



May 13, 2021

## Overview of Business Results of Fiscal Year Ending March 2021 [Based on Japanese GAAP] (Consolidated)

Name of the Company: Cosmo Energy Holdings Co., Ltd. Shares traded: TSE  
 Company Code: 5021 URL <https://ceh.cosmo-oil.co.jp/>  
 Name of Representative: Hiroshi Kiriyama (Title) President  
 Name of Person to contact: Eriko Date (Title) General Manager of Corporate Communication Dept. Phone: 03-3798-3180  
 Annual shareholders' meeting is to be held on: June 24, 2021 Dividend payment is to be started on: June 25, 2021  
 Securities report is to be submitted on: June 24, 2021  
 Availability of the Financial Result Supplementary Information: Yes  
 Execution of the Financial Result Presentation Meeting: Yes (for analysts and institutional investors)

Note: Figures less than 1 million are rounded down

### 1. Consolidated Business Results for FY2020 (April 1, 2020 to March 31, 2021)

(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	%
FY2020	2,233,250	-18.4	101,289	629.1	97,370	497.9	85,910	—
FY2019	2,738,003	-1.2	13,893	-85.3	16,285	-83.2	-28,155	—

Note: Comprehensive income FY2020: 96,530 million yen (—%) FY2019: -27,107 million yen (—%)

	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	%	%	%
FY2020	1,025.86	861.16	30.4	5.8	4.5
FY2019	-334.84	—	-10.8	1.0	0.5

Reference: Equity in earnings(losses) of associates FY2020: -447 million yen FY2019: 5,391 million yen

Note: In FY2019, diluted net income per share is not indicated because net loss per share is indicated, although there are potential common shares with dilutive effects.

### (2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	million yen	million yen	%	yen sen
FY2020	1,709,017	449,120	19.0	3,882.72
FY2019	1,639,765	362,839	14.6	2,853.14

Reference: Net worth FY2020: 324,946 million yen FY2019: 239,792 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
FY2020	167,445	-84,584	-80,570	44,518
FY2019	111,733	-84,230	-24,675	43,295

### 2. Dividend Payment Results and Forecast

	Annual dividend per share Total					Total amount of dividends paid/payable (full-year)	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	Full Year			
	yen sen	yen sen	yen sen	yen sen	yen sen	million yen	%	%
FY2019	—	0.00	—	80.00	80.00	6,781	—	2.6
FY2020	—	0.00	—	80.00	80.00	6,781	7.8	2.4
FY2021 (forecast)	—	0.00	—	80.00	80.00		16.7	

3. Consolidated Business Forecast for FY2021 (April 1, 2021 to March 31, 2022)

(% 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
FY2021	2,150,000	-3.7	93,000	-8.2	88,000	-9.6	40,000	-53.4	477.95

Notes to Consolidated Financial Statements

(1) Change in significant subsidiaries during FY2020: None  
 Newly — (Name of Company) — Exception — (Name of Company) —

(2) Changes in Accounting Policies, Accounting Estimates and Restatements:

- 1) Changes in accounting policies due to revisions of accounting standards, etc.: None
- 2) Changes in accounting policies for reasons other than the Item 1: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(3) Total Number of Outstanding Shares (Ordinary Shares)

1) Number of outstanding shares as of the end of the period (including treasury shares)	FY2020	84,770,508 shares	FY2019	84,770,508 shares
2) Number of shares of treasury stock as of end of the period	FY2020	1,079,993 shares	FY2019	725,261 shares
3) Average number of outstanding shares during the period	FY2020	83,745,198 shares	FY2019	84,085,812 shares

Note: This summary report is not subject to audit procedure based on Financial Instruments and Exchange Act.

Note: Request for appropriate use of the business forecast and other special remarks:

The forecasts statements shown in these materials are based on information available as of the published date of this release and actual results may be different from the forecast subject to various factors that may arise in the future. For details, please refer to the“1.Overview of Consolidated Operating Results(4)Forecast for FY 2021” on page 3~4 of the Supporting Data.

Supplementary information will be uploaded on the Cosmo Energy Holdings Co., Ltd. website on May 13, 2021.

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## 1. Overview of Consolidated Operating Results

### (1) Overview of Consolidated Operating Results

The Japanese economy has continued to show moderate recovery during the current consolidated fiscal year, despite the very difficult situation due to the effects of the new coronavirus (COVID-19) infection. However, some weaknesses were seen in corporate profits and the employment situation. It is necessary to pay careful attention to the impact of infection trends on the domestic and overseas economies, but further recovery is also expected.

As for crude oil prices, the price for Dubai crude oil began in the US\$21 /bbl range at the beginning of FY2020 and it was on the downward trend due to concerns over the worldwide economic downturn and decline in crude oil demand following the spread of the new coronavirus (COVID-19) infection. After that, crude oil prices were on the upward trend due to pickup in demand for funds backed by the economic resumption and the U.S. dollar depreciation at the exchange rate. Although the market stabilized for a while, it continued to be on upward trend due to expected recovery in demand backed by the start of the new coronavirus (COVID-19) infection vaccination and agreement to maintain coordinated production cut by OPEC-Plus. As a result, crude oil prices recovered to the US\$63 level at the end of FY2020.

As for exchange rates, the Japanese yen started the fiscal year at around ¥107 /US\$ level and temporarily appreciated to the ¥102 /US\$ level due to fears of economic downturn caused by the spread of the new coronavirus (COVID-19) infection in the U.S. and Europe. Subsequently, the trend of the yen depreciation remained against the background of a rise in expectations for economic recovery caused by the progress in vaccination of the new coronavirus (COVID-19) infection in the U.S. and the enactment of the administration's large-scale economic stimulus bill. As a result, the yen closed at the ¥110 /US\$ level at the end of the period.

As for domestic demand for petroleum product, it is continuing to be on downward trend due to sluggish prices and decrease in demand of aviation fuel and other products stemming from the new coronavirus (COVID-19) infection. Although earnings improved due to recovery of margin in line with rising crude oil prices, overall sales volume of fuel oil decreased from the previous year.

As for petrochemical products, market conditions remained sluggish due to the easing of supply and demand for major products such as ethylene and para-xylene caused by the effects of expansion of new plants overseas and other factors.

Under such business environment, based on the basic policy of the 6th consolidated medium-term management plan, under the slogan of "Oil & New, Everything About Oil – And Beyond", while strengthening the earning power and establishing the financial basis of the oil exploration and production business and the petroleum business, which are our main business, in view of long-term environmental changes, efforts to expand the portfolio have started such as aggressive investment in the renewable energy business and strengthening competitiveness of the petrochemical business.

As a result, consolidated net sales in FY2020 were recorded ¥2,233.3 billion (down 18.4% from FY2019), consolidated operating profit ¥101.3 billion (up 629.1% from FY2019), consolidated ordinary profit, ¥97.4 billion (up 497.9% from FY2019).

This was mainly because crude oil prices, which fell sharply at the beginning of the period due to the impact of the new coronavirus (COVID-19) infection, rose due to higher expectations for economic resumption and recovery in demand, especially the margin of products improved in the petroleum business segment.

Profit attributable to owners of the parent was ¥85.9 billion due to the increase in profit mentioned above.

Segment-specific results were as follows:

[Business Segment Information]

(Unit: billion yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other and adjustments	Consolidated
Net sales	2,055.8	304.5	60.4	-187.4	2,233.3
Segment profit (loss)	74.1	-3.3	13.9	12.7	97.4

[Petroleum business]

In the petroleum business segment, due to the decline in crude oil prices from the same period of the previous year, the segment reported net sales of ¥2,055.8 billion for FY2020 (down ¥451.0 billion from FY2019).

On the other hand, due to the impact of improvement in margin resulting from the continued recovery in crude oil prices, segment profit was ¥74.1 billion (segment loss of ¥47.8 billion in FY2019).

The segment profit that excludes the effect of inventory evaluation recorded ¥53.3 billion (up ¥48.9 billion from FY2019).

[Petrochemical business]

In the petrochemical business segment, due to the decrease in selling volume of petrochemical products and the decline in product market conditions from the same period of the previous year, the segment reported net sales of ¥304.5 billion for FY2020 (down ¥109.9 billion from the same period of FY2019) and segment loss was ¥3.3 billion (segment profit of ¥5.2 billion in the same period of FY2019).

## [Oil exploration and production business]

In the oil exploration and production business segment, due to the decline in the sales price of oil products despite the increase in the oil sales volume from the same period of the previous year, the segment reported net sales of ¥60.4 billion for FY2020 (down ¥37.5 billion from FY2019) and segment profit of ¥13.9 billion (down ¥31.1 billion from FY2019).

## (2) Overview of Financial Position

## (Assets)

The total current assets as of the end of FY2020 amounted to ¥605.8 billion, up ¥33.2 billion from the end of FY2019. This was primarily due to the increase in notes and accounts receivable - trade of ¥19.9 billion and inventories of ¥15.1 billion. The total non-current assets amounted to ¥1,103.1 billion, up ¥36.2 billion from the end of FY2019. This was primarily due to the increase in property, plant and equipment of ¥11.7 billion and deferred tax assets of ¥16.7 billion.

As a result, the total assets amounted to ¥1,709.0 billion, up ¥69.2 billion from the end of FY2019.

## (Liabilities)

The total current liabilities as of the end of FY2020 amounted to ¥752.5 billion, up ¥46.4 billion from the end of FY2019. This was primarily due to the increase in notes and accounts payable - trade of ¥33.2 billion. The total non-current liabilities amounted to ¥507.4 billion, down ¥63.4 billion from the end of FY2019. This was primarily due to the decrease in long-term loans payable of ¥37.8 billion.

As a result, the total liabilities amounted to ¥1,259.9 billion, down ¥17.0 billion from the end of FY2019.

## (Net Assets)

The total net assets as of the end of FY2020 amounted to ¥449.1 billion, up ¥86.3 billion from the end of FY2019. This was primarily due to profit attributable to owners of parent of ¥85.9 billion.

As a result, the net worth ratio was 19.0% (14.6% in FY2019).

## (3) Overview of Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of the end of FY2020 amounted ¥44.5 billion, increased by ¥1.2 billion from ¥43.3 billion as of the end of FY2019.

Situations of each cash flow and its factors are as follows.

## (Cash flows from operating activities)

As a result of operating activities, increased cash amounted to ¥167.4 billion, and the cash flows increased by ¥55.7 billion from FY2019. This was primarily due to the increase in profit before income taxes.

## (Cash flows from investing activities)

As a result of investing activities, decreased cash amounted to ¥84.6 billion, and the cash flows was at the same level as FY2019.

## (Cash flows from financing activities)

As a result of financing activities, decreased cash amounted to ¥80.6 billion, and the cash flows increased by ¥55.9 billion from FY2019. This was primarily due to the increase in repayments of commercial papers.

## (4) Forecast for FY2021

## 1) Forecast for FY2021

The Cosmo Energy Group plan to improve profitability by strengthening the competitiveness of the petroleum-related business, as formulated in new consolidated medium-term management plan (the “6th Consolidated Medium-Term Management Plan”) which started from FY2018. We will also push forward the structural reform to enhance the petrochemical business and the renewable energy business, since shift from fossil fuel is accelerating.

For FY2021, based on the assumptions of crude oil price at US\$60/bbl and exchange rate at JPY105/US\$, we are forecasting consolidated net sales of ¥2,150.0 billion (down ¥83.3 billion from FY2020), consolidated operating profit of ¥93.0 billion (down ¥8.3 billion from FY2020), consolidated ordinary profit of ¥88.0 billion (down ¥9.4 billion from FY2020) and profit attributable to owners of parent of ¥40.0 billion (down ¥45.9 billion from FY2020).

## [Segment-Specific Business Forecast]

(Unit: billion yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Renewable energy business	Other and adjustments	Consolidated
Net sales	1,822.0	315.0	82.0	14.0	-83.0	2,150.0
Segment profit	40.0	2.5	33.0	3.3	9.2	88.0

[Petroleum business]

As for the petroleum business segment, profit is expected to decrease from the previous fiscal year, reflecting such factors as sales margin is expected to be secured while not being able to receive benefit of good market condition as the previous fiscal year, since crude oil price was in rising phase.

[Petrochemical business]

As for the petrochemical business segment, profit is expected to increase from the previous fiscal year due to the expectation on market environment improvement.

[Oil exploration and production business]

As for the oil exploration and production business segment, profit is expected to increase from the previous fiscal year, due to the rise in crude oil prices.

[Renewable energy business]

Renewable energy business segment is a new business segment centered on the wind power generation, which was previously included in other business.

2) Forecast for dividends

The Company places priority on returning profits to its shareholders. Its basic policy is to distribute stable dividends, while considering the strengthening of its corporate structure, the development of operations, and the balance of results and finance. Under this policy, the Company plans to distribute a year-end dividend per share of 80 yen for the fiscal year under review. The Company plans to distribute a dividend of 80 yen the next fiscal year.

## 2. Basic Policy for Selection for Accounting Standards

The Cosmo Energy Group has a policy to make the consolidated financial statements with the Japanese Generally Accepted Accounting Principles for the meantime, because of retaining consolidated financial statements' comparability and inter-enterprise comparability.

And also, The Cosmo Energy Group will correspond appropriately to applying the International Financial Reporting Standards (IFRS) in consideration of the global trend.

## 3. Consolidated Financial Statements and Their Main Notes

## (1) Consolidated Balance Sheet

(Unit: million yen)

	FY2019 As of March 31, 2020	FY2020 As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	52,992	52,972
Notes and accounts receivable - trade	214,719	234,635
Merchandise and finished goods	145,573	122,152
Work in process	380	351
Raw materials and supplies	88,312	126,923
Accounts receivable - other	42,342	46,143
Other	28,422	22,746
Allowance for doubtful accounts	-124	-116
Total current assets	572,619	605,808
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	245,682	244,331
Oil storage depots, net	34,955	35,781
Machinery, equipment and vehicles, net	195,478	208,999
Land	316,908	315,483
Leased assets, net	698	737
Construction in progress	51,115	50,295
Other, net	8,825	9,803
Total property, plant and equipment	853,663	865,433
Intangible assets		
Software	5,954	10,557
Other	36,037	33,785
Total intangible assets	41,991	44,343
Investments and other assets		
Investment securities	119,071	122,402
Long-term loans receivable	1,085	1,030
Long-term prepaid expenses	4,312	3,169
Net defined benefit asset	2,236	5,471
Cost recovery under production sharing	12,988	13,018
Deferred tax assets	23,603	40,287
Other	8,407	8,234
Allowance for doubtful accounts	-464	-310
Total investments and other assets	171,239	193,303
Total non-current assets	1,066,895	1,103,080
Deferred assets		
Bond issuance cost	250	128
Total deferred assets	250	128
Total assets	1,639,765	1,709,017

(Unit: million yen)

	FY2019 As of March 31, 2020	FY2020 As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	233,520	266,695
Short-term loans payable	135,026	175,692
Current portion of bonds	26,000	17,700
Commercial papers	86,000	37,200
Accounts payable - other	106,475	92,953
Accrued volatile oil and other petroleum taxes	82,147	108,368
Income taxes payable	7,540	11,030
Accrued expenses	3,835	4,415
Provision for bonuses	6,064	6,348
Provision for directors' bonuses	362	352
Other	19,107	31,732
<b>Total current liabilities</b>	<b>706,080</b>	<b>752,488</b>
<b>Non-current liabilities</b>		
Bonds payable	20,700	3,000
Convertible bond-type bonds with share acquisition rights	60,000	60,000
Long-term loans payable	353,583	315,759
Deferred tax liabilities	32,926	35,415
Deferred tax liabilities for land revaluation	5,131	5,100
Provision for special repairs	29,220	27,001
Provision for business structure improvement	552	—
Provision for environmental measures	853	866
Net defined benefit liability	7,400	2,992
Provision for executive remuneration BIP trust	253	847
Asset retirement obligations	22,632	19,993
Other	37,591	36,431
<b>Total non-current liabilities</b>	<b>570,845</b>	<b>507,408</b>
<b>Total liabilities</b>	<b>1,276,925</b>	<b>1,259,897</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	40,000	40,000
Capital surplus	82,843	82,843
Retained earnings	132,755	211,977
Treasury shares	-1,382	-2,019
<b>Total shareholders' equity</b>	<b>254,217</b>	<b>332,802</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,424	4,938
Deferred gains or losses on hedges	373	-85
Revaluation reserve for land	-21,020	-21,123
Foreign currency translation adjustment	5,778	5,873
Remeasurements of defined benefit plans	-1,981	2,540
<b>Total accumulated other comprehensive income</b>	<b>-14,425</b>	<b>-7,855</b>
<b>Non-controlling interests</b>	<b>123,047</b>	<b>124,173</b>
<b>Total net assets</b>	<b>362,839</b>	<b>449,120</b>
<b>Total liabilities and net assets</b>	<b>1,639,765</b>	<b>1,709,017</b>



## (2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Unit: million yen)

	FY2019 From April 1, 2019 to March 31, 2020	FY2020 From April 1, 2020 to March 31, 2021
Net sales	2,738,003	2,233,250
Cost of sales	2,586,244	2,000,584
Gross profit	151,758	232,666
Selling, general and administrative expenses	137,865	131,376
Operating profit	13,893	101,289
Non-operating income		
Interest income	802	368
Dividend income	789	740
Rent income on non-current assets	1,179	1,543
Share of profit of entities accounted for using equity method	5,391	—
Foreign exchange gains	3,215	883
Other	3,564	2,979
Total non-operating income	14,943	6,515
Non-operating expenses		
Interest expenses	9,252	7,225
Share of loss of entities accounted for using equity method	—	447
Other	3,298	2,761
Total non-operating expenses	12,551	10,434
Ordinary profit	16,285	97,370
Extraordinary income		
Gain on sales of non-current assets	669	1,973
Gain on sales of investment securities	399	839
Subsidy income	2,759	340
Compensation income	7,948	—
Insurance income	1,517	421
Other	68	258
Total extraordinary income	13,362	3,833
Extraordinary losses		
Loss on sales of non-current assets	6	3
Loss on disposal of non-current assets	8,495	6,721
Impairment loss	3,914	267
Loss on valuation of investment securities	1,572	267
Settlement package	600	—
Other	1,145	296
Total extraordinary losses	15,734	7,555
Profit before income taxes	13,913	93,648
Income taxes - current	34,108	21,567
Income taxes - deferred	816	-17,137
Total income taxes	34,925	4,430
Profit (loss)	-21,012	89,218
Profit attributable to non-controlling interests	7,143	3,307
Profit (loss) attributable to owners of parent	-28,155	85,910

## (Consolidated Statements of Comprehensive Income)

(Unit: million yen)

	FY2019 From April 1, 2019 to March 31, 2020	FY2020 From April 1, 2020 to March 31, 2021
Profit (loss)	-21,012	89,218
Other comprehensive income		
Valuation difference on available-for-sale securities	-2,142	3,375
Deferred gains or losses on hedges	439	-984
Revaluation reserve for land	9	-10
Foreign currency translation adjustment	-25	-77
Remeasurements of defined benefit plans, net of tax	-2,913	4,765
Share of other comprehensive income of entities accounted for using equity method	-1,461	242
Total other comprehensive income	-6,095	7,311
Comprehensive income	-27,107	96,530
(Breakdown)		
Comprehensive income attributable to owners of parent	-33,748	92,572
Comprehensive income attributable to non-controlling interests	6,640	3,957

## (3) Consolidated Statements of Changes in Equity

FY2019 (From April 1, 2019 to March 31, 2020)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1,2019	40,000	82,963	167,574	-758	289,779
Changes of items during period					
Dividends of surplus			-6,781		-6,781
Loss attributable to owners of parent			-28,155		-28,155
Purchase of treasury shares				-623	-623
Reversal of Revaluation reserve for land			118		118
Purchase of shares of consolidated subsidiaries		-119			-119
Net changes of items other than shareholders' equity					
Total changes of items during period	—	-119	-34,818	-623	-35,561
Balance at March 31,2020	40,000	82,843	132,755	-1,382	254,217

	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 1,2019	4,121	99	-20,911	7,236	739	-8,713	120,785	401,850
Change of items during period								
Dividends of surplus								-6,781
Loss attributable to owners of parent								-28,155
Purchase of treasury shares								-623
Reversal of Revaluation reserve for land			-118			-118		—
Purchase of shares of consolidated subsidiaries								-119
Net changes of items other than shareholders' equity	-1,696	273	9	-1,457	-2,721	-5,592	2,261	-3,330
Total changes of items during period	-1,696	273	-109	-1,457	-2,721	-5,711	2,261	-39,010
Balance at March 31,2020	2,424	373	-21,020	5,778	-1,981	-14,425	123,047	362,839

FY2020 (From April 1, 2020 to March 31, 2021)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1,2020	40,000	82,843	132,755	-1,382	254,217
Changes of items during period					
Dividends of surplus			-6,781		-6,781
Profit attributable to owners of parent			85,910		85,910
Purchase of treasury shares				-637	-637
Reversal of Revaluation reserve for land			92		92
Purchase of shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	79,221	-637	78,584
Balance at March 31,2021	40,000	82,843	211,977	-2,019	332,802

	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 1,2020	2,424	373	-21,020	5,778	-1,981	-14,425	123,047	362,839
Change of items during period								
Dividends of surplus								-6,781
Profit attributable to owners of parent								85,910
Purchase of treasury shares								-637
Reversal of Revaluation reserve for land			-92			-92		—
Purchase of shares of consolidated subsidiaries								—
Net changes of items other than shareholders' equity	2,513	-458	-10	95	4,522	6,661	1,126	7,787
Total changes of items during period	2,513	-458	-102	95	4,522	6,569	1,126	86,280
Balance at March 31,2021	4,938	-85	-21,123	5,873	2,540	-7,855	124,173	449,120

## (4) Consolidated Statements of Cash Flows

(Unit: million yen)

	FY2019 From April 1, 2019 to March 31, 2020	FY2020 From April 1, 2020 to March 31, 2021
Cash flows from operating activities		
Profit before income taxes	13,913	93,648
Depreciation	49,673	53,564
Impairment loss	3,914	267
Loss (gain) on sales of non-current assets	-662	-1,970
Settlement package	600	—
Loss (gain) on disposal of non-current assets	8,495	6,721
Loss (gain) on sales of investment securities	-399	-839
Loss (gain) on valuation of investment securities	1,572	267
Subsidy income	-2,759	-340
Interest and dividend income	-1,592	-1,108
Compensation income	-7,948	—
Insurance income	-1,517	-421
Interest expenses	9,252	7,225
Foreign exchange losses (gains)	-598	-1,357
Share of loss (profit) of entities accounted for using equity method	-5,391	447
Increase (decrease) in allowance for doubtful accounts	-17	-165
Increase (decrease) in provision for special repairs	9,011	-2,363
Increase (decrease) in provision for environmental measures	-387	-172
Increase (decrease) in net defined benefit asset (liability)	-1,303	-832
Decrease (increase) in notes and accounts receivable - trade	30,391	-20,191
Recovery of recoverable accounts under production sharing	7,933	3,966
Decrease (increase) in inventories	43,513	-15,086
Increase (decrease) in notes and accounts payable - trade	-34,325	33,637
Decrease (increase) in other current assets	2,269	-8,768
Increase (decrease) in other current liabilities	-9,874	36,379
Decrease (increase) in investments and other assets	389	1,292
Increase (decrease) in other non-current liabilities	22,964	-1,464
Other, net	1,357	127
Subtotal	138,474	182,461
Interest and dividend income received	3,565	4,147
Interest expenses paid	-9,432	-7,235
Payments for business structure improvement expenses	—	-529
Proceeds from subsidy income	2,759	340
Proceeds from compensation	7,948	—
Proceeds from insurance income	1,517	421
Settlement package paid	—	-600
Income taxes paid	-33,100	-11,560
Net cash provided by (used in) operating activities	111,733	167,445

(Unit: million yen)

	FY2019 From April 1, 2019 to March 31, 2020	FY2020 From April 1, 2020 to March 31, 2021
Cash flows from investing activities		
Purchase of investment securities	-4,180	-5,758
Proceeds from sales and redemption of investment securities	584	4,026
Purchase of shares of subsidiaries and associates	-1,240	-1,240
Proceeds from sales and liquidation of shares of subsidiaries and associates	4	—
Purchase of property, plant and equipment	-78,122	-72,503
Payments for disposal of property, plant and equipment	-6,615	-5,418
Proceeds from sales of property, plant and equipment	15,003	6,298
Payments for purchases of intangible assets and long-term prepaid expenses	-9,067	-11,422
Decrease (increase) in short-term loans receivable	134	85
Payments of long-term loans receivable	-44	-42
Collection of long-term loans receivable	243	247
Payments into time deposits	-7,240	-7,355
Proceeds from withdrawal of time deposits	6,207	8,065
Proceeds from withdrawal of investments in silent partnership	105	80
Other, net	—	352
Net cash provided by (used in) investing activities	-84,230	-84,584
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	15,330	8,050
Proceeds from long-term loans payable	129,417	36,100
Repayments of long-term loans payable	-145,265	-40,123
Payments into deposits of restricted withdrawals	—	-115
Redemption of bonds	—	-26,000
Net increase (decrease) in commercial papers	-12,000	-48,800
Purchase of treasury shares	-623	-637
Cash dividends paid	-6,775	-6,778
Dividends paid to non-controlling interests	-4,283	-2,095
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-285	—
Other, net	-189	-171
Net cash provided by (used in) financing activities	-24,675	-80,570
Effect of exchange rate change on cash and cash equivalents	-199	-1,269
Net increase (decrease) in cash and cash equivalents	2,627	1,021
Cash and cash equivalents at beginning of period	40,667	43,295
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	-757
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	959
Cash and cash equivalents at end of period	43,295	44,518

(5)Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Additonal Information)

(Application of tax effect accounting relating to the transition from the consolidated tax payment system to the group accounting system.)

The Company and some of the domestic consolidated subsidiaries did not apply "Implementation Guidance for Tax Effect Accounting"(ASBJ Guidance No.28 of February 16, 2018) section 44, as for deferred tax assets and deferred tax liabilities are based on the regulations of the tax law before revision, regarding the items for which the single tax payment system was revised in accordance with the transition to the group counting system and the transition to the group counting system under the "Law for Amendment of Part of Income Tax Law"(Law No. 8, 2020), "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System"(Practical Issues Task Force No. 39; March 31, 2020) Section 3.

## (Segment Information)

## 1. Overview of Reporting Segments

The reporting segments of the Cosmo Group are comprised of those entities where obtaining separate financial reports are possible and those which the board members regularly review and decide distribution of management resources.

The Cosmo Group conducts “Petroleum Business”, “Petrochemicals Business” and “Petroleum Exploration and Production Business” and the Company or its affiliate companies operate these businesses independently depending on the type of services or products handled.

Therefore the 3 reporting segments by the Cosmo Group are, “Petroleum Business,” “Petrochemicals Business” and “Oil Exploration and Production Business,” based on the services and/or the products handled.

In further detail, “Petroleum Business” produces and markets gasoline, naphtha, kerosene, diesel, fuel oil, crude oil, lubricants, LPG, asphalt, etc. “Petrochemicals Business” produces and markets ethylene mixed-xylene, para-xylene, benzene, toluene, solvents, etc. “Petroleum Exploration and Production Business” explores and produces crude oil.

## 2. Methods to Determine Net Sales, Profit or Loss, Assets, Liabilities and Other Items by Business Segment

The accounting methods by business segment reported herein are almost the same as the accounting policy adopted to prepare consolidated financial statements.

Profit by business segment is stated on an ordinary profit basis. The inter-segment profit and transfers are based on market price.

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

FY2019 (From April 1, 2019 to March 31, 2020)

(unit: million yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other Note : 1	Adjustments Note : 2	Consolidated Note : 3
Net sales						
Outside customers	2,290,964	364,658	42,917	39,462	—	2,738,003
Inter-segment	215,831	49,751	54,932	45,133	-365,650	—
Total	2,506,796	414,410	97,850	84,596	-365,650	2,738,003
Segment profit (loss)	-47,800	5,185	45,030	9,182	4,686	16,285
Other items						
Depreciation and amortization	23,772	7,782	13,548	5,258	-688	49,673
Interest income	621	211	516	53	-601	802
Interest expenses	6,516	239	2,288	304	-96	9,252
Equity earnings of associates	1,053	3,392	886	59	—	5,391

Notes: 1 Other is segment of non-classified, including construction works, insurance agency, leasing, and wind power generation, etc.

2 Segment profit (loss) in “Adjustments” ¥4,686 million includes ¥5,345 million for profit that is not allocated each reported segment or “Other” segment, ¥-51 million for internal eliminations, ¥42 million for inventory adjustments, and ¥-650 million adjustment of non-current assets.

3 Segment profit (loss) is adjusted to ordinary profit of consolidated statements of income.

4 No assets and liabilities allocation is made into each segment, so that the description of such information is omitted.



FY2020 (From April 1, 2020 to March 31, 2021)

(unit: million yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other Note: 1	Adjustments Note: 2	Consolidated Note: 3
Net sales						
Outside customers	1,906,912	268,005	22,939	35,392	—	2,233,250
Inter-segment	148,924	36,525	37,472	41,095	-264,017	—
Total	2,055,836	304,530	60,411	76,488	-264,017	2,233,250
Segment profit (loss)	74,058	-3,319	13,859	7,865	4,906	97,370
Other items						
Depreciation and amortization	26,584	9,479	13,510	4,561	-572	53,564
Interest income	366	124	220	55	-398	368
Interest expenses	4,650	263	2,097	256	-42	7,225
Equity earnings of associates	2,884	-3,433	5	96	—	-447

Notes: 1 Other is segment of non-classified, including construction works, insurance agency, leasing, and wind power generation, etc.

2 Segment profit (loss) in “Adjustments” ¥4,906 million includes ¥3,879 million for profit that is not allocated each reported segment or “Other” segment, ¥1,760 million for internal eliminations, ¥64 million for inventory adjustments, and ¥-798 million adjustment of non-current assets.

3 Segment profit (loss) is adjusted to ordinary profit of consolidated statements of income.

4 No assets and liabilities allocation is made into each segment, so that the description of such information is omitted.

## (Per-share Information)

	FY2019 April 1, 2019 - March 31, 2020	FY2020 April 1, 2020 - March 31, 2021
Net assets per share (yen sen)	2,853.14	3,882.72
Net income (loss) per share (yen sen)	-334.84	1,025.86
Net income per share after adjustment for dilutive securities (yen sen)	—	861.16

Notes: 1. In FY2019, diluted net income per share is not indicated because net loss per share is indicated, although there are potential common shares with dilutive effects.

2. In calculating net assets per share, the company's shares which Executive Remuneration BIP Trust possess are excluded from issued shares at the end of the period (721 thousands of shares from FY2019, 1,076 thousands of shares from FY2020). In calculating net income (loss) per share, the company's shares which Executive Remuneration BIP Trust possess are also excluded from average number of shares during the period (681 thousands of shares from FY2019, 1,021 thousands of shares from FY2020).

3. Net income(loss) per share and diluted net income per share was calculated on the following basis.

	FY2019 April 1, 2019 - March 31, 2020	FY2020 April 1, 2020 - March 31, 2021
Net income (loss) per share		
Profit (loss) attributable to owners of parent (million yen)	-28,155	85,910
Amount that does not belong to ordinary share holders (million yen)	—	—
Profit (loss) attributable to owners of parent that belongs to ordinary shares (million yen)	-28,155	85,910
Average number of ordinary shares outstanding during the year (thousands of shares)	84,085	83,745
Diluted net income per share		
Net income adjustments to owners of parent (million yen)	—	—
Increase in the number of ordinary shares (thousands of shares)	—	16,016
(incl. convertible bond-type bonds with share acquisition rights (thousands of shares))	(—)	(16,016)
Overview of potential shares not included in calculation of diluted net income per share because the stock have no dilution effect	—	—

(Significant Subsequent Events)

None