
■ ENEOS Holdings (5020) FY2023 Carbon Neutrality Plan Briefing Session Q&A

1. Date/time: July 13, 2023 16:00 - 17:00
 2. Number of attendees: 120 (22 in person, 98 online)
-

— This document contains forward-looking statements. Please refer to the cautionary statement at the end. —

Q. Regarding your figures for carbon intensity (CI), you have set very clear quantitative targets for CI reduction, but do you have any effective measures for reaching these targets?

A. CI will decrease with the progression of the energy transition, that is, the replacement of fossil fuels with hydrogen, carbon-neutral fuels and renewable energy. At this time, we think hydrogen will play a major role in CI reduction. In addition, we plan to build a portfolio where CCS can make up the difference in the event that hydrogen supply does not grow as much as expected and fossil fuels are still used to some extent.

Q. In reducing CO₂, it is very important to balance cost with effectiveness. How are you going to balance the cost and effectiveness of your decarbonization initiatives?

A. Of course, the profitability of decarbonization-related businesses is important. In managing investments, we have set an internal carbon price as a reference for capital investments. We also believe that our response to climate change will create corporate value and we have developed our Long-Term Vision and third Medium-Term Management Plan accordingly. Our Carbon Neutrality Plan reflects our Long-Term Vision and third Medium-Term Management Plan in terms of CO₂ reduction.

Q. How, exactly, are you going to generate profits in your decarbonization-related businesses?

A. Whether we're talking about hydrogen or CCS, government support will be needed to reach the 2030 targets, and we can't count on large profits while we are receiving this support yet. On the other hand, the environmental value of sustainable aviation fuel (SAF) is already recognized worldwide, so first we will focus on achieving profitability in this business by 2030. For new businesses, including decarbonization-related businesses, it's important to be a "first mover" shaping system design and infrastructure development in Japan and abroad. If we can develop infrastructure aimed at the commercialization of new businesses by 2030, we should be able to achieve profitability by 2040.

End

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) the impact of COVID-19 on economic activity;
- (3) changes in laws and regulations; and
- (4) risks related to litigation and other legal proceedings.