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For Immediate Release

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**Notification of Revision to the Forecast of Consolidated Results for the Fiscal Year 2022**

ENEOS Holdings, Inc. (the “Company”) hereby announces, as follows, the revision to the previous forecast of consolidated results for the Fiscal Year 2022 that was released on November 10, 2022 (hereinafter “Previous Forecast”), taking recent business performance into account.

**1. Revision to the Forecast of Consolidated Results for the Fiscal Year 2022  
 (April 1, 2022 – March 31, 2023)**

(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 10, 2022)	14,900,000	560,000	540,000	330,000	107.58
Revised Forecast (B)	14,700,000	320,000	290,000	140,000	46.44
Increase/(Decrease) (B-A)	(200,000)	(240,000)	(250,000)	(190,000)	(61.14)
Percentage Increase/(Decrease)	(1.3%)	(42.9%)	(46.3%)	(57.6%)	(56.8%)
(Reference) Previous Results (FY2021)	10,921,759	785,905	771,789	537,117	167.27

**2. Reasons for the Revision**

In line with the change of the crude oil price (Dubai crude) prerequisites to 80 dollars per barrel after January (90 dollars after October in the Previous Forecast) and the yen's exchange rate against the U.S. dollar to 130 yen per dollar after January (140 yen per dollar after October in the Previous Forecast), we expect inventory valuation gains on crude oil and oil products (inventory valuation effects<sup>1</sup>) to be 100 billion yen, a decrease of 120 billion yen from the Previous Forecast, resulting in an operating profit of 320 billion yen, a decrease of 240 billion yen from the Previous Forecast.

<sup>1</sup> The impact of inventory valuation on the cost of sales by using the weighted-average method and by writing down the book value.

Excluding the inventory valuation gain, the Company's operating income is now forecast to be 220 billion yen, a decrease of 120 billion yen from the Previous Forecast.

(Billions of yen)

	Previous forecast	Revised forecast	Increase/Decrease
Operating profit / (loss)	560.0	320.0	(240.0)
Inventory valuation effect profit / (loss)	220.0	100.0	(120.0)
Operating profit / (loss) excluding inventory valuation effect	340.0	220.0	(120.0)

In terms of the Company's business segments, the Energy Business is expected to see a 120 billion yen decrease from the Previous Forecast, mainly due to the deterioration of domestic oil products and export margins caused by the time lag effect<sup>2</sup> during the oil price decline. In the Oil and Natural Gas Exploration and Production (E&P) Business, profit is expected to increase by 10 billion yen from the Previous Forecast due to a review of expenses. In the Metals Business, profit is expected to decrease by 10 billion yen from the Previous Forecast, mainly due to reduced sales of advanced materials resulting from decreased demand for smartphones and semiconductors.

<sup>2</sup> 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.

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

(Billions of yen)

	Previous forecast	Revised forecast	Increase/ (Decrease)
Energy Business	70.0	(50.0)	(120.0)
Oil and Natural Gas Exploration and Production (E&P) Business	90.0	100.0	10.0
Metals Business	130.0	120.0	(10.0)
Other	50.0	50.0	0.0
Total	340.0	220.0	(120.0)

Please note that free cash flow for the current fiscal year is expected to decrease by 470 billion yen (a decrease of 360 billion<sup>3</sup> yen from the May 13, 2022 forecast) due to the decrease associated with the downward revision of the profit/loss forecast, as well as an increase in working capital and other factors.

<sup>3</sup> In the Previous Forecast, the free cash flow forecast for the Fiscal Year 2022 remained unchanged from that announced on May 13, 2022.

This forecast assumes the following as the yearly averages: a crude oil price (Dubai crude) of 92 U.S. dollar per barrel (80 U.S. dollars from January), an international copper price (LME price) of 382 cents per pound (380 cents from January), and an exchange rate of 135 yen per U.S. dollar (130 yen from January). (Previous Forecast: crude oil price of 96 U.S. dollars per barrel, an international copper price of 366 cents per pound, and an exchange rate of 137 yen per U.S. dollar.)

**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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