



March 25th, 2022

For Immediate Release

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Notification of Revisions to the Forecasts of Consolidated Results for the Fiscal Year 2021

ENEOS Holdings, Inc. (the “Company”) hereby announces a revision to the forecast of its consolidated results for the Fiscal Year 2021, taking into account the business environment in 4Q of the year, such as commodity prices and oil product margins. The previous forecast was released on November 11, 2021 (hereafter “Previous Forecast”).

1. Revisions to the Forecasts of Consolidated Results for the Fiscal Year 2021 (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Revenue	Operating profit/(loss)	Profit/(loss) before tax	Profit/(loss) attributable to owners of parent	Basic profit/(loss) per share (yen)
Previous Forecast (A) (Announced on November 11, 2021)	10,300,000	470,000	450,000	280,000	87.19
Revised Forecast (B)	10,800,000	740,000	720,000	490,000	152.60
Increase/(Decrease) (B-A)	500,000	270,000	270,000	210,000	65.41
Percentage Increase/(Decrease)	4.9%	57.4%	60.0%	75.0%	75.0%
(Reference) FY2020 Results	7,658,011	254,175	230,891	113,998	35.48

2. Reasons for the Revision

In addition to the expectation of worldwide economic recovery due mainly to the progress of the COVID-19 vaccination, heightened geopolitical risk contributed to a significant increase of the crude oil price. Dubai crude oil price increased from 73 US dollar/ barrel in December 2021 to above 100 US dollar/ barrel in this March.

Because of the oil price increase, it is now expected that the Company’s operating income for the fiscal year 2021 would include 330 billion yen of inventory valuation gain*1, an increase of 170 billion yen vs. the Previous Forecast. (*1 Effect on the cost of sales by the weighted-average inventory cost method vs. the current cost of supply.)

Taking the inventory valuation effect into account, the Company’s operating income is now projected to be 740 billion

yen, a 270 billion yen increase from the Previous Forecast.

Excluding the inventory valuation gain, the Company's operating income is now forecast to be 410 billion yen, a 100 billion yen increase from the Previous Forecast.

(Billions of yen)

	Previous forecast	Revised forecast	Increase/ (Decrease)
Operating profit / (loss)	470.0	740.0	270.0
Inventory valuation effect - profit / (loss)	160.0	330.0	170.0
Operating profit / (loss) excluding inventory valuation effect	310.0	410.0	100.0

Described below are the operating income projections for each of the Company's business segments;

As to the Energy Business segment, one-time cost is expected to be incurred in this year for the closure of Wakayama refinery planned in October 2023. However, such effect is more than offset by positive time-lag*2 for domestic and export sales of fuel products, which occurs during rising crude oil price environment. As a result, the operating income for this segment is now expected to be higher than the Previous Forecast, even excluding the inventory valuation gain.

(*2 Sales prices of oil products are reflected on crude oil prices in real time. On the other hand, accounting cost of sales is based on crude oil prices that are approximately one-month before, such that oil product earnings are affected by a time-lag between sales price and cost of sales.)

In the segment of Oil and Natural Gas Exploration and Production (E&P) Business, the operating income is expected to be higher than the Previous Forecast because of the higher crude oil price and gains from the divestment of UK businesses.

The Metal Business' operating income is also expected to be higher than the Previous Forecast, due primarily to copper price increase and profit increase in thin-film materials businesses, supported by increasing demand for data transmission.

A detail of the operating income by the business segment, excluding inventory valuation effect, is shown in the table below.

(Billions of yen)

	Previous forecast	Revised forecast	Increase/ (Decrease)
Energy Business	75.0	120.0	45.0
Oil and Natural Gas Exploration and Production (E&P) Business	75.0	90.0	15.0
Metals Business	110.0	150.0	40.0
Other Business	50.0	50.0	0.0

3. Dividend

For the fiscal year 2021, the year-end dividend is expected to be 11 yen/ share. Together with 11 yen/share interim dividend already paid, the 2021 full-year dividend is expected to be 22 yen/ share, unchanged from the Previous Forecast.

Cautionary Statement Regarding Forward-Looking Statements

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 competitive environment in the energy, resources, and materials industries;
- (2) the impact of COVID-19 on economic activity; (3) revisions to laws and strengthening of regulations; and (4) litigation and other similar risks.

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