



August 10, 2023

Summary of Consolidated Financial Results (Japanese GAAP) for the First Quarter of Fiscal Year Ending March 31, 2024

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
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 Scheduled date of file quarterly report: August 10, 2023
 Scheduled date of commencement of dividend payment: —
 Availability of the Quarterly Financial Result Supplementary Information: Yes
 Execution of the Quarterly Financial Results Presentation Meeting: Yes (for analysts and institutional investors)

Note: Figures less than 1 million yen are rounded down.

1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2024 (For the period from April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (cumulative total) (% indicates changes from the corresponding period of the previous fiscal year)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent for the First Quarter | |
|-----------------------|-------------|------|------------------|-------|-----------------|-------|---|-------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| First Quarter, FY2023 | 608,613 | -8.1 | 7,064 | -94.3 | 9,959 | -91.8 | -7,248 | — |
| First Quarter, FY2022 | 662,434 | 25.1 | 123,880 | 157.0 | 121,527 | 145.0 | 77,566 | 177.9 |

Note : Comprehensive income First Quarter, FY2023 : -2,974 million yen (—%) First Quarter, FY2022 : 83,406 million yen (180.7%)

| | Net income per share for the First Quarter | Diluted net income per share for the First Quarter |
|-----------------------|--|--|
| | yen sen | yen sen |
| First Quarter, FY2023 | -83.05 | — |
| First Quarter, FY2022 | 938.26 | 782.13 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Net worth ratio |
|-----------------------|--------------|-------------|-----------------|
| | million yen | million yen | % |
| First Quarter, FY2023 | 2,138,227 | 636,826 | 24.1 |
| FY2022 | 2,120,763 | 663,380 | 24.9 |

[Reference] Net worth First Quarter, FY2023 : 516,159 million yen FY2022 : 527,895 million yen

2. Dividend Payment Results and Forecast

| | Annual dividend per share total | | | | |
|-------------------|---------------------------------|--------------|--------------|-----------------------|-----------|
| | As of Q1-end | As of Q2-end | As of Q3-end | As of Fiscal Year-end | Full Year |
| | yen sen | yen sen | yen sen | yen sen | yen sen |
| FY2022 | — | 75.00 | — | 75.00 | 150.00 |
| FY2023 | — | — | — | — | — |
| FY2023 (forecast) | — | 125.00 | — | 125.00 | 250.00 |

Note : Revision made in the dividend payment forecast as of the end of the current quarter from the previous announcement : Yes

Concerning the revision made in the dividend payment forecast, please refer to “Notice Regarding Revision of Policy on Shareholder Returns and Revision of Dividend Forecast” announced on August 10, 2023.

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 |

Note : Revision made in the consolidated business forecast as of the end of the current quarter from the previous announcement : None

Notes

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

(2) Application of accounting methods which are exceptional for preparing the quarterly consolidated financial statements: Yes

(3) 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

(4) Number of shares issued (ordinary shares)

1) Number of shares issued at the end of the period (including treasury shares)

| | | | | | |
|------------------------|------------|--------|--------|------------|--------|
| First Quarter , FY2023 | 88,353,761 | shares | FY2022 | 88,353,761 | shares |
|------------------------|------------|--------|--------|------------|--------|

2) Number of treasury shares at the end of the period

| | | | | | |
|------------------------|-----------|--------|--------|---------|--------|
| First Quarter , FY2023 | 1,178,444 | shares | FY2022 | 988,694 | shares |
|------------------------|-----------|--------|--------|---------|--------|

3) Average number of shares outstanding during the period

(or the cumulative consolidated accounting period as of the end of the current quarter)

| | | | | | |
|------------------------|------------|--------|------------------------|------------|--------|
| First Quarter , FY2023 | 87,270,217 | shares | First Quarter , FY2022 | 82,671,130 | shares |
|------------------------|------------|--------|------------------------|------------|--------|

Note : These quarterly financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Act.

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

The consolidated business forecast for the full year of FY2023 is not updated from the previous announcement made on May 11 2023.

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. Qualitative Information about Results for and at the End of the Current Quarter (3) Explanation concerning information regarding consolidated business forecast on page 2 of the accompanying materials.

Supplementary results materials will be posted on the Company's website on Thursday August 10, 2023.

1. Qualitative Information about Results for and at the End of the Current Quarter

(1) Explanation concerning information regarding consolidated operating results

Consolidated net sales for the first quarter of FY2023 were ¥608.6 billion (down ¥53.8 billion year on year), operating profit ¥7.1 billion (down ¥116.8 billion year on year), ordinary profit ¥10.0 billion (down ¥111.5 billion year on year) and loss attributable to owners of parent for the period ¥7.2 billion (profit attributable to owners of parent ¥77.6 billion in the same period of the previous year).

The operating results for the first quarter of FY2023 by business segment are as follows :

- 1) In the petroleum business segment, due mainly to the fall in crude oil prices from the same period of the previous year, the segment reported net sales of ¥538.9 billion for the first three months of FY2023 (down ¥45.5 billion year on year) and a segment loss of ¥4.5 billion (a segment profit of ¥101.1 billion in the same period of the previous year).
- 2) In the petrochemical business segment, due mainly to the deterioration of product market conditions from the same period of the previous year, the segment reported net sales of ¥87.5 billion for the first three months of FY2023 (down ¥26.3 billion year on year) and a segment loss of ¥2.4 billion (a segment profit of ¥5.3 billion in the same period of the previous year).
- 3) In the oil exploration and production business segment, due mainly to the rise in sales prices of crude oil from the same period of the previous year, the segment reported net sales of ¥27.6 billion for the first three months of FY2023 (up ¥3.2 billion year on year). On the other hand, due mainly to the decrease in the sales volume, a segment profit was ¥13.8 billion (down ¥0.8 billion year on year).
- 4) In the renewable energy business segment, due mainly to more favorable wind conditions at wind farms from the same period of the previous year, the segment reported net sales of ¥3.3 billion for the first three months of FY2023 (up ¥0.7 billion year on year) and a segment profit of ¥0.5 billion (up ¥0.4 billion year on year).

(2) Explanation concerning information regarding consolidated financial position

As for the consolidated financial position as of the end of the first quarter of FY2023, total assets as of June 30, 2023 amounted to ¥2,138.2 billion, up ¥17.4 billion from March 31, 2023, the end of FY2022. This mainly reflects an increase in inventories. Net assets as of June 30, 2023 amounted to ¥636.8 billion with a net worth ratio of 24.1%.

(3) Explanation concerning information regarding consolidated business forecast

The consolidated business forecast for the full year of FY2023 is not updated from the previous announcement made on May 11, 2023.

2. Consolidated Financial Statements and Significant Notes

(1) Consolidated balance sheet

(Unit : million yen)

| | FY2022 (As of March 31, 2022) | 1Q FY2023 (As of June 30, 2023) |
|--|----------------------------------|------------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 104,344 | 115,962 |
| Notes receivable - trade | 3,809 | 3,790 |
| Accounts receivable - trade | 319,801 | 311,415 |
| Merchandise and finished goods | 198,166 | 213,966 |
| Work in process | 83 | 128 |
| Raw materials and supplies | 198,722 | 232,893 |
| Other | 211,142 | 176,130 |
| Allowance for doubtful accounts | -29 | -25 |
| Total current assets | 1,036,040 | 1,054,261 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 237,358 | 233,529 |
| Machinery, equipment and vehicles, net | 200,101 | 210,978 |
| Land | 313,637 | 313,504 |
| Other, net | 95,167 | 86,781 |
| Total property, plant and equipment | 846,264 | 844,793 |
| Intangible assets | 43,216 | 42,478 |
| Investments and other assets | | |
| Investment securities | 127,897 | 128,662 |
| Other | 67,590 | 68,212 |
| Allowance for doubtful accounts | -275 | -277 |
| Total investments and other assets | 195,212 | 196,597 |
| Total non-current assets | 1,084,694 | 1,083,869 |
| Deferred assets | | |
| Bond issuance cost | 28 | 96 |
| Total deferred assets | 28 | 96 |
| Total assets | 2,120,763 | 2,138,227 |

(Unit : million yen)

| | FY2022 (As of March 31, 2022) | 1Q FY2023 (As of June 30, 2023) |
|---|----------------------------------|------------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 330,923 | 401,513 |
| Short-term loans payable | 274,210 | 216,247 |
| Commercial papers | 155,300 | 140,900 |
| Accounts payable - other | 202,848 | 215,469 |
| Income taxes payable | 10,036 | 8,943 |
| Provision | 11,152 | 5,375 |
| Other | 28,107 | 57,169 |
| Total current liabilities | 1,012,579 | 1,045,619 |
| Non-current liabilities | | |
| Bonds payable | 3,000 | 19,675 |
| Long-term loans payable | 253,708 | 242,901 |
| Provision for special repairs | 52,447 | 54,852 |
| Other provision | 5,408 | 5,165 |
| Net defined benefit liability | 3,395 | 3,470 |
| Asset retirement obligations | 27,282 | 27,603 |
| Other | 99,561 | 102,112 |
| Total non-current liabilities | 444,804 | 455,781 |
| Total liabilities | 1,457,383 | 1,501,400 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 46,435 | 46,435 |
| Capital surplus | 91,349 | 93,264 |
| Retained earnings | 396,361 | 382,487 |
| Treasury shares | -2,237 | -3,029 |
| Total shareholders' equity | 531,909 | 519,157 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,094 | 6,421 |
| Deferred gains or losses on hedges | -34 | -239 |
| Revaluation reserve for land | -20,880 | -20,880 |
| Foreign currency translation adjustment | 11,278 | 11,224 |
| Remeasurements of defined benefit plans | 527 | 476 |
| Total accumulated other comprehensive income | -4,014 | -2,997 |
| Non-controlling interests | 135,485 | 120,666 |
| Total net assets | 663,380 | 636,826 |
| Total liabilities and net assets | 2,120,763 | 2,138,227 |

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

(Consolidated statement of income)

(Consolidated the first three months of FY2023 statement of income)

(Unit : million yen)

| | 1Q FY2022 (From April 1, 2022 to June 30, 2022) | 1Q FY2023 (From April 1, 2023 to June 30, 2023) |
|---|---|---|
| Net sales | 662,434 | 608,613 |
| Cost of sales | 501,602 | 562,182 |
| Gross profit | 160,832 | 46,430 |
| Selling, general and administrative expenses | 36,952 | 39,366 |
| Operating profit | 123,880 | 7,064 |
| Non-operating income | | |
| Interest income | 82 | 1,051 |
| Dividend income | 624 | 392 |
| Share of profit of entities accounted for using equity method | 720 | — |
| Foreign exchange gains | — | 2,593 |
| Other | 1,086 | 990 |
| Total non-operating income | 2,514 | 5,028 |
| Non-operating expenses | | |
| Interest expenses | 1,495 | 1,170 |
| Share of loss of entities accounted for using equity method | — | 373 |
| Foreign exchange losses | 2,754 | — |
| Other | 616 | 589 |
| Total non-operating expenses | 4,866 | 2,133 |
| Ordinary profit | 121,527 | 9,959 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 3,632 | 341 |
| Gain on sales of investment securities | 173 | 57 |
| Insurance income | 4 | — |
| Compensation income | 135 | 6,670 |
| Other | 8 | — |
| Total extraordinary income | 3,954 | 7,069 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 536 | 632 |
| Impairment loss | 7 | 43 |
| Other | 104 | 0 |
| Total extraordinary losses | 648 | 676 |
| Profit before income taxes | 124,833 | 16,352 |
| Income taxes | 43,636 | 20,405 |
| Profit (loss) | 81,196 | -4,053 |
| Profit attributable to non-controlling interests | 3,629 | 3,194 |
| Profit (loss) attributable to owners of parent | 77,566 | -7,248 |

(Consolidated statement of comprehensive income)

(Consolidated the first three months of FY2023 statement of comprehensive income)

(Unit : million yen)

| | 1Q FY2022 (From April 1, 2022 to June 30, 2022) | 1Q FY2023 (From April 1, 2023 to June 30, 2023) |
|--|---|---|
| Profit (loss) | 81,196 | -4,053 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | -290 | 1,381 |
| Deferred gains or losses on hedges | 1,018 | -205 |
| Foreign currency translation adjustment | 1,167 | 583 |
| Remeasurements of defined benefit plans, net of tax | -688 | -60 |
| Share of other comprehensive income of entities accounted for using equity method | 1,003 | -620 |
| Total other comprehensive income | 2,210 | 1,078 |
| Comprehensive income | 83,406 | -2,974 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of the parent | 79,961 | -6,231 |
| Comprehensive income attributable to non-controlling interests | 3,445 | 3,256 |

(3) Notes to quarterly consolidated financial statements

(Notes to the going concern assumption)

None

(Notes to remarkable changes in shareholders' equity)

None

(Application of accounting methods which are exceptional for preparing the quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses for the Company and some of its consolidated subsidiaries by multiplying a reasonably estimated effective tax rate by net income before taxes for the current quarter.

Income tax adjustments are included in the "Income taxes" account stated in the Consolidated Statements of Income.

(Segment information, etc.)

I 1Q FY2022 (From April 1, 2022 to June 30, 2022)

Information about net sales and profit amounts by segment reported

(Unit : million yen)

| | Petroleum Business | Petrochemical Business | Oil Exploration and Production Business | Renewable Energy Business | Other Note : 1 | Adjustments Note : 2 | Consolidated Note : 3 |
|-------------------|--------------------|------------------------|---|---------------------------|----------------|----------------------|-----------------------|
| Net sales | | | | | | | |
| Outside customers | 550,741 | 95,199 | 9,499 | 2,534 | 4,459 | — | 662,434 |
| Inter-segment | 33,646 | 18,613 | 14,940 | 18 | 7,987 | -75,206 | — |
| Total | 584,388 | 113,812 | 24,439 | 2,553 | 12,447 | -75,206 | 662,434 |
| Segment profit | 101,138 | 5,281 | 14,590 | 58 | 226 | 233 | 121,527 |

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

2 The 233 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 1,692 million yen, eliminated intersegment transactions of -89 million yen, an inventory adjustment of -1,448 million yen, and a non-current asset adjustment of 78 million yen.

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

II 1Q FY2023 (From April 1, 2023 to June 30, 2023)

Information about net sales and profit (loss) amounts by segment reported

(Unit : million yen)

| | Petroleum Business | Petrochemical Business | Oil Exploration and Production Business | Renewable Energy Business | Other Note : 1 | Adjustments Note : 2 | Consolidated Note : 3 |
|-----------------------|--------------------|------------------------|---|---------------------------|----------------|----------------------|-----------------------|
| Net sales | | | | | | | |
| Outside customers | 515,222 | 76,365 | 8,891 | 3,292 | 4,842 | — | 608,613 |
| Inter-segment | 23,708 | 11,101 | 18,687 | 28 | 7,827 | -61,353 | — |
| Total | 538,930 | 87,467 | 27,578 | 3,320 | 12,670 | -61,353 | 608,613 |
| Segment Profit (loss) | -4,452 | -2,380 | 13,792 | 529 | 68 | 2,401 | 9,959 |

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

2 The 2,401 million yen adjustment of segment profit (loss) includes profit (net sales minus expenses) that has not been allocated to any reportable segment or to the Other segment of 1,599 million yen, eliminated intersegment transactions of -666 million yen, an inventory adjustment of 1,362 million yen, and a non-current asset adjustment of 106 million yen.

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

4 Certain consolidated subsidiaries that were classified in "Other" have been classified in the "Petroleum business" segment in the previous fiscal year. Therefore, segment information for the first quarter of FY2022 is prepared based on the classification of reportable segments after the change.

(Significant subsequent events)

None