February 14, 2020

Consolidated Financial Results for the Third Quarter of Fiscal Year 2019 (From April 1, 2019 to December 31, 2019) [Japan GAAP]

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Scheduled date of filing of quarterly securities report: February 14, 2020
Scheduled date of commencement of dividend payments: ―
Supplementary materials for the quarterly financial results: Yes
Quarterly financial results presentation: Yes (for institutional investors and analysts)

(Figures less than ¥1 million are rounded off)

1. Consolidated Financial Results for the Third Quarter of FY2019 (From April 1, 2019 to December 31, 2019)

(1) Consolidated operating results

(Percentage figures represent changes from the corresponding previous period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	¥million	%	¥million	%	¥million	%	¥million	%
3Q FY2019	4,560,673	36.5	108,190	(24.5)	91,399	(42.6)	64,927	(36.2)
3Q FY2018	3,340,100	25.4	143,244	(8.4)	159,281	(6.2)	101,777	(29.8)

Note: Comprehensive income 3Q FY2019 ¥48,219 million (49.1) % 3Q FY2018 ¥94,753 million (39.4)%

	Net income per share	Diluted net income per share
	¥	¥
3Q FY2019	215.41	―
3Q FY2018	497.49	―

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	¥million	¥million	%
3Q FY2019	4,126,077	1,296,091	30.2
FY2018	2,890,307	878,931	29.1

Reference: Total equity 3Q FY2019 ¥1,245,536 million FY2018 ¥842,099 million

2. Dividends

	Cash dividends per share				
	As of Jun.30	As of Sep.30	As of Dec.31	As of Mar.31	Total
	¥	¥	¥	¥	¥
FY2018	―	50.00	―	50.00	100.00
FY2019	―	80.00	―		
FY2019 (Forecasts)				80.00	160.00

Note: Revisions of the forecasts of cash dividends since the latest announcement: None

3. Forecasts of Consolidated Financial Results for FY2019 (From April 1, 2019 to March 31, 2020)

(Percentage figures represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥
FY2019	6,100,000	37.8	165,000	(8.0)	150,000	(11.3)	100,000	22.8	332.71

Note: Revisions of the forecasts of consolidated financial results since the latest announcement: None

Setting March 24, 2020 as the due date of acquisition, the Company planned to acquire treasury shares with an upper limit of 4,800,000 shares. Up to January 24, 2020, the Company had acquired 4,060,800 treasury shares and completed the acquisition on the day. The fiscal 2019 forecast for consolidated net income per share is calculated by reflecting the number of the acquired treasury shares in the average number of shares during the fiscal year.

* Notes

(1) Changes of number of material consolidated subsidiaries during the nine months ended December 31, 2019: **Yes**

Newly consolidated companies: 1 (Showa Shell Sekiyu K.K.)

(2) Application of the accounting method peculiar to the preparation of the quarterly financial statements: **Yes**

(3) Changes in accounting policies, accounting estimates and restatement

a) Changes in accounting policies arising from revision of accounting standards: **Yes**

b) Changes arising from other factors: **Yes**

c) Changes in accounting estimates: **None**

d) Restatement: **None**

(4) Number of shares issued (common stock)

a) Number of shares issued (including treasury stock)

As of December 31, 2019: 301,925,518 As of March 31, 2019: 208,000,000

b) Number of shares of treasury stock

As of December 31, 2019: 2,474,965 As of March 31, 2019: 10,657,857

c) Weighted average number of shares outstanding during the period

Nine months ended December 31, 2019: 301,410,566

Nine months ended December 31, 2018: 204,582,936

*1 This document is out of the scope of quarterly review by certified public accountants or audit firms.

*2 The financial forecasts above are based on information available and assumptions as of the date of publication of this document. Actual operating results may differ from the forecasts due to various factors. Additionally, for the assumptions used for the forecasts of the above, please refer to page 5 “Explanation of Forecasts of Consolidated Financial Results for FY2019” of the Appendix.

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1. Qualitative Information on the Consolidated Operating Results for the Third Quarter of FY2019

(1) Explanation of Operating Results

The overall domestic demand for petroleum products during the nine months ended December 31, 2019 fell slightly below the previous year's level, owing to improved fuel efficiency of vehicles and other structural factors.

Dubai crude oil prices were hovering around $70/bbl until the middle of May 2019, but the declining trend continued from late May in the wake of growing uncertainty in the global economy mainly on the back of US-China trade tensions. Positive factors such as the larger production cut agreed by the so-called OPEC-plus alliance in December then turned the trend upward. On balance, the average crude oil price from April to December 2019 was $63.5/bbl, a decrease of $7.7/bbl against the same period of the previous year.

The price for naphtha, a petrochemical raw material, dropped by $118/ton against the same period last year to $534/ton.

(Crude oil price, naphtha price and exchange rate)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change	
Dubai Crude Oil ($/bbl)	71.3	63.5	(7.7)	(10.8)%
Naphtha ($/ton)	652	534	(118)	(18.1)%
Exchange Rate (¥/$)	111.1	108.7	(2.5)	(2.2)%

The Idemitsu Group's net sales for the nine months ended December 31, 2019 were ¥4,560.7 billion, an increase of 36.5% compared with the same period of the preceding year, due mainly to the business integration through the share exchange that the Company and Showa Shell Sekiyu K.K. ("Showa Shell") conducted on April 1, 2019.

Operating income decreased by 24.5% against the same period of the previous year to ¥108.2 billion, owing mainly to the effect of inventory valuation in the petroleum products segment as well as the decreased production volume and lower prices for natural resources in the resources segment.

Net non-operating loss during the period totaled ¥16.8 billion, a decline of ¥32.8 billion from the same period of last year, owing primarily to recording equity in losses of nonconsolidated subsidiaries and affiliates. As a result, ordinary income was ¥91.4 billion, down 42.6% compared with the same period of last year.

Net extraordinary income was ¥11.4 billion, an increase of ¥9.4 billion from the same period of the previous year, owing primarily to gain from step acquisition of Showa Shell shares.

Income tax expenses, which consist of income taxes-current and income taxes-deferred, amounted to ¥36.1 billion, a decrease of ¥18.0 billion from the same period of the previous year, due mainly to a decrease of income before income taxes.

Net income attributable to owners of the parent decreased by 36.2% compared with the same period of fiscal 2018 to ¥64.9 billion.

[Reference]
Net sales and operating income decreased by 12.2% and 43.8%, respectively for the nine months ended December 31, 2019 compared with pro forma net sales and operating income for the same period of the previous fiscal year assuming that the Company consolidated 100% of Showa Shell's operating results.

The performance of each business segment for the nine months ended December 31, 2019 is as follows:

As described in "2. (3) 5) Consolidated Segment Information", as a result of the business integration with Showa Shell, effective from the first quarter of fiscal 2019, the Company's previous three reportable segments of "Petroleum products," "Petrochemical products" and "Resources" have been reclassified to the current five reportable segments of "Petroleum," "Basic chemicals," "Functional materials," "Power and renewable energy" and "Resources."

[Petroleum segment]

Net sales in the petroleum segment were ¥3,630.4 billion, up 47.4% compared to the same period of the previous fiscal year. Segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) was ¥16.8 billion, down 61.2% year on year, primarily affected by the effect of inventory valuation and equity in losses recorded during the period.

[Reference]
Net sales and segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) decreased by 10.7% and 80.8%, respectively compared with pro forma net sales and segment income for the same period of the previous fiscal year assuming that the Company consolidated 100% of Showa Shell's operating results.

[Basic chemicals segment]

Net sales in the basic chemicals segment decreased by 3.9% year compared with the same period of the previous fiscal year to ¥350.0 billion, due largely to decreases in naphtha prices on a customs clearance basis. Segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) was ¥18.0 billion, down 27.3% year on year, mainly due to lower margins on styrene monomer and other products.

[Functional materials segment]

Net sales in the functional materials segment for the nine months ended December 31, 2019 were ¥294.0 billion, up 11.2% from the same period of fiscal 2018. Segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) was ¥20.2 billion, down 11.5% from the same period of the prior year, due mainly to a decrease in equity in earnings of nonconsolidated subsidiaries and affiliates.

[Reference]
Net sales and segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) decreased by 9.6% and 19.5%, respectively compared with pro forma net sales and segment income for the same period of the previous fiscal year assuming that the Company consolidated 100% of Showa Shell's operating results.

[Power and renewable energy segment]

Net sales in the power and renewable energy segment for the nine months ended December 31, 2019 were ¥94.6 billion, up 469.5% from the same period of fiscal 2018. Segment loss (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) was ¥0.5 billion, a decline of ¥1.2 billion from the same period of the prior year.

[Reference]
Net sales decreased by 10.6% and segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) increased by ¥8.0 billion compared with pro forma net sales and segment income for the same period of the previous fiscal year assuming that the Company consolidated 100% of Showa Shell's operating results.

[Resources segment]

(Oil exploration and production and geothermal energy business)

Net sales of the oil exploration and production business and the geothermal energy business for the nine months ended December 31, 2019 were ¥35.9 billion, down 38.8% from the corresponding period of the previous year, due mainly to a decrease of the production volume and a decline in crude oil price. Segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) was ¥12.2 billion, down 59.2% from the same period of the preceding year.

(Coal business and others)

Net sales of the coal business and others for the nine months ended December 31, 2019 were ¥153.1 billion, down 10.3% compared with the same period of last year. Segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) was ¥22.3 billion, down 39.7% compared with the same period of the preceding year, due mainly to a decline in coal price.

As a result, total net sales of the resources segment were ¥189.0 billion, down 17.6% and segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) was ¥34.5 billion, down 48.4% from the same period of the preceding year.

[Other segments]

Net sales of the other segments for the nine months ended December 31, 2019 were ¥2.8 billion, down 13.3% and segment income (operating income + equity in earnings (losses) of nonconsolidated subsidiaries and affiliates) was ¥0.5 billion, down 89.6% compared with the same period of the preceding year since the Company's share of Showa Shell's earnings is not included as part of equity in earnings (losses) of nonconsolidated subsidiaries and affiliates under other segments.

(2) Explanation of Financial Position

Summarized Consolidated Balance Sheets

(Unit: ¥Billion)

	FY2018	3rd Quarter of FY2019	Change
Current assets	1,225.4	1,840.6	+615.1
Fixed assets	1,664.9	2,285.5	+620.6
Total assets	2,890.3	4,126.1	+1,235.8
Current liabilities	1,195.8	1,841.5	+645.7
Non-current liabilities	815.6	988.5	+172.9
Total liabilities	2,011.4	2,830.0	+818.6
Total net assets	878.9	1,296.1	+417.2
Total liabilities and net assets	2,890.3	4,126.1	+1,235.8

1) Total assets

Total assets as of December 31, 2019 increased by ¥1,235.8 billion from the end of the previous fiscal year to ¥4,126.1 billion.

2) Total liabilities

Total liabilities as of December 31, 2019 increased by ¥818.6 billion from the end of the previous fiscal year to ¥2,830.0 billion.

3) Total net assets

Total net assets as of December 31, 2019 were ¥1,296.1 billion, an increase of ¥417.2 billion from the end of the preceding fiscal year, owing mainly to an increase in capital surplus of ¥341.1 billion associated with the share exchange on April 1, 2019, disposal of treasury stock, and the acquisition of treasury shares through market purchases.

(3) Explanation of Forecasts of Consolidated Financial Results for FY2019

There was no change in the forecasts of the consolidated financial results for the year ending March 31, 2020 released on November 14, 2019.

2. Consolidated Financial Statements for the Third Quarter of FY2019 and Major Notes

(1) Consolidated Quarterly Balance Sheets

(Unit: ¥Million)

	FY2018 (As of March 31, 2019)	3rd Quarter of FY2019 (As of December 31, 2019)
Assets		
Current assets:		
Cash and deposits	91,850	125,225
Notes and accounts receivable, trade	453,316	708,216
Inventories	586,561	802,516
Other	94,801	206,406
Less: Allowance for doubtful accounts	(1,101)	(1,810)
Total current assets	1,225,427	1,840,554
Fixed assets:		
Property, plant and equipment:		
Machinery and equipment, net	182,800	259,442
Land	576,288	812,583
Other, net	232,939	367,738
Total property, plant and equipment	992,028	1,439,764
Intangible fixed assets:		
Goodwill	7,214	171,148
Other	17,536	161,560
Total intangible fixed assets	24,750	332,709
Investments and other assets:		
Investment securities	400,847	267,819
Other	247,948	245,990
Less: Allowance for doubtful accounts	(696)	(761)
Total investments and other assets	648,100	513,048
Total fixed assets	1,664,879	2,285,522
Total assets	2,890,307	4,126,077
Liabilities		
Current liabilities:		
Notes and accounts payable, trade	399,176	627,900
Short-term loans payable	154,715	334,521
Commercial paper	204,000	288,999
Current portion of bonds payable	10,000	―
Accounts payable, other	305,563	415,237
Income taxes payable	30,634	24,276
Provision for bonuses	8,169	4,356
Other	83,541	146,222
Total current liabilities	1,195,800	1,841,513
Non-current liabilities:		
Bonds payable	50,000	80,000
Long-term loans payable	531,168	508,780
Liability for employees' retirement benefits	11,996	75,779
Reserve for repair work	38,267	70,221
Asset retirement obligations	51,620	56,427
Other	132,522	197,264
Total non-current liabilities	815,575	988,472
Total liabilities	2,011,376	2,829,985

(Unit: ¥Million)

	FY2018 (As of March 31, 2019)	3rd Quarter of FY2019 (As of December 31, 2019)
Net assets		
Shareholders' equity:		
Common stock	168,351	168,351
Capital surplus	130,876	471,989
Retained earnings	466,750	497,500
Treasury stock	(56,022)	(7,603)
Total shareholders' equity	709,955	1,130,237
Accumulated other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	5,734	6,180
Deferred gains (losses) on hedging activities, net	(6,730)	(8,457)
Surplus from land revaluation	155,535	155,382
Foreign currency translation adjustments	(21,330)	(37,334)
Defined retirement benefit plans	(1,064)	(472)
Total accumulated other comprehensive income	132,144	115,299
Noncontrolling interests	36,831	50,555
Total net assets	878,931	1,296,091
Total liabilities and net assets	2,890,307	4,126,077

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

1) Consolidated Quarterly Statements of Income

(Unit: ¥Million)

	3rd Quarter of FY2018 (From April 1, 2018 to December 31, 2018)	3rd Quarter of FY2019 (From April 1, 2019 to December 31, 2019)
Net sales	3,340,100	4,560,673
Cost of sales	2,975,282	4,145,683
Gross profit	364,817	414,990
Selling, general and administrative expenses	221,573	306,800
Operating income	143,244	108,190
Non-operating income:		
Interest income	4,670	7,797
Dividend income	3,158	3,141
Gain on foreign exchange, net	—	520
Equity in earnings of nonconsolidated subsidiaries and affiliates, net	15,091	—
Other	1,674	4,450
Total non-operating income	24,594	15,910
Non-operating expenses:		
Interest expense	6,535	9,729
Loss on foreign exchange, net	275	—
Equity in losses of nonconsolidated subsidiaries and affiliates, net	—	20,737
Other	1,746	2,234
Total non-operating expenses	8,557	32,701
Ordinary income	159,281	91,399
Extraordinary income:		
Gain on sales of fixed assets	1,519	2,293
Gain on sale of affiliate stock	187	—
Gain on dissolution of oil field premium contract	6,175	—
Gain from step acquisition	—	17,215
Other	629	3,129
Total extraordinary income	8,511	22,638
Extraordinary losses:		
Impairment loss on fixed assets	3,271	99
Loss on sales of fixed assets	142	139
Loss on disposals of fixed assets	1,286	5,458
Other	1,849	5,566
Total extraordinary losses	6,550	11,263
Income before income taxes	161,242	102,773
Income taxes	54,062	36,081
Net income	107,180	66,692
Net income attributable to noncontrolling interests	5,402	1,765
Net income attributable to owners of the parent	101,777	64,927

2) Consolidated Quarterly Statements of Comprehensive Income

(Unit: ¥Million)

	3rd Quarter of FY2018 (From April 1, 2018 to December 31, 2018)	3rd Quarter of FY2019 (From April 1, 2019 to December 31, 2019)
Net income	107,180	66,692
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	(2,890)	180
Deferred gains on hedging activities, net	(1,636)	(60)
Foreign currency translation adjustments	(8,570)	(16,264)
Defined retirement benefit plans	414	(203)
Share of other comprehensive income in equity method affiliates	256	(2,124)
Total other comprehensive income	(12,426)	(18,473)
Comprehensive income	94,753	48,219
Comprehensive income attributable to:		
Owners of the parent	89,893	48,234
Noncontrolling interests	4,860	(15)

(3) Notes to the Consolidated Quarterly Financial Statements

1) Notes on the Assumption of a Going Concern

None

2) Notes on Significant Changes in Shareholders' Equity

On April 1, 2019, the Company and Showa Shell conducted the share exchange in which the Company became a wholly owning parent company and Showa Shell became a wholly owned subsidiary. As a result, capital surplus increased by ¥341,115 million and treasury stock decreased by ¥55,127 million.

The Company also resolved on its board of directors' meeting on November 14, 2019, to acquire its treasury shares with an upper limit of 4,800,000 shares and ¥12.0 billion in aggregate. In accordance with this resolution, the Company had acquired 1,874,300 treasury shares amounting to the acquisition cost of ¥5,561 million up to December 31, 2019. Primarily due to these acquisitions, the Company's treasury stock increased by ¥6,708 million during the nine months ended December 31, 2019 to ¥7,603 million at December 31, 2019.

3) Change in Accounting Policies

(a) Change in valuation method of available-for-sale securities with fair value

The Company previously used the average market price for the month that includes the reporting date when applying the fair value method to measure its equity instruments classified as available-for-sale securities. Effective April 1, 2019, the Company made change to the fair value method and implemented the use of the market price at each reporting date, which is the required method in principle when applying the fair value method.

This change was made to provide more relevant information regarding the Company's financial position upon the business integration with Showa Shell. Since the effect from this accounting policy change was not material, the new accounting policy was not applied retrospectively.

(b) Application of IFRS 16 "Leases"

Effective April 1, 2019, most non-US overseas subsidiaries of the Idemitsu Group adopted IFRS 16 "Leases." As a result, lessees under lease agreements recognize the assets and liabilities arising from all leases on the balance sheet in principle. The application of this accounting standard did not have material effect on the financial statements.

4) Application of the Accounting Method Peculiar to the Preparation of the Quarterly Financial Statements

Income taxes are calculated by multiplying the income before income taxes for the nine months ended December 31, 2019 by the estimated effective tax rate that is reasonably estimated for income before income taxes for the fiscal year that includes the current quarter.

However, if the calculation using the relevant estimated effective tax rate leads to significantly irrational results, income taxes are calculated by multiplying the quarterly income before income taxes by the effective statutory tax rate, after adjusting important differences that do not constitute temporary differences.

5) Consolidated Segment Information

Third Quarter of FY2018 (From April 1, 2018 to December 31, 2018)

(a) Net sales and income or loss by reportable segment

(Unit: ¥Million)

	Reportable segment						Others	Total	Reconciliation	Consolidated
	Petroleum	Basic chemicals	Functional materials	Power and renewable energy	Resources	Total				
Net sales:										
Net sales to outside customers	2,462,441	364,360	264,283	16,612	229,223	3,336,922	3,178	3,340,100	−	3,340,100
Inter-segment	14,039	17,600	14,342	514	690	47,187	1,329	48,517	(48,517)	−
Total sales	2,476,481	381,960	278,625	17,127	229,914	3,384,109	4,507	3,388,617	(48,517)	3,340,100
Operating income	41,403	21,874	16,766	548	65,551	146,142	403	146,546	(3,301)	143,244
Equity in earnings of nonconsolidated subsidiaries and affiliates	1,868	2,852	6,111	151	1,282	12,266	3,953	16,219	(1,128)	15,091
Segment income	43,271	24,726	22,877	700	66,833	158,409	4,356	162,765	(4,429)	158,335

Notes:

1. The segment “Others” refers to the total of other business segments that are not included in the reportable segments, including Showa Shell Sekiyu K.K., insurance businesses and intra-group service businesses.
2. The amount of reconciliation for the segment income mainly represents research and development costs, which do not belong to reportable segments.
3. The segment income of the reportable segments is reconciled to the amount of operating income and equity in earnings (losses) of nonconsolidated subsidiaries and affiliates in the consolidated quarterly statement of income.

(b) Impairment loss on fixed assets and goodwill by reportable segment

There is no significant item during the period.

Third Quarter of FY2019 (From April 1, 2019 to December 31, 2019)

(a) Net sales and income or loss by reportable segment

(Unit: ¥Million)

	Reportable segment						Others	Total	Reconciliation	Consolidated
	Petroleum	Basic chemicals	Functional materials	Power and renewable energy	Resources	Total				
Net sales:										
Net sales to outside customers	3,630,380	349,974	293,963	94,608	188,992	4,557,919	2,754	4,560,673	—	4,560,673
Inter-segment	20,064	17,040	16,744	1,008	725	55,584	677	56,262	(56,262)	—
Total sales	3,650,444	367,015	310,708	95,617	189,718	4,613,503	3,432	4,616,936	(56,262)	4,560,673
Operating income (loss)	42,779	16,867	18,991	(832)	33,798	111,605	454	112,059	(3,869)	108,190
Equity in earnings (losses) of nonconsolidated subsidiaries and affiliates	(25,981)	1,099	1,249	332	679	(22,620)	—	(22,620)	1,883	(20,737)
Segment income (loss)	16,798	17,966	20,241	(500)	34,478	88,984	454	89,438	(1,985)	87,453

Notes:

1. The segment "Others" refers to the total of other business segments that are not included in the reportable segments, including insurance businesses and intra-group service businesses.
2. The amount of reconciliation for the segment income mainly represents research and development costs, which do not belong to reportable segments.
3. The segment income (loss) of the reportable segments is reconciled to the amount of operating income (loss) and equity in earnings (losses) of nonconsolidated subsidiaries and affiliates in the consolidated quarterly statement of income.

(b) Impairment loss on fixed assets and goodwill by reportable segment

(Significant change in goodwill)

As a result of acquiring all shares of Showa Shell on April 1, 2019, the amount of goodwill increased by ¥128,551 million and ¥42,850 million in the "Petroleum" segment and the "Power and renewable energy" segment, respectively on the same day.

(c) Matters related to changes in reportable segments etc.

As a result of the business integration with Showa Shell, effective from the first quarter of fiscal 2019, the Company's previous three reportable segments of "Petroleum products," "Petrochemical products" and "Resources" have been reclassified to the current five reportable segments of "Petroleum," "Basic chemicals," "Functional materials," "Power and renewable energy" and "Resources."

Major businesses in each segment are shown in the following table.

Reportable segment	Major businesses
Petroleum	Production, sales, import/export, trading, etc. of refined petroleum products
Basic chemicals	Production, sales, etc. of olefin/aroma products
Functional materials	Lubricants, performance chemicals, electronic materials, high functional asphalt, agricultural biotechnology products business, etc.
Power and renewable energy	Power generation (thermal power, solar power, wind power, etc.), sales of electricity and solar cell business
Resources	Exploration, development, production and sales of crude oil and other energy resources such as coals

Segment information for the previous period has been reclassified and disclosed to conform to the segmentation adopted during the current fiscal year.

(d) Significant changes in segment assets

Primarily due to the business integration with Showa Shell, the total assets of the Idemitsu Group increased by ¥1,235,769 million from the end of the previous fiscal year to ¥4,126,077 million. The increase is mainly in the “Petroleum” segment.

6) Significant Subsequent Events

None