



August 10, 2022

## Overview of Business Results for the First Quarter of Fiscal Year Ending March 2023 [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 Kiriya (Title) President  
 Name of Person to contact : Eriko Date (Title) General Manager of Corporate Communication Dept. Phone : 03-3798-3101  
 Scheduled date to file quarterly report : August 10, 2022 Dividend payment is to be started on : —  
 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 are rounded down.

### 1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2023 (For the period from April 1, 2022 to June 30, 2022)

#### (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, FY2022	662,434	25.1	123,880	157.0	121,527	145.0	77,566	177.9
First Quarter, FY2021	529,631	20.4	48,208	—	49,610	—	27,914	—

Note : Comprehensive income First Quarter, FY2022 : 83,406 million yen (180.7%) First Quarter, FY2021 : 29,718 million yen (—%)

	Net income per share for the First Quarter	Diluted net income per share for the First Quarter
	yen sen	yen sen
First Quarter, FY2022	938.26	782.13
First Quarter, FY2021	333.55	279.48

#### (2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
First Quarter, FY2022	2,247,366	640,708	22.9
FY2021	1,938,408	583,971	23.5

[Reference] Net worth First Quarter, FY2022 : 514,015 million yen FY2021 : 456,200 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
FY2021	—	0.00	—	100.00	100.00
FY2022	—	—	—	—	—
FY2022 (forecast)	—	75.00	—	75.00	150.00

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

(% 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
FY2022	2,930,000	20.1	193,000	-18.0	190,000	-18.5	93,000	-33.0	1,227.53

Note : 1.Revision made in the consolidated business forecast as of the end of the current quarter from the previous announcement : None

2.The Company made the resolution at the Board of Directors meeting held on May 12, 2022 to repurchase of treasury shares. Net income per share in the forecast of consolidated financial results for FY2022 takes into account the effect of such repurchase of treasury shares.

Notes to Consolidated Financial Statements

(1) Changes in significant subsidiaries during the first quarter : None

Newly — (Name of Company) — Exception — (Name of Company) —

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

(3) 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

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

1. Number of outstanding shares as of the end of the period (including treasury shares)
2. Number of shares of treasury shares as of the end of the period
3. Average number of outstanding shares during the period (or the cumulative consolidated accounting period as of the end of the current quarter)

First Quarter , FY2022	84,770,508 shares	FY2021	84,770,508 shares
First Quarter , FY2022	4,974,034 shares	FY2021	1,008,526 shares
First Quarter , FY2022	82,671,130 shares	First Quarter , FY2021	83,690,514 shares

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

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

The consolidated business forecast for the full year of FY2022 is not updated from the previous announcement made on May 12 2022.

The forecast 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 variable factors that may arise in the future. For details, please refer to the “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 supporting data.

Supplementary information will be uploaded on the Cosmo Energy Holdings Co., Ltd. website on August 10, 2022.

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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 FY2022 were ¥662.4 billion (up ¥132.8 billion from the same period of FY2021), operating profit ¥123.9 billion (up ¥75.7 billion from the same period of FY2021), ordinary profit ¥121.5 billion (up ¥71.9 billion from the same period of FY2021) and profit attributable to owners of parent for the period ¥77.6 billion (up ¥49.7 billion from the same period of FY2021).

The operating results for the first quarter of FY2022 by business segment are as follows :

- 1) In the petroleum business segment, due to the rise in crude oil prices from the same period of the previous year, the segment reported net sales of ¥584.4 billion (up ¥122.1 billion from the same period of FY2021) and segment profit of ¥101.1 billion (up ¥64.5 billion from the same period of FY2021).
- 2) In the petrochemical business segment, due to the improvement of product market conditions, despite the decrease in the sales volume from the same period of the previous year, the segment reported net sales of ¥113.8 billion (up ¥29.8 billion from the same period of FY2021) and segment profit of ¥5.3 billion (up ¥0.7 billion from the same period of FY2021).
- 3) In the oil exploration and production business segment, due to the rise in the sales price of oil products, despite the decrease in the oil sales volume from the same period of the previous year, the segment reported net sales of ¥24.4 billion (up ¥7.1 billion from the same period of FY2021) and segment profit of ¥14.6 billion (up ¥7.9 billion from the same period of FY2021).
- 4) In the renewable energy business segment, due to the decline in the sales due to unfavorable wind conditions and the increase in the costs associated with entry into offshore windpower from the same period of the previous year, the segment reported net sales of ¥2.6 billion (down ¥0.3 billion from the same period of FY2021) and segment profit of ¥0.1 billion (down ¥0.4 billion from the same period of FY2021).

(2) Explanation Concerning Information regarding Consolidated Financial Position

As for the consolidated financial position as of the end of the first quarter of FY2022, total assets as of June 30, 2022 amounted to ¥2,247.4 billion, up ¥309.0 billion from March 31, 2022, the end of FY2021. This was mainly reflecting the increase in inventories. Net assets as of June 30, 2022 amounted to ¥640.7 billion with a net worth ratio of 22.9%.

(3) Explanation Concerning Information regarding Consolidated Business Forecast

The consolidated business forecast for the full year of FY2022 is not updated from the previous announcement made on May 12, 2022.

## 2. Consolidated Financial Statements and Their Main Notes

## (1) Consolidated Balance Sheet

(Unit : million yen)

	FY2021 (As of March 31, 2022)	1Q FY2022 (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	80,328	98,690
Notes receivable - trade	2,635	3,771
Accounts receivable - trade	280,050	338,137
Merchandise and finished goods	166,942	255,222
Work in process	58	59
Raw materials and supplies	209,023	253,428
Other	128,984	226,923
Allowance for doubtful accounts	-40	-23
Total current assets	867,983	1,176,210
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	241,907	238,418
Machinery, equipment and vehicles, net	200,511	198,968
Land	315,353	313,818
Other, net	88,843	96,529
Total property, plant and equipment	846,616	847,735
Intangible assets	44,185	43,602
Investments and other assets		
Investment securities	118,719	120,687
Other	61,145	59,381
Allowance for doubtful accounts	-298	-295
Total investments and other assets	179,566	179,773
Total non-current assets	1,070,369	1,071,111
Deferred assets		
Bond issuance cost	56	44
Total deferred assets	56	44
Total assets	1,938,408	2,247,366

(Unit : million yen)

	FY2021 (As of March 31, 2022)	1Q FY2022 (As of June 30, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	325,780	469,687
Short-term loans payable	195,485	245,396
Current portion of convertible bond-type bonds with share acquisition rights	60,000	60,000
Commercial papers	82,300	113,300
Accounts payable - other	186,711	224,582
Income taxes payable	33,457	28,353
Provision	11,172	4,074
Other	59,767	57,545
<b>Total current liabilities</b>	<b>954,675</b>	<b>1,202,941</b>
<b>Non-current liabilities</b>		
Bonds payable	3,000	3,000
Long-term loans payable	242,873	244,968
Provision for special repairs	37,560	35,944
Other provision	2,323	2,436
Net defined benefit liability	2,879	3,067
Asset retirement obligations	22,621	22,726
Other	88,502	91,574
<b>Total non-current liabilities</b>	<b>399,761</b>	<b>403,717</b>
<b>Total liabilities</b>	<b>1,354,437</b>	<b>1,606,658</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	40,000	40,000
Capital surplus	82,843	84,304
Retained earnings	343,377	412,337
Treasury shares	-1,902	-17,033
<b>Total shareholders' equity</b>	<b>464,318</b>	<b>519,609</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,610	4,474
Deferred gains or losses on hedges	-536	506
Revaluation reserve for land	-21,139	-21,009
Foreign currency translation adjustment	7,691	9,864
Remeasurements of defined benefit plans	1,255	570
<b>Total accumulated other comprehensive income</b>	<b>-8,118</b>	<b>-5,593</b>
<b>Non-controlling interests</b>	<b>127,771</b>	<b>126,692</b>
<b>Total net assets</b>	<b>583,971</b>	<b>640,708</b>
<b>Total liabilities and net assets</b>	<b>1,938,408</b>	<b>2,247,366</b>

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

(Consolidated Statements of Income)

(Consolidated the First Three Months of FY2022 Statements of Income)

(Unit : million yen)

	1Q FY2021 (From April 1, 2021 to June 30, 2021)	1Q FY2022 (From April 1, 2022 to June 30, 2022)
Net sales	529,631	662,434
Cost of sales	448,196	501,602
Gross profit	81,435	160,832
Selling, general and administrative expenses	33,227	36,952
Operating profit	48,208	123,880
Non-operating income		
Interest income	36	82
Dividend income	539	624
Share of profit of entities accounted for using equity method	2,548	720
Other	803	1,086
Total non-operating income	3,927	2,514
Non-operating expenses		
Interest expenses	1,711	1,495
Foreign exchange losses	337	2,754
Other	476	616
Total non-operating expenses	2,525	4,866
Ordinary profit	49,610	121,527
Extraordinary income		
Gain on sales of non-current assets	0	3,632
Gain on sales of investment securities	524	173
Insurance income	553	4
Other	280	143
Total extraordinary income	1,358	3,954
Extraordinary losses		
Loss on disposal of non-current assets	384	536
Impairment loss	2	7
Other	1	104
Total extraordinary losses	388	648
Profit before income taxes	50,580	124,833
Income taxes	21,456	43,636
Profit	29,124	81,196
Profit attributable to non-controlling interests	1,209	3,629
Profit attributable to owners of parent	27,914	77,566

## (Consolidated Statements of Comprehensive Income)

(Consolidated the First Three Months of FY2022 Statements of Comprehensive Income)

(Unit : million yen)

	1Q FY2021 (From April 1, 2021 to June 30, 2021)	1Q FY2022 (From April 1, 2022 to June 30, 2022)
Profit	29,124	81,196
Other comprehensive income		
Valuation difference on available-for-sale securities	-637	-290
Deferred gains or losses on hedges	320	1,018
Foreign currency translation adjustment	259	1,167
Remeasurements of defined benefit plans, net of tax	-115	-688
Share of other comprehensive income of entities accounted for using equity method	766	1,003
Total other comprehensive income	594	2,210
Comprehensive income	29,718	83,406
(Breakdown)		
Comprehensive income attributable to owners of the parent	28,636	79,961
Comprehensive income attributable to non-controlling interests	1,082	3,445



## (3) Notes to Quarterly Consolidated Financial Statements

(Notes to 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)

I 1Q FY2021 (From April 1, 2021 to June 30, 2021)

Information about net sales and profit amounts by segment reported

(Unit : million yen)

	Petroleum	Petrochemical	Oil Exploration and Production	Renewable Energy	Other Note : 1	Adjustments Note : 2	Consolidated Note : 3
Net sales							
Outside customers	443,250	73,351	5,897	2,857	4,274	—	529,631
Inter-segment	19,053	10,600	11,353	0	8,920	-49,928	—
Total	462,303	83,952	17,251	2,857	13,194	-49,928	529,631
Segment profit	36,598	4,591	6,654	528	464	774	49,610

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

2 Segment profit in "Adjustments" ¥774 million includes ¥1,067 million for the net amount of the entire Company's profit and expenses not allocated to the reporting segments or the "Other" category, ¥418 million for internal eliminations, ¥-791 million for inventory adjustments, and ¥79 million for adjustment of fixed assets.

3 Segment profit is adjusted to ordinary profit of consolidated quarterly statements of profit.

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

Information about net sales and profit amounts by segment reported

(Unit : million yen)

	Petroleum	Petrochemical	Oil Exploration and Production	Renewable Energy	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	8,598	-75,817	—
Total	584,388	113,812	24,439	2,553	13,057	-75,817	662,434
Segment profit	101,068	5,281	14,590	58	301	227	121,527

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

2 Segment profit in "Adjustments" ¥227 million includes ¥1,692 million for the net amount of the entire Company's profit and expenses not allocated to the reporting segments or the "Other" category, ¥-89 million for internal eliminations, ¥-1,448 million for inventory adjustments, and ¥73 million for adjustment of fixed assets.

3 Segment profit is adjusted to ordinary profit of consolidated quarterly statements of profit.

(Significant Subsequent Events)

None