

This document contains a financial summary and financial statements translated from the original Japanese version, for convenience only.



Consolidated Financial Results for the Second Quarter of Fiscal Year 2022 [IFRS]

November 10, 2022

Company name: ENEOS Holdings, Inc. Stock Exchange Listings: Tokyo and Nagoya
 Code number: 5020 URL: <https://www.hd.eneos.co.jp/>
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 Scheduled date of filing of Quarterly Securities Report: November 11, 2022
 Scheduled date of commencement of dividend payments: December 1, 2022
 Supplemental materials for the quarterly financial results: Yes
 Quarterly financial results presentation: Yes (for institutional investors and analysts)

(Amounts of less than 1 million yen are rounded off.)

1. Consolidated Results for the Second Quarter of FY2022 (From April 1, 2022 to September 30, 2022)

(1) Operating Results (Percentage figures represent changes from same period in the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q of FY2022	7,394,034	56.3	394,750	16.8	397,665	21.2	248,756	17.7	370,552	36.0
2Q of FY2021	4,731,408	40.7	337,827	280.0	328,198	325.6	211,365	480.1	272,481	732.3

	Basic profit per share	Diluted profit per share
	Yen	Yen
2Q of FY2022	78.95	78.77
2Q of FY2021	65.83	65.67

(2) Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Equity ratio attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
2Q of FY2022	10,824,007	3,472,034	3,066,415	28.3
FY2021	9,648,219	3,234,079	2,860,797	29.7

2. Dividends

	Annual cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	–	11.00	–	11.00	22.00
FY2022	–	11.00	–	–	–
FY2022 (Forecast)	–	–	–	11.00	22.00

Note: Revision to the most recent dividend forecast: No

3. Forecasts of Consolidated Results for Fiscal Year 2022 (From April 1, 2022 to March 31, 2023)

(Percentage figures represent changes from the previous fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2022	14,900,000	36.4	560,000	(28.7)	540,000	(30.0)	330,000	(38.6)	107.58

Note: Revision to the most recent consolidated earnings forecast: Yes

Regarding the revision to the forecast of consolidated results, please refer to “Notification of Revision to the Forecast of Consolidated Results for the Fiscal Year 2022” announced today.

Average number of shares issued during the period that forms the basis for the calculation of basic profit per share specified above is calculated with the number of issued shares (excluding treasury stock) as of September 30, 2022.

As for the forecasts of operating profit excluding inventory valuation factors*, please see the following.

Operating profit excluding inventory valuation factors:

Forecasts for FY2022: 340,000 million yen (percentage change from the previous fiscal year: (18.2%))
(Reference) Actual results for FY2021: 415,600 million yen

(*) The impact of inventory valuation on the cost of sales by using the weighted-average method and by writing down the book value.

Explanatory Notes

- (1) Changes in the number of material subsidiaries during the term under review: Yes
Note: This item indicates whether there were changes in specified subsidiaries involving a change in the scope of consolidation.
Newly included: BST ENEOS Elastomer Co., Ltd.
- (2) Changes in accounting policies and in accounting estimates
- (i) Changes in accounting policies required by the IFRS: None
 - (ii) Changes in accounting policies other than (i) above: None
 - (iii) Changes in accounting estimates: None
- (3) Number of shares issued (Common stock)
- (i) Number of issued shares at the end of the period (including treasury stock)
 - Second Quarter of FY2022 ended September 30, 2022: 3,230,282,649 shares
 - FY2021 ended March 31, 2022: 3,230,282,649 shares
 - (ii) Number of shares of treasury stock at the end of the period
 - Second Quarter of FY2022 ended September 30, 2022: 162,836,598 shares
 - FY2021 ended March 31, 2022: 19,086,925 shares
 - (iii) Average number of shares issued during the period
 - Second Quarter of FY2022 ended September 30, 2022: 3,150,874,437 shares
 - Second Quarter of FY2021 ended September 30, 2021: 3,210,976,645 shares
- This report is not subject to quarterly review procedures conducted by certified public accountants or an audit corporation.
 - Explanation regarding appropriate use of forward-looking statements on results, and other specific comments (Note on Statements Regarding Prospective Matters)
This material contains forward-looking statements; however, actual results may differ materially from those reflected in such forward-looking statements, due to various factors, including the following:
(1) changes in 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) revisions to laws and strengthening of regulations; and (4) litigation and other similar risks.
 - Changes from the previous fiscal year (or same period in the previous fiscal year) are not presented (“-”) if either or both of the fiscal year (or period) under review and the previous fiscal year (or same period) are negative, or if the percentage change is 1,000% or greater.

Summary of Quarterly Consolidated Financial Statements and Major Explanatory Notes Thereto

(1) Summary of Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	FY2021 (As of March 31, 2022)	2Q of FY2022 (As of September 30, 2022)
ASSETS		
Current assets		
Cash and cash equivalents	547,272	430,319
Trade and other receivables	1,499,758	1,653,053
Inventories	1,994,830	2,739,048
Other financial assets	121,193	163,328
Other current assets	145,533	366,944
Total current assets	4,308,586	5,352,692
Non-current assets		
Property, plant and equipment	3,543,053	3,761,028
Goodwill	251,175	258,979
Intangible assets	518,995	529,979
Investments accounted for using the equity method	497,571	452,665
Other financial assets	470,550	401,464
Other non-current assets	19,114	26,255
Deferred tax assets	39,175	40,945
Total non-current assets	5,339,633	5,471,315
TOTAL ASSETS	9,648,219	10,824,007

(Millions of yen)

	FY2021 (As of March 31, 2022)	2Q of FY2022 (As of September 30, 2022)
LIABILITIES		
Current liabilities		
Trade and other payables	1,789,756	2,029,687
Bonds and borrowings	858,829	1,368,429
Income taxes payable	36,351	135,599
Lease liabilities	69,275	71,755
Other financial liabilities	91,888	76,798
Provisions	28,067	17,841
Other current liabilities	408,842	370,330
Total current liabilities	3,283,008	4,070,439
Non-current liabilities		
Bonds and borrowings	1,876,629	1,983,381
Liabilities for retirement benefits	220,188	230,015
Lease liabilities	413,276	438,647
Other financial liabilities	42,462	40,766
Provisions	125,923	146,978
Other non-current liabilities	55,887	55,552
Deferred tax liabilities	396,767	386,195
Total non-current liabilities	3,131,132	3,281,534
Total liabilities	6,414,140	7,351,973
EQUITY		
Common stock	100,000	100,000
Capital surplus	1,049,093	1,034,242
Retained earnings	1,517,733	1,750,825
Treasury stock	(8,557)	(82,416)
Other components of equity	202,528	263,764
Total equity attributable to owners of the parent	2,860,797	3,066,415
Non-controlling interests	373,282	405,619
Total equity	3,234,079	3,472,034
TOTAL LIABILITIES AND EQUITY	9,648,219	10,824,007

**(2) Summary of Quarterly Consolidated Statements of Profit or Loss
and Summary of Quarterly Consolidated Statements of Comprehensive Income or Loss**
(Summary of Quarterly Consolidated Statements of Profit or Loss)

(Millions of yen)

	2Q of FY2021 (From April 1, 2021 to September 30, 2021)	2Q of FY2022 (From April 1, 2022 to September 30, 2022)
Revenue	4,731,408	7,394,034
Cost of sales	4,034,127	6,569,891
Gross profit	697,281	824,143
Selling, general and administrative expenses	405,774	470,451
Share of profit of investments accounted for using the equity method	37,662	45,741
Other operating income	25,969	45,888
Other operating expenses	17,311	50,571
Operating profit	337,827	394,750
Finance income	2,511	25,446
Finance costs	12,140	22,531
Profit before tax	328,198	397,665
Income tax expense	92,361	123,368
Profit	235,837	274,297
Profit attributable to:		
Owners of the parent	211,365	248,756
Non-controlling interests	24,472	25,541
Profit	235,837	274,297
		(Yen)
Basic profit per share	65.83	78.95
Diluted profit per share	65.67	78.77

(Summary of Quarterly Consolidated Statements of Comprehensive Income or Loss)

(Millions of yen)

	2Q of FY2021 (From April 1, 2021 to September 30, 2021)	2Q of FY2022 (From April 1, 2022 to September 30, 2022)
Profit	235,837	274,297
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	14,408	(25,706)
Remeasurement gains (losses) on defined benefit plans	4,497	(4,346)
Shares of other comprehensive income of investments accounted for using the equity method	74	1,303
Total	18,979	(28,749)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	7,870	96,185
Changes in fair value of cash flow hedges	5,881	1,995
Shares of other comprehensive income of investments accounted for using the equity method	3,914	26,824
Total	17,665	125,004
Other comprehensive income, net of tax	36,644	96,255
Total comprehensive income	272,481	370,552
Comprehensive income attributable to:		
Owners of the parent	242,951	327,172
Non-controlling interests	29,530	43,380
Total comprehensive income	272,481	370,552

(3) Summary of Quarterly Consolidated Statements of Changes in Equity

Second Quarter of FY2021 (April 1, 2021 – September 30, 2021)

(Millions of Yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	Changes in fair value of cash flow hedges
Balance as of April 1, 2021	100,000	1,066,459	1,042,416	(8,793)	93,184	(6,851)
Profit	–	–	211,365	–	–	–
Other comprehensive income	–	–	–	–	13,335	2,314
Total comprehensive income	–	–	211,365	–	13,335	2,314
Purchase of treasury stock	–	–	–	(33)	–	–
Disposal of treasury stock	–	(285)	–	285	–	–
Cash dividends	–	–	(35,363)	–	–	–
Share-based payment transactions	–	354	–	–	–	–
Equity transactions with non-controlling interests, etc.	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	4,693	–	(119)	–
Transfer from other components of equity to non-financial assets	–	–	–	–	–	(2,824)
Other	–	521	–	–	–	–
Total transactions with owners	–	590	(30,670)	252	(119)	(2,824)
Balance as of September 30, 2021	100,000	1,067,049	1,223,111	(8,541)	106,400	(7,361)

	Other components of equity			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Remeasurement losses (gains) on defined benefit plans	Total			
Balance as of April 1, 2021	38,693	–	125,026	2,325,108	427,460	2,752,568
Profit	–	–	–	211,365	24,472	235,837
Other comprehensive income	11,363	4,574	31,586	31,586	5,058	36,644
Total comprehensive income	11,363	4,574	31,586	242,951	29,530	272,481
Purchase of treasury stock	–	–	–	(33)	–	(33)
Disposal of treasury stock	–	–	–	0	–	0
Cash dividends	–	–	–	(35,363)	(14,690)	(50,053)
Share-based payment transactions	–	–	–	354	–	354
Equity transactions with non-controlling interests, etc.	–	–	–	–	(65)	(65)
Transfer from other components of equity to retained earnings	–	(4,574)	(4,693)	–	–	–
Transfer from other components of equity to non-financial assets	–	–	(2,824)	(2,824)	(3,820)	(6,644)
Other	–	–	–	521	1,911	2,432
Total transactions with owners	–	(4,574)	(7,517)	(37,345)	(16,664)	(54,009)
Balance as of September 30, 2021	50,056	–	149,095	2,530,714	440,326	2,971,040

Second Quarter of FY2022 (April 1, 2022 – September 30, 2022)

(Millions of Yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	Changes in fair value of cash flow hedges
Balance as of April 1, 2022	100,000	1,049,093	1,517,733	(8,557)	142,660	(21,982)
Profit	–	–	248,756	–	–	–
Other comprehensive income (loss)	–	–	–	–	(22,094)	4,967
Total comprehensive income (loss)	–	–	248,756	–	(22,094)	4,967
Purchase of treasury stock	–	–	–	(74,233)	–	–
Disposal of treasury stock	–	(374)	–	374	–	–
Cash dividends	–	–	(35,370)	–	–	–
Share-based payment transactions	–	222	–	–	–	–
Equity transactions with non-controlling interests, etc.	–	(15,812)	–	–	(9,791)	–
Transfer from other components of equity to retained earnings	–	–	19,706	–	(24,051)	–
Transfer from other components of equity to non-financial assets	–	–	–	–	–	12,317
Changes due to business combination	–	–	–	–	–	–
Other	–	1,113	–	–	–	–
Total transactions with owners	–	(14,851)	(15,664)	(73,859)	(33,842)	12,317
Balance as of September 30, 2022	100,000	1,034,242	1,750,825	(82,416)	86,724	(4,698)

	Other components of equity			Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Remeasurement losses (gains) on defined benefit plans	Total			
Balance as of April 1, 2022	81,850	–	202,528	2,860,797	373,282	3,234,079
Profit	–	–	–	248,756	25,541	274,297
Other comprehensive income (loss)	99,888	(4,345)	78,416	78,416	17,839	96,255
Total comprehensive income (loss)	99,888	(4,345)	78,416	327,172	43,380	370,552
Purchase of treasury stock	–	–	–	(74,233)	–	(74,233)
Disposal of treasury stock	–	–	–	(0)	–	(0)
Cash dividends	–	–	–	(35,370)	(10,642)	(46,012)
Share-based payment transactions	–	–	–	222	–	222
Equity transactions with non-controlling interests, etc.	–	–	(9,791)	(25,603)	(8,938)	(34,541)
Transfer from other components of equity to retained earnings	–	4,345	(19,706)	–	–	–
Transfer from other components of equity to non-financial assets	–	–	12,317	12,317	6,211	18,528
Changes due to business combination	–	–	–	–	3,392	3,392
Other	–	–	–	1,113	(1,066)	47
Total transactions with owners	–	4,345	(17,180)	(121,554)	(11,043)	(132,597)
Balance as of September 30, 2022	181,738	–	263,764	3,066,415	405,619	3,472,034

(4) Explanatory Notes to the Summary of Quarterly Consolidated Financial Statements

(Notes on the Assumption of a Going Concern)

None

(Segment Information)

I. Second Quarter of FY2021 (April 1, 2021 – September 30, 2021)

Information on Revenue, Profit or Loss and Other Items from Each Reporting Segment

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Total reporting segments	Other	Adjustments (Note 3)	Recorded amount on consolidated financial statements
Revenue							
Revenue from external customers	3,789,540	95,553	637,724	4,522,817	208,591	–	4,731,408
Inter-segment revenue or transfers (Note 1)	1,911	–	852	2,763	17,685	(20,448)	–
Total	3,791,451	95,553	638,576	4,525,580	226,276	(20,448)	4,731,408
Segment profit (loss) (Note 2)	196,462	38,783	78,717	313,962	20,055	3,810	337,827
Finance income							2,511
Finance costs							12,140
Profit before tax							328,198

- (Notes)
1. Inter-reporting segment revenue or transfers are based on actual market prices.
 2. Segment profit (loss) is stated as operating profit in the summary of the quarterly consolidated statements of profit or loss.
 3. The segment profit (loss) adjustment of 3,810 million yen includes the net amount of 2,558 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.

II. Second Quarter of FY2022 (April 1, 2022 – September 30, 2022)

Information on Revenue, Profit or Loss and Other Items from Each Reporting Segment

(Millions of yen)

	Energy	Oil and Natural Gas E&P	Metals	Total reporting segments	Other	Adjustments (Note 4)	Recorded amount on consolidated financial statements
Revenue							
Revenue from external customers (Note 1)	6,258,498	97,667	818,942	7,175,107	218,927	–	7,394,034
Inter-segment revenue or transfers (Note 2)	2,106	76	822	3,004	21,669	(24,673)	–
Total	6,260,604	97,743	819,764	7,178,111	240,596	(24,673)	7,394,034
Segment profit (loss) (Note 3)	229,161	60,435	80,969	370,565	23,299	886	394,750
Finance income							25,446
Finance costs							22,531
Profit before tax							397,665

- (Notes)
1. Revenue from external customers includes income generated from contracts with customers as well as income generated from other sources.
 2. Inter-reporting segment revenue or transfers are based on actual market prices.
 3. Segment profit (loss) is stated as operating profit in the summary of the quarterly consolidated statements of profit or loss.
 4. The segment profit (loss) adjustment of 886 million yen includes the net amount of 4,517 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.