



May 11, 2023

Summary of Consolidated Financial Results (Japanese GAAP) for the Fiscal Year Ended March 31, 2023

Listed company:	Cosmo Energy Holdings Co., Ltd.	Listed: Tokyo Stock Exchange
Securities code:	5021	URL https://www.cosmo-energy.co.jp/
Representative:	Shigeru Yamada, Representative Director & Group CEO	
Contact:	Eriko Date, General Manager of Corporate Communication Department	Phone: 03-3798-3101
Scheduled date of annual shareholders' meeting:	June 22, 2023	
Scheduled date of commencement of dividend payment:	June 23, 2023	
Scheduled date of annual securities report filing:	June 22, 2023	
Creation of supplementary results materials:	Yes	
Results briefing:	Yes (for analysts and institutional investors)	

Note: Figures less than 1 million yen are rounded down

1. Consolidated Business Results for FY2022 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2022	2,791,872	14.4	163,780	-30.4	164,505	-29.4	67,935	-51.1
FY2021	2,440,452	9.3	235,303	132.3	233,097	139.4	138,890	61.7

Note : Comprehensive income FY2022 : 85,626 million yen (-40.8%) FY2021 : 144,616 million yen (49.8%)

	Net income per share	Diluted net income per share	Net income to net worth	Ordinary profit to total assets	Operating profit to net sales
	yen sen	yen sen	%	%	%
FY2022	811.15	726.65	13.8	8.1	5.9
FY2021	1,658.64	1,389.40	35.6	12.8	9.6

Reference : Equity in earnings(losses) of associates FY2022 : 1,000 million yen FY2021 : 2,650 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	million yen	million yen	%	yen sen
FY2022	2,120,763	663,380	24.9	6,042.41
FY2021	1,938,408	583,971	23.5	5,446.39

Reference : Net worth FY2022 : 527,895 million yen FY2021 : 456,200 million yen

(3) Consolidated Cash Flows

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
FY2022	8,122	-81,178	81,137	61,825
FY2021	108,361	-67,511	-42,040	48,066

2. Dividend Payment Results and Forecast

	Dividend per share					Total amount of dividends paid/payable (annual)	Dividend payout (consolidated)	Rate of dividend to net assets (consolidated)
	As of Q1-end	As of Q2-end	As of Q3-end	As of Fiscal Year-end	Annual			
	yen sen	yen sen	yen sen	yen sen	yen sen	million yen	%	%
FY2021	—	0.00	—	100.00	100.00	8,476	6.0	2.1
FY2022	—	75.00	—	75.00	150.00	12,841	18.5	2.6
FY2023 (forecast)	—	100.00	—	100.00	200.00		31.8	

3. Consolidated Business Forecast for FY2023 (April 1, 2023 to March 31, 2024)

(% indicates changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2023	2,670,000	-4.4	123,500	-24.6	125,000	-24.0	55,000	-19.0	629.54

Notes

(1) Changes in important subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
New: — Exclusion: —

(2) Changes in accounting policies, changes in accounting estimates, restatements

1) Changes in accounting policies due to revisions to accounting standards, etc.:	None
2) Changes in accounting policies other than those set out in 1):	None
3) Changes in accounting estimates:	None
4) Restatements:	None

(3) Number of shares issued (ordinary shares)

1) Number of shares issued at the end of the period (including treasury shares)					
FY2022	88,353,761	shares	FY2021	84,770,508	shares
2) Number of treasury shares at the end of the period					
FY2022	988,694	shares	FY2021	1,008,526	shares
3) Average number of shares outstanding during the period					
FY2022	83,752,744	shares	FY2021	83,737,358	shares

Note : This summary of financial results is not subject to audits by certified public accountants or auditing firms.

Note : Explanation regarding the proper use of business forecasts and other special notes

The business forecast above has been created based on the information available as of the date of the publication of this summary. Actual results may be different from the forecast due to a variety of factors. For more information about the results forecast, please see 1.Overview of Operating Results, etc. (4) Outlook on page 4 of the accompanying materials.

Supplementary results materials will be posted on the Company's website on Thursday, May 11, 2023.

Accompanying Materials – Contents

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy gradually recovered amid the progress made in achieving a balance between controlling the novel coronavirus disease (COVID-19) and maintaining economic activities, despite the impact of high resource prices and other factors.

With respect to crude oil prices, the price for Dubai crude oil began the fiscal year in the \$101 per barrel range, but rose to the \$118 per barrel range in June, due to concerns over supply caused mainly by the embargo imposed on Russian oil. Afterward, crude oil prices fell due to concerns that growth in demand for oil would slow in China as lockdowns and other measures were implemented in response to a resurgence of COVID-19, as well as due to concerns over an economic slowdown in the U.S. and Europe mainly as a result of interest rate hikes by the U.S. Federal Reserve Board (FRB). In March, crude oil prices temporarily plunged to the \$70 per barrel range triggered by the failure of Silicon Valley Bank in the U.S., but as a result of subsequent measures taken to stabilize financial markets, prices ended the fiscal year in the \$78 per barrel range.

As for exchange rates, the Japanese yen started the fiscal year at the ¥122 per dollar range, but exceeded ¥150 per dollar in October as the yen weakened against the backdrop of a sudden widening of the differences between interest rates in Japan and the U.S. due to accelerating interest rate hikes by the U.S. Federal Open Market Committee (FOMC). Subsequently, although there was an increase in yen buying amid awareness that the pace of interest rate hikes by the FOMC would slow, the exchange markets were volatile as the yen depreciated due to the appointment of a new Bank of Japan Governor in February and appreciated due to the financial crisis in the U.S. in March, and the yen ended the fiscal year in the ¥133 per dollar range.

Domestic demand for petroleum products remained almost flat. Demand for jet fuel increased year on year due to the recovery trend in airline passenger traffic. Meanwhile, demand for gasoline and kerosene decreased year on year due to the continuing impact of rising product prices although the impact has diminished.

As for petrochemical products, the sluggish market conditions for paraxylene and other products, which are our core products, continued due to the impact of the construction of new and additional plants in China and the decline in demand due to China's zero-COVID policy, amid a prolonged severe market environment.

Under the slogan "Oil & New Everything About Oil –And Beyond," we implemented initiatives based on four basic policies. We set out to bolster our profitability and financial position to achieve sufficient net worth and a net debt-to-equity ratio of 1.0-1.5 times in order to withstand changes in the market environment at an early stage.

In the fiscal year under review, the Company posted consolidated net sales of ¥2,791.9 billion (up 14.4% year on year), operating profit of ¥163.8 billion (down 30.4%), and ordinary profit of ¥164.5 billion (down 29.4%).

These results chiefly reflected an increase in energy cost, particularly in the Petroleum Business.

Profit attributable to owners of parent stood at ¥67.9 billion due to the above mentioned factors that caused a profit decrease. The following is segment information.

Certain consolidated subsidiaries that were classified in Other in the previous fiscal year have been classified in the Petroleum business segment in the fiscal year under review due to changes in their main businesses.

Segment information for the previous fiscal year is prepared based on the classification of reportable segments after the change.

Net sales and profit/loss in reportable segments (Unit : billion yen)

	Petroleum	Petrochemical	Oil exploration and production	Renewable energy	Other and adjustment	Consolidated
Net sales	2,451.5	440.2	138.0	12.2	-250.1	2,791.9
Segment profit	65.7	3.8	84.5	2.6	7.9	164.5

Petroleum Business

In the petroleum business segment, due to the rise in crude oil prices from the previous year, the segment reported net sales of ¥2,451.5 billion (up ¥313.8 billion year on year). On the other hand, due mainly to higher energy costs as a result of rising crude oil prices, segment profit was ¥65.7 billion (down ¥-100.3 billion year on year). Segment profit excluding the effect of inventory valuation was ¥44.1 billion (down ¥-49.6 billion year on year).

Petrochemical Business

In the petrochemical business segment, due mainly to increases in product selling prices from the same period of the previous year, the segment reported net sales of ¥440.2 billion (up ¥80.8 billion year on year). On the other hand, due mainly to the decrease in the sales volume from the previous year, segment profit was ¥3.8 billion (down ¥-9.8 billion year on year).

Oil Exploration and Production Business

In the oil exploration and production business segment, due mainly to the rise in the sales price of oil products from the previous year, the segment reported net sales of ¥138.0 billion (up ¥47.0 billion year on year) and segment profit of ¥84.5 billion (up ¥39.7 billion).

Renewable Energy Business

In the renewable energy business segment, due mainly to year-on-year decline in sales caused by unfavorable wind conditions and higher costs than a year earlier associated with entry into offshore wind power, the segment reported net sales of ¥12.2 billion (down ¥-0.9 billion year on year) and segment profit of ¥2.6 billion (down ¥-0.9 billion).

(2) Overview of financial position for the fiscal year under review

(Assets)

Current assets were ¥1,036.0 billion at the end of the fiscal year under review, an increase of ¥168.0 billion from the end of the previous fiscal year. This mainly reflects an increase of ¥39.7 billion in accounts receivable - trade. Non-current assets were ¥1,084.7 billion at the end of the fiscal year under review, an increase of ¥14.3 billion from the end of the previous fiscal year. This was chiefly attributable to an increase of ¥9.2 billion in investment securities.

As a result, total assets were ¥2,120.8 billion at the end of the fiscal year under review, up ¥182.4 billion from the end of the previous fiscal year.

(Liabilities)

Current liabilities were ¥1,012.6 billion at the end of the fiscal year under review, up ¥57.9 billion from the end of the previous fiscal year. This was mainly due to an increase of ¥78.7 billion in short-term loans payable. Non-current liabilities amounted to ¥444.8 billion, an increase of ¥45.0 billion from the end of the previous fiscal year. This chiefly reflected an increase of 14.8 billion in provision for special repairs.

As a result, total liabilities were ¥1,457.4 billion, up ¥103.0 billion from the end of the previous fiscal year.

(Net assets)

Net assets were ¥663.4 billion at the end of the fiscal year under review, up ¥79.4 billion from the end of the previous fiscal year. This was primarily due to the posting of a profit of 67.9 billion attributable to owners of parent.

As a result, the equity ratio stood at 24.9% (compared to 23.5% at the end of the previous fiscal year).

(3) Overview of cash flows for the fiscal year under review

Consolidated cash and cash equivalents ("cash") at the end of the fiscal year under review were ¥61.8 billion, an increase of ¥13.7 billion from the end of the previous fiscal year.

The following is a summary of cash flows and major factors for the fiscal year under review.

(Cash flows from operating activities)

Cash provided by operating activities stood at ¥8.1 billion (cash provided of ¥108.4 billion in the previous fiscal year), chiefly reflecting profit before income taxes and income taxes paid.

(Cash flow from investing activities)

Cash used in investing activities came to ¥81.2 billion (cash used of ¥67.5 billion in the previous fiscal year), chiefly due to the purchase of property, plant and equipment.

(Cash flow from financing activities)

Cash provided by financing activities was ¥81.1 billion (cash used of ¥42.0 billion in the previous fiscal year), chiefly reflecting an increase in short-term loans payable.

(4) Outlook

1) Outlook for the next fiscal year

The Group adopted the Seventh Consolidated Medium-Term Management Plan (FY2023 - FY2025) in March 2023. The Group has created Vision 2030: to create energy that shapes the future, energy that sustains society, and new forms of value.

Assuming a crude oil price of \$85 per bbl and an exchange rate of ¥130 to the dollar in FY2023, the Group forecasts that in the next fiscal year, it will post consolidated net sales of ¥2,670.0 billion (down ¥121.9 billion year on year), an operating profit of ¥123.5 billion (down ¥40.3 billion), an ordinary profit of ¥125.0 billion (down ¥39.5 billion) and a profit attributable to owners of parent of ¥55.0 billion (down ¥12.9 billion).

[Forecasts by Segment]

(Unit : billion yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Renewable energy business	Other and adjustments	Consolidated
Net sales	2,241.0	460.0	121.0	15.0	-167.0	2,670.0
Segment profit	56.0	2.0	55.0	2.0	10.0	125.0

[Petroleum Business]

In the petroleum business segment, profit is expected to decline from the fiscal year under review, reflecting the absence of the effect of inventory valuation, which reduced the cost of sales. However, the sales margin is expected to improve chiefly due to the absence of the adverse effect of falling crude oil prices on the market.

[Petrochemical Business]

In the petrochemical business segment, profit will likely decline from the fiscal year under review due to the worsening of the market environment, despite an expected improvement in sales volume.

[Oil Exploration and Production Business]

In the oil exploration and production business segment, profit is likely to fall from the fiscal year under review due to falling crude oil prices.

[Renewable Energy Business]

Profit is expected to decrease given an increase in costs resulting from the expansion of operations.

2) Outlook for dividends

The annual dividend will be ¥150 per share, including an interim dividend of ¥75 per share.

For the next fiscal year, the Company expects to pay an annual dividend of 200 yen (an interim dividend of 100 yen).

2. Basic Policy for the Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements based on Japanese Accounting Standards for the present time, taking the comparability of the consolidated financial statements between terms and between companies into consideration.

As for the application of IFRS, the Group plans to appropriately respond to the standards by considering domestic and international affairs.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated balance sheet

(Unit : million yen)

	FY2021 As of March 31, 2022	FY2022 As of March 31, 2023
Assets		
Current assets		
Cash and deposits	80,328	104,344
Notes receivable - trade	2,635	3,809
Accounts receivable - trade	280,050	319,801
Merchandise and finished goods	166,942	198,166
Work in process	58	83
Raw materials and supplies	209,023	198,722
Accounts receivable - other	66,055	84,302
Other	62,928	126,840
Allowance for doubtful accounts	-40	-29
Total current assets	867,983	1,036,040
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	241,907	237,358
Oil storage depots, net	35,755	35,960
Machinery, equipment and vehicles, net	200,511	200,101
Land	315,353	313,637
Leased assets, net	2,384	2,158
Construction in progress	40,105	46,439
Other, net	10,598	10,608
Total property, plant and equipment	846,616	846,264
Intangible assets		
Software	11,102	10,229
Other	33,083	32,987
Total intangible assets	44,185	43,216
Investments and other assets		
Investment securities	118,719	127,897
Long-term loans receivable	802	515
Long-term prepaid expenses	2,953	9,977
Net defined benefit asset	5,081	5,259
Cost recovery under production sharing	1,322	—
Deferred tax assets	42,858	42,588
Other	8,126	9,250
Allowance for doubtful accounts	-298	-275
Total investments and other assets	179,566	195,212
Total non-current assets	1,070,369	1,084,694
Deferred assets		
Bond issuance cost	56	28
Total deferred assets	56	28
Total assets	1,938,408	2,120,763

(Unit : million yen)

	FY2021 As of March 31, 2022	FY2022 As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	325,780	330,923
Short-term loans payable	195,485	274,210
Current portion of convertible bond-type bonds with share acquisition rights	60,000	—
Commercial papers	82,300	155,300
Accounts payable - other	102,254	116,607
Accrued volatile oil and other petroleum taxes	84,457	86,241
Income taxes payable	33,457	10,036
Accrued expenses	3,434	3,665
Provision for bonuses	8,926	8,870
Provision for directors' bonuses	867	760
Other	57,713	25,963
Total current liabilities	954,675	1,012,579
Non-current liabilities		
Bonds payable	3,000	3,000
Long-term loans payable	242,873	253,708
Deferred tax liabilities	40,801	50,838
Deferred tax liabilities for land revaluation	5,107	5,078
Provision for special repairs	37,560	52,447
Provision for environmental measures	864	1,735
Net defined benefit liability	2,879	3,395
Provision for executive remuneration BIP trust	1,360	1,788
Asset retirement obligations	22,621	27,282
Other	42,690	45,529
Total non-current liabilities	399,761	444,804
Total liabilities	1,354,437	1,457,383
Net assets		
Shareholders' equity		
Capital stock	40,000	46,435
Capital surplus	82,843	91,349
Retained earnings	343,377	396,361
Treasury shares	-1,902	-2,237
Total shareholders' equity	464,318	531,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,610	5,094
Deferred gains or losses on hedges	-536	-34
Revaluation reserve for land	-21,139	-20,880
Foreign currency translation adjustment	7,691	11,278
Remeasurements of defined benefit plans	1,255	527
Total accumulated other comprehensive income	-8,118	-4,014
Non-controlling interests	127,771	135,485
Total net assets	583,971	663,380
Total liabilities and net assets	1,938,408	2,120,763

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Unit : million yen)

	FY2021 From April 1, 2021 to March 31, 2022	FY2022 From April 1, 2022 to March 31, 2023
Net sales	2,440,452	2,791,872
Cost of sales	2,061,600	2,471,141
Gross profit	378,852	320,730
Selling, general and administrative expenses	143,548	156,949
Operating profit	235,303	163,780
Non-operating income		
Interest income	157	2,171
Dividend income	798	941
Rent income on non-current assets	1,141	1,040
Share of profit of entities accounted for using equity method	2,650	1,000
Foreign exchange gains	—	1,453
Other	2,900	3,228
Total non-operating income	7,648	9,836
Non-operating expenses		
Interest expenses	6,402	6,512
Foreign exchange losses	1,243	—
Other	2,208	2,599
Total non-operating expenses	9,854	9,111
Ordinary profit	233,097	164,505
Extraordinary income		
Gain on sales of non-current assets	305	4,325
Gain on sales of investment securities	796	335
Subsidy income	1,339	63
Compensation income	—	623
Insurance income	2,012	96
Other	549	626
Total extraordinary income	5,003	6,071
Extraordinary losses		
Loss on sale of non-current assets	123	36
Loss on disposal of non-current assets	11,313	7,272
Impairment loss	12,232	3,698
Loss on valuation of investment securities	2,829	128
Loss on redemption of bonds	—	4,346
Other	9	1,830
Total extraordinary losses	26,507	17,312
Profit before income taxes	211,593	153,263
Income taxes - current	62,410	61,009
Income taxes - deferred	4,115	10,357
Total income taxes	66,525	71,366
Profit	145,067	81,896
Profit attributable to non-controlling interests	6,177	13,961
Profit attributable to owners of parent	138,890	67,935

(Consolidated statement of comprehensive income)

(Unit : million yen)

	FY2021 From April 1, 2021 to March 31, 2022	FY2022 From April 1, 2022 to March 31, 2023
Profit	145,067	81,896
Other comprehensive income		
Valuation difference on available-for-sale securities	-592	313
Deferred gains or losses on hedges	-302	477
Revaluation reserve for land	-8	—
Foreign currency translation adjustment	1,166	1,434
Remeasurements of defined benefit plans, net of tax	-1,349	-616
Share of other comprehensive income of entities accounted for using equity method	634	2,121
Total other comprehensive income	-451	3,730
Comprehensive income	144,616	85,626
(Breakdown)		
Comprehensive income attributable to owners of parent	138,634	71,780
Comprehensive income attributable to non-controlling interests	5,981	13,846

(3) Consolidated statement of changes in equity

FY2021 (From April 1, 2021 to March 31, 2022)

(Unit : million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2021	40,000	82,843	211,977	-2,019	332,802
Cumulative effects of changes in accounting policies			-714		-714
Restated balance	40,000	82,843	211,263	-2,019	332,087
Changes of items during the period					
Issuance of new shares					—
Dividends of surplus			-6,781		-6,781
Profit attributable to owners of parent			138,890		138,890
Purchase of treasury shares				-0	-0
Disposal of treasury shares				117	117
Change of scope of equity method			-2		-2
Capital increase of consolidated subsidiaries					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Purchase of shares of consolidated subsidiaries					—
Reversal of revaluation reserve for land			7		7
Net changes in items other than shareholders' equity					
Total changes of items during the period	—	—	132,113	116	132,230
Balance at March 31, 2022	40,000	82,843	343,377	-1,902	464,318

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2021	4,938	-85	-21,123	5,873	2,540	-7,855	124,173	449,120
Cumulative effects of changes in accounting policies								-714
Restated balance	4,938	-85	-21,123	5,873	2,540	-7,855	124,173	448,405
Changes of items during the period								
Issuance of new shares								—
Dividends of surplus								-6,781
Profit attributable to owners of parent								138,890
Purchase of treasury shares								-0
Disposal of treasury shares								117
Change of scope of equity method								-2
Capital increase of consolidated subsidiaries								—
Change in ownership interest of parent due to transactions with non-controlling interests								—
Purchase of shares of consolidated subsidiaries								—
Reversal of revaluation reserve for land								7
Net changes in items other than shareholders' equity	-327	-450	-16	1,817	-1,285	-262	3,597	3,335
Total changes of items during the period	-327	-450	-16	1,817	-1,285	-262	3,597	135,565
Balance at March 31, 2022	4,610	-536	-21,139	7,691	1,255	-8,118	127,771	583,971

FY2022 (From April 1, 2022 to March 31, 2023)

(Unit : million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2022	40,000	82,843	343,377	-1,902	464,318
Cumulative effects of changes in accounting policies					—
Restated balance	40,000	82,843	343,377	-1,902	464,318
Changes of items during the period					
Issuance of new shares	6,435	6,435			12,870
Dividends of surplus			-14,691		-14,691
Profit attributable to owners of parent			67,935		67,935
Purchase of treasury shares				-20,884	-20,884
Disposal of treasury shares		-824		20,549	19,725
Change of scope of equity method					—
Capital increase of consolidated subsidiaries		316			316
Change in ownership interest of parent due to transactions with non-controlling interests		2,183			2,183
Purchase of shares of consolidated subsidiaries		395			395
Reversal of revaluation reserve for land			-259		-259
Net changes in items other than shareholders' equity					
Total changes of items during the period	6,435	8,506	52,984	-334	67,591
Balance at March 31, 2023	46,435	91,349	396,361	-2,237	531,909

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2022	4,610	-536	-21,139	7,691	1,255	-8,118	127,771	583,971
Cumulative effects of changes in accounting policies								—
Restated balance	4,610	-536	-21,139	7,691	1,255	-8,118	127,771	583,971
Changes of items during the period								
Issuance of new shares								12,870
Dividends of surplus								-14,691
Profit attributable to owners of parent								67,935
Purchase of treasury shares								-20,884
Disposal of treasury shares								19,725
Change of scope of equity method								—
Capital increase of consolidated subsidiaries								316
Change in ownership interest of parent due to transactions with non-controlling interests								2,183
Purchase of shares of consolidated subsidiaries								395
Reversal of revaluation reserve for land								-259
Net changes in items other than shareholders' equity	483	501	259	3,587	-728	4,103	7,713	11,817
Total changes of items during the period	483	501	259	3,587	-728	4,103	7,713	79,408
Balance at March 31, 2023	5,094	-34	-20,880	11,278	527	-4,014	135,485	663,380

(4) Consolidated statement of cash flows

(Unit : million yen)

	FY2021 From April 1, 2021 to March 31, 2022	FY2022 From April 1, 2022 to March 31, 2023
Cash flows from operating activities		
Profit before income taxes	211,593	153,263
Depreciation	53,953	53,768
Impairment loss	12,232	3,698
Loss (gain) on sales of non-current assets	-182	-4,289
Loss (gain) on disposal of non-current assets	11,313	7,272
Loss on redemption of bonds	—	4,346
Loss (gain) on sales of investment securities	-796	-329
Loss (gain) on valuation of investment securities	2,829	128
Subsidy income	-1,339	-63
Interest and dividend income	-956	-3,112
Compensation income	—	-623
Insurance income	-2,012	-96
Interest expenses	6,402	6,512
Foreign exchange losses (gains)	1,409	-1,484
Share of loss (profit) of entities accounted for using equity method	-2,650	-1,000
Increase (decrease) in allowance for doubtful accounts	-88	-34
Increase (decrease) in provision for special repairs	11,072	14,540
Increase (decrease) in provision for environmental measures	-198	1,292
Increase (decrease) in net defined benefit asset (liability)	-1,631	-621
Decrease (increase) in notes and accounts receivable - trade	-47,380	-38,730
Recovery of recoverable accounts under production sharing	4,092	4,403
Decrease (increase) in inventories	-126,575	-20,378
Increase (decrease) in notes and accounts payable - trade	58,382	4,193
Decrease (increase) in other current assets	-59,063	-13,512
Increase (decrease) in other current liabilities	15,098	-64,161
Decrease (increase) in investments and other assets	900	-286
Increase (decrease) in other non-current liabilities	541	-428
Other, net	338	-476
Subtotal	147,284	103,791
Interest and dividend income received	5,622	6,074
Interest expenses paid	-6,489	-6,257
Payments for business structure improvement expenses	-339	—
Proceeds from subsidy income	1,339	63
Proceeds from compensation	—	623
Proceeds from insurance income	2,012	96
Income taxes paid	-41,161	-96,268
Other, net	93	—
Net cash provided by (used in) operating activities	108,361	8,122

(Unit : million yen)

	FY2021 From April 1, 2021 to March 31, 2022	FY2022 From April 1, 2022 to March 31, 2023
Cash flows from investing activities		
Purchase of investment securities	-3,168	-2,040
Proceeds from sales and redemption of investment securities	3,457	759
Purchase of shares of subsidiaries and associates	-1,940	-7,411
Proceeds from sales and liquidation of shares of subsidiaries and associates	627	189
Purchase of property, plant and equipment	-45,375	-49,588
Payments for disposal of property, plant and equipment	-4,193	-3,724
Proceeds from sales of property, plant and equipment	13,573	5,290
Payments for purchases of intangible assets and long-term prepaid expenses	-8,858	-15,284
Decrease (increase) in short-term loans receivable	-10	-6,221
Payments of long-term loans receivable	-41	-38
Proceeds from collection of long-term loans receivable	259	233
Payments into time deposits	-56,291	-132,145
Proceeds from withdrawal of time deposits	34,351	128,172
Proceeds from withdrawal of investments in silent partnership	97	108
Other, net	1	524
Net cash provided by (used in) investing activities	-67,511	-81,178
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	16,754	106,170
Proceeds from long-term loans payable	—	80,000
Repayments of long-term loans payable	-76,875	-105,998
Payments into deposits of restricted withdrawals	-19	-78
Redemption of bonds	-17,700	-3,800
Payments for retirement by purchase of bonds	—	-28,496
Net increase (decrease) in commercial papers	45,100	73,000
Purchase of treasury shares	-0	-20,884
Dividends paid	-6,777	-14,676
Dividends paid to non-controlling interests	-2,344	-6,192
Proceeds from share issuance to non-controlling shareholders	—	2,229
Other, net	-176	-135
Net cash provided by (used in) financing activities	-42,040	81,137
Effect of exchange rate change on cash and cash equivalents	4,528	5,677
Net increase (decrease) in cash and cash equivalents	3,338	13,759
Cash and cash equivalents at beginning of period	44,518	48,066
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	208	—
Cash and cash equivalents at end of period	48,066	61,825

(5) Notes to consolidated financial statements

(Notes to the going concern assumption)

None

(Segment information, etc.)

Segment information

1. Overview of reportable segments

The reportable segments of the Group are the units of the Company for which separate financial statements can be obtained and which are regularly examined by the Board of Directors to make decisions regarding the allocation of management resources and to assess business performance.

The Group operates the Petroleum business, Petrochemical business, Oil Exploration and Production business, and the Renewable Energy business. The Company and each of its consolidated subsidiaries conduct business activities as independent management units according to the products and services they handle.

Therefore, the Group comprises segments according to handled products and services. It has four reportable segments: the Petroleum business, Petrochemical business, Oil Exploration and Production business, and Renewable Energy business.

The Petroleum business mainly produces and sells gasoline, naphtha, kerosene, diesel, fuel oil, crude oil, lubricating oil, liquefied petroleum gas and asphalt. The Petrochemical business produces and sells petrochemical products, such as ethylene, mixed xylene, paraxylene, benzene, toluene and petrochemical solvents. The Oil Exploration and Production business develops, produces and sells crude oil. The Renewable Energy business supplies and sells electricity generated by wind power.

Certain consolidated subsidiaries that were classified in Other in the previous fiscal year have been classified in the Petroleum business segment in the fiscal year under review due to changes in their main businesses.

Segment information for the previous fiscal year is prepared based on the classification of reportable segments after the change.

2. Method of calculation of net sales, profit/loss, assets, liabilities and other items by reportable segment

Accounting procedures for reported business segments are generally the same as those stated in "Basic and important matters in preparing the consolidated financial statements."

Profit in each reportable segment is ordinary profit. Intersegment sales and transfers are based on prevailing market prices.

3. Information about net sales, profit or loss, assets, liabilities and other items amounts by segment reported

FY2021 (From April 1, 2021 to March 31, 2022)

(unit : million yen)

	Petroleum Business	Petrochemical Business	Oil Exploration and Production Business	Renewable Energy Business	Other Note : 1	Adjustments Note : 2, 4	Consolidated Note : 3
Net sales							
Outside customers	2,054,427	312,286	37,208	13,091	23,437	—	2,440,452
Inter-segment	83,318	47,147	53,824	16	35,013	-219,321	—
Total	2,137,746	359,434	91,033	13,108	58,451	-219,321	2,440,452
Segment profit	166,029	13,617	44,761	3,483	2,964	2,241	233,097
Segment assets	1,449,792	312,316	271,564	42,563	28,922	-166,750	1,938,408
Other items							
Depreciation	30,294	8,435	13,534	2,582	105	-999	53,953
Interest income	396	151	55	28	47	-521	157
Interest expenses	4,107	488	2,011	130	0	-336	6,402
Share of profit(loss) of entities accounted for using equity method	4,234	-3,462	1,901	-76	52	—	2,650
Investment amount for entities accounted for using equity method	26,226	35,974	12,493	482	410	—	75,587
Capital Expenditure	23,008	13,093	14,291	7,856	133	-1,318	57,064

Notes: 1 The Other segment is composed of businesses that are not included in the reportable segments. It includes construction, insurance agency.

2 The 2,241 million yen adjustment of segment profit includes profit (net sales minus expenses) that has not been allocated to any reportable segment or to the Other segment of 3,522 million yen, eliminated intersegment transactions of 790 million yen, an inventory adjustment of -2,473 million yen, and a non-current asset adjustment of 401 million yen.

3 Segment profits are adjusted according to ordinary profit recorded in the consolidated statement of income.

4 The -166,750 million yen adjustment of segment assets includes corporate assets that have not been allocated to any reportable segment or to the Other segment and eliminated intersegment transactions.

5 The Company does not disclose segment liabilities because liabilities are not allocated to the reportable segments.

FY2022 (From April 1, 2022 to March 31, 2023)

(unit : million yen)

	Petroleum Business	Petrochemical Business	Oil Exploration and Production Business	Renewable Energy Business	Other Note : 1	Adjustments Note : 2, 4	Consolidated Note : 3
Net sales							
Outside customers	2,328,298	370,738	52,593	12,119	28,122	—	2,791,872
Inter-segment	123,201	69,435	85,434	106	32,634	-310,813	—
Total	2,451,500	440,174	138,027	12,225	60,757	-310,813	2,791,872
Segment profit	65,676	3,825	84,512	2,587	1,488	6,414	164,505
Segment assets	1,515,212	334,627	302,543	67,881	27,011	-126,511	2,120,763
Other items							
Depreciation	28,722	9,871	13,727	1,861	99	-514	53,768
Interest income	669	129	1,500	284	41	-454	2,171
Interest expenses	4,273	536	1,974	141	0	-413	6,512
Share of profit(loss) of entities accounted for using equity method	2,959	-5,301	3,208	31	102	—	1,000
Investment amount for entities accounted for using equity method	27,408	39,906	14,057	513	553	—	82,439
Capital Expenditure	19,812	9,605	22,352	19,391	169	610	71,941

Notes: 1 The Other segment is composed of businesses that are not included in the reportable segments. It includes construction, insurance agency.

2 The 6,414 million yen adjustment of segment profit includes profit (net sales minus expenses) that has not been allocated to any reportable segment or to the Other segment of 5,482 million yen, eliminated intersegment transactions of 420 million yen, an inventory adjustment of 436 million yen, and a non-current asset adjustment of 75 million yen.

3 Segment profits are adjusted according to ordinary profit recorded in the consolidated statement of income.

4 The -126,511 million yen adjustment of segment assets includes corporate assets that have not been allocated to any reportable segment or to the Other segment and eliminated intersegment transactions.

5 The Company does not disclose segment liabilities because liabilities are not allocated to the reportable segments.

(Per share information)

(Unit: yen)

	FY2021 April 1, 2021 - March 31, 2022	FY2022 April 1, 2022 - March 31, 2023
Net assets per share	5,446.39	6,042.41
Net income per share	1,658.64	811.15
Diluted net income per share	1,389.40	726.65

Notes: 1. In the calculation of net assets per share, the shares of the Company held by the executive remuneration BIP trust (1,004 thousands shares in the previous fiscal year and 986 thousands shares in the fiscal year under review) are deducted from the number of shares issued at the end of the period. In the calculation of net income per share, the shares of the Company held by the executive remuneration BIP trust (1,029 thousands shares in the previous fiscal year and 953 thousands shares in the fiscal year under review) are deducted from the average number of shares outstanding during the period.

2. The basis for the calculation of net income per share and diluted net income per share is as shown below.

	FY2021 April 1, 2021 - March 31, 2022	FY2022 April 1, 2022 - March 31, 2023
Net income per share		
Profit attributable to owners of parent (million yen)	138,890	67,935
Amount that does not belong to ordinary share holders (million yen)	—	—
Profit attributable to owners of parent that belongs to ordinary shares (million yen)	138,890	67,935
Average number of ordinary shares outstanding during the period (thousands of shares)	83,737	83,752
Diluted net income per share		
Profit attributable to owners of parent (million yen)	—	—
Increase in the number of ordinary shares (thousands of shares)	16,226	9,738
(incl. convertible bond-type bonds with share acquisition rights (thousands of shares))	(16,226)	(9,738)
Potential shares of ordinary stock that were not included in the calculation of diluted net income per share because they have no dilutive effect	—	—

(Significant subsequent events)

(Issuance of unsecured bonds)

The Company issued unsecured straight bonds whose payment date is May 8, 2023. The outlines are presented below.

First series of unsecured bonds of Cosmo Energy Holdings Co., Ltd. (with special agreement on limited equal priority among bonds)

- (1) Total amount issued 15,000 million yen
- (2) Issue price ¥100 per ¥100 in the amount of each bond
- (3) Interest rate An annual rate of 0.540%
- (4) Redemption date May 8, 2028
- (5) Method of redemption Redeemed in a lump-sum at maturity
- (6) Security or guarantee is not furnished on the bonds, and no particular assets are reserved for the bonds.
- (7) Use of funds The funds are used for repaying debt.