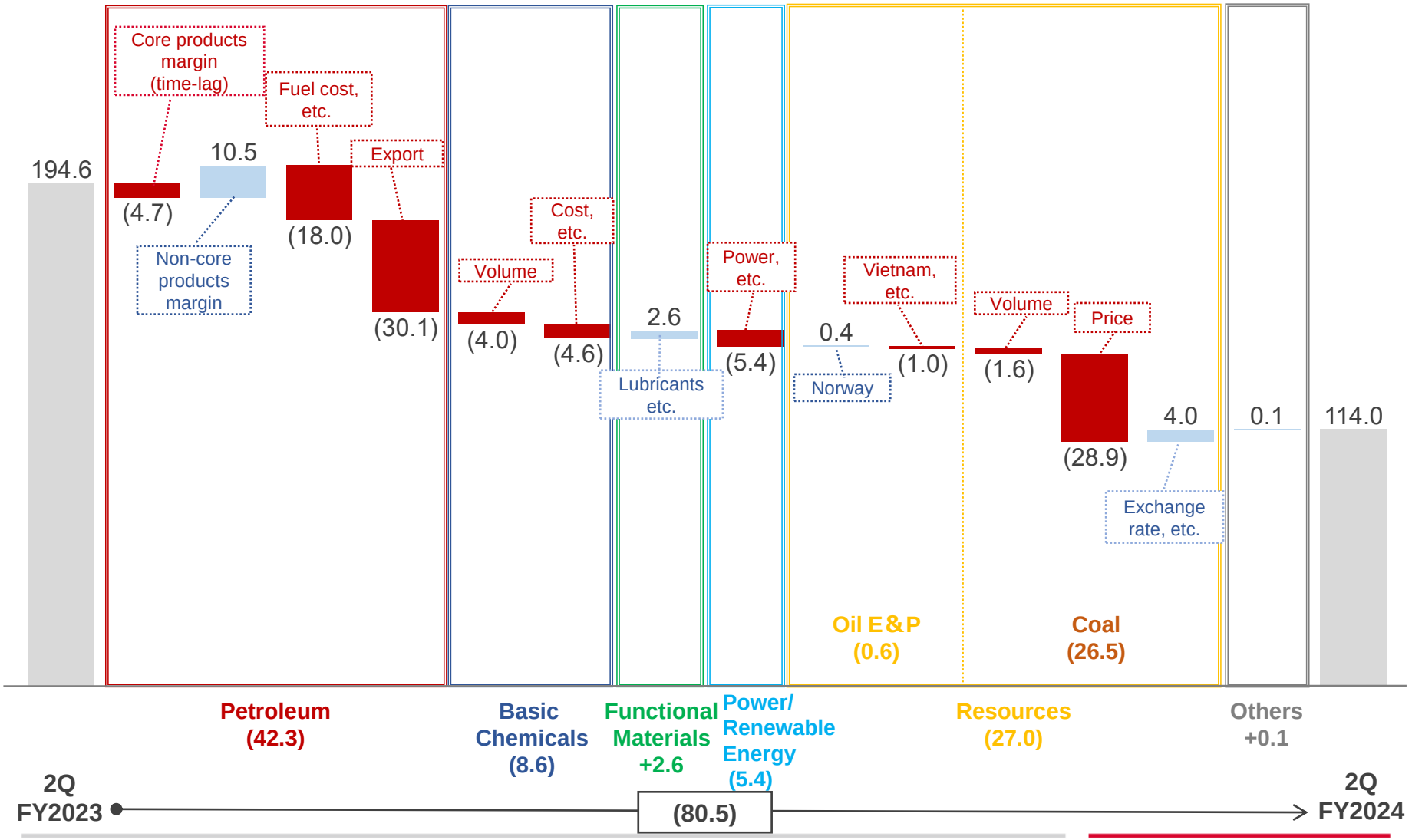
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# Segment Information

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

[¥ billions]



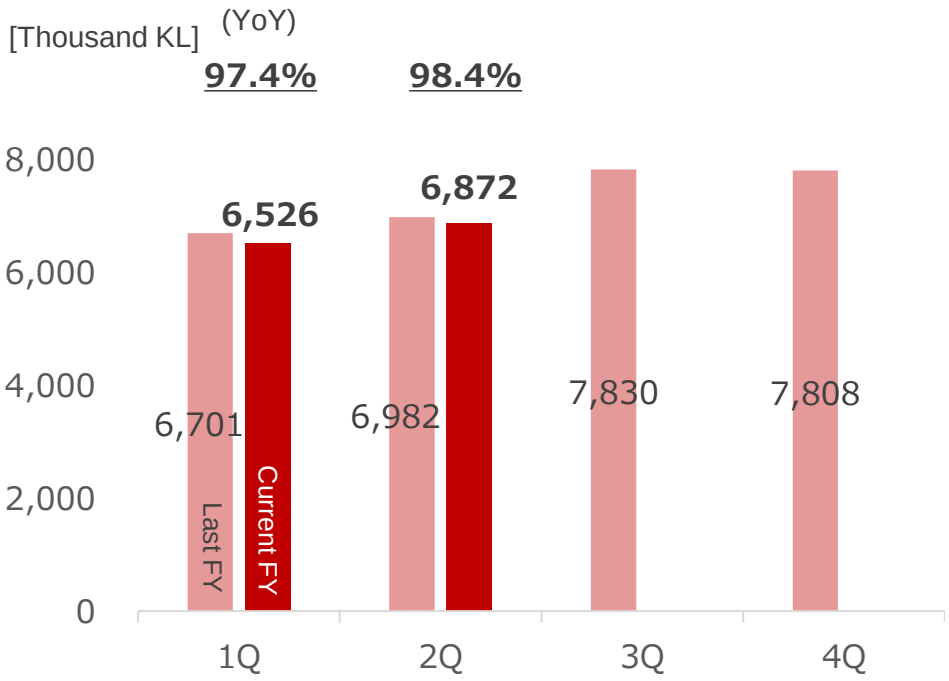

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# Segment Information

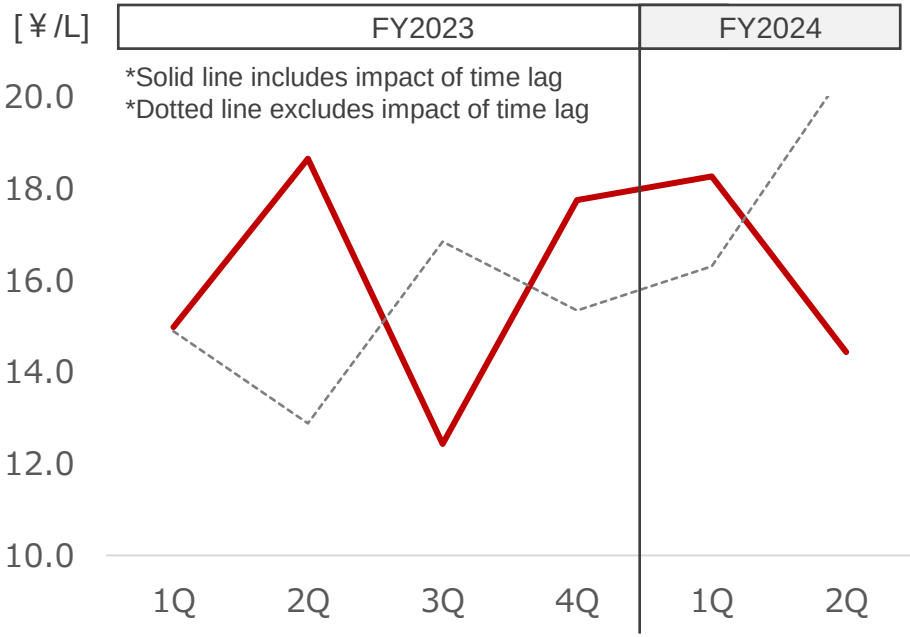
## [Petroleum] YoY -¥42.3 bn (2Q FY23 : ¥105.0 bn ➡ 2Q FY24 : ¥62.8 bn)

**[Y-o-y change in Petroleum sales volume (core products)]**




**[Trends in Domestic Petroleum Product Margin*]**

*Average margin of gasoline, diesel oil, kerosene, and heavy oil A (domestic spot –crude oil)




- ✓ Profit decreased mainly because of a decease in oversea product margins and export volume decreasing partly due to refinery troubles, etc.
- ✓ Additionally, the cost increase such as fuel and logistics as well as the sales volume decline of the main products were profit decreasing factors
- ✓ Domestic product margin were almost same level as last year. Minus time-lag was offset by actual margin improving

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# Segment Information

## [Basic Chemicals] YoY-¥8.6bn (2Q FY23: ¥12.0bn ➡ 2Q FY24: ¥3.4bn)

- ✓ Decreased as a result of lower sales volume due to equipment troubles.
- ✓ Product margin deteriorated in total mainly due to PX and MX margin shrinking

[USD/ton]

| Product | 2Q FY2023 | | 2Q FY2024 | | Change | |
|---|---|---|---|---|---|---|
| | Price | Margin | Price | Margin | Price | Margin |
| PX | 1,051 | **427** | 991 | **311** | (61) | **(116)** |
| MX | 957 | **333** | 885 | **205** | (73) | **(128)** |
| SM | 1,030 | **406** | 1,161 | **481** | ＋130 | **＋75** |

## [Functional Materials] YoY+¥2.6bn (2Q FY23: ¥13.4bn ➡ 2Q FY24: ¥16.0bn)

- ✓ Lubricants: Increased mainly due to the improved sales portfolio
- ✓ Performance chemicals: Improved due to the sales prices increase, etc.
- ✓ Electronic materials: Almost the same as the previous year. OLED demand is on a recovery trend

## [Power/Renewable Energy] YoY-¥5.4bn (2Q FY23: -¥0.4bn ➡ 2Q FY24：-¥5.8bn)

- ✓ Power: Decreased mainly due to increased procurement costs as a result of equipment problems and increased biomass raw material costs.
- ✓ Solar Frontier: Improved due to the cost reductions from structural reforms
- ✓ Overseas businesses: Decreased due to the sales pricing factor, etc.

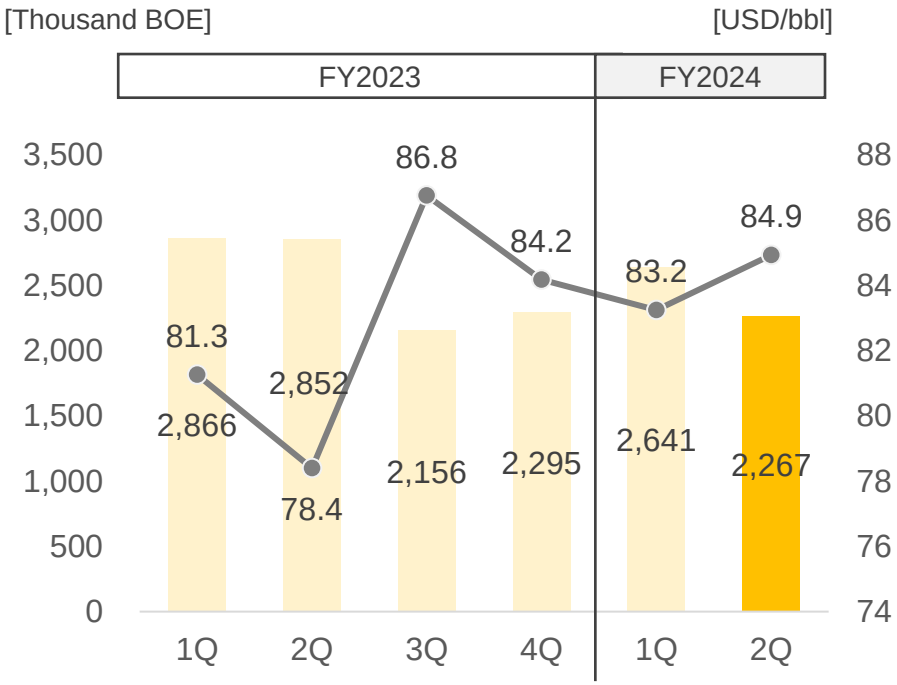

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# Segment Information

## [Oil E&P] YoY -¥0.6 bn

(2Q FY23：¥10.5 bn ➡ 2Q FY24：¥9.9 bn)

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




✓ Decreased due to lower production volumes in both Norway and Vietnam, despite favorable crude oil and exchange rates.

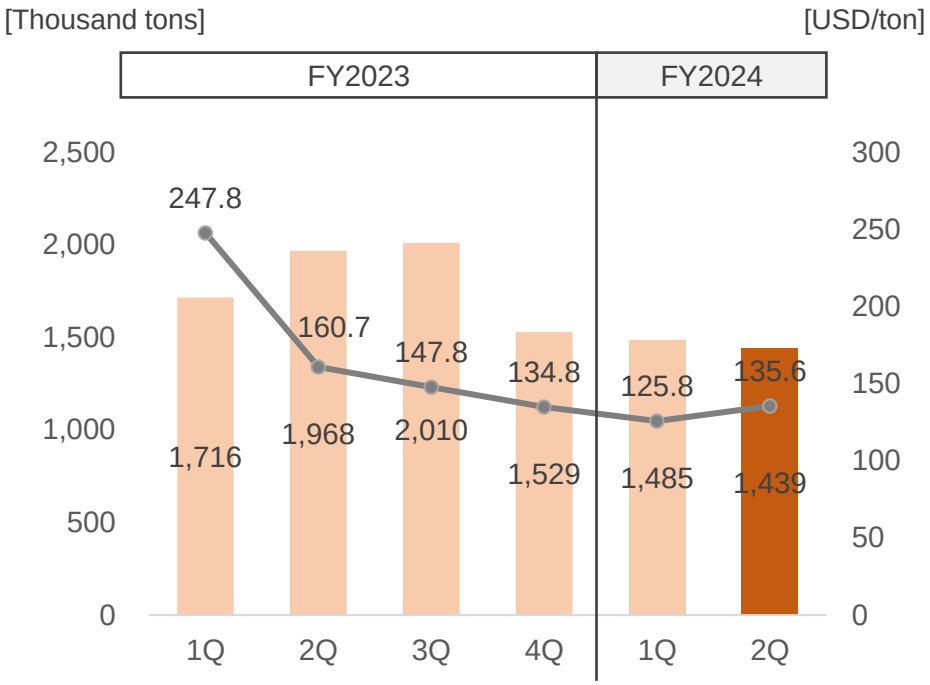
*Figures reflect share of rights owned in resource development affiliates

* Corrected errors in Vietnam 1Q FY23

## [Coal] YoY -¥26.5 bn

(2Q FY23：¥59.3 bn ➡ 2Q FY24：¥32.8 bn)

**<Coal Production Volume and Australian Coal Spot Price Trends>**




✓ Decreased mainly due to the pricing factor under the declining market condition

* Terminated mining at Muswellbrook in March 2023 and sold Ensham in August 2023

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# Balance Sheet

[¥ billions]

| | 3/31/2024 | 9/30/2024 | Change | | 3/31/2024 | 9/30/2024 | Change |
|---|---|---|---|---|---|---|---|
| Cash and Deposits | 139.3 | 31.6 | (107.7) | Total Current Liabilities | 2,192.5 | 1,855.8 | (336.7) |
| Receivables, Inventory, etc. | 2,777.5 | 2,500.8 | (276.7) | Total Fixed Liabilities | 1,007.3 | 947.0 | (60.3) |
| Total Current Assets | 2,916.8 | 2,532.5 | (384.4) | Total Liabilities | 3,199.8 | 2,802.8 | (397.0) |
| Tangible Fixed Assets | 1,362.6 | 1,392.6 | +30.0 | Shareholders' Equity and Other Comprehensive Income | 1,799.9 | 1,867.2 | +67.4 |
| Other Fixed Assets | 732.9 | 762.0 | +29.1 | Noncontrolling Interests | 12.6 | 17.0 | +4.3 |
| Total Fixed Assets | 2,095.5 | 2,154.6 | +59.1 | Total Net Assets | 1,812.5 | 1,884.2 | +71.7 |
| Total Assets | 5,012.3 | 4,687.0 | (325.3) | Total Liabilities and Net Assets | 5,012.3 | 4,687.0 | (325.3) |

| | | | |
|---|---|---|---|
| Net D/E ratio | 0.67 | 0.60 | (0.07) |
| Total Interest-bearing debt | 1,342.7 | 1,143.7 | (199.0) |
| Equity ratio | 35.9% | 39.8% | +3.9% |

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# Statement of Cash Flows

[¥ billions]

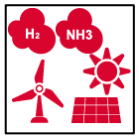
| | |
|---|---|
| **Cash Flow from Operating Activities** | **221.8** |
| Net Income before tax | 130.8 |
| Depreciation Expense | 51.9 |
| Change in Working Capital | 169.4 |
| Other | (130.3) |
| **Cash Flow from Investing Activities** | **(47.0)** |
| Purchase of tangible fixed assets | (35.6) |
| Other | (11.4) |
| **Cash Flow from Financing Activities** | **(288.0)** |
| Change in borrowings | (219.2) |
| Dividend payments and share buyback | (70.2) |
| Other | 1.4 |
| Translation gains/losses | (4.4) |
| Change in cash and deposits | (117.6) |
| **Cash and Cash Equivalents - Beginning Balance*** | **147.5** |
| **Cash and Cash Equivalents - Ending Balance** | **29.9** |

*including affect of changing financial year in group companies (+10.6bn)

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# Progress on the Medium-Term Plan

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




**Energy one step ahead**



**Diverse resource conservation /circulation solutions**



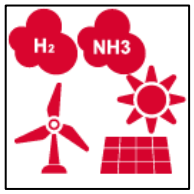
**Smart Yorozuya**

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

## Investment in HIF Global with JOGMEC in the e-fuel domain: To accelerate supply chain development for e-fuels such as e-methanol




- ✓ Co-investment in HIF Global approved as a part of Japan Organization for Metals and Energy Security (JOGMEC)'s investment policy
- ✓ HIF implements projects using low-cost renewable energy that employ existing infrastructures to convert hydrogen to e-fuels that can be transported and used
- ✓ Aiming to strengthen ties with governmental institutions to accelerate supply chain development for promising carbon neutral e-fuels such as e-methanol



Illustrative figure of the e-methanol manufacturing project

（HIF: Matagorda, Texas, USA）

(Link to our disclosure document)
https://www.idemitsu.com/jp/news/2024/240808_en.pdf

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

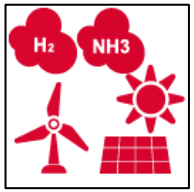
## KeePer Giken and Idemitsu Kosan agree to form a strategic business alliance: a new car coating and car-wash station with a nationwide footprint



- ✓ Agreed to form a strategic business alliance with KeePer Giken aimed at creating a new car coating and car-wash station with a nationwide footprint
- ✓ Aiming to expand rapidly to 20 stations by August 2026 and to 150 stations by 2030 as annexes to Idemitsu Kosan's services stations ("SS") or on idle land after SS closure

(Link to our disclosure document, Japanese only)
https://www.idemitsu.com/jp/news/2024/240809_1.pdf

## Joint study by Idemitsu Kosan and Mitsubishi Corporation on low-carbon ammonia: accelerating the structuring of a large-scale and stable supply chain of low-carbon ammonia from overseas




- ✓ Reached an agreement with Mitsubishi Corporation to jointly study the efficient operation of clean ammonia carriers and transshipment terminals, participate in ExxonMobil's planned low-carbon hydrogen and low-carbon ammonia production project*, in Baytown, Texas, USA, as well as the offtake of ammonia

*This planned project will produce virtually carbon-free hydrogen with approximately 98% of carbon dioxide (CO2) removed and low-carbon ammonia. Final investment decision is expected in 2025 and is subject to necessary regulatory permits. This project aims to start production of low-carbon hydrogen (approximately 900,000 tons per year) and low-carbon ammonia (over 1 million tons per year) by 2029 and is expected to be the world's largest of its kind.

(Link to our disclosure document)
https://www.idemitsu.com/jp/news/2024/241023_1_en.pdf


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

## Basic Design of Large Pilot Facility Begins for Commercialization of solid electrolytes for All-Solid-State Batteries in 2027-2028



- ✓ Commenced the basic design of large-scale pilot solid electrolyte equipment in October 2024
- ✓ Forecasting production capacity of several hundred tons per year, which is one of the world's top-class production scales
- ✓ Expecting to reach a final investment decision (FID) by the end of 2025 and to complete construction by 2027

(Link to our disclosure document)
https://www.idemitsu.com/jp/news/2024/241028_en.pdf

(Reference: Idemitsu and Toyota Announce Beginning of Cooperation toward Mass Production of All-Solid-State Batteries for BEVs)
https://www.idemitsu.com/en/content/100043691.pdf

## Ranked #1 for the second consecutive year in the energy division of the Japan Securities Analysts Association's "Excellent Company Disclosure Selection"

- ✓ Ranked #1 among 21 companies in the Energy Division for 2 consecutive years
- ✓ Scores improved y-o-y across all 5 evaluation criteria, achieving particularly high marks for “management team approach to IR”

(Link to our disclosure document, Japanese only)
https://www.idemitsu.com/jp/news/2024/241022.pdf


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# Investments

[¥ billions]

| | FY24 2Q Results | FY24 Forecast *unchanged from 5/14 announcement |
|---|---|---|
| CN | 21.9 | 75.0 |
| Growth | 16.1 | 175.0 |
| Strategic | 38.0 | 250.0 |
| Maintenance | 29.3 | 80.0 |
| **合計** | **67.3** | **330.0** |

* Amounts based on expenditures

[Strategic Investments]

- ✓ Investment in HIF Global, the world's leading e-Fuels company is a main item for 2Q Results
- ✓ Investments forecast is unchanged from 5/14 announcement despite of 2Q progress approximately 20% for FY forecast.
- ✓ Strategic Investments in 2nd half are mainly Growth investments for Functional Materials Segment

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# Reference

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# Financial Results

## Net Sales by segment

[¥ billions]

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| **Petroleum** | 3,189.1 | 3,750.7 | +561.7 | +17.6% |
| **Basic Chemicals** | 280.2 | 294.6 | +14.4 | +5.2% |
| **Functional Materials** | 248.4 | 250.8 | +2.5 | +1.0% |
| **Power and Renewable Energy** | 72.1 | 65.5 | (6.6) | (9.2%) |
| **Resources*** | 233.3 | 136.0 | (97.3) | (41.7%) |
| *Oil Exploration and Production* | *21.8* | *21.7* | *(0.1)* | *(0.6%)* |
| *Coal* | *211.5* | *114.3* | *(97.2)* | *(46.0%)* |
| **Others/Reconciliation** | 1.4 | 6.3 | +4.9 | +351.4% |
| **Total** | 4,024.5 | 4,504.0 | +479.6 | +11.9% |

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

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# Financial Results

## Quarterly segment income (cumulative, exc. inventory impact)

[¥ billions]

| | FY2023 | | | | FY2024 | |
|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Petroleum | 18.4 | 105.0 | 114.1 | 167.2 | 47.8 | 62.8 |
| Equity income | 4.9 | 3.8 | 6.9 | 9.9 | 5.1 | 10.8 |
| Basic Chemicals | (1.4) | 12.0 | 21.4 | 22.0 | 7.5 | 3.4 |
| Equity income | (0.6) | (1.0) | (1.8) | (4.0) | (0.3) | 0.3 |
| Functional Materials | 5.5 | 13.4 | 22.8 | 27.6 | 7.8 | 16.0 |
| Equity income | (0.2) | (0.1) | 0.4 | 0.3 | 0.1 | 0.3 |
| Power and Renewable Energy | (0.5) | (0.4) | (2.3) | (7.6) | (3.0) | (5.8) |
| Equity income | 0.3 | 0.3 | 0.8 | 0.3 | (0.3) | (0.6) |
| Resources | | | | | | |
| -Oil Exploration and Production | 5.7 | 10.5 | 13.3 | 19.1 | 6.5 | 9.9 |
| Equity income | 3.5 | 5.3 | 7.3 | 10.3 | 3.1 | 5.6 |
| -Coal | 34.7 | 59.3 | 76.4 | 97.8 | 18.3 | 32.8 |
| Equity income | (0.0) | (0.0) | (0.0) | (0.1) | (0.0) | (0.1) |
| Others/Reconciliation | (5.1) | (5.2) | (11.5) | (15.6) | (2.8) | (5.1) |
| Equity income | 0.0 | 0.0 | (0.0) | (0.0) | (0.0) | (0.2) |
| **Total** | 57.4 | 194.6 | 234.1 | 310.6 | 82.2 | 114.0 |
| **Equity income** | 7.8 | 8.3 | 13.6 | 16.7 | 7.6 | 16.1 |

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# Financial Results

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

[¥ billions]

| | FY2023 | | | | FY2024 | |
|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q |
| Petroleum | 18.4 | 86.6 | 9.0 | 53.1 | 47.8 | 14.9 |
| Equity income | 4.9 | (1.0) | 3.1 | 3.0 | 5.1 | 5.7 |
| Basic Chemicals | (1.4) | 13.4 | 9.4 | 0.7 | 7.5 | (4.1) |
| Equity income | (0.6) | (0.4) | (0.8) | (2.2) | (0.3) | 0.6 |
| Functional Materials | 5.5 | 7.8 | 9.4 | 4.8 | 7.8 | 8.2 |
| Equity income | (0.2) | 0.1 | 0.5 | (0.1) | 0.1 | 0.2 |
| Power and Renewable Energy | (0.5) | 0.1 | (1.9) | (5.3) | (3.0) | (2.8) |
| Equity income | 0.3 | 0.0 | 0.4 | (0.5) | (0.3) | (0.3) |
| Resources | | | | | | |
| -Oil Exploration and Production | 5.7 | 4.8 | 2.8 | 5.9 | 6.5 | 3.4 |
| Equity income | 3.5 | 1.8 | 2.1 | 3.0 | 3.1 | 2.6 |
| -Coal | 34.7 | 24.6 | 17.2 | 21.4 | 18.3 | 14.6 |
| Equity income | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| Others/Reconciliation | (5.1) | (0.1) | (6.3) | (4.1) | (2.8) | (2.3) |
| Equity income | 0.0 | 0.0 | (0.0) | 0.0 | (0.0) | (0.2) |
| **Total** | 57.4 | 137.1 | 39.6 | 76.4 | 82.2 | 31.9 |
| **Equity income** | 7.8 | 0.5 | 5.2 | 3.2 | 7.6 | 8.5 |

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# Sensitivity

## Major items affecting operating profit by changes in assumptions (3-4Q)

| | Index | Assumptions (FY2024) | Range of fluctuation | Segment | Income impact (¥ billions) | Major Factors |
|---|---|---|---|---|---|---|
| Excluding inventory impact | Crude oil price | 85.0$/bbl | ±10$/bbl | Petroleum | ±26.0 | Time-lag, fuel cost |
| | Singapore product margin | – | ±5$/bbl | | ±19.0 | Export |
| | Exchange rate | 145.0¥/$ | ±5¥/$ | | ±8.0 | Time-lag, fuel cost |
| | Thermal coal price | 125.0$/t | ±10$/t | Resources (Coal) | ±0.5 | Thermal coal |
| Inventory impact | Crude oil price | 85.0$/bbl | ±10$/bbl | Petroleum | ±64.0 | |
| | Exchange rate | 145.0¥/$ | ±5¥/$ | | ±19.0 | |

* In the petroleum segment, only performance impacts on products made in domestic refineries are shown. In addition to the above, income will also be affected by sales of overseas affiliates

* 3-month impact during shown for the resources segment (coal), as its fiscal year ends in Dec. The assumption is averaged from Jan. to Dec.

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# Sales Volume

## Petroleum

[thousand KL,%]

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| Gasoline | 6,537 | 6,392 | (146) | (2.2%) |
| Naphtha | 192 | 160 | (32) | (16.6%) |
| Jet Fuel | 1,244 | 1,247 | +3 | +0.2% |
| Kerosene | 750 | 665 | (85) | (11.4%) |
| Diesel Oil | 5,028 | 5,019 | (9) | (0.2%) |
| Heavy Fuel Oil A | 1,368 | 1,322 | (46) | (3.3%) |
| Heavy Fuel Oil C | 1,159 | 833 | (326) | (28.2%) |
| **Total Domestic Sales Volume** | **16,278** | **15,637** | **(641)** | **(3.9%)** |
| Exported Volume | 3,067 | 2,548 | (519) | (16.9%) |
| **Total Sales Volume** | **19,345** | **18,185** | **(1,160)** | **(6.0%)** |

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

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# Sales Volume

## Basic Chemicals

[kt,%]

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| Basic Chemicals | 1,617 | 1,478 | (139) | (8.6%) |

## Functional Materials

[KKL,kt,%]

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| Lubricants | 565 | 542 | (23) | (4.0%) |
| Performance Chemicals | 299 | 242 | (57) | (19.0%) |

*Lubricants include sales overseas

## Power/Renewable Energy

[Mkwh,%]

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| Retail Power Sales | 1,020 | 855 | (165) | (16.2%) |

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# Production Volume

## Resources (Oil E&P)

[KBOED,%]

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| Vietnam | 16.8 | 14.0 | (2.8) | (16.6%) |
| Norway | 14.8 | 12.9 | (1.9) | (13.0%) |
| Total('000BOED) | 31.6 | 26.9 | (4.7) | (14.9%) |
| Total('000BOE) | 5,718 | 4,908 | (810) | (14.2%) |

*The numbers reflect our rights and ownership ratios based on our equity share
*The numbers for 2Q FY2023 shows Jan-Jun volume as fiscal year ends in Dec.
*The numbers for 2Q FY2024 shows Jan-Jun volume for Norway while Apr-Sep volume for Vietnam due to the fiscal year ending month change

## Resources (Coal)

[kt,%]

| | 2Q FY2023 | 2Q FY2024 | Change | |
|---|---|---|---|---|
| Ensham | 1,252 | - | (1,252) | - |
| Muswellbrook | 15 | - | (15) | - |
| Boggabri | 2,417 | 2,924 | +507 | +21.0% |
| **Total** | **3,684** | **2,924** | **(759)** | **(20.6%)** |

*The numbers reflect our rights and ownership ratios
*The number shows Jan-Jun volume as fiscal year ends in Dec.
*Muswellbrook was ceased in Mar. 2023. Ensham was sold in FY2023

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# Crude Oil Prices(Dubai and Brent)

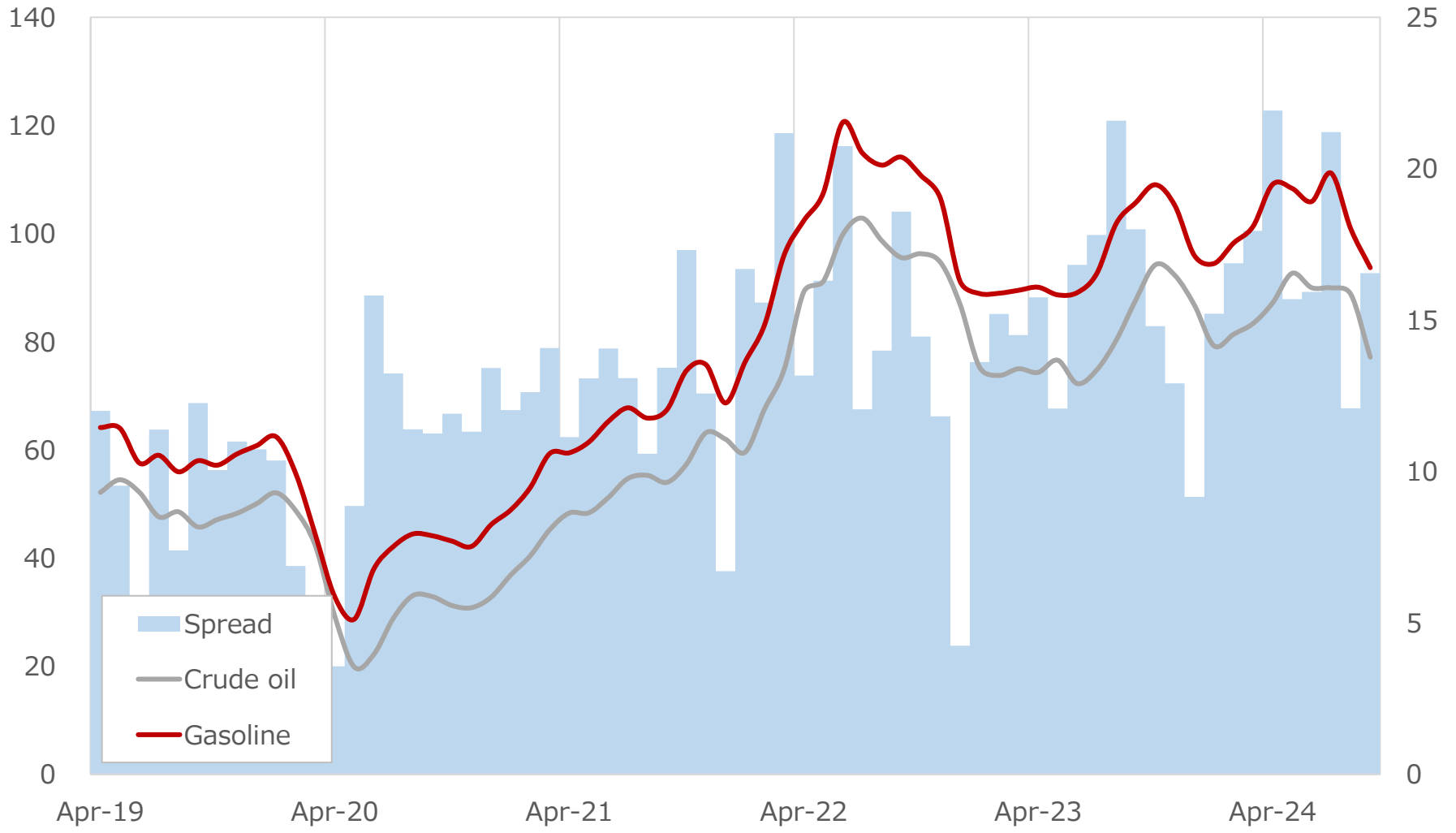



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# Gasoline-Crude Oil(Domestic spot price and spread)

[Price :JPY/L]

[Spread：JPY/L]



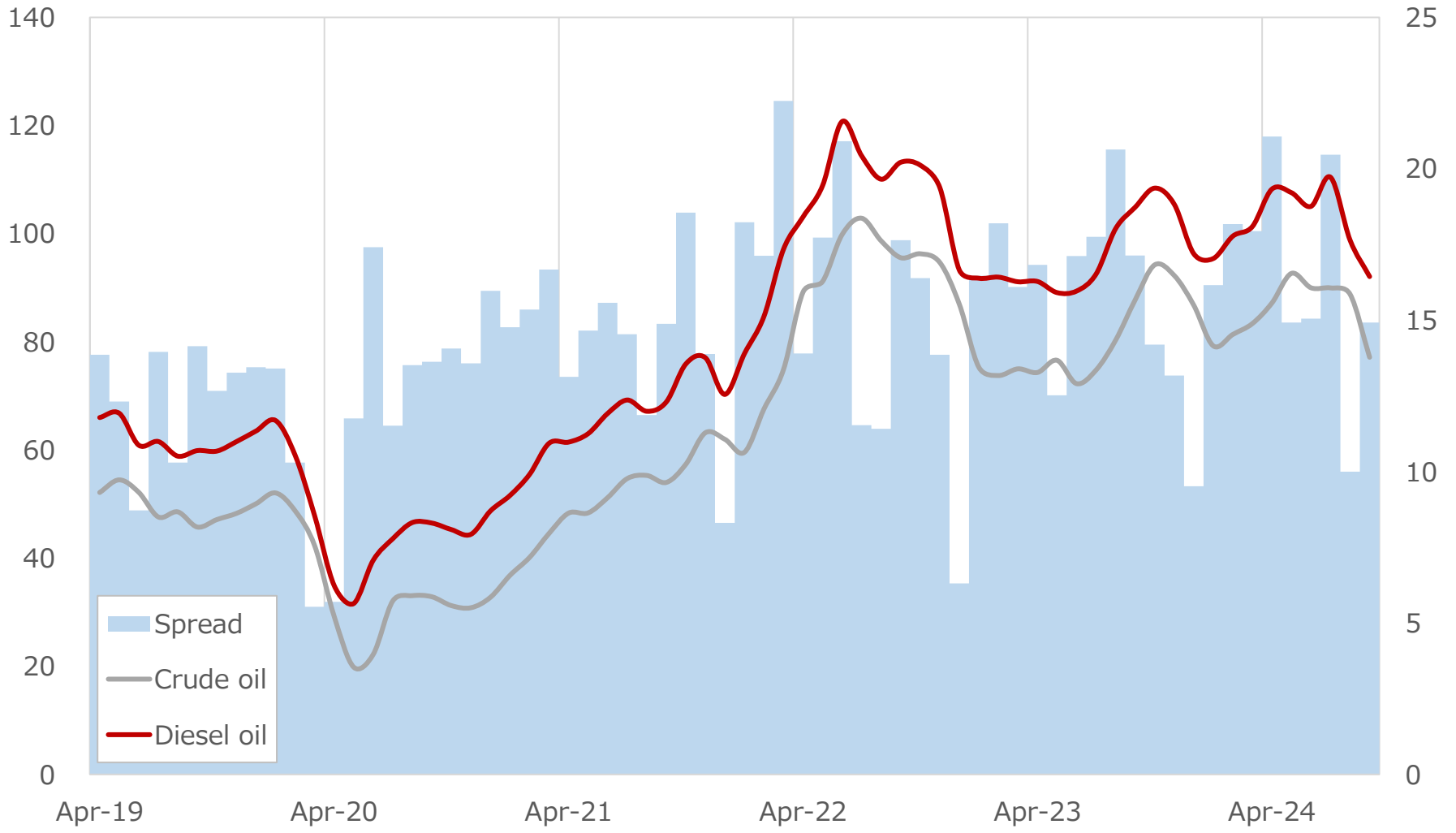

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# Diesel-Crude Oil(Domestic spot price and spread)

[Price :JPY/L]

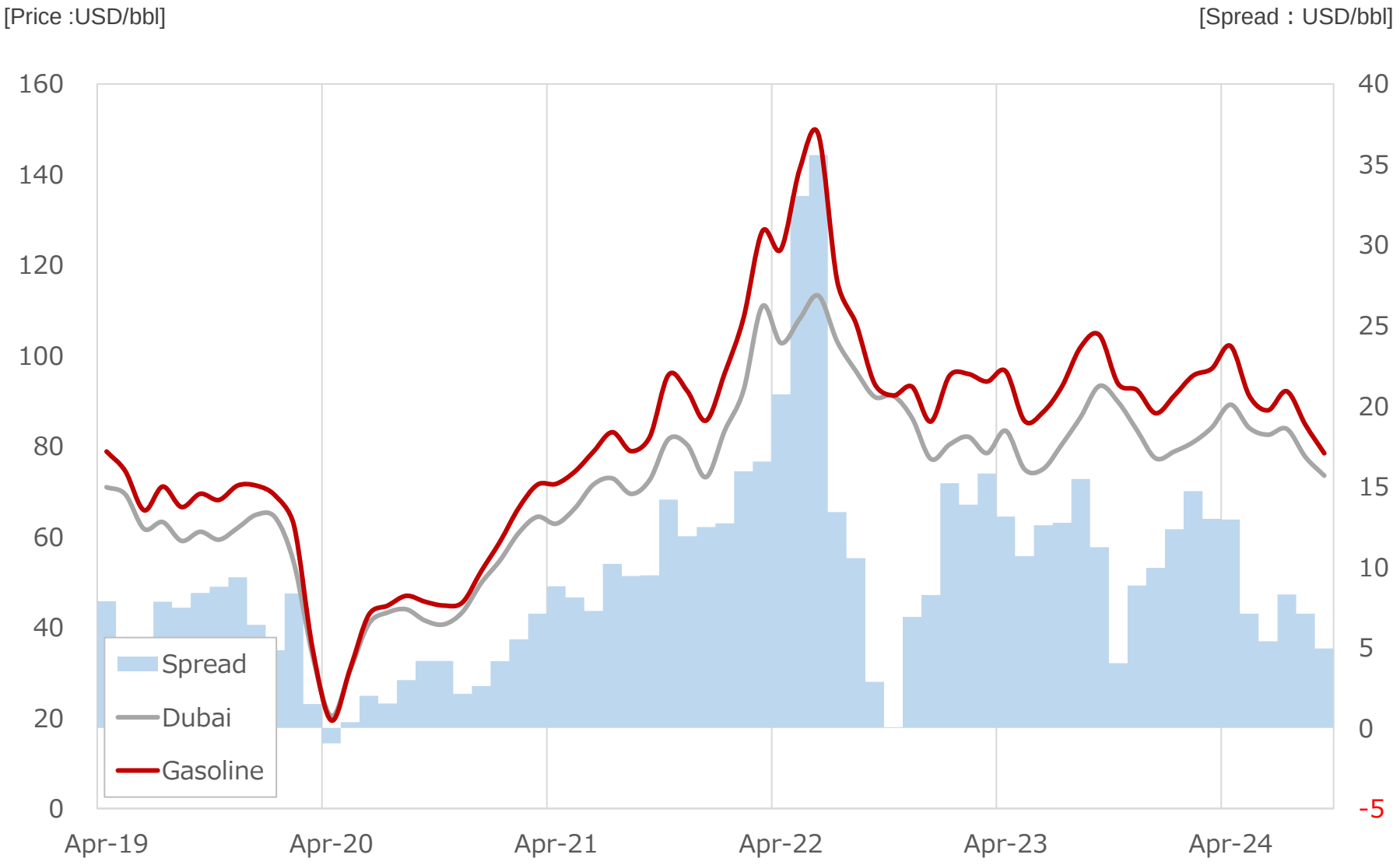
[Spread : JPY/L]




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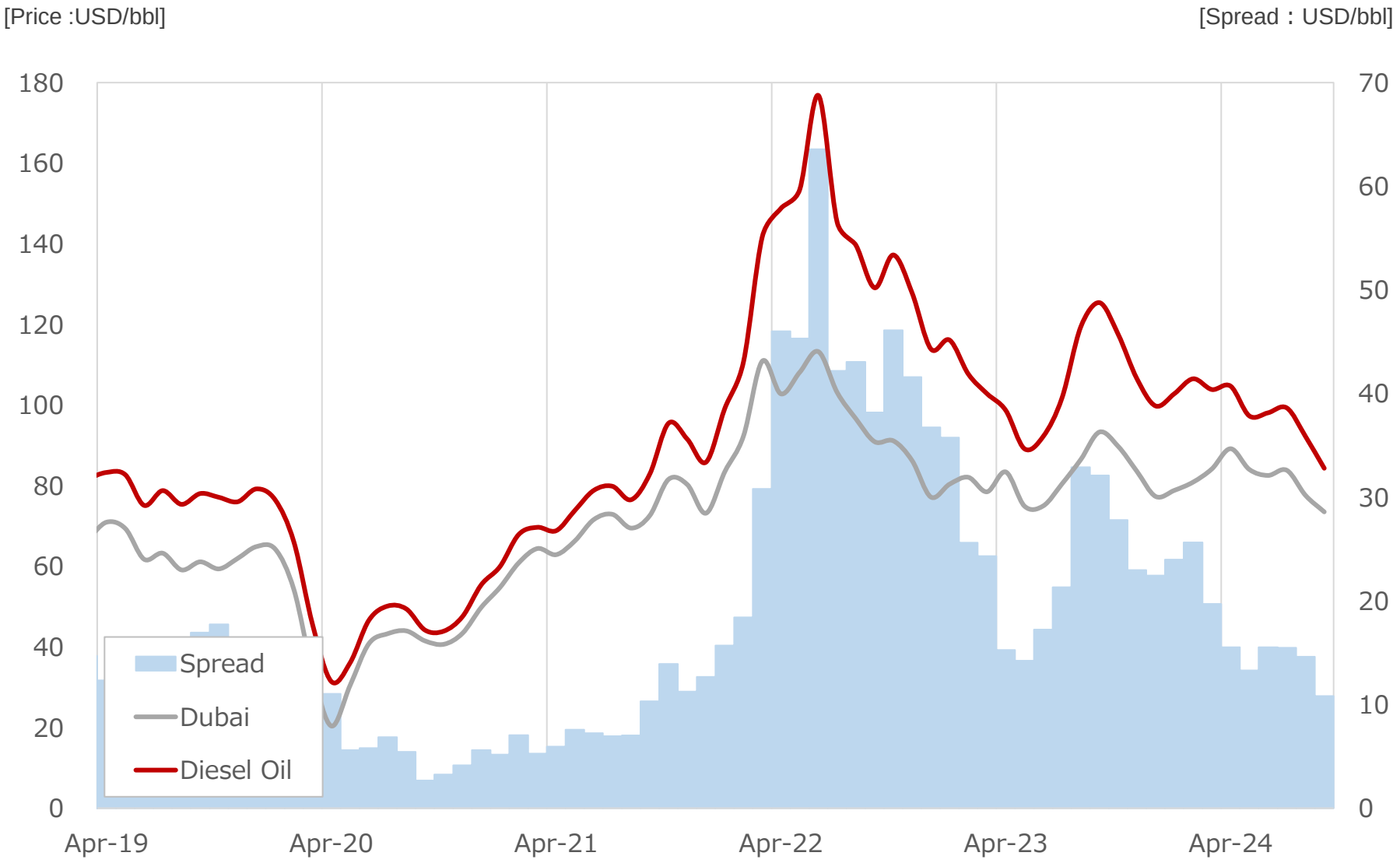
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# Gasoline-Crude Oil(Singapore spot price and spread)




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# Diesel-Crude Oil(Singapore spot price and spread)



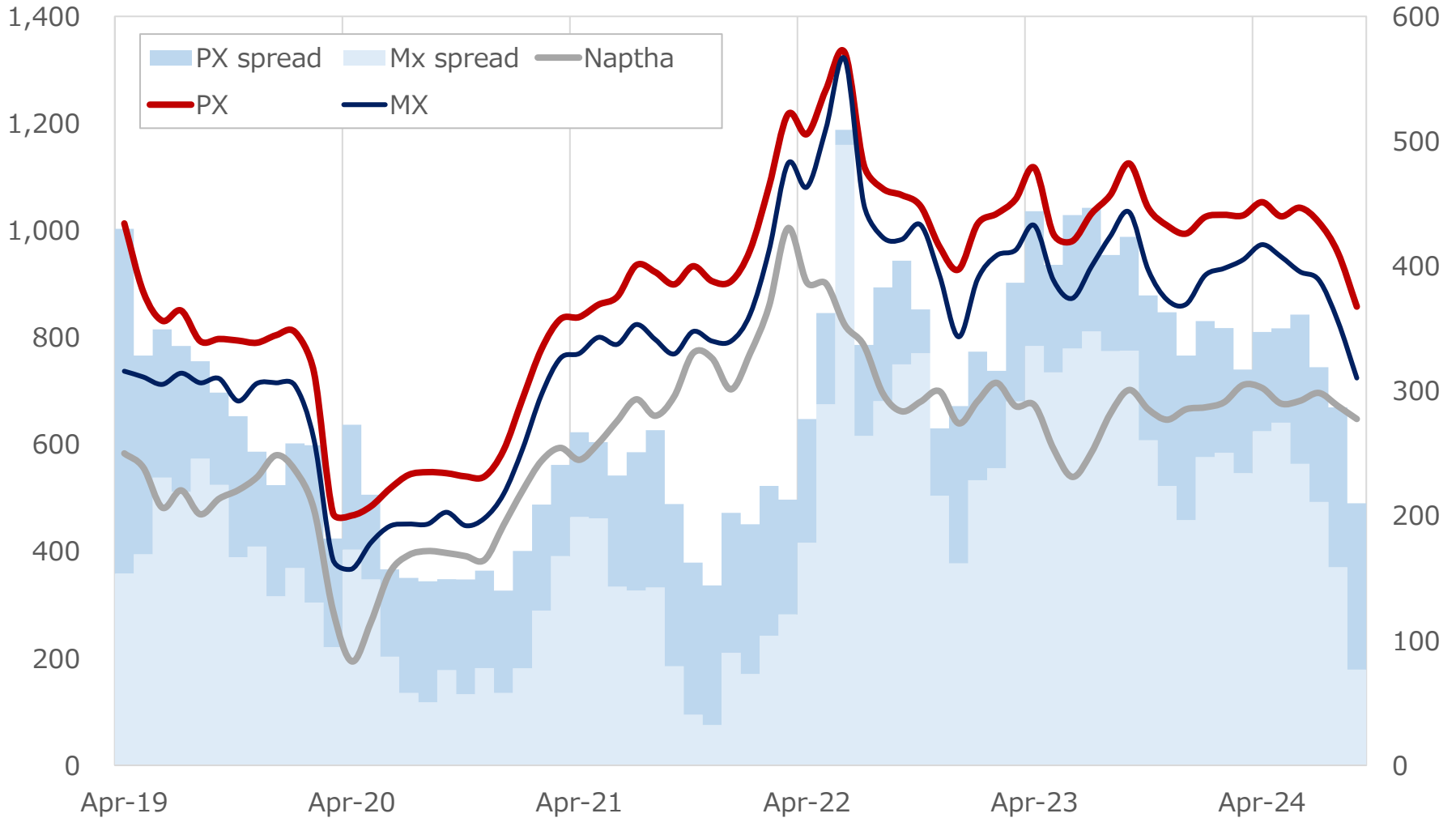

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# Para-Xylene, Mixed Xylene-Naphtha

**(price and spread)**

[Price :USD/ton]

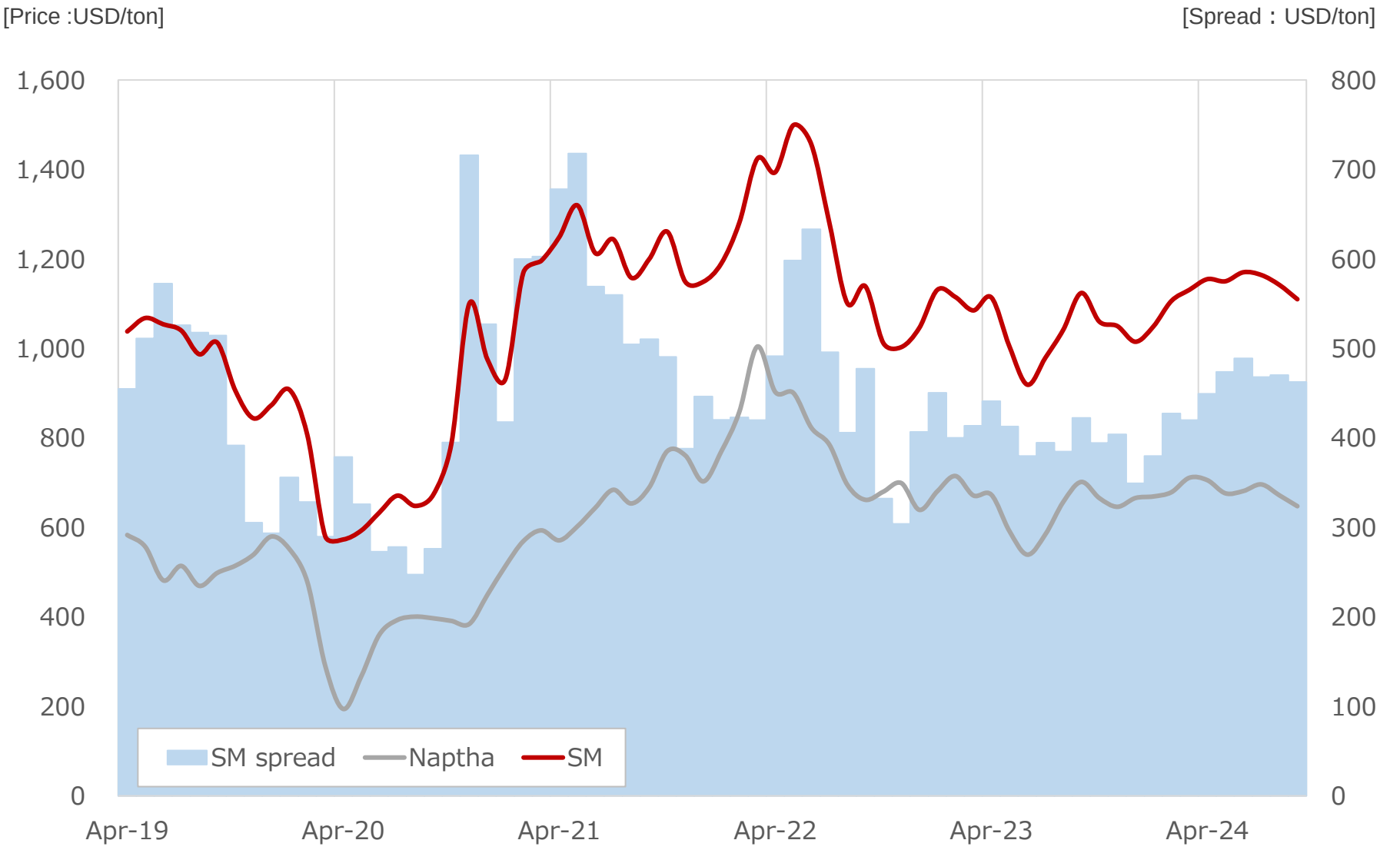
[Spread : USD/ton]




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# Styrene Monomer-Naphtha
**(price and spread)**




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# Operational Data

## Refineries Utilization

| FY2020 | FY2021 | FY2022 | FY2023 | 2Q FY2024 |
|---|---|---|---|---|
| 78% | 77% | 83% | 78% | 68% [73%] |

*on BCD basis including regular maintenances
*Refining operation at Yamaguchi Refinery (120KBD) was terminated in March 2024.
The official capacity was changed after July. The adjusted number is given in parentheses according to the capacity after July.

## Number of Service Stations

| FY2020 | FY2021 | FY2022 | FY2023 | 2Q FY2024 |
|---|---|---|---|---|
| 6,311 | 6,216 | 6,136 | 5,986 | 5,953 |

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# Forecasts for FY2024 (unchanged from the announcement on 5/14)

## Crude Oil/Coal/Exchange Rate

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

| | FY2023 | FY2024 | Change | |
|---|---|---|---|---|
| Crude Oil (Dubai) | 82.3 | 85.0 | +2.7 | +3.2% |
| Crude Oil (Brent)* | 82.6 | 85.0 | +2.4 | +2.8% |
| Australian Coal Spot Price* | 172.8 | 125.0 | (47.8) | (27.7%) |
| Exchange Rate (TTM) | 144.6 | 145.0 | +0.4 | +0.3% |

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

## Consolidated Income Statement(Summary)

[¥ billions]

| | FY2023 | FY2024 | Change | |
|---|---|---|---|---|
| Net Sales | 8,719.2 | 8,700.0 | (19.2) | (0.2%) |
| Operating Income | 346.3 | 169.0 | (177.3) | (51.2%) |
| *Inventory impact* | *52.5* | *0.0* | *(52.5)* | *(100.0%)* |
| Equity Income | 16.7 | 16.0 | (0.7) | (4.3%) |
| **Operating Income + Equity Income** | **363.0** | **185.0** | **(178.0)** | **(49.0%)** |
| ***Excluding inventory impact*** | ***310.6*** | ***185.0*** | ***(125.6)*** | ***(40.4%)*** |
| Ordinary Income | **385.2** | **188.0** | **(197.2)** | **(51.2%)** |
| Extraordinary Income/Losses | **(58.5)** | **(12.0)** | **+46.5** | **–** |
| **Net Income Attributable to Owners of the Parent** | **228.5** | **125.0** | **(103.5)** | **(45.3%)** |
| ***Excluding inventory impact*** | ***192.1*** | ***125.0*** | ***(67.1)*** | ***(34.9%)*** |

*Gross average method of inventory valuation.
Inventory impact represents the impact of inventory valuation and the reduction in book value of inventory assets

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# Segment Information for FY2024 (unchanged from the announcement on 5/14)

## Operating + Equity Income

[¥ billions]

| | FY2023 | FY2024 | Change | | FY2024 (medium-term plan) |
|---|---|---|---|---|---|
| **Petroleum** | **219.7** | **102.0** | **(117.7)** | **(53.6%)** | **102.0** |
| ***Excluding inventory impact*** | ***167.2*** | ***102.0*** | ***(65.2)*** | ***(39.0%)*** | ***102.0*** |
| **Basic Chemicals** | **22.0** | **26.0** | **+3.9** | **+17.9%** | **26.0** |
| **Functional Materials** | **27.6** | **31.0** | **+3.4** | **+12.4%** | **28.0** |
| **Power and Renewable Energy** | **(7.6)** | **(3.0)** | **+4.6** | **–** | **3.0** |
| **Resources*** | **116.9** | **57.0** | **(59.9)** | **(51.3%)** | **54.0** |
| *Oil Exploration and Production* | *19.1* | *12.0* | *(7.1)* | *(37.2%)* | *13.0* |
| *Coal* | *97.8* | *45.0* | *(52.8)* | *(54.0%)* | *41.0* |
| **Others/Reconciliation** | **(15.6)** | **(28.0)** | **(12.4)** | **–** | **(18.0)** |
| **Total** | **363.0** | **185.0** | **(178.0)** | **(49.0%)** | **195.0** |
| ***Excluding inventory impact*** | ***310.6*** | ***185.0*** | ***(125.6)*** | ***(40.4%)*** | ***195.0*** |

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


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# Overview of the Company

FY2023, actual or as of the end of March 2024

## Petroleum Segment

- Refining Capacity **825 KBD** *1,2)
- Domestic fuel oil sales volume **34 million KL/year** *3)
- Number of service stations **6,000**

## Basic Chemicals Segment

(Production Capacity*2) )

- Ethylene **1 mil tons/year**
- Para-Xylene **0.84 mil tons/year**
- Mixed Xylene **0.69mil tons/year**
- Styrene monomers **0.79 mil tons/year**

## Power and Renewable Energy Segment

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

## Functional Materials Segment

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

- Lubricants (sales volume):**1.1 mil KL/year**
- Engineering plastics(sales volume):**150,000 tons/year**
- OLED materials(production capacity): **26 tons/year**

## Resources Segment *4)

- Crude oil production **25,000 BD**
- Thermal coal production **5.7 mil tons/year**

*1 Capacity as of July 2024. Refining operation at Yamaguchi Refinery (120KBD) was terminated in March 2024.
968 KBD when adding the refining capacity of Fuji Oil, Co.,Ltd. with which a petroleum products trade agreement has been signed

*2 excluding Nghi Son's capacity

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

*4 For resources segment, the numbers are for forecasts FY2024. Muswellbrook was ceased in March 2023. Ensham was sold in August 2023

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# Petroleum Segment

[KB/D]

| Operating Company | Refinery | Refining Capacity | RH | FCC | RFCC | FLG | Equity Ratio |
|---|---|---|---|---|---|---|---|
| | **Japan** | | | | | | |
| Idemitsu Kosan | Hokkaido | 140 | 42 | | 33 | | |
| | Chiba | 195 | 40 | | 45 | | |
| | Aichi | 165 | 60 | | 50 | | |
| Showa Yokkaichi Sekiyu | Yokkaichi | 255 | 45 | | 61 | | 75.0% |
| Toa Oil | Keihin | 70 | | 42 | | 27 | 100.0% |
| | | **825** | **187** | **42** | **189** | **27** | |
| | **Overseas** | | | | | | |
| Nghi Son Refinery and Petrochemical LLC | Nghi Son *1,2 (Thanh Hoa, Vietnam) | 200 | 105 | | 80 | | 35.1% |
| | | **200** | **105** | | **80** | | |

*1 Capacity before equity ratio reflection
*2 Refining operation at Yamaguchi Refinery (120KBD) was terminated in March 2024.
*3 Capacity as of September 2024.

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# Basic Chemicals Segment

[mil tons/year]

| Operating Company | Complex/Factory/Refinery | Production Capacity for core products | | | | Equity Ratio |
|---|---|---|---|---|---|---|
| | | Ethylene | Para-Xylene | Mixed Xylene | Styrene Monomer | |
| | **Japan** | | | | | |
| Idemitsu Kosan | Chiba | 0.374 | 0.265 | | 0.210 | |
| | Aichi | | 0.357 | 0.170 | | |
| | Tokuyama | 0.623 | 0.214 | | 0.340 | |
| Showa Yokkaichi Sekiyu | Yokkaichi | | | 0.518 | | 75.0% |
| | **Total** | **0.997** | **0.836** | **0.688** | **0.550** | |
| | **Overseas** | | | | | |
| Idemitsu SM (Malaysia) Sdn. Bhd. | Pasir Gudang (Johor, Malaysia) | | | | 0.240 | 70.0% |
| Nghi Son Refinery and Petrochemical LLC | Nghi Son (Thanh Hoa,Vietnam) | | 0.700 | | | 35.1% |
| | **Total** | | **0.700** | | **0.240** | |

*1 Capacity before equity ratio reflection
*2 Refining operation at Yamaguchi Refinery (120KBD) was terminated in March 2024.
*3 Capacity as of July 2024.

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# Functional Materials Segment (1/2)

## Lubricants

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

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

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

◆Global lubricant network



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

## Performance Chemicals

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

◆Major products, applications, features
- Engineering plastics

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

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



Daytime Running Lamp (DRL)



Automotive parts

- Adhesive materials

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



Disposable diapers and other hygiene products

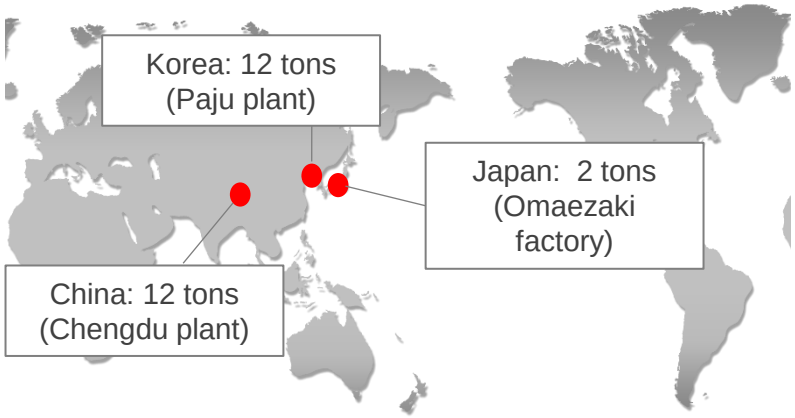
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# Functional Materials Segment (2/2)

## Electronic Materials

◆Product categories
- Organic EL materials
- Display semiconductor materials etc.

◆OLED manufacturing/customer support




- Establishing factories and customer support centers in Asia and reinforcing relationships with display manufacturers, etc. to further expand the organic EL materials business in Asia

- Aiming to develop and commercialize oxidative semiconductor materials which are expected to conserve energy and enhance image quality of display products

## Bitumen (High Performance Asphalt)

◆Asphalt manufacturer which aims to develop state-of-the-art technologies
- Recycling, longer life, carbon neutrality

◆Product categories
- Engineering/construction asphalt
- Industrial asphalt
- Value-added asphalt for roads




**Maybright**
(Value-added asphalt for roads)

## Pesticides and Functional Feed

◆Product categories
- Chemical pesticides (Daconil 1000*1, etc.)
- Plant-derived pesticides
- Functional Feeds (RUMINUP*2, etc.)




**Daconil 1000**




**RUMINUP® M**

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

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

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# Power /Renewable Energy Segment

## Power

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

*Reflects Idemitsu's stake

- ◆Owning 836 thousand KW(Japan:315, Overseas:521) of renewable energy generation capacity
- ◆Operating businesses such as wholesale and retail sales for high and low pressure, based on the company's own generation

## Solar

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

*Idemitsu has been supplying the steam for power generation to the Takigami Power Station of Kyushu Electric Power Co., Inc. since start of operation

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# Resources Segment (Gas and Oil E&P)

## Business Overview

1. Producing and selling crude oil/gas in Vietnam and Norway

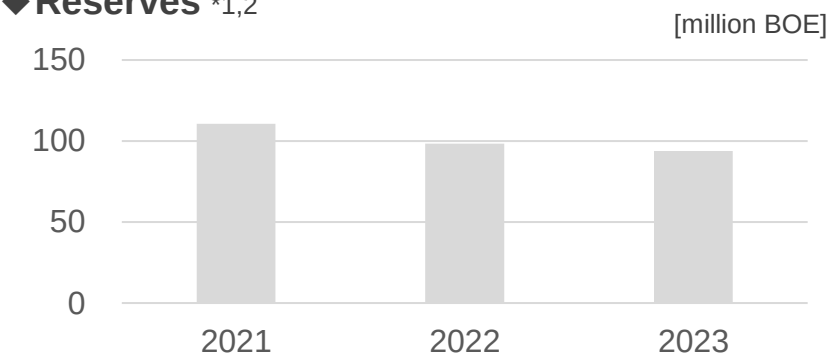
2. Exploration and development of gas in Vietnam and other parts of Southeast Asia to shift to production of natural gas, which will become an important energy source in a decarbonizing society

### ◆Rights owned in oil/gas fields and sales destinations

| | Name of field | Rights Owner | Destination |
|---|---|---|---|
| Vietnam | Sao Vang and Dai Nguyet gas field | Idemitsu Gas Production (Vietnam) Co.,Ltd. *43.08% owned | Asia |
| Norway | Snorre | INPEX Idemitsu Norge AS | Europe |
| | Tordis/Vigdis | | |
| | Fram | | |
| | H-Nord | | |
| | Byrding | | |
| | Vega | | |
| | Duva | | |

## Production Oil/Gas Reserves

### ◆Reserves *1,2




*1 Total reserves in Norwegian oil fields and Vietnamese gas fields
*2 Reserves reflect Idemitsu's rights and ownership ratios

◆ **Reserve Estimation Standards**
・Idemitsu's reserves estimation is conducted based on PRMS (Petroleum Resources Management System) standards
・PRMS standards were established jointly by the Society of Petroleum Engineers (SPE), the World Petroleum Congress (WPC), the American Association of Petroleum Geologists (AAPG), and the Society of Petroleum Evaluation Engineers (SPEE) and is recognized as an international standard
・Reserves defined by PRMS standards are categorized into 1) proved, 2) probable, and 3) possible reserves. Idemitsu's reserves estimate is calculated as the total of proved and probable reserves (1+2)

◆ **Proved Reserves**
・The definition of proved reserves is recognized as the most conservative among definitions used widely in the petroleum/gas industry
・Proved reserves are those quantities of petroleum/gas which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable under current economic conditions and operating methods
・When probabilistic methods are used, there should be at least a 90% probability of recovery that the quantities actually recovered will equal or exceed proved reserves

◆ **Probable Reserves**
・Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable
・When probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves

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# Resource Segment (Coal)

## Business Overview

[Business Strategy]
◆Stable supply and profit maximization by leveraging the highly competitive Boggabri Mine
◆Engage in low-carbon solution businesses such as Idemitsu Green Energy Pellets
◆Leverage management resources built up over years of experience in Australia to transition to new businesses such as rare metals, renewable energy, hydrogen/ammonia, etc.

1. Mining Operations
Owning an Australian coal mine (Boggabri Mine) and has established a whole supply chain from production to sales, providing a stable supply of high-quality coal mainly to Japan

[Overview of Boggabri Mine]
Location: New South Wales
Coal quality: thermal coal (80%),
raw coal (SS/PCI) (20%)
Port for shipments: Newcastle Harbor
(about 360 km by train)



*Mining operations at Muswellbrook Mine were terminated in 2023 and Ensham Mine was sold in 2023

## Business Structure Reforms

**◆Idemitsu Green Energy Pellets (black pellets)**

・$CO_2$ emissions can be reduced by replacing coal with black pellets in fuel used at coal-fired power stations

・Succeeded in a mixed combustion to replace 20-30% of coal fuel with black pellets

・Planning to operate a commercial plant that produces 120,000 tons/year in Vietnam in FY24. Aiming to reach 3,000,000 tons/year by 2030






**◆New businesses in Australia**

・Rare metals: Invested in Vecco, which engages in vanadium operations in Australia
・Renewable energy: Commercialization verification of pumped storage hydroelectric power generation at the post-mining Muswellbrook coal mine site

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# Precaution statement about forecasts

Any information about forecasts for the Company's operating results, management strategy and management policy contained in this documents other than historical facts is prepared, according to judgments made by the top management of the Company based on information available as of the publication of the document.

Actual business environments contain potential risk factors and uncertainties including economic situations, crude oil prices, trends in petroleum products, market conditions, currency exchange rates and interest rates.

Consequently, actual operating results of the Company may substantially differ from forecasts due to changes in the important factors mentioned above.


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