



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

First Quarter , FY2023	1,178,444	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)

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

Accompanying Materials – Contents

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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 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