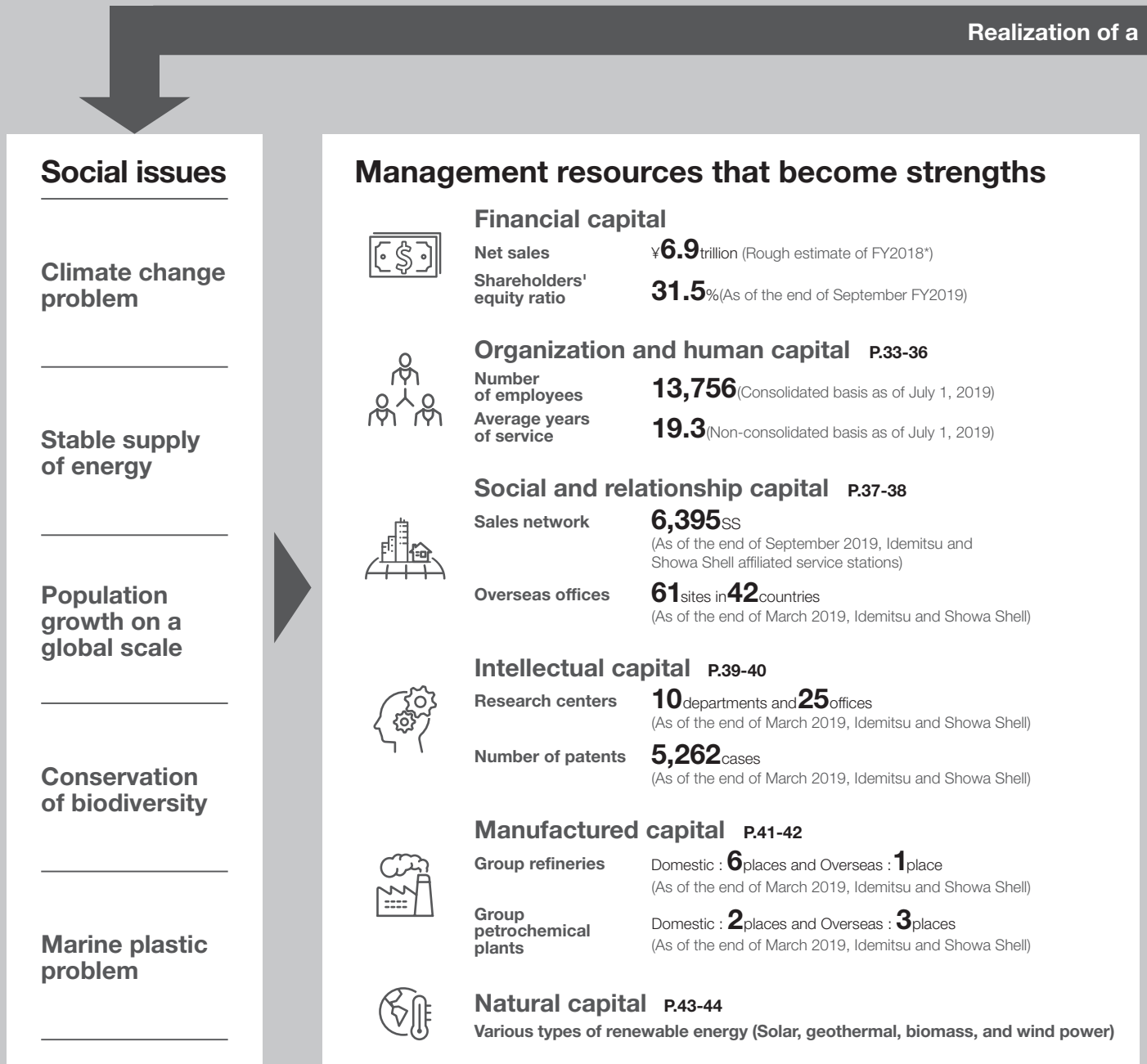


Value Creation Process

Idemitsu Group aims to contribute to energy security in countries and regions around the world and to the bright and affluent lives of people living there. As the business environment changes, we will use the strengths of the new integrated company to solve social issues while contributing to the realization of a sustainable society.

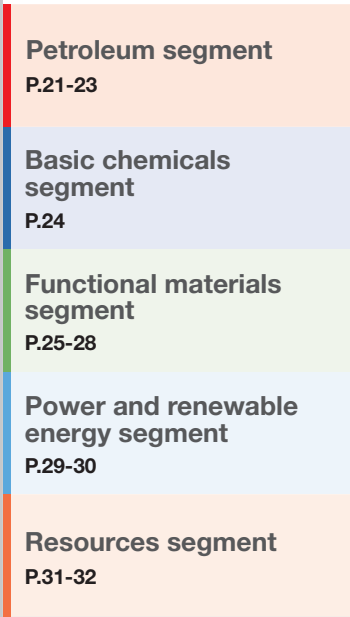


* Rough estimate figures based on Showa Shell's 100% consolidated results for the same period of the previous year (From April 2018 to March 2019)

Strength of new integrated company



Business segments



Value creation for company and society

Quantitative targets for 2030

- Operating income + Equity in earnings of affiliates **¥300 billion**
- Operating income ratio for petroleum products, oil exploration and coal **Less than 50%**
- Operating income ratio of functional materials business **30% or more**
- Cumulative total power development **5GW or more**
- GHG reduction target (Compared to 2017 levels) **▲15%**

Value provided to stakeholders

Share-holders	Stable return of profits through sustainable growth
Customers	Contributing to a convenient and rich lifestyle through stable supply of diverse energy and materials
Society	Contributing to the development of local communities and the realization of a low-carbon, recycling-oriented society
Business partners	Realization of partnerships that work together to create added value
Employees	Realization of a rewarding work environment in which diversity is respected and each employee can demonstrate his or her abilities and grow

Medium-term management plan P.11-14

Materiality P.15-17

Foundation to support the business

- D&I P.33-35
 - Corporate governance
 - Compliance
 - Safety, environment and quality assurance
 - Risk management
- P.51-58