



February 26, 2025
ENEOS Corporation

Commencement of Restructuring Petrochemical Production and Supply Network

ENEOS Corporation (President: Yamaguchi Atsuji) announces that it has decided to begin considering measures to optimize its production and supply network, assuming a partial termination of one of the two ethylene production units at the Kawasaki Refinery Plant (refinery manager: Kato Eiji; Kawasaki City, Kanagawa Prefecture).

In the Third Medium-Term Management Plan, ENEOS set a goal to establish a solid earnings base, and it is striving to strengthen the competitiveness of the entire supply chain in petroleum refining and marketing as one of its base businesses, with safe operations and a stable supply of energy as the major premises.

Domestic demand for petrochemical products is in structural decline and there is severe international competition mainly in Asia. In addition, ethylene production units are being forced to operate at low rate due to the construction of new petrochemical units, primarily in China, and the decline in domestic demand for ethylene. Consequently, the industry faces a challenging situation.

Comprehensively taking into account the various circumstances surrounding the petroleum refining and sales and petrochemicals businesses, ENEOS has determined that there is an urgent need to restructure the production and supply network of its refineries and plants. Based on the premise that one of its two ethylene production units in the Kawasaki Refinery Plant will be terminated, ENEOS has begun to consider measures to optimize its production and supply network. Through this study, ENEOS aims to strengthen its business by improving the operating rate of ethylene production units and reducing fixed costs.

In the ENEOS Group Long-Term Vision, ENEOS has set forth the challenge of achieving both a stable supply of energy and materials and the realization of a carbon-neutral society. ENEOS will continue to strive for safe operations based on the premise of stable supply while considering businesses that utilize the land and facilities that will be available by the termination of facilities.

<Premises>

Facilities to be terminated: ethylene production units in the Ukishima South Area

Termination period: end of fiscal year 2027 (planned)

<Overview of Ethylene Production Units at Kawasaki Refinery Plant>

① Ukishima North Area

Commencement of operations: 1971

Ethylene production capacity: 540,000 tons per year

② Ukishima South Area/Kawasaki Area

Commencement of operations: 1970

Ethylene production capacity: 448,000 tons per year