



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

February 10, 2021

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: February 12, 2021
 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 Third Quarter of FY2020 (From April 1, 2020 to December 31, 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	%
3Q of FY2020	5,367,158	(29.4)	133,798	(39.6)	116,496	(42.5)	67,012	(46.2)	51,824	(54.7)
3Q of FY2019	7,607,197	(8.7)	221,435	(51.8)	202,734	(53.4)	124,553	(55.2)	114,419	(61.0)

	Basic profit per share		Diluted profit per share	
	Yen		Yen	
3Q of FY2020	20.85		20.82	
3Q of FY2019	38.23		38.22	

(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	%
3Q of FY2020	8,024,349	2,652,937	2,281,103	28.4
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	-	11.00	-		
FY2020 (Forecast)				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	7,500,000	(25.1)	200,000	-	175,000	-	90,000	-	28.03

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

The forecasts of consolidated results for the fiscal year of 2020 remain unchanged from the previous forecasts announced on November 11, 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 December 31, 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: 190,000 million yen (percentage change from the previous fiscal year: 96.5%)
(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)

Third Quarter of FY2020 ended December 31, 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

Third Quarter of FY2020 ended December 31, 2020:	19,614,011 shares
FY2019 ended March 31, 2020:	12,819,877 shares
 - (iii) Average number of shares issued during the period

Third Quarter of FY2020 ended December 31, 2020:	3,214,145,574 shares
Third Quarter of FY2019 ended December 31, 2019:	3,257,992,215 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 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)	3Q of FY2020 (As of December 31, 2020)
ASSETS		
Current assets		
Cash and cash equivalents	398,573	499,886
Trade and other receivables	1,020,570	1,089,992
Inventories	1,181,688	1,248,020
Other financial assets	61,963	48,438
Other current assets	183,673	150,443
Sub total	2,846,467	3,036,779
Assets held for sale	32,094	-
Total current assets	2,878,561	3,036,779
Non-current assets		
Property, plant and equipment	3,724,861	3,546,445
Goodwill	185,730	185,861
Intangible assets	345,371	339,577
Investments accounted for using the equity method	407,207	426,955
Other financial assets	343,342	362,439
Other non-current assets	8,802	10,162
Deferred tax assets	117,418	116,131
Total non-current assets	5,132,731	4,987,570
TOTAL ASSETS	8,011,292	8,024,349

(Millions of yen)

	FY2019 (As of March 31, 2020)	3Q of FY2020 (As of December 31, 2020)
LIABILITIES		
Current liabilities		
Trade and other payables	1,343,909	1,555,253
Bonds and borrowings	914,781	704,864
Income taxes payable	18,275	39,888
Lease liabilities	70,595	68,740
Other financial liabilities	30,647	37,761
Provisions	13,174	16,604
Other current liabilities	320,446	311,492
Sub total	2,711,827	2,734,602
Liabilities directly related to assets held for sale	5,748	-
Total current liabilities	2,717,575	2,734,602
Non-current liabilities		
Bonds and borrowings	1,386,065	1,477,213
Liabilities for retirement benefits	272,124	246,268
Lease liabilities	445,244	428,929
Other financial liabilities	32,075	31,247
Provisions	165,994	162,867
Other non-current liabilities	51,873	55,367
Deferred tax liabilities	232,434	235,019
Total non-current liabilities	2,585,809	2,636,910
Total liabilities	5,303,384	5,371,512
EQUITY		
Common stock	100,000	100,000
Capital surplus	1,138,884	1,124,252
Retained earnings	982,786	994,006
Treasury stock	(6,003)	(8,785)
Other components of equity	95,379	71,630
Total equity attributable to owners of the parent	2,311,046	2,281,103
Non-controlling interests	396,862	371,734
Total equity	2,707,908	2,652,837
TOTAL LIABILITIES AND EQUITY	8,011,292	8,024,349

**(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)

	3Q of FY2019 (From April 1, 2019 to December 31, 2019)	3Q of FY2020 (From April 1, 2020 to December 31, 2020)
Revenue	7,607,197	5,367,158
Cost of sales	6,840,547	4,601,896
Gross profit	766,650	765,262
Selling, general and administrative expenses	610,781	580,595
Share of profit of investments accounted for using the equity method	40,165	37,658
Other operating income	51,439	35,475
Other operating expenses	26,038	124,002
Operating profit	221,435	133,798
Finance income	6,999	3,421
Finance costs	25,700	20,723
Profit before tax	202,734	116,496
Income tax expense	57,315	58,308
Profit	145,419	58,188
Profit (loss) attributable to:		
Owners of the parent	124,553	67,012
Non-controlling interests	20,866	(8,824)
Profit	145,419	58,188
		(Yen)
Basic profit per share	38.23	20.85
Diluted profit per share	38.22	20.82

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

(Millions of yen)

	3Q of FY2019 (From April 1, 2019 to December 31, 2019)	3Q of FY2020 (From April 1, 2020 to December 31, 2020)
Profit	145,419	58,188
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)	(4,684)	15,165
Remeasurement gains on defined benefit plans	7,013	14,134
Shares of other comprehensive income (loss) of investments accounted for using the equity method	(236)	330
Total	2,093	29,629
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(18,422)	(26,190)
Changes in fair value of cash flow hedges	(2,620)	(1,066)
Shares of other comprehensive income (loss) of investments accounted for using the equity method	(12,051)	(8,737)
Total	(33,093)	(35,993)
Other comprehensive income (loss), net of tax	(31,000)	(6,364)
Total comprehensive income	114,419	51,824
Comprehensive income (loss) attributable to:		
Owners of the parent	96,360	60,023
Non-controlling interests	18,059	(8,199)
Total comprehensive income	114,419	51,824

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

Third Quarter of FY2019 (April 1, 2019 – December 31, 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	-	-	124,553	-	-	-
Other comprehensive income (loss)	-	-	-	-	(5,763)	(2,391)
Total comprehensive income (loss)	-	-	124,553	-	(5,763)	(2,391)
Purchase of treasury stock	-	-	-	(53,982)	-	-
Disposal of treasury stock	-	0	-	0	-	-
Cancellation of treasury stock	-	(78,728)	-	78,728	-	-
Cash dividends	-	-	(72,118)	-	-	-
Share-based payment transactions	-	187	-	105	-	-
Equity transactions with non-controlling interests, etc.	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	6,072	-	684	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	(554)
Other	-	(1,097)	-	(244)	-	-
Total transactions with owners	-	(79,638)	(66,046)	24,607	684	(554)
Balance as of December 31, 2019	100,000	1,142,555	1,329,395	(5,091)	106,407	(11,822)

	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	-	-	-	124,553	20,866	145,419
Other comprehensive income (loss)	(26,795)	6,756	(28,193)	(28,193)	(2,807)	(31,000)
Total comprehensive income (loss)	(26,795)	6,756	(28,193)	96,360	18,059	114,419
Purchase of treasury stock	-	-	-	(53,982)	-	(53,982)
Disposal of treasury stock	-	-	-	0	-	0
Cancellation of treasury stock	-	-	-	-	-	-
Cash dividends	-	-	-	(72,118)	(16,019)	(88,137)
Share-based payment transactions	-	-	-	292	-	292
Equity transactions with non-controlling interests, etc.	-	-	-	-	(655)	(655)
Transfer from other components of equity to retained earnings	-	(6,756)	(6,072)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	(554)	(554)	(513)	(1,067)
Other	-	-	-	(1,341)	1,101	(240)
Total transactions with owners	-	(6,756)	(6,626)	(127,703)	(16,086)	(143,789)
Balance as of December 31, 2019	22,981	-	117,566	2,684,425	403,082	3,087,507

Third Quarter of FY2020 (April 1, 2020 – December 31, 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	-	-	67,012	-	-	-
Other comprehensive income (loss)	-	-	-	-	13,027	(3,217)
Total comprehensive income (loss)	-	-	67,012	-	13,027	(3,217)
Purchase of treasury stock	-	-	-	(3,045)	-	-
Disposal of treasury stock	-	(263)	-	263	-	-
Cash dividends	-	-	(70,800)	-	-	-
Share-based payment transactions	-	315	-	-	-	-
Equity transactions with non-controlling interests, etc.	-	(13,551)	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	15,008	-	(453)	-
Transfer from other components of equity to non-financial assets	-	-	-	-	-	(1,752)
Other	-	(1,133)	-	-	-	-
Total transactions with owners	-	(14,632)	(55,792)	(2,782)	(453)	(1,752)
Balance as of December 31, 2020	100,000	1,124,252	994,006	(8,785)	88,703	(7,763)

	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	-	-	-	67,012	(8,824)	58,188
Other comprehensive income (loss)	(31,354)	14,555	(6,989)	(6,989)	625	(6,364)
Total comprehensive income (loss)	(31,354)	14,555	(6,989)	60,023	(8,199)	51,824
Purchase of treasury stock	-	-	-	(3,045)	-	(3,045)
Disposal of treasury stock	-	-	-	0	-	0
Cash dividends	-	-	-	(70,800)	(13,723)	(84,523)
Share-based payment transactions	-	-	-	315	-	315
Equity transactions with non-controlling interests, etc.	-	-	-	(13,551)	(2,505)	(16,056)
Transfer from other components of equity to retained earnings	-	(14,555)	(15,008)	-	-	-
Transfer from other components of equity to non-financial assets	-	-	(1,752)	(1,752)	(1,127)	(2,879)
Other	-	-	-	(1,133)	426	(707)
Total transactions with owners	-	(14,555)	(16,760)	(89,966)	(16,929)	(106,895)
Balance as of December 31, 2020	(9,310)	-	71,630	2,281,103	371,734	2,652,837

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

(Notes on the Assumption of a Going Concern)

None

(Segment Information)

I. Third Quarter of FY2019 (April 1, 2019 – December 31, 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	6,423,939	98,219	747,148	7,269,306	337,891	-	7,607,197
Inter-segment revenue or transfers (Note 1)	3,934	-	1,356	5,290	33,513	(38,803)	-
Total	6,427,873	98,219	748,504	7,274,596	371,404	(38,803)	7,607,197
Segment profit (loss) (Note 2)	101,594	40,144	48,395	190,133	28,147	3,155	221,435
Finance income							6,999
Finance costs							25,700
Profit before tax							202,734

(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 3,155 million yen includes the net amount of 4,633 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.

II. Third Quarter of FY2020 (April 1, 2020 – December 31, 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	4,196,936	76,689	763,866	5,037,491	329,667	-	5,367,158
Inter-segment revenue or transfers (Note 1)	2,764	-	1,511	4,275	30,105	(34,380)	-
Total	4,199,700	76,689	765,377	5,041,766	359,772	(34,380)	5,367,158
Segment profit (loss) (Note 2)	89,268	6,617	(5,364)	90,521	37,341	5,936	133,798
Finance income							3,421
Finance costs							20,723
Profit before tax							116,496

(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 5,936 million yen includes the net amount of 6,492 million yen, which is the income and expenses of the entire Company not allocated to the reporting segments or the “Other” category.