

ENEOS Holdings, Inc.

Revisions to the Forecast for Consolidated Results for the Fiscal Year 2024

FY2024 Forecast Summary

1

- Operating profit is expected to be 25.0 billion yen, down 395.0 billion yen from the previous forecast, primarily due to deterioration of inventory valuation caused by declining oil prices, impairment of goodwill in the Petroleum Products Business resulting from rising interest rates, and profit reclassification related to JX Advanced Metals (JXAM)¹.
- Operating profit including discontinued operations and excluding inventory valuation is expected to be 440.0 billion yen, up 20.0 billion yen from the previous forecast.

¹Following the sale of shares in JXAM, both the operating profit of JXAM and the gain on the sale of its shares have been classified as discontinued operations.

(¥bn)	Previous Forecast	Revised Forecast	Changes	Dubai crude oil assumptions
Operating Profit	420.0	<u>25.0</u>	<u>- 395.0</u>	<p>(\$/B)</p> <p>Previous Forecast</p> <p>Revised Forecast</p> <p>Oct. Nov. Dec. Jan. Feb. Mar.</p>
Inventory valuation	-	-150.0	-150.0	
Operating Profit excl. inventory valuation	420.0	175.0	-245.0	
Impairment of goodwill in Petroleum Products Business	-	-160.0	-160.0	
Operating profit of JXAM	90.0	-	-90.0	
Excl. the above	330.0	335.0	+ 5.0	<p>• Negative time lag caused by declining oil prices -20.0</p> <p>• Improved margins (+36.0) in petroleum products etc. +25.0</p>
Operating Profit from discontinued operations	-	265.0	+ 265.0	
Operating profit of JXAM	-	90.0 ²	+ 90.0	
Gains on the sale of shares of JXAM	-	175.0	+ 175.0	
Operating Profit incl. discontinued operations excl. inventory valuation	420.0	<u>440.0</u>	<u>+ 20.0</u>	

² Note: This amount is consistent with our disclosure of our revised earnings forecasts dated November 13, 2024, and we have not since revised the amount. The above information regarding our Metals Business is in the context of our consolidated financial results and is not to be construed as a forecast of the consolidated financial results of JXAM.

JXAM Stock Sale Associated with Listing

- ✓ In connection with JXAM's listing on the Tokyo Stock Exchange, ENEOS has sold 57.6% of its shares in JXAM.
- ✓ ENEOS plans to release the **Fourth Medium-Term Management Plan** in **May 2025**, which will take into account the listing of JXAM.

- ¹ Includes the gain on the sale of the 57.6% interest and the remeasurement gain on the remaining 42.4% interest.
- ² In addition to the proceeds from the sale, the financial position will improve due to the deconsolidation of interest-bearing debt associated with the Metals Business.

■ Financial impact (forecast)

Operating Profit ¹	None record under discontinued operations Operating profit equivalent +175.0 ¥bn
Profit attributable to owners of the parent ¹	+ 130.0 ¥bn
Cash flow (Reference value based on the offering price of 820 yen)	+ 440.0 ¥bn
Net D/E ratio ²	0.20 improvement

Impairment of Goodwill (Petroleum Products Business)

- ✓ Impacted by changes in the external environment, including rising interest rates, ENEOS has reviewed future plans and expects to record an impairment loss on goodwill (non-amortized under IFRS) that arose from the business integration of JX Holdings and TonenGeneral Sekiyu K.K. in 2017.
- ✓ Since FY2017, ENEOS has continuously achieved significant integration effects through efforts to restructure the production framework, unify the brand, and enhance competitiveness. The integration effect has already been manifested.

■ Financial impact (forecast)

Operating Profit	-160.0 ¥bn
Profit attributable to owners of the parent	-160.0 ¥bn
Cash flow	None

Consolidated Cash Flows

- ✓ Free cash flow is expected to be 530.0 billion yen, a significant increase from the May announcement, primarily due to the sale of shares of JXAM.

	FY2024 Forecast	
(¥bn)	Announced in May	Revised Forecast
Operating cash flow (Excluding holiday impact)	604.0 (697.2)	600.0 (700.0)
Capital investment	-493.0	-490.0
Asset sales and other	39.0	420.0
Investing cash flow	-454.0	-70.0
Free cash flow (Excluding holiday impact)	150.0 (243.2)	530.0 (630.0)

Excl. IFRS 16 leases

Net D/E Ratio

- ✓ Net D/E ratio as of the end of March 2025 is expected to improve from the net D/E ratio as of the end of March 2024, reaching 0.40, primarily due to the sale of shares of JXAM and the deconsolidation of the Metals Business.

	As of Mar. 31, 2024 Actual	As of Mar. 31, 2025 (Revised Forecast)
Net interest-bearing debt	2,000.0	1,610.0
Total equity	3,703.8	3,320.0
Net D/E ratio (After adjusting for hybrid bonds)	0.46	0.40

Reference: Operating Profit Excluding Inventory Valuation and Profit

4

(¥bn)

Previous
Forecast

Revised
Forecast

Changes

Key Factors for Fluctuations

Operating profit

excl. inventory valuation

Operating profit	420.0	175.0	-245.0	
Petroleum Products	175.0	10.0	-165.0	Impairment of goodwill, time lag (decline in oil prices) and improved margins in petroleum products
High Performance Materials	11.0	16.0	+ 5.0	Butadiene market price increase
Electricity	17.0	23.0	+ 6.0	Early start of operation of Goi Thermal Power Plant and JEPX price increase
Renewable Energy	1.0	-4.0	-5.0	Cancellation of onshore wind power project development
Oil and Natural Gas E&P	80.0	80.0	±0.0	
Metals	90.0	- ¹	-90.0	Classified as discontinued operations due to the sale of shares of JXAM
Other	46.0	50.0	+ 4.0	

Discontinued operations (operating profit equivalent amount)

Metals	-	90.0 ¹	+ 90.0
Gain on the sale of shares of JXAM	-	175.0	+ 175.0

Profit

incl. discontinued operations and excl. inventory valuation

Operating profit incl. discontinued operations	420.0	440.0	+20.0
Profit attributable to owners of the parent	220.0	215.0	-5.0

¹ This amount is consistent with our disclosure of our revised earnings forecasts dated November 13, 2024, and we have not since revised the amount. The above information regarding our Metals Business is in the context of our consolidated financial results and is not to be construed as a forecast of the consolidated financial results of JXAM.

These materials include forward-looking statements that are based on information available at the time of preparation and are subject to various risks and uncertainties. Actual results may differ significantly from the results expressed or implied by such forward-looking statements due to a variety of factors including, but not limited to:

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