

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 2023 [IFRS]

November 8, 2023

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 10, 2023
 Scheduled date of commencement of dividend payments: December 1, 2023
 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 FY2023 (From April 1, 2023 to September 30, 2023)

(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 FY2023	6,619,496	(10.5)	291,505	(26.2)	282,724	(28.9)	171,689	(31.0)	303,319	(18.1)
2Q of FY2022	7,394,034	56.3	394,750	16.8	397,665	21.2	248,756	17.7	370,552	36.0

	Basic profit per share	Diluted profit per share
	Yen	Yen
2Q of FY2023	56.95	56.83
2Q of FY2022	78.95	78.77

(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 FY2023	10,346,049	3,547,329	3,100,663	30.0
FY2022	9,954,517	3,287,578	2,859,832	28.7

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
FY2022	–	11.00	–	11.00	22.00
FY2023	–	11.00	–	–	–
FY2023 (Forecast)	–	–	–	11.00	22.00

Note: Revision to the most recent dividend forecast: No

3. Forecasts of Consolidated Results for Fiscal Year 2023 (From April 1, 2023 to March 31, 2024)

(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
FY2023	14,000,000	(6.8)	420,000	49.3	400,000	55.4	240,000	66.9	79.61

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

Regarding the revision to the forecasts of consolidated results, please refer to “Notification of Revision to the Forecast of Consolidated Results for the Fiscal Year 2023” 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, 2023.

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

Operating profit excluding inventory valuation factors:

Forecast for FY2023: 370,000 million yen (percentage change from the previous fiscal year: 50.1%)

(Reference) Actual results for FY2022: 246,517 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.
Excluded: SCM Minera Lumina Copper Chile
- (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 FY2023 ended September 30, 2023: 3,032,850,649 shares
 - FY2022 ended March 31, 2023: 3,032,850,649 shares
 - (ii) Number of shares of treasury stock at the end of the period
 - Second Quarter of FY2023 ended September 30, 2023: 18,140,770 shares
 - FY2022 ended March 31, 2023: 18,280,020 shares
 - (iii) Average number of shares issued during the period
 - Second Quarter of FY2023 ended September 30, 2023: 3,014,701,317 shares
 - Second Quarter of FY2022 ended September 30, 2022: 3,150,874,437 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) revisions to laws and strengthening of regulations; and (3) litigation and other similar risks.
 - Changes from the previous fiscal year (or corresponding 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 corresponding 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)

	FY2022 (As of March 31, 2023)	2Q of FY2023 (As of September 30, 2023)
ASSETS		
Current assets		
Cash and cash equivalents	311,517	489,840
Trade and other receivables	1,609,526	1,629,232
Inventories	2,153,569	2,419,660
Other financial assets	102,524	178,968
Other current assets	444,056	215,490
Sub total	4,621,192	4,933,190
Assets held for sale	266,516	5,630
Total current assets	4,887,708	4,938,820
Non-current assets		
Property, plant and equipment	3,431,358	3,527,462
Goodwill	256,457	258,041
Intangible assets	516,944	506,963
Investments accounted for using the equity method	431,948	618,476
Other financial assets	332,437	395,883
Other non-current assets	30,367	30,650
Deferred tax assets	67,298	69,754
Total non-current assets	5,066,809	5,407,229
TOTAL ASSETS	9,954,517	10,346,049

(Millions of yen)

	FY2022 (As of March 31, 2023)	2Q of FY2023 (As of September 30, 2023)
LIABILITIES		
Current liabilities		
Trade and other payables	1,852,664	2,032,324
Bonds and borrowings	1,060,002	924,702
Income taxes payable	43,514	71,399
Lease liabilities	67,923	70,498
Other financial liabilities	28,592	50,625
Provisions	16,159	12,206
Other current liabilities	311,277	328,549
Sub total	3,380,131	3,490,303
Liabilities directly associated with assets held for sale	87,590	2,243
Total current liabilities	3,467,721	3,492,546
Non-current liabilities		
Bonds and borrowings	2,049,399	2,109,827
Liabilities for retirement benefits	209,405	196,473
Lease liabilities	383,210	378,931
Other financial liabilities	37,750	55,710
Provisions	114,239	134,073
Other non-current liabilities	47,095	52,271
Deferred tax liabilities	358,120	378,889
Total non-current liabilities	3,199,218	3,306,174
Total liabilities	6,666,939	6,798,720
EQUITY		
Common stock	100,000	100,000
Capital surplus	932,432	932,437
Retained earnings	1,635,585	1,789,501
Treasury stock	(8,311)	(8,300)
Other components of equity	200,126	287,025
Total equity attributable to owners of the parent	2,859,832	3,100,663
Non-controlling interests	427,746	446,666
Total equity	3,287,578	3,547,329
TOTAL LIABILITIES AND EQUITY	9,954,517	10,346,049

**(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 FY2022 (From April 1, 2022 to September 30, 2022)	2Q of FY2023 (From April 1, 2023 to September 30, 2023)
Revenue	7,394,034	6,619,496
Cost of sales	6,569,891	5,924,864
Gross profit	824,143	694,632
Selling, general and administrative expenses	470,451	471,645
Share of profit of investments accounted for using the equity method	45,741	41,160
Other operating income	45,888	63,598
Other operating expenses	50,571	36,240
Operating profit	394,750	291,505
Finance income	25,446	14,831
Finance costs	22,531	23,612
Profit before tax	397,665	282,724
Income tax expense	123,368	92,831
Profit	274,297	189,893
Profit attributable to:		
Owners of the parent	248,756	171,689
Non-controlling interests	25,541	18,204
Profit	274,297	189,893
		(Yen)
Basic profit per share	78.95	56.95
Diluted profit per share	78.77	56.83

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

(Millions of yen)

	2Q of FY2022 (From April 1, 2022 to September 30, 2022)	2Q of FY2023 (From April 1, 2023 to September 30, 2023)
Profit	274,297	189,893
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)	(25,706)	26,528
Remeasurement gains (losses) on defined benefit plans	(4,346)	8,482
Shares of other comprehensive income of investments accounted for using the equity method	1,303	(113)
Total	(28,749)	34,897
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	96,185	70,998
Changes in fair value of cash flow hedges	1,995	(17,803)
Shares of other comprehensive income of investments accounted for using the equity method	26,824	25,334
Total	125,004	78,529
Other comprehensive income, net of tax	96,255	113,426
Total comprehensive income	370,552	303,319
Comprehensive income attributable to:		
Owners of the parent	327,172	264,493
Non-controlling interests	43,380	38,826
Total comprehensive income	370,552	303,319

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

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

Second Quarter of FY2023 (April 1, 2023 – September 30, 2023)

(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, 2023	100,000	932,432	1,635,585	(8,311)	59,597	(411)
Profit	–	–	171,689	–	–	–
Other comprehensive income (loss)	–	–	–	–	18,994	(12,954)
Total comprehensive income (loss)	–	–	171,689	–	18,994	(12,954)
Purchase of treasury stock	–	–	–	(277)	–	–
Disposal of treasury stock	–	(288)	–	288	–	–
Cash dividends	–	–	(33,208)	–	–	–
Share-based payment transactions	–	338	–	–	–	–
Equity transactions with non-controlling interests, etc.	–	695	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	15,435	–	(6,968)	–
Transfer from other components of equity to non-financial assets	–	–	–	–	–	9,530
Changes due to business combination	–	–	–	–	–	–
Other	–	(740)	–	–	–	–
Total transactions with owners	–	5	(17,773)	11	(6,968)	9,530
Balance as of September 30, 2023	100,000	932,437	1,789,501	(8,300)	71,623	(3,835)

	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, 2023	140,940	–	200,126	2,859,832	427,746	3,287,578
Profit	–	–	–	171,689	18,204	189,893
Other comprehensive income (loss)	78,297	8,467	92,804	92,804	20,622	113,426
Total comprehensive income (loss)	78,297	8,467	92,804	264,493	38,826	303,319
Purchase of treasury stock	–	–	–	(277)	–	(277)
Disposal of treasury stock	–	–	–	0	–	0
Cash dividends	–	–	–	(33,208)	(27,934)	(61,142)
Share-based payment transactions	–	–	–	338	–	338
Equity transactions with non-controlling interests, etc.	–	–	–	695	1,570	2,265
Transfer from other components of equity to retained earnings	–	(8,467)	(15,435)	–	–	–
Transfer from other components of equity to non-financial assets	–	–	9,530	9,530	5,095	14,625
Changes due to business combination	–	–	–	–	918	918
Other	–	–	–	(740)	445	(295)
Total transactions with owners	–	(8,467)	(5,905)	(23,662)	(19,906)	(43,568)
Balance as of September 30, 2023	219,237	–	287,025	3,100,663	446,666	3,547,329

(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 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.

II. Second Quarter of FY2023 (April 1, 2023 – September 30, 2023)

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)	5,538,680	95,729	777,165	6,411,574	207,922	–	6,619,496
Inter-segment revenue or transfers (Note 2)	2,034	138	417	2,589	18,264	(20,853)	–
Total	5,540,714	95,867	777,582	6,414,163	226,186	(20,853)	6,619,496
Segment profit (loss) (Note 3)	158,847	51,679	72,121	282,647	16,024	(7,166)	291,505
Finance income							14,831
Finance costs							23,612
Profit before tax							282,724

- (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 (7,166) million yen includes the net amount of 1,017 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.