



ENEOS

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ENEOS Group

Progress of Initiatives

Aimed at Enhancing Corporate Value

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

ENEOS Group Japan's Premier Energy and Materials Corporate Group

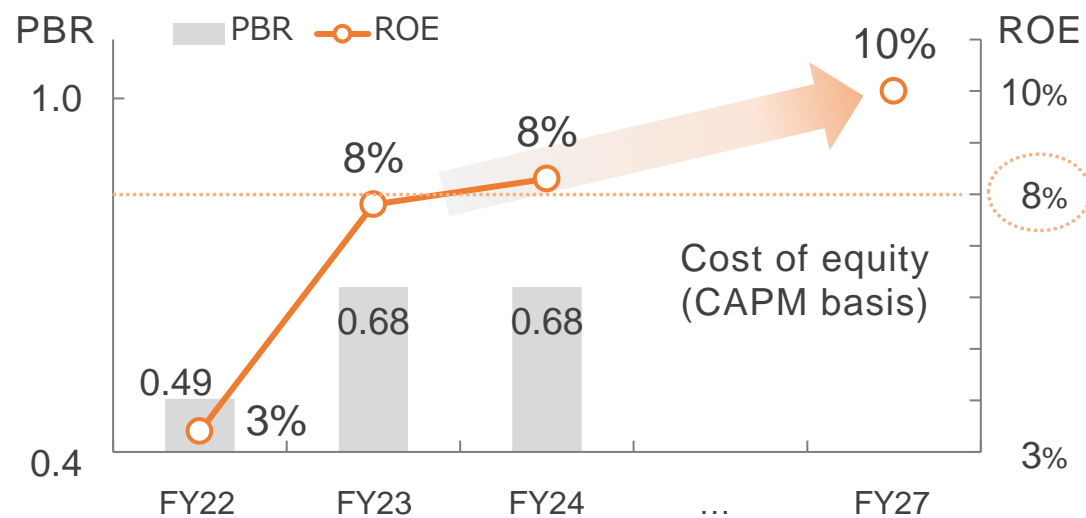
Progress of Initiatives Aimed at Enhancing Corporate Value

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

Measures in FY2024

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

Historical PBR/ROE (excl. inventory valuation)



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

Initiatives Aimed at Enhancing Corporate Value

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

Our Approach for FY2025 Onwards	
ROIC Improvement	
<ul style="list-style-type: none"> ■ Thorough improvement of efficiency <ul style="list-style-type: none"> • Pursue earnings improvement opportunities through comprehensive visualization including Group companies • Considering AI utilization in every operation for significant improvements in operational efficiency ■ Maximization of refinery utilization rate <ul style="list-style-type: none"> • Achieve 90% excluding periodic repairs in FY2027 through appropriate investment in repair costs and measures to improve reliability ■ Restructuring of production/supply systems <ul style="list-style-type: none"> • Considering shutting down one Kawasaki ethylene unit • Decided to suspend lubricant production at Yokohama Plant and considering relocating to another site 	<ul style="list-style-type: none"> ■ Partial transfer of maritime transportation business <ul style="list-style-type: none"> • In response to surge in vessel prices and enhanced environmental restrictions, determined the transfer to the best owner ■ Carefully selected investments to expand early earnings generation business (overseas fuel oil business) and low-carbon business (LNG/biofuels etc.) <ul style="list-style-type: none"> • Overseas fuel oil business: Expansion by acquiring overseas assets (Trading business, biofuels, etc.) • Jet fuel: Strengthen supply systems in response to increased inbound demand • LNG: Additional investments in southeast Asia and Oceania, where we have years of expertise • SAF: Establish in-house production system of 400,000kl/year from FY28 onwards
Alignment of Remunerations for Directors with Corporate Value Enhancement	Enhancement of Shareholder Returns (Dividend Increase)
<ul style="list-style-type: none"> • Adopt TSR as an indicator for share-based remuneration calculation¹, emphasizing mid/long-term profitability and sharing value with shareholders 	<ul style="list-style-type: none"> • Determined a dividend per share of ¥30 to show our ambition to realize the Fourth Medium-Term Management Plan and progressively increase dividends based on financial results starting from ¥30/share

This notice contains certain forward-looking statements, however, actual results may differ materially from those reflected in any forward-looking statement, due to various factors, including but not limited to, the following:

- (1) macroeconomic conditions and changes in the competitive environment in the energy, resources and materials industries;
- (2) changes in laws and regulations; and
- (3) risks related to litigation and other legal proceedings.