



February 8, 2022

Consolidated Financial Results for the Third Quarter of Fiscal Year 2021 (From April 1, 2021 to December 31, 2021) [Japan GAAP]

Company Name: **Idemitsu Kosan Co.,Ltd.** (URL <https://www.idemitsu.com>)

Company Code: 5019, Shares listed on: Tokyo Stock Exchange

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Scheduled date of filing of quarterly securities report: February 9, 2022

Scheduled date of commencement of dividend payments: —

Supplementary materials for the quarterly financial results: Yes

Quarterly financial results presentation: Yes (for institutional investors and analysts)

(Figures less than ¥1 million are rounded off)

1. Consolidated Financial Results for the Third Quarter of FY2021 (From April 1, 2021 to December 31, 2021)

(1) Consolidated operating results

(Percentage figures represent changes from the corresponding previous period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	¥million	%	¥million	%	¥million	%	¥million	%
3Q FY2021	4,647,185	44.7	279,040	465.5	302,969	—	199,928	—
3Q FY2020	3,211,318	(29.6)	49,343	(54.4)	14,558	(84.1)	(7,516)	—

Note: Comprehensive income 3Q FY2021 ¥201,953 million —% 3Q FY2020 ¥(5,129) million —%

	Net income per share	Diluted net income per share
	¥	¥
3Q FY2021	672.51	—
3Q FY2020	(25.29)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	¥million	¥million	%
3Q FY2021	4,489,868	1,362,205	29.3
FY2020	3,954,443	1,215,136	29.1

Reference: Total equity 3Q FY2021 ¥1,317,598 million FY2020 ¥1,150,930 million

2. Dividends

	Cash dividends per share				
	As of Jun.30	As of Sep.30	As of Dec.31	As of Mar.31	Total
	¥	¥	¥	¥	¥
FY2020	—	60.00	—	60.00	120.00
FY2021	—	60.00	—	—	—
FY2021 (Forecasts)	—	—	—	60.00	120.00

Note: Revisions of the forecasts of cash dividends since the latest announcement: None

3. Forecasts of Consolidated Financial Results for FY2021 (From April 1, 2021 to March 31, 2022)

(Percentage figures represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥
FY2021	6,580,000	44.4	300,000	114.2	330,000	204.5	220,000	530.0	739.98

Note: Revisions of the forecasts of consolidated financial results since the latest announcement: None

* Notes

- (1) Changes of number of material consolidated subsidiaries during the nine months ended December 31, 2021: **None**
- (2) Application of the accounting method peculiar to the preparation of the quarterly financial statements: **Yes**
- (3) Changes in accounting policies, accounting estimates and restatement
 - a) Changes in accounting policies arising from revision of accounting standards: **Yes**
 - b) Changes arising from other factors: **None**
 - c) Changes in accounting estimates: **None**
 - d) Restatement: **None**
- (4) Number of shares issued (common stock)
 - a) Number of shares issued (including treasury stock)

As of December 31, 2021: 297,864,718	As of March 31, 2021: 297,864,718
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 - b) Number of shares of treasury stock

As of December 31, 2021: 558,638	As of March 31, 2021: 596,197
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 - c) Weighted average number of shares outstanding during the period

Nine months ended December 31, 2021:	297,286,087
Nine months ended December 31, 2020:	297,269,269

*1 This document is out of the scope of quarterly review by certified public accountants or audit firms.

*2 The financial forecasts above are based on information available and assumptions as of the date of publication of this document. Actual operating results may differ from the forecasts due to various factors. Additionally, for the assumptions used for the forecasts of the above, please refer to page 5 “Explanation of Forecasts of Consolidated Financial Results for FY2021” of the Appendix.

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1. Qualitative Information on the Consolidated Operating Results for the Third Quarter of FY2021

(1) Explanation of Operating Results

The overall domestic demand for main petroleum products during the nine months ended December 31, 2021, continued to recover from the slump caused by the spread of COVID-19 last year and increased mainly for aircraft and electricity production.

During the first half of fiscal 2021, crude oil prices continued to increase against the backdrop of increased demand in association with the progress of economic recovery in the U.S. and Europe due to the spread of vaccinations against COVID-19, as well as increased demand as alternative fuels for high-priced coal and natural gas. In the second half of fiscal 2021, crude prices temporarily dropped significantly due to the rebound of COVID-19 in Europe, the announcement of the U.S. to tap strategic oil reserves, and concerns on decline in demand due to the global expansion of the Omicron variant from the end of November. However, the prices recovered toward the end of the year based on the information that there may be a lower risk of severe outcomes from the Omicron variant. As a result, the average price of Dubai crude oil from April to December increased by \$32.9 /bbl from the same period last year to \$72.3/bbl.

(Crude oil price, naphtha price and exchange rate)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Change	
Dubai Crude Oil (\$/bbl)	39.4	72.3	+32.9	+83.5%
Exchange Rate (¥/\$)	106.1	111.1	+5.0	+4.7%

The Idemitsu Group's net sales for the nine months ended December 31, 2021 were ¥4,647.2 billion, up 44.7% year on year, owing to factors including increases in crude oil prices and resource prices such as coal.

Operating income was ¥279.0 billion, up 465.5% year on year, owing to factors including the effect of inventory valuation caused by surging crude oil prices in the petroleum segment and increased resource prices in the resources segment.

Net non-operating income was ¥23.9 billion, up ¥58.7 billion year on year, owing to factors including an improvement in equity in earnings of non-consolidated subsidiaries and affiliates. As a result, ordinary income was ¥303.0 billion, up ¥288.4 billion year on year.

Net extraordinary loss was ¥6.4 billion, mainly owing to impairment losses of fixed assets, a decrease of ¥2.7 billion year on year.

Income taxes expenses, which consist of income taxes-current and income taxes-deferred, amounted to ¥99.7 billion, up ¥89.9 billion year on year, due to an increase in net income before income taxes.

Consequently, net income attributable to owners of the parent was ¥199.9 billion, up ¥207.4 billion year on year.

The performance of our business by segment for the nine months ended December 31, 2021 is as follows:

As to quarterly reporting periods, overseas subsidiaries use September 30 as their balance sheet date, whereas domestic subsidiaries use December 31 as their balance sheet date, except for certain subsidiaries. As such, the following performance of the business segments includes the operating results of overseas subsidiaries for the nine months ended September 30, 2021, and those of domestic subsidiaries for the nine months ended December 31, 2021.

Net sales by segment

(Unit: ¥Billion)

Segment	3 rd Quarter of FY2020	3 rd Quarter of FY2021	Change	
			Amount	%
Petroleum	2,509.6	3,604.8	+1,095.2	+43.6 %
Basic chemicals	222.6	396.3	+173.7	+78.1 %
Functional materials	251.7	302.7	+51.0	+20.3 %
Power and renewable energy	90.2	92.4	+2.1	+2.4 %
Resources	132.4	246.8	+114.4	+86.5 %
Other	4.9	4.3	(0.5)	(11.3) %
Total	3,211.3	4,647.2	+1,435.9	+44.7 %

Segment income or loss

(Unit: ¥Billion)

	3 rd Quarter of FY2020	3 rd Quarter of FY2021	Change	
			Amount	%
Petroleum	5.5	236.8	+231.2	—
<i>: excluding effect of inventory valuation</i>	64.9	73.7	+8.8	+13.5 %
Basic chemicals	(1.0)	7.6	+8.6	—
Functional materials	9.5	14.2	+4.7	+49.4 %
Power and renewable energy	(1.7)	(7.6)	(5.8)	—
Resources	4.5	56.4	+51.9	—
Other	0.8	0.7	(0.1)	(12.1) %
Reconciliation	(4.3)	(10.9)	(6.6)	—
Total	13.4	297.3	+283.9	—
<i>: excluding effect of inventory valuation</i>	72.8	134.2	+61.4	+84.5 %

[Petroleum segment]

Net sales in the petroleum segment were ¥3,604.8 billion, up 43.6% year on year, mainly due to surging crude oil prices. Segment income was ¥236.8 billion, up ¥231.2 billion year on year, owing to positive factors such as inventory valuation effect and improvement in equity in earnings of non-consolidated subsidiaries and affiliates.

[Basic chemicals segment]

Net sales in the basic chemicals segment were ¥396.3 billion, up 78.1% year on year, mainly due to higher naphtha prices. Segment income was ¥7.6 billion, up ¥8.6 billion year on year, mainly owing to improvement in product margins such as styrene monomer.

[Functional materials segment]

Net sales in the functional materials segment were ¥302.7 billion, up 20.3% year on year, and segment income was ¥14.2 billion, up 49.4% year on year, mainly due to the rising bisphenol A market in the performance chemicals business and a sales increase in the electronic materials business.

[Power and renewable energy segment]

Net sales in the power and renewable energy segment were ¥92.4 billion, up 2.4% year on year. Segment loss was ¥7.6 billion, an increase of ¥5.8 billion year on year, mainly due to procurement costs increase in line with rising wholesale market prices in the electric power business.

[Resources segment]

(Oil/natural gas exploration and production and geothermal energy business)

Net sales in the oil/natural gas exploration and production and geothermal energy business were ¥70.7 billion, up 201.4% year on year, and segment income was ¥34.9 billion, up 570.2% year on year, mainly owing to increased production in the Vietnam gas field and surging crude oil prices.

(Coal business and others)

Net sales in the coal business and others were ¥176.1 billion, up 61.7% year on year, and segment income was ¥21.5 billion, up ¥22.2 billion year on year, mainly due to an increase in coal prices.

As a result of the above, total net sales of the resources segment were ¥246.8 billion, up 86.5% year on year, and segment income was ¥56.4 billion, up ¥51.9 billion year on year.

[Other segments]

Net sales in the other segments were ¥4.3 billion, down 11.3% year on year, and segment income was ¥0.7 billion, down 12.1% year on year.

(2) Explanation of Financial Position
Summarized Consolidated Balance Sheets

(Unit: ¥Billion)

	FY2020	3 rd Quarter of FY2021	Change
Current assets	1,665.5	2,193.4	+527.8
Fixed assets	2,288.9	2,296.5	+7.6
Total assets	3,954.4	4,489.9	+535.4
Current liabilities	1,621.3	1,960.2	+338.9
Non-current liabilities	1,118.0	1,167.5	+49.4
Total liabilities	2,739.3	3,127.7	+388.4
Total net assets	1,215.1	1,362.2	+147.1
Total liabilities and net assets	3,954.4	4,489.9	+535.4

1) Total assets

Total assets increased by ¥535.4 billion from the end of the previous fiscal year to ¥4,489.9 billion, mainly reflecting increases in accounts receivable, trade and in inventories owing to surging crude oil prices and other factors.

2) Total liabilities

Total liabilities increased by ¥388.4 billion from the end of the previous fiscal year to ¥3,127.7 billion, mainly owing to increases in accounts payable, trade and in income taxes payable due to surging crude oil prices and other factors.

3) Total net assets

Total net assets were ¥1,362.2 billion, an increase of ¥147.1 billion from the end of the previous fiscal year, mainly owing to the recording of quarterly net income of ¥199.9 billion attributable to owners of the parent, while dividends paid were ¥35.7 billion.

As a result, the shareholders' equity ratio improved from 29.1% at the end of the previous fiscal year to 29.3%, up 0.2 points. The Net D/E ratio at the end of the quarter improved by 0.04 points from 1.02 at the end of previous fiscal year to 0.98.

(3) Explanation of Forecasts of Consolidated Financial Results for FY2021

There was no change in the forecasts of the consolidated financial results for the year ending March 31, 2022 released on November 9, 2021.

2. Consolidated Financial Statements for the Third Quarter of FY2021 and Major Notes

(1) Consolidated Quarterly Balance Sheets

(Unit: ¥Million)

	FY2020 (As of March 31, 2021)	3 rd Quarter of FY2021 (As of December 31, 2021)
Assets		
Current assets:		
Cash and deposits	131,343	89,402
Notes and accounts receivable, trade	602,661	853,873
Inventories	694,522	949,417
Other	238,511	301,666
Less: Allowance for doubtful accounts	(1,521)	(1,000)
Total current assets	1,665,516	2,193,359
Fixed assets:		
Property, plant and equipment:		
Machinery and equipment, net	309,885	347,496
Land	808,037	782,445
Other, net	403,977	368,582
Total property, plant and equipment	1,521,899	1,498,524
Intangible fixed assets:		
Goodwill	159,006	151,970
Other	160,245	160,763
Total intangible fixed assets	319,252	312,733
Investments and other assets:		
Investment securities	239,196	258,869
Other	210,737	229,262
Less: Allowance for doubtful accounts	(2,160)	(2,881)
Total investments and other assets	447,774	485,250
Total fixed assets	2,288,926	2,296,508
Total assets	3,954,443	4,489,868
Liabilities		
Current liabilities:		
Notes and accounts payable, trade	530,697	723,552
Short-term loans payable	334,309	307,608
Commercial paper	188,005	259,001
Current portion of bonds payable	20,000	10,000
Accounts payable, other	406,890	388,931
Income taxes payable	18,422	85,225
Provision for bonuses	11,392	6,575
Other	111,568	179,313
Total current liabilities	1,621,286	1,960,208
Non-current liabilities:		
Bonds payable	100,000	130,000
Long-term loans payable	637,468	648,524
Liability for employees' retirement benefits	49,232	41,095
Reserve for repair work	73,197	86,158
Asset retirement obligations	77,647	79,854
Other	180,474	181,822
Total non-current liabilities	1,118,019	1,167,454
Total liabilities	2,739,306	3,127,663

(Unit: ¥Million)

	FY2020 (As of March 31, 2021)	3 rd Quarter of FY2021 (As of December 31, 2021)
Net assets		
Shareholders' equity:		
Common stock	168,351	168,351
Capital surplus	461,635	460,507
Retained earnings	400,579	566,225
Treasury stock	(2,008)	(1,874)
Total shareholders' equity	1,028,559	1,193,209
Accumulated other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	5,792	5,263
Deferred gains (losses) on hedging activities, net	(1,209)	(3,948)
Surplus from land revaluation	159,585	157,819
Foreign currency translation adjustments	(47,207)	(39,720)
Defined retirement benefit plans	5,410	4,974
Total accumulated other comprehensive income	122,371	124,388
Noncontrolling interests	64,206	44,606
Total net assets	1,215,136	1,362,205
Total liabilities and net assets	3,954,443	4,489,868

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

1) Consolidated Quarterly Statements of Income

(Unit: ¥Million)

	3 rd Quarter of FY2020 (From April 1, 2020 to December 31, 2020)	3 rd Quarter of FY2021 (From April 1, 2021 to December 31, 2021)
Net sales	3,211,318	4,647,185
Cost of sales	2,861,744	4,042,868
Gross profit	349,574	604,317
Selling, general and administrative expenses	300,230	325,276
Operating income	49,343	279,040
Non-operating income:		
Interest income	7,664	6,505
Dividend income	3,823	3,282
Equity in earnings of nonconsolidated subsidiaries and affiliates, net	—	18,239
Gain on foreign exchange, net	—	2,696
Other	4,108	5,205
Total non-operating income	15,596	35,930
Non-operating expenses:		
Interest expense	9,296	8,689
Equity in losses of nonconsolidated subsidiaries and affiliates, net	35,979	—
Loss on foreign exchange, net	2,793	—
Other	2,312	3,311
Total non-operating expenses	50,381	12,001
Ordinary income	14,558	302,969
Extraordinary income:		
Gain on sales of fixed assets	1,612	11,595
Gain on amortization of past service cost	—	2,144
Gain on reversal of restoration cost	889	—
Other	611	4,038
Total extraordinary income	3,112	17,777
Extraordinary losses:		
Impairment loss on fixed assets	13	10,477
Loss on sales of fixed assets	501	3,766
Loss on disposals of fixed assets	4,063	5,092
Loss on valuation of investment securities	3,070	209
Loss from money transfer scam at foreign subsidiary	3,750	—
Other	819	4,634
Total extraordinary losses	12,218	24,180
Income before income taxes	5,453	296,566
Income taxes	9,774	99,695
Net income (loss)	(4,321)	196,871
Net income (loss) attributable to noncontrolling interests	3,195	(3,057)
Net income (loss) attributable to owners of the parent	(7,516)	199,928

2) Consolidated Quarterly Statements of Comprehensive Income

(Unit: ¥Million)

	3 rd Quarter of FY2020 (From April 1, 2020 to December 31, 2020)	3 rd Quarter of FY2021 (From April 1, 2021 to December 31, 2021)
Net income (loss)	(4,321)	196,871
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	2,620	(501)
Deferred gains (losses) on hedging activities, net	3,666	(2,904)
Foreign currency translation adjustments	(7,338)	7,790
Defined retirement benefit plans	435	(354)
Share of other comprehensive income in equity method affiliates	(191)	1,051
Total other comprehensive income	(808)	5,082
Comprehensive income	(5,129)	201,953
Comprehensive income attributable to:		
Owners of the parent	(7,438)	203,536
Noncontrolling interests	2,308	(1,583)

(3) Notes to the Consolidated Quarterly Financial Statements

1) Notes on the Assumption of a Going Concern

None

2) Notes on Significant Changes in Shareholders' Equity

None

3) Application of the Accounting Method Peculiar to the Preparation of the Quarterly Financial Statements

Income taxes are calculated by multiplying the income before income taxes for the nine months ended December 31, 2021 by the estimated effective tax rate that is reasonably estimated for income before income taxes for the fiscal year that includes the current quarter.

However, if the calculation using the relevant estimated effective tax rate leads to significantly irrational results, income taxes are calculated by multiplying the quarterly income before income taxes by the effective statutory tax rate, after adjusting important differences that do not constitute temporary differences.

4) Changes in Accounting Policies

(Application of accounting standards for revenue recognition)

Effective April 1, 2021, the Idemitsu Group applied "Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as "Revenue Recognition Accounting Standards"). Under the Revenue Recognition Accounting Standards, revenue is recognized when the control of the promised goods or services is transferred to the customer at the amount expected to be received in exchange for the goods or services.

The main changes resulting from the application of the Revenue Recognition Accounting Standards are as follows.

a) Revenue recognition for principal and agent transactions

Previously, the Group recognized revenue from certain transactions based on the total consideration received from customers. However, for transactions in which the Group's role in providing goods or services to customers is an agent, the Group recognizes revenue based on the net amount, namely the amount received from customers less payments to suppliers.

b) Revenue recognition for amounts collected for third parties

Previously, some transactions were recorded as revenues without excluding the amount collected for third parties from the total amount of consideration. However, the amount collected for third parties is recorded as deposits received.

In accordance with the transitional provision provided in the provisory clause of Article 84 of the Standards, the cumulative effect at the end of last fiscal year from retrospective application of the Standard is treated as adjustment to retained earnings at the beginning of the first quarter of this fiscal year, and the new accounting policy is applied from the adjusted beginning balance of retained earnings.

As a result, net sales for the nine months ended December 31, 2021 decreased by ¥40,959 million, cost of sales decreased by ¥36,811 million, selling, general and administrative expenses decreased by ¥4,183 million, operating income increased by ¥35 million and ordinary income and net income before income taxes increased by ¥46 million, respectively. The balance of retained earnings at the beginning of the fiscal year increased by ¥970 million.

(Application of Accounting Standard for Fair Value Measurement)

Effective April 1, 2021, the Idemitsu Group applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019, hereinafter referred to as “Fair Value Accounting Standards”) and others. In accordance with the transitional provision set forth in Article 19 of the Fair Value Accounting Standards and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019), the Idemitsu Group applied prospectively a new accounting policy prescribed by the Fair Value Accounting Standards and others. This application has no impact on the consolidated financial statements.

5) Consolidated Segment Information

Third Quarter of FY2020 (From April 1, 2020 to December 31, 2020)

a) Net sales and income or loss by reportable segment

(Unit: ¥Million)

	Reportable segment						Others	Total	Reconciliation	Consolidated
	Petroleum	Basic chemicals	Functional materials	Power and renewable energy	Resources	Total				
Net sales:										
Net sales to outside customers	2,509,597	222,563	251,694	90,240	132,358	3,206,455	4,863	3,211,318	—	3,211,318
Inter-segment	22,332	14,753	13,601	2,851	727	54,266	1,244	55,510	(55,510)	—
Total sales	2,531,930	237,317	265,295	93,091	133,086	3,260,721	6,107	3,266,829	(55,510)	3,211,318
Operating income (loss)	42,732	(1,669)	9,621	(1,618)	3,873	52,938	811	53,750	(4,406)	49,343
Equity in earnings (losses) of nonconsolidated subsidiaries and affiliates	(37,203)	663	(85)	(130)	639	(36,115)	—	(36,115)	136	(35,979)
Segment income (loss)	5,528	(1,006)	9,536	(1,749)	4,513	16,823	811	17,634	(4,270)	13,363

Notes:

1. The segment “Others” refers to the total of other business segments that are not included in the reportable segments, including insurance businesses and intra-group service businesses.
2. The amount of reconciliation for the operating income (loss) mainly represents research and development costs, which do not belong to reportable segments.
3. The amount of reconciliation for equity in earnings (losses) of nonconsolidated subsidiaries and affiliates mainly represents those related to equity method nonconsolidated subsidiaries and affiliates, which do not belong to reportable segments.
4. The segment income (loss) of the reportable segments is reconciled to the amount of operating income and equity in losses of nonconsolidated subsidiaries and affiliates in the consolidated quarterly statement of income.

b) Impairment loss on fixed assets and goodwill by reportable segment

There is no significant item during the period.

Third Quarter of FY2021 (From April 1, 2021 to December 31, 2021)

a) Net sales and income or loss by reportable segment

(Unit: ¥Million)

	Reportable segment						Others	Total	Reconciliation	Consolidated
	Petroleum	Basic chemicals	Functional materials	Power and renewable energy	Resources	Total				
Net sales:										
Net sales to outside customers	3,604,757	396,281	302,674	92,371	246,786	4,642,871	4,313	4,647,185	—	4,647,185
Inter-segment	21,069	20,832	13,163	2,363	2	57,431	1,348	58,780	(58,780)	—
Total sales	3,625,827	417,113	315,837	94,734	246,789	4,700,303	5,662	4,705,965	(58,780)	4,647,185
Operating income (loss)	224,332	6,875	12,743	(7,567)	54,977	291,361	712	292,074	(13,034)	279,040
Equity in earnings of nonconsolidated subsidiaries and affiliates	12,431	760	1,504	3	1,404	16,105	—	16,105	2,134	18,239
Segment income (loss)	236,764	7,635	14,248	(7,564)	56,382	307,466	712	308,179	(10,899)	297,280

Notes:

1. The segment “Others” refers to the total of other business segments that are not included in the reportable segments, including insurance businesses and intra-group service businesses.
2. The amount of reconciliation for the operating income (loss) mainly represents research and development costs, which do not belong to reportable segments.
3. The amount of reconciliation for equity in earnings of nonconsolidated subsidiaries and affiliates mainly represents those related to equity method nonconsolidated subsidiaries and affiliates, which do not belong to reportable segments.
4. The segment income (loss) of the reportable segments is reconciled to the amount of operating income and equity in earnings of nonconsolidated subsidiaries and affiliates in the consolidated quarterly statement of income.

b) Impairment loss on fixed assets and goodwill by reportable segment

(Significant impairment loss on fixed assets)

The Company recorded an impairment loss of ¥5,218 million on certain of heavy oil power generating unit in the petroleum segment, ¥2,951 million on certain of solar-related assets in the power and renewable energy segment, and ¥1,407 million on certain of coal mining assets in the resources segment, respectively.

c) Changes in reportable segments

(Application of Revenue Recognition Accounting Standards)

As stated in the "Change in accounting policy", effective April 1, 2021, the Idemitsu Group applied the Revenue Recognition Accounting Standards. Accordingly, the method of calculating net sales and income or loss by reportable segment was also changed in the same manner as the provisions under the Revenue Recognition Accounting Standards.

As a result of this change, for “Petroleum”, net sales decreased by ¥22,270 million and segment income decreased by ¥230 million, and for “Power and renewable energy”, net sales decreased by ¥12,373 million and segment loss decreased by ¥277 million for the nine months ended December 31, 2021, compared with the previous method. This change does not have a material impact on net sales and segment income of other reportable segments.

6) Significant Subsequent Events

None