

November 11th, 2020

For Immediate Release

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Notification of Revisions to the Forecasts of Consolidated Results for the Fiscal Year 2020

ENEOS Holdings, Inc. (the “Company”) hereby announces, as below, the revision to the annual forecasts of consolidated results for the Fiscal Year 2020, released on May 20, 2020, based on recent business performance.

1. Revisions to the Annual Forecasts of Consolidated Results for the Fiscal Year 2020 (April 1, 2020 – March 31, 2021)

	(Millions of yen)				
	Revenue	Operating profit/(loss)	Profit/(loss) before tax	Profit /(loss) attributable to owners of parent	Basic profit/(loss) per share (yen)
Previously Announced Forecast (A) (Announced on May 20, 2020)	7,340,000	110,000	85,000	40,000	12.43
Revised Forecast (B)	7,500,000	200,000	175,000	90,000	28.03
Increase/(Decrease) (B-A)	160,000	90,000	90,000	50,000	15.60
Percentage Increase/(Decrease)	2.2%	81.8%	105.9%	125.0%	125.5%
(Reference) Previous Results (FY 2019)	10,011,774	(113,061)	(135,764)	(187,946)	(57.86)

Note: the forecasts of consolidated results for the FY released on August 12, 2020 was not revised from the forecasts released on May 20, 2020.

2. Reasons for Revision

The operating profit is forecasted to be 200 billion yen, an increase of 90 billion yen from the previous forecast. Of the 90 billion yen increase in operating profit, 65 billion yen is from the improvement of inventory valuation factors*, resulting in a 25 billion yen increase of operating profit excluding inventory valuation factors.

The inventory valuation factors is forecasted to be 10 billion yen profit, revised from a 55 billion yen loss, with change of crude oil price (Dubai crude) prerequisites from 30 U.S. dollars per barrel for the entire year to 45 U.S. dollars per barrel for the 2nd half of the Fiscal Year.

(Billions of yen)

	Previous forecast	Revised forecast	Increase/Decrease
Operating profit / (loss)	110.0	200.0	90.0
Inventory valuation factors* :profit / (loss)	(55.0)	10.0	65.0
Operating profit / (loss) excluding inventory valuation factors	165.0	190.0	25.0

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

The operating profit excluding inventory valuation factors in the previous forecast was on the assumption that the impacts of COVID-19, such as demand for petroleum products, would continue for the 1st half of the Fiscal Year. However, based on the current situation, the Company now assumes the impact of COVID-19 to continue to some extent in the 2nd half of the Fiscal Year.

Based on the above, the negative effects of continued decrease of the sales volume of petroleum products and reduced operation at the Caserones copper mine were taken into account. On the other hand, with the firm margin of domestic petroleum products and the price increase of crude oil and copper, the operating profit excluding inventory valuation factors is forecasted to be 190 billion yen, an increase of 25 billion yen from the previous forecast.

Furthermore, profit attributable to owners of parent is also forecasted to increase from the previous forecast.

Breakdown by business segment: Operating profit /(loss) excluding inventory valuation factors

(Billions of yen)

	Previous forecast	Revised forecast	Increase/ (Decrease)
Energy Business	90.0	75.0	(15.0)
Oil and Natural Gas Exploration and Production (E&P) Business	0.0	5.0	5.0
Metals Business	29.0	54.0	25.0
Other Business	46.0	56.0	10.0

This forecast assumes following as the yearly averages: a crude oil price (Dubai crude) of 41 U.S. dollar per barrel (45 U.S. dollars from October); an international copper price (LME price) of 275 cents per pound (280 cents from October); and an exchange rate of 106 yen per U.S. dollar (105 yen from October). (Previous forecast: crude oil price of 30U.S. dollars per barrel, an international copper price of 250 cents per pound, and an exchange rate of 105yen 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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