

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



Consolidated Financial Results for the First Quarter of Fiscal Year 2020 [IFRS]

August 12, 2020

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: August 13, 2020
 Scheduled date of commencement of dividend payments: -
 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 First Quarter of FY2020 (From April 1, 2020 to June 30, 2020)

(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	%
1Q of FY2020	1,546,194	(38.5)	21,038	(57.3)	14,629	(65.6)	(4,881)	-	(20,902)	-
1Q of FY2019	2,514,844	(2.0)	49,254	(78.3)	42,533	(80.4)	17,387	(88.0)	(10,934)	-

	Basic profit per share	Diluted profit per share
	Yen	Yen
1Q of FY2020	(1.52)	(1.52)
1Q of FY2019	5.25	5.25

(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	%
1Q of FY2020	7,694,910	2,630,891	2,235,870	29.1
FY2019	8,011,292	2,707,908	2,311,046	28.8

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
FY2019	-	11.00	-	11.00	22.00
FY2020	-				
FY2020 (Forecast)		11.00	-	11.00	22.00

Note: Revision to the most recent dividend forecast: No

3. Forecasts of Consolidated Results for Fiscal Year 2020 (From April 1, 2020 to March 31, 2021)

(Percentage figures are changes from the amount for the corresponding period in 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
FY2020	7,340,000	(26.7)	110,000	-	85,000	-	40,000	-	12.43

Note: Revision to the most recent consolidated earnings forecast: No

The forecasts of consolidated results for the full fiscal year of 2020 remain unchanged from the previous forecasts announced on May 20, 2020.

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 June 30, 2020.

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

Operating profit excluding inventory valuation factors:

Forecasts for FY2020: 165,000 million yen (percentage change from the previous fiscal year: 70.6%)

(Reference) Actual results for FY2019: 96,700 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: None
Note: This item indicates whether there were changes in specified subsidiaries involving a change in the scope of consolidation.
- (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)

First Quarter of FY2020 ended June 30, 2020:	3,230,282,649 shares
FY2019 ended March 31, 2020:	3,230,282,649 shares
 - (ii) Number of shares of treasury stock at the end of the period

First Quarter of FY2020 ended June 30, 2020:	12,684,667 shares
FY2019 ended March 31, 2020:	12,819,877 shares
 - (iii) Average number of shares issued during the period

First Quarter of FY2020 ended June 30, 2020:	3,217,482,341 shares
First Quarter of FY2019 ended June 30, 2019:	3,308,909,521 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 spread of the novel coronavirus and the impact of the novel coronavirus 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 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)

	FY2019 (As of March 31, 2020)	1Q of FY2020 (As of June 30, 2020)
ASSETS		
Current assets		
Cash and cash equivalents	398,573	465,672
Trade and other receivables	1,020,570	752,824
Inventories	1,181,688	1,123,878
Other financial assets	61,963	63,558
Other current assets	183,673	168,484
Sub total	2,846,467	2,574,416
Assets held for sale	32,094	-
Total current assets	2,878,561	2,574,416
Non-current assets		
Property, plant and equipment	3,724,861	3,707,935
Goodwill	185,730	185,489
Intangible assets	345,371	341,245
Investments accounted for using the equity method	407,207	408,351
Other financial assets	343,342	350,285
Other non-current assets	8,802	9,066
Deferred tax assets	117,418	118,123
Total non-current assets	5,132,731	5,120,494
TOTAL ASSETS	8,011,292	7,694,910

(Millions of yen)

	FY2019 (As of March 31, 2020)	1Q of FY2020 (As of June 30, 2020)
LIABILITIES		
Current liabilities		
Trade and other payables	1,343,909	1,107,652
Bonds and borrowings	914,781	895,287
Income taxes payable	18,275	18,157
Lease liabilities	70,595	71,229
Other financial liabilities	30,647	36,743
Provisions	13,174	13,497
Other current liabilities	320,446	313,259
Sub total	2,711,827	2,455,824
Liabilities directly related to assets held for sale	5,748	-
Total current liabilities	2,717,575	2,455,824
Non-current liabilities		
Bonds and borrowings	1,386,065	1,423,266
Liabilities for retirement benefits	272,124	264,362
Lease liabilities	445,244	441,998
Other financial liabilities	32,075	31,592
Provisions	165,994	164,706
Other non-current liabilities	51,873	55,138
Deferred tax liabilities	232,434	227,133
Total non-current liabilities	2,585,809	2,608,195
Total liabilities	5,303,384	5,064,019
EQUITY		
Common stock	100,000	100,000
Capital surplus	1,138,884	1,124,635
Retained earnings	982,786	946,790
Treasury stock	(6,003)	(5,929)
Other components of equity	95,379	70,374
Total equity attributable to owners of the parent	2,311,046	2,235,870
Non-controlling interests	396,862	395,021
Total equity	2,707,908	2,630,891
TOTAL LIABILITIES AND EQUITY	8,011,292	7,694,910

**(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)

	1Q of FY2019 (From April 1, 2019 to June 30, 2019)	1Q of FY2020 (From April 1, 2020 to June 30, 2020)
Revenue	2,514,844	1,546,194
Cost of sales	2,284,087	1,355,190
Gross profit	230,757	191,004
Selling, general and administrative expenses	198,125	186,882
Share of profit of investments accounted for using the equity method	10,054	13,836
Other operating income	19,906	12,291
Other operating expenses	13,338	9,211
Operating profit	49,254	21,038
Finance income	2,531	1,972
Finance costs	9,252	8,381
Profit before tax	42,533	14,629
Income tax expense	19,930	11,164
Profit	22,603	3,465
Profit (loss) attributable to:		
Owners of the parent	17,387	(4,881)
Non-controlling interests	5,216	8,346
Profit	22,603	3,465
		(Yen)
Basic profit (loss) per share	5.25	(1.52)
Diluted profit (loss) per share	5.25	(1.52)

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

(Millions of yen)

	1Q of FY2019 (From April 1, 2019 to June 30, 2019)	1Q of FY2020 (From April 1, 2020 to June 30, 2020)
Profit	22,603	3,465
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)	(8,443)	6,408
Remeasurement gains on defined benefit plans	2,489	3,939
Shares of other comprehensive income (loss) of investments accounted for using the equity method	25	58
Total	(5,929)	10,405
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(21,749)	(12,620)
Changes in fair value of cash flow hedges	(1,097)	(15,019)
Shares of other comprehensive income (loss) of investments accounted for using the equity method	(4,762)	(7,133)
Total	(27,608)	(34,772)
Other comprehensive income (loss), net of tax	(33,537)	(24,367)
Total comprehensive income (loss)	(10,934)	(20,902)
Comprehensive income (loss) attributable to:		
Owners of the parent	(12,754)	(26,446)
Non-controlling interests	1,820	5,544
Total comprehensive income	(10,934)	(20,902)

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

First Quarter of FY2019 (April 1, 2019 – June 30, 2019)

	(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, 2019	100,000	1,222,193	1,272,960	(29,698)	111,486	(8,877)
Cumulative effect of Changes in accounting policies	-	-	(2,072)	-	-	-
Restated balance	100,000	1,222,193	1,270,888	(29,698)	111,486	(8,877)
Profit	-	-	17,387	-	-	-
Other comprehensive income (loss)	-	-	-	-	(8,352)	(1,592)
Total comprehensive income (loss)	-	-	17,387	-	(8,352)	(1,592)
Purchase of treasury stock	-	-	-	(24,956)	-	-
Disposal of treasury stock	-	0	-	0	-	-
Cash dividends	-	-	(36,660)	-	-	-
Share-based payment transactions	-	(23)	-	85	-	-
Equity transactions with non-controlling interests, etc.	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	1,760	-	818	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	(299)
Other	-	(475)	-	-	-	-
Total transactions with owners	-	(498)	(34,900)	(24,871)	818	(299)
Balance as of June 30, 2019	100,000	1,221,695	1,253,375	(54,569)	103,952	(10,768)

	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, 2019	49,776	-	152,385	2,717,840	401,976	3,119,816
Cumulative effect of Changes in accounting policies	-	-	-	(2,072)	(867)	(2,939)
Restated balance	49,776	-	152,385	2,715,768	401,109	3,116,877
Profit	-	-	-	17,387	5,216	22,603
Other comprehensive income (loss)	(22,775)	2,578	(30,141)	(30,141)	(3,396)	(33,537)
Total comprehensive income (loss)	(22,775)	2,578	(30,141)	(12,754)	1,820	(10,934)
Purchase of treasury stock	-	-	-	(24,956)	-	(24,956)
Disposal of treasury stock	-	-	-	0	-	0
Cash dividends	-	-	-	(36,660)	(11,844)	(48,504)
Share-based payment transactions	-	-	-	62	-	62
Equity transactions with non-controlling interests, etc.	-	-	-	-	(96)	(96)
Transfer from other components of equity to retained earnings	-	(2,578)	(1,760)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	(299)	(299)	(244)	(543)
Other	-	-	-	(475)	602	127
Total transactions with owners	-	(2,578)	(2,059)	(62,328)	(11,582)	(73,910)
Balance as of June 30, 2019	27,001	-	120,185	2,640,686	391,347	3,032,033

First Quarter of FY2020 (April 1, 2020 – June 30, 2020)

(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, 2020	100,000	1,138,884	982,786	(6,003)	76,129	(2,794)
Profit	-	-	(4,881)	-	-	-
Other comprehensive income (loss)	-	-	-	-	5,470	(13,857)
Total comprehensive income (loss)	-	-	(4,881)	-	5,470	(13,857)
Purchase of treasury stock	-	-	-	(9)	-	-
Disposal of treasury stock	-	0	-	83	-	-
Cash dividends	-	-	(35,437)	-	-	-
Share-based payment transactions	-	2	-	-	-	-
Equity transactions with non-controlling interests, etc.	-	(13,668)	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	4,322	-	(75)	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	882
Other	-	(583)	-	-	-	-
Total transactions with owners	-	(14,249)	(31,115)	74	(75)	882
Balance as of June 30, 2020	100,000	1,124,635	946,790	(5,929)	81,524	(15,769)

	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, 2020	22,044	-	95,379	2,311,046	396,862	2,707,908
Profit	-	-	-	(4,881)	8,346	3,465
Other comprehensive income (loss)	(17,425)	4,247	(21,565)	(21,565)	(2,802)	(24,367)
Total comprehensive income (loss)	(17,425)	4,247	(21,565)	(26,446)	5,544	(20,902)
Purchase of treasury stock	-	-	-	(9)	-	(9)
Disposal of treasury stock	-	-	-	83	-	83
Cash dividends	-	-	-	(35,437)	(6,546)	(41,983)
Share-based payment transactions	-	-	-	2	-	2
Equity transactions with non-controlling interests, etc.	-	-	-	(13,668)	(2,252)	(15,920)
Transfer from other components of equity to retained earnings	-	(4,247)	(4,322)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	882	882	987	1,869
Other	-	-	-	(583)	426	(157)
Total transactions with owners	-	(4,247)	(3,440)	(48,730)	(7,385)	(56,115)
Balance as of June 30, 2020	4,619	-	70,374	2,235,870	395,021	2,630,891

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

(Notes on the Assumption of a Going Concern)

None

(Segment Information)

I. First Quarter of FY2019 (April 1, 2019 – June 30, 2019)

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	2,128,629	31,702	247,450	2,407,781	107,063	-	2,514,844
Inter-segment revenue or transfers (Note 1)	1,315	-	194	1,509	14,049	(15,558)	-
Total	2,129,944	31,702	247,644	2,409,290	121,112	(15,558)	2,514,844
Segment profit (loss) (Note 2)	13,025	13,223	15,288	41,536	5,453	2,265	49,254
Finance income							2,531
Finance costs							9,252
Profit before tax							42,533

- (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 adjustment of 2,265 million yen includes the net amount of 2,190 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.

II. First Quarter of FY2020 (April 1, 2020 – June 30, 2020)

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	1,194,897	22,678	221,384	1,438,959	107,235	-	1,546,194
Inter-segment revenue or transfers (Note 1)	893	-	320	1,213	10,344	(11,557)	-
Total	1,195,790	22,678	221,704	1,440,172	117,579	(11,557)	1,546,194
Segment profit (loss) (Note 2)	(18,433)	704	19,230	1,501	16,204	3,333	21,038
Finance income							1,972
Finance costs							8,381
Profit before tax							14,629

- (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 adjustment of 3,333 million yen includes the net amount of 3,033 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.