



February 8, 2024

Summary of Consolidated Financial Results (Japanese GAAP) for the Third 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/>
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 Scheduled date of file quarterly report: February 8, 2024
 Scheduled date of commencement of dividend payment: —
 Availability of the Quarterly Financial Result Supplementary Information: Yes
 Execution of the Quarterly Financial Result Presentation Meeting: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 2024 (For the period from April 1, 2023 to December 31, 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 Third Quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter, FY2023	2,013,199	-4.0	101,661	-33.5	113,593	-28.4	45,841	-26.2
Third Quarter, FY2022	2,096,091	19.9	152,904	4.6	158,736	8.0	62,116	-22.3

Note : Comprehensive income Third Quarter, FY2023 : 57,842 million yen (-23.2%) Third Quarter, FY2022 : 75,297 million yen (-12.6%)

	Net income per share for the Third Quarter	Diluted net income per share for the Third Quarter
	yen sen	yen sen
Third Quarter, FY2023	524.26	—
Third Quarter, FY2022	751.50	651.68

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
Third Quarter, FY2023	2,285,697	687,788	24.6
FY2022	2,120,763	663,380	24.9

[Reference] Net worth Third Quarter, FY2023 : 561,762 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	—	150.00	—		
FY2023 (forecast)				150.00	300.00

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

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	2,550,000	-8.7	146,000	-10.9	155,000	-5.8	78,000	14.8	892.69

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 third 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)

Third Quarter , FY2023	88,353,761 shares	FY2022	88,353,761 shares
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2) Number of treasury shares at the end of the period

Third Quarter , FY2023	766,172 shares	FY2022	988,694 shares
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3) Average number of shares outstanding during the period

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

Third Quarter , FY2023	87,439,948 shares	Third Quarter , FY2022	82,657,418 shares
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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 November 8, 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 February 8, 2024.

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 nine months of FY2023 were ¥2,013.2 billion (down ¥82.9 billion year on year), operating profit ¥101.7 billion (down ¥51.2 billion year on year), ordinary profit ¥113.6 billion (down 45.1 billion year on year) and profit attributable to owners of parent for the period ¥45.8 billion (down ¥16.3 billion year on year).

The operating results for the first nine months 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 ¥1,796.7 billion for the first nine months of FY2023 (down ¥38.7 billion year on year) and a segment profit of ¥60.1 billion (down ¥15.6 billion year on 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 ¥264.9 billion for the first nine months of FY2023 (down ¥82.2 billion year on year) and a segment loss of ¥3.7 billion (a segment profit of ¥7.2 billion in the same period of the previous year).
- 3) In the oil exploration and production business segment, due mainly to the fall in the sales price of crude oil from the same period of the previous year, the segment reported net sales of ¥84.1 billion for the first nine months of FY2023 (down ¥17.0 billion year on year) and a segment profit of ¥49.3 billion (down ¥20.1 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 ¥9.7 billion for the first nine months of FY2023 (up ¥1.3 billion year on year) and a segment profit of ¥1.4 billion (up ¥0.3 billion year on year).

(2) Explanation concerning information regarding consolidated financial position

As for the consolidated financial position as of the end of the third quarter of FY2023, total assets as of December 31, 2023 amounted to ¥2,285.7 billion, up ¥164.9 billion from March 31, 2023, the end of FY2022. This mainly reflects an increase in accounts receivable and inventories. Net assets as of December 31, 2023 amounted to ¥687.8 billion with a net worth ratio of 24.6%.

(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 November 8, 2023.

2. Consolidated Financial Statements and Significant Notes

(1) Consolidated balance sheet

(Unit : million yen)

	FY2022 (As of March 31, 2023)	3Q FY2023 (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	104,344	162,837
Notes receivable - trade	3,809	4,345
Accounts receivable - trade	319,801	388,436
Merchandise and finished goods	198,166	234,393
Work in process	83	224
Raw materials and supplies	198,722	197,960
Other	211,142	201,962
Allowance for doubtful accounts	-29	-29
Total current assets	1,036,040	1,190,130
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	237,358	235,765
Machinery, equipment and vehicles, net	200,101	219,689
Land	313,637	313,756
Other, net	95,167	87,503
Total property, plant and equipment	846,264	856,715
Intangible assets	43,216	41,786
Investments and other assets		
Investment securities	127,897	130,129
Other	67,590	67,126
Allowance for doubtful accounts	-275	-273
Total investments and other assets	195,212	196,982
Total non-current assets	1,084,694	1,095,483
Deferred assets		
Bond issuance cost	28	83
Total deferred assets	28	83
Total assets	2,120,763	2,285,697

(Unit : million yen)

	FY2022 (As of March 31, 2023)	3Q FY2023 (As of December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	330,923	412,320
Short-term loans payable	274,210	349,656
Commercial papers	155,300	73,400
Accounts payable - other	202,848	239,907
Income taxes payable	10,036	9,813
Provision	11,152	6,545
Other	28,107	42,283
Total current liabilities	1,012,579	1,133,925
Non-current liabilities		
Bonds payable	3,000	19,687
Long-term loans payable	253,708	249,062
Provision for special repairs	52,447	49,903
Other provision	5,408	2,688
Net defined benefit liability	3,395	3,617
Asset retirement obligations	27,282	27,728
Other	99,561	111,295
Total non-current liabilities	444,804	463,983
Total liabilities	1,457,383	1,597,908
Net assets		
Shareholders' equity		
Capital stock	46,435	46,435
Capital surplus	91,349	93,572
Retained earnings	396,361	422,324
Treasury shares	-2,237	-1,931
Total shareholders' equity	531,909	560,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,094	7,423
Deferred gains or losses on hedges	-34	705
Revaluation reserve for land	-20,880	-20,880
Foreign currency translation adjustment	11,278	13,843
Remeasurements of defined benefit plans	527	270
Total accumulated other comprehensive income	-4,014	1,363
Non-controlling interests	135,485	126,025
Total net assets	663,380	687,788
Total liabilities and net assets	2,120,763	2,285,697

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)
(Consolidated the first nine months of FY2023 statement of income)

(Unit : million yen)

	3Q FY2022 (From April 1, 2022 to December 31, 2022)	3Q FY2023 (From April 1, 2023 to December 31, 2023)
Net sales	2,096,091	2,013,199
Cost of sales	1,828,565	1,790,338
Gross profit	267,525	222,861
Selling, general and administrative expenses	114,621	121,200
Operating profit	152,904	101,661
Non-operating income		
Interest income	1,115	3,527
Dividend income	932	930
Share of profit of entities accounted for using equity method	3,343	—
Foreign exchange gains	4,222	11,028
Rental income on fixed assets	906	585
Other	2,087	3,074
Total non-operating income	12,607	19,146
Non-operating expenses		
Interest expenses	4,984	3,540
Share of loss of entities accounted for using equity method	—	2,298
Other	1,790	1,375
Total non-operating expenses	6,775	7,213
Ordinary profit	158,736	113,593
Extraordinary income		
Gain on sales of non-current assets	4,265	398
Gain on sales of investment securities	222	139
Insurance income	23	31
Compensation income	179	6,670
Other	198	103
Total extraordinary income	4,889	7,344
Extraordinary losses		
Loss on disposal of non-current assets	4,041	7,112
Impairment loss	525	221
Loss on valuation of investment securities	4	1,275
Loss on redemption of bonds	4,346	—
Other	252	66
Total extraordinary losses	9,170	8,676
Profit before income taxes	154,454	112,261
Income taxes	82,075	60,105
Profit	72,379	52,155
Profit attributable to non-controlling interests	10,262	6,314
Profit attributable to owners of parent	62,116	45,841

(Consolidated statement of comprehensive income)

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

(Unit : million yen)

	3Q FY2022 (From April 1, 2022 to December 31, 2022)	3Q FY2023 (From April 1, 2023 to December 31, 2023)
Profit	72,379	52,155
Other comprehensive income		
Valuation difference on available-for-sale securities	-13	2,450
Deferred gains or losses on hedges	494	740
Foreign currency translation adjustment	2,230	1,222
Remeasurements of defined benefit plans, net of tax	-855	-284
Share of other comprehensive income of entities accounted for using equity method	1,062	1,558
Total other comprehensive income	2,918	5,686
Comprehensive income	75,297	57,842
(Breakdown)		
Comprehensive income attributable to owners of the parent	65,408	51,218
Comprehensive income attributable to non-controlling interests	9,888	6,623

(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 3Q FY2022 (From April 1, 2022 to December 31, 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	1,736,920	292,252	39,931	8,313	18,672	—	2,096,091
Inter-segment	98,440	54,867	61,126	72	23,914	-238,421	—
Total	1,835,360	347,120	101,058	8,385	42,587	-238,421	2,096,091
Segment profit	75,727	7,153	69,352	1,106	1,054	4,341	158,736

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 4,341 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 4,008 million yen, eliminated intersegment transactions of -276 million yen, an inventory adjustment of 291 million yen, and a non-current asset adjustment of 317 million yen.

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

II 3Q FY2023 (From April 1, 2023 to December 31, 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	1,728,630	232,037	27,337	9,635	15,558	—	2,013,199
Inter-segment	68,103	32,832	56,746	111	29,680	-187,474	—
Total	1,796,733	264,870	84,084	9,746	45,239	-187,474	2,013,199
Segment profit (loss)	60,077	-3,718	49,325	1,363	2,280	4,264	113,593

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 4,264 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 5,192 million yen, eliminated intersegment transactions of -1,757 million yen, an inventory adjustment of 619 million yen, and a non-current asset adjustment of 209 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 third quarter of FY2022 is prepared based on the classification of reportable segments after the change.

(Significant subsequent events)

None