November 12, 2024

# Consolidated Financial Results [Japan GAAP]

for the six months ended September 30, 2024

Company Name: **Idemitsu Kosan Co.,Ltd.** (URL https://www.idemitsu.com/en/index.html)
Company Code: 5019, Shares listed on: Tokyo Stock Exchange
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Scheduled date of filing of semi-annual securities report: November 13, 2024
Scheduled date of commencement of dividend payments: December 6, 2024
Supplementary materials for the financial results: Yes
Financial results presentation: Yes (for institutional investors and analysts)

(Figures less than ¥1 million are rounded off)

## 1. Consolidated Financial Results for the six months ended September 30, 2024

### (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 | |
|---|---|---|---|---|---|---|---|---|
| For the six months ended | ¥million | % | ¥million | % | ¥million | % | ¥million | % |
| September 30, 2024 | 4,504,025 | 11.9 | 97,330 | (52.0) | 124,883 | (44.9) | 99,442 | (39.7) |
| September 30, 2023 | 4,024,462 | (16.4) | 202,921 | (42.7) | 226,460 | (40.6) | 164,946 | (41.3) |

Note: Comprehensive income September 30,2024: ¥115,234 million (42.9%) September 30, 2023: ¥201,863 million (36.4%)

| | Net income per share | Diluted net income per share |
|---|---|---|
| For the six months ended | ¥ | ¥ |
| September 30, 2024 | 72.99 | ― |
| September 30, 2023 | 114.89 | ― |

Note: The Company conducted a 1:5 stock split on its common shares with the effective date of January 1, 2024. Net income per share above is calculated under the assumption that the stock split had been implemented at the beginning of the fiscal year ended March 31, 2024.

### (2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| As of | ¥million | ¥million | % |
| September 30, 2024 | 4,687,008 | 1,884,217 | 39.8 |
| March 31, 2024 | 5,012,295 | 1,812,531 | 35.9 |

Reference: Total equity as of September 30, 2024: ¥ 1,867,243 million As of March 31, 2024: ¥1,799,895 million

## 2. Dividends

| | Cash dividends per share | | | | |
|---|---|---|---|---|---|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| For the fiscal year | ¥ | ¥ | ¥ | ¥ | ¥ |
| ended March 31, 2024 | ― | 80.00 | ― | 16.00 | ― |
| ending March 31, 2025 | ― | 18.00 | | | |
| ending March 31, 2025 (Forecasts) | | | ― | 18.00 | 36.00 |

Note:

1. Revisions of the forecasts of cash dividends since the latest announcement: None
2. The Company conducted a 1:5 stock split on its common shares with the effective date of January 1, 2024. As such, the stock split is reflected in the calculation of the dividend as of March 31, 2024. Also, the total cash dividends per share for FY2023 is not indicated. Excluding the impact from the stock split, the cash dividend per share as of March 31, 2024 would be 80 yen and the total cash dividends per share for FY2023 would be 160 yen.

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2025

(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 | % | ¥ |
| Fiscal year ending March 31, 2025 | 8,700,000 | (0.2) | 169,000 | (51.2) | 188,000 | (51.2) | 125,000 | (45.3) | 90.64 |

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

* Notes

(1) Changes of material consolidated subsidiaries during the six months ended September 30, 2024: **None**

(2) Application of the accounting method peculiar to the preparation of the semi-annual consolidated financial statements: **Yes**

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

a) Changes in accounting policies arising from revision of accounting standards: **None**

b) Changes arising from other factors: **None**

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 September 30, 2024: 1,392,642,290 As of March 31, 2024: 1,392,642,290

b) Number of shares of treasury stock

As of September 30, 2024: 61,169,065 As of March 31, 2024: 13,602,310

c) Weighted average number of shares outstanding during the period

Six months ended September 30, 2024: 1,362,507,749

Six months ended September 30, 2023: 1,435,714,462

Note: The Company conducted a 1:5 stock split on its common shares with the effective date of January 1, 2024. The number of shares issued, the number of shares of treasury stock and the weighted average number of shares outstanding during the period above are calculated under the assumption that the stock split had been implemented at the beginning of the fiscal year ended March 31, 2024.

*1 This report is out of the scope of the 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 6 “Explanation of Forecasts of Consolidated Financial Results for FY2024” of the Appendix.

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## 1. Overview of Operating Results and Others

### (1) Overview of Operating Results for the Six Months Ended September 30, 2024

During the six months ended September 30, 2024, domestic demand for main petroleum products decreased mainly due to a decrease in the number of passenger cars owned, improved fuel efficiency, and more efficient logistics, but that for aircraft increased from the previous year owing to the continued resumption of flights since the COVID-19 pandemic.

Although crude oil prices were supported by geopolitical risks, they remained on a downward trend weighed down by concerns about economic deterioration, such as the retreat of expectations for an early interest rate cut in the U.S. and the economic slowdown in China, as well as a sense of oversupply due to high crude oil inventories and the announcement of a policy to reduce voluntary production cuts by OPEC-plus members. As a result, the average Dubai crude oil price from April to September decreased by $0.5/bbl from the same period last year to $81.8/bbl.

As for the dollar-to-yen exchange rate, the difference between the monetary policies of Japan and the U.S. was recognized from April to July, and the yen weakened, but since August, the yen has strengthened due to the narrowing of the interest rate differential between Japan and the U.S. through the Bank of Japan's decision to raise interest rates and the U.S. economic indicators falling below expectations. As a result, the average exchange rate between April and September against the dollar was ¥152.6.

(Crude oil price and exchange rate)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 | Change | |
|---|---|---|---|---|
| Dubai Crude Oil ($/bbl) | 82.3 | 81.8 | (0.5) | (0.6) % |
| Exchange Rate (¥/$) | 141.0 | 152.6 | +11.6 | +8.3% |

The Idemitsu Group's consolidated net sales for the six months ended September 30, 2024, were ¥4,504.0 billion, up 11.9% year on year, mainly due to the rise in sales prices in the petroleum segment caused by the depreciation of the yen.

Operating income was ¥97.3 billion, down 52.0% year on year, mainly due to a decrease in export volumes and shrinking overseas product margins in the petroleum segment, and a decline in coal prices in the resources segment.

Net non-operating income was ¥27.6 billion, up 17.0% year on year, mainly due to an increase in equity in earnings of nonconsolidated subsidiaries and affiliates. Consequently, ordinary income was ¥124.9 billion, down 44.9% year on year.

Net extraordinary income was ¥5.9 billion, up 336.9% year on year, mainly due to gain on sales of tangible fixed assets recorded at domestic subsidiaries.

Income tax expenses, which consist of income taxes-current and income taxes-deferred, amounted to ¥32.1 billion, down 49.7% year on year, due to a decrease in income before income taxes.

Consequently, net income attributable to owners of the parent was ¥99.4 billion, down 39.7% year on year.

The performance of our business by segment for the six months ended September 30, 2024, is as follows:

Net sales by segment

(Unit: ¥Billion)

| Segment | Six months ended September 30, 2023 | Six months ended September 30, 2024 | Change | |
|---|---|---|---|---|
| | | | Amount | % |
| Petroleum | 3,189.1 | 3,750.7 | +561.7 | +17.6% |
| Basic chemicals | 280.2 | 294.6 | +14.4 | +5.2% |
| Functional materials | 248.4 | 250.8 | +2.5 | +1.0% |
| Power and renewable energy | 72.1 | 65.5 | (6.6) | (9.2) % |
| Resources | 233.3 | 136.0 | (97.3) | (41.7) % |
| Other | 1.4 | 6.3 | +4.9 | +351.4% |
| Total | 4,024.5 | 4,504.0 | +479.6 | +11.9% |

Segment income or loss

(Unit: ¥Billion)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 | Change | |
|---|---|---|---|---|
| | | | Amount | % |
| Petroleum | 121.7 | 62.2 | (59.6) | (48.9) % |
| *: excluding effect of inventory valuation* | *105.0* | *62.8* | *(42.3)* | *(40.2) %* |
| Basic chemicals | 12.0 | 3.4 | (8.6) | (71.6) % |
| Functional materials | 13.4 | 16.0 | +2.6 | +19.7% |
| Power and renewable energy | (0.4) | (5.8) | (5.4) | ― |
| Resources | 69.8 | 42.8 | (27.0) | (38.7) % |
| Other | 0.8 | 0.8 | (0.0) | (1.6) % |
| Reconciliation | (6.0) | (5.8) | +0.1 | ― |
| Total | 211.2 | 113.4 | (97.8) | (46.3) % |
| *: excluding effect of inventory valuation* | *194.6* | *114.0* | *(80.5)* | *(41.4) %* |

Note: Segment income (loss) is the total of operating income (loss) and equity in earnings (losses) of nonconsolidated subsidiaries and affiliates.

[Petroleum segment]

Net sales in the petroleum segment were ¥3,750.7 billion, up 17.6% year on year, mainly due to the rise in sales prices caused by the depreciation of the yen. Segment income was ¥62.2 billion, down 48.9% year on year, mainly due to a reduction in overseas product margins and a decrease in export volume caused by problems at refineries, although domestic product margins remained at the same level as the previous fiscal year due to an improvement in real margins despite a negative time lag impact.

[Basic chemicals segment]

Net sales in the basic chemicals segment were ¥294.6 billion, up 5.2% year on year, and segment income was ¥3.4 billion, down 71.6% year on year, mainly due to a decrease in production volume caused by manufacturing equipment problems.

[Functional materials segment]

Net sales in the functional materials segment were ¥250.8 billion, up 1.0% year on year, and segment income was ¥16.0 billion, up 19.7% year on year, mainly due to improved sales portfolio of the lubricants business and improved prices in the performance chemicals business.

[Power and renewable energy segment]

Net sales in the power and renewable energy segment were ¥65.5 billion, down 9.2% year on year, and segment loss was ¥5.8 billion, down ¥5.4 billion year on year, mainly due to increased procurement costs associated with problems and increased biomass raw material costs.

[Resources segment]

(Oil/natural gas exploration and production and geothermal energy business)

Net sales in the oil/natural gas exploration and production and geothermal energy business were ¥21.7 billion, down 0.6% year on year, and segment income was ¥9.9 billion, down 5.5% year on year, mainly due to a decrease in production volume despite positive factors such as the depreciation of the yen.

(Coal business and others)

Net sales in the coal business and others were ¥114.3 billion, down 46.0% year on year, and segment income was ¥32.8 billion, down 44.6% year on year, mainly due price factors associated with a decline in the coal market.

As a result of the above, total net sales in the resources segment were ¥136.0 billion, down 41.7% year on year, with segment income of ¥42.8 billion, down 38.7% year on year.

[Other segments]

Net sales in the other segments were ¥6.3 billion, up 351.4% year on year, with segment income of ¥0.8 billion, down 1.6% year on year.

(2) Overview of Financial Position for the Six Months Ended September 30, 2024

Summarized Consolidated Balance Sheets

(Unit: ¥Billion)

| | As of March 31, 2024 | As of September 30, 2024 | Change |
|---|---|---|---|
| Current assets | 2,916.8 | 2,532.5 | (384.4) |
| Fixed assets | 2,095.5 | 2,154.6 | +59.1 |
| Total assets | 5,012.3 | 4,687.0 | (325.3) |
| Current liabilities | 2,192.5 | 1,855.8 | (336.7) |
| Non-current liabilities | 1,007.3 | 947.0 | (60.3) |
| Total liabilities | 3,199.8 | 2,802.8 | (397.0) |
| Total net assets | 1,812.5 | 1,884.2 | +71.7 |
| Total liabilities and net assets | 5,012.3 | 4,687.0 | (325.3) |

1) Total assets

Total assets were ¥4,687.0 billion, a decrease of ¥325.3 billion from the end of the previous fiscal year, mainly due to decreases in notes and accounts receivable, trade and inventory assets associated with decreased sales volume caused by seasonal factors.

2) Total liabilities

Total liabilities were ¥2,802.8 billion, a decrease of ¥397.0 billion from the end of the previous fiscal year, mainly due to a decrease in interest-bearing debt and a decrease in accounts payable, other as of the end of the previous year due to the impact of holidays.

3) Total net assets

Total net assets were ¥1,884.2 billion, an increase of ¥71.7 billion from the end of the previous fiscal year, mainly due to recording net income attributable to owners of the parent, despite decreases due to the treasury shares acquisition and dividend payments.

As a result, the equity ratio improved from 35.9% at the end of the previous fiscal year to 39.8%, up 3.9 points. The Net D/E ratio as of September 30, 2024, was 0.6 (end of previous fiscal year: 0.7).

Summarized Consolidated Statements of Cash Flows

(Unit: ¥Billion)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|---|---|
| Cash flows from operating activities | 206.9 | 221.8 |
| Cash flows from investing activities | (58.2) | (47.0) |
| Cash flows from financing activities | (84.3) | (288.0) |
| Effect of exchange rate change on cash and cash equivalents | 3.2 | (4.4) |
| Net increase (decrease) in cash and cash equivalents | +67.6 | (117.6) |
| Cash and cash equivalents at the beginning of period | 103.1 | 136.9 |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | — | 0 |
| Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries | — | 10.6 |
| Cash and cash equivalents at the end of period | 170.7 | 29.9 |

Cash and cash equivalents ("funds") as of September 30, 2024, were ¥29.9 billion, a decrease of ¥107.0 billion compared with the end of the preceding fiscal year. Major factors for this decrease are as follows:

1) Cash flows from operating activities
Net cash provided by operating activities amounted to ¥221.8 billion, as factors contributing to increased funds such as income before taxes, depreciation and a decrease in working capital, exceeded factors decreasing funds, such as a decrease in accounts payable, other.

2) Cash flows from investing activities
Net cash used in investing activities amounted to ¥47.0 billion, mainly due to the acquisition of tangible fixed assets as part of capital investment such as maintenance/replacement investment in refinery facilities.

3) Cash flows from financing activities
Net cash used in financing activities amounted to ¥288.0 billion, mainly due to repayment of interest-bearing debt, treasury shares acquisition, and dividend payments.

(3) Explanation of Forecasts of Consolidated Financial Results for FY2024

There is no change in the forecasts of the consolidated financial results for FY2023 announced on May 14, 2024.

## 2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Unit: ¥Million)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|---|---|
| Assets | | |
| Current assets: | | |
| Cash and deposits | 139,325 | 31,631 |
| Notes and accounts receivable, trade | 919,011 | 767,780 |
| Inventories | 1,377,865 | 1,310,023 |
| Accounts receivable, other | 308,130 | 273,615 |
| Other | 179,105 | 156,063 |
| Less: Allowance for doubtful accounts | (6,595) | (6,663) |
| Total current assets | 2,916,843 | 2,532,451 |
| Fixed assets: | | |
| Property, plant and equipment: | | |
| Machinery and equipment, net | 260,317 | 273,443 |
| Land | 751,345 | 750,738 |
| Other, net | 350,917 | 368,381 |
| Total property, plant and equipment | 1,362,581 | 1,392,562 |
| Intangible fixed assets: | | |
| Goodwill | 131,228 | 126,556 |
| Other | 140,798 | 137,356 |
| Total intangible fixed assets | 272,027 | 263,912 |
| Investments and other assets: | | |
| Investment securities | 266,315 | 314,048 |
| Other | 229,763 | 217,257 |
| Less: Allowance for doubtful accounts | (35,234) | (33,225) |
| Total investments and other assets | 460,844 | 498,081 |
| Total fixed assets | 2,095,452 | 2,154,556 |
| Total assets | 5,012,295 | 4,687,008 |
| Liabilities | | |
| Current liabilities: | | |
| Notes and accounts payable, trade | 793,760 | 732,759 |
| Short-term loans payable | 443,415 | 412,144 |
| Commercial paper | 225,971 | 119,952 |
| Current portion of bonds payable | 10,000 | 30,000 |
| Accounts payable, other | 479,783 | 369,091 |
| Income taxes payable | 56,942 | 18,366 |
| Provision for bonuses | 16,677 | 15,677 |
| Other | 165,948 | 157,814 |
| Total current liabilities | 2,192,498 | 1,855,807 |
| Non-current liabilities: | | |
| Bonds payable | 140,000 | 110,000 |
| Long-term loans payable | 479,056 | 427,232 |
| Liability for employees' retirement benefits | 51,793 | 50,489 |
| Reserve for repair work | 81,997 | 100,781 |
| Asset retirement obligations | 26,815 | 29,235 |
| Other | 227,601 | 229,244 |
| Total non-current liabilities | 1,007,265 | 946,983 |
| Total liabilities | 3,199,763 | 2,802,791 |

(Unit: ¥Million)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|---|---|
| Net assets | | |
| Shareholders' equity: | | |
| Common stock | 168,351 | 168,351 |
| Capital surplus | 390,341 | 390,252 |
| Retained earnings | 1,037,716 | 1,124,485 |
| Treasury stock | (11,006) | (58,939) |
| Total shareholders' equity | 1,585,403 | 1,624,150 |
| Accumulated other comprehensive income: | | |
| Unrealized gains (losses) on available-for-sale securities | 5,918 | 4,702 |
| Deferred gains (losses) on hedging activities, net | (4,255) | (662) |
| Surplus from land revaluation | 155,282 | 155,076 |
| Foreign currency translation adjustments | 31,652 | 59,865 |
| Defined retirement benefit plans | 25,895 | 24,110 |
| Total accumulated other comprehensive income | 214,492 | 243,093 |
| Noncontrolling interests | 12,636 | 16,973 |
| Total net assets | 1,812,531 | 1,884,217 |
| Total liabilities and net assets | 5,012,295 | 4,687,008 |

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

### 1) Consolidated Statements of Income

(Unit: ¥Million)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|---|---|
| Net sales | 4,024,462 | 4,504,025 |
| Cost of sales | 3,583,638 | 4,158,079 |
| Gross profit | 440,824 | 345,945 |
| Selling, general and administrative expenses | 237,903 | 248,614 |
| Operating income | 202,921 | 97,330 |
| Non-operating income: | | |
| Interest income | 5,843 | 5,983 |
| Dividend income | 2,653 | 3,099 |
| Equity in earnings of nonconsolidated subsidiaries and affiliates, net | 8,328 | 16,088 |
| Gain on foreign exchange, net | 14,293 | 8,385 |
| Other | 3,857 | 4,032 |
| Total non-operating income | 34,976 | 37,588 |
| Non-operating expenses: | | |
| Interest expense | 9,731 | 8,548 |
| Other | 1,705 | 1,486 |
| Total non-operating expenses | 11,436 | 10,035 |
| Ordinary income | 226,460 | 124,883 |
| Extraordinary income: | | |
| Gain on sales of fixed assets | 3,059 | 5,679 |
| Gain on sales of investment securities | 2,333 | 39 |
| Gain on reversal of loss on valuation of shares of subsidiaries and affiliates | ― | 3,247 |
| Other | 612 | 1,143 |
| Total extraordinary income | 6,006 | 10,109 |
| Extraordinary losses: | | |
| Impairment loss on fixed assets | 367 | 489 |
| Loss on sales of fixed assets | 351 | 300 |
| Loss on disposals of fixed assets | 2,994 | 2,674 |
| Other | 945 | 761 |
| Total extraordinary losses | 4,659 | 4,225 |
| Income before income taxes | 227,807 | 130,768 |
| Income taxes | 63,818 | 32,086 |
| Net income | 163,988 | 98,681 |
| Net loss attributable to noncontrolling interests | (957) | (761) |
| Net income attributable to owners of the parent | 164,946 | 99,442 |

2) Consolidated Statements of Comprehensive Income

(Unit: ¥Million)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|---|---|
| Net income | 163,988 | 98,681 |
| Other comprehensive income: | | |
| Unrealized gains (losses) on available-for-sale securities | 1,277 | (1,553) |
| Deferred gains (losses) on hedging activities, net | (1,983) | 2,483 |
| Foreign currency translation adjustments | 35,375 | 9,799 |
| Defined retirement benefit plans | (458) | (1,822) |
| Share of other comprehensive income in equity method affiliates | 3,664 | 7,644 |
| Total other comprehensive income | 37,875 | 16,552 |
| Comprehensive income | 201,863 | 115,234 |
| Comprehensive income attributable to: | | |
| Owners of the parent | 202,653 | 116,661 |
| Noncontrolling interests | (789) | (1,426) |

(3) Consolidated Statements of Cash Flows

(Unit: ¥Million)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|---|---|
| Cash flows from operating activities: | | |
| Income before income taxes | 227,807 | 130,768 |
| Depreciation and amortization | 49,016 | 47,237 |
| Impairment loss on fixed assets | 367 | 489 |
| Amortization of goodwill | 4,699 | 4,709 |
| Increase (decrease) in liability for employees' retirement benefits | (2,429) | (474) |
| Increase (decrease) in reserve for repair work | 2,997 | 18,783 |
| Increase (decrease) in allowance for doubtful accounts | (2,459) | (1,996) |
| Interest and dividend income | (8,497) | (9,082) |
| Interest expense | 9,731 | 8,548 |
| Equity in (earnings) losses of nonconsolidated subsidiaries and affiliates, net | (8,328) | (16,088) |
| (Gain) loss on sales of fixed assets, net | (2,707) | (5,379) |
| (Gain) loss on valuation of investment securities, net | (2,321) | (39) |
| Gain on reversal of loss on valuation of shares of subsidiaries and affiliates | ― | (3,247) |
| (Increase) decrease in notes and accounts receivable, trade | (67,446) | 189,905 |
| (Increase) decrease in inventories | (78,656) | 86,792 |
| Increase (decrease) in notes and accounts payable, trade | 30,606 | (107,272) |
| Increase (decrease) in accounts payable, other | 96,863 | (116,690) |
| (Increase) decrease in accounts receivable, other | 54,200 | 33,561 |
| Other, net | (20,325) | 29,810 |
| Subtotal | 283,117 | 290,334 |
| Interest and dividends received | 8,768 | 4,944 |
| Interest paid | (10,128) | (8,452) |
| Income taxes paid | (74,815) | (64,986) |
| Net cash provided by (used in) operating activities | 206,941 | 221,840 |
| Cash flows from investing activities: | | |
| Purchases of tangible fixed assets | (39,973) | (35,630) |
| Proceeds from sales of tangible fixed assets | 5,474 | 9,700 |
| Purchases of intangible fixed assets | (2,402) | (3,563) |
| Acquisitions of investment securities | (6,343) | (27,043) |
| Disbursements for long-term loans | (19,233) | (0) |
| Proceeds from collection of long-term loans receivable | 320 | 441 |
| (Increase) decrease in short-term loans receivable, net | (2,594) | 11,517 |
| Other, net | 6,518 | (2,459) |
| Net cash provided by (used in) investing activities | (58,235) | (47,038) |

(Unit: ¥Million)

| | Six months ended September 30, 2023 | Six months ended September 30, 2024 |
|---|---|---|
| Cash flows from financing activities: | | |
| Increase (decrease) in short-term loans payable, net | 55,167 | (77,337) |
| Increase (decrease) in commercial paper, net | (53,985) | (106,018) |
| Proceeds from long-term loans payable | 10,560 | ― |
| Repayments of long-term loans payable | (42,144) | (25,830) |
| Proceeds from issuance of bonds | ― | (10,000) |
| Purchases of treasury stock | (32,151) | (48,069) |
| Proceeds from disposals of treasury stock | 112 | 136 |
| Cash dividends paid | (17,607) | (22,117) |
| Proceeds from share issuance to non-controlling shareholders | ― | 5,494 |
| Cash dividends paid to non-controlling interests | (104) | (380) |
| Other, net | (4,170) | (3,834) |
| Net cash provided by (used in) financing activities | (84,325) | (287,957) |
| Effect of exchange rate change on cash and cash equivalents | 3,227 | (4,424) |
| Net increase (decrease) in cash and cash equivalents | 67,607 | (117,579) |
| Cash and cash equivalents at the beginning of period | 103,079 | 136,900 |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | ― | 24 |
| Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries | ― | 10,579 |
| Cash and cash equivalents at the end of period | 170,687 | 29,924 |

(4) Notes on the Consolidated Financial Statements

1) Notes on Changes in Scope of Consolidation or Scope of Application of the Equity Method
(Changes in Fiscal Year-end of Consolidated Subsidiaries)
Previously, the financial statements of consolidated subsidiaries with a closing date of December 31 were used as of that date, while necessary adjustments for consolidation have been made for significant transactions that occurred between that date and the consolidated closing date. However, in order to ensure more appropriate disclosure of consolidated financial statements, beginning with the six months of the current fiscal year, the Company changed its method of consolidation on the financial statements for some consolidated subsidiaries (28 companies including Idemitsu International (Asia) Pte. Ltd.) by changing their closing date to March 31 or by making provisional settlement of accounts as of March 31.

The consolidated subsidiaries' income or loss for the period from January 1, 2024 to March 31, 2024 has been adjusted as an increase in retained earnings of ¥13,228 million.

2) Notes on the Application of the Accounting Method Peculiar to the Preparation of the Semi-annual Consolidated Financial Statements

(Calculation of income taxes)
Income taxes are calculated by multiplying the income before income taxes for the six months ended September 30, 2024 by the estimated effective tax rate that is reasonably estimated for income before income taxes for the fiscal year that includes the six months ended September 30, 2024.

However, if the calculation using the relevant estimated effective tax rate leads to significantly irrational results, income taxes are calculated by multiplying the six months ended September 30, 2024 income before income taxes by the effective statutory tax rate, after adjusting important differences that do not constitute temporary differences.

3) Notes on the Consolidated Segment Information

For the six months ended September 30, 2023

a) Net sales and income or loss by reportable segment

(Unit: ¥Million)

| | Reportable segment | | | | | | Others | Total | Recon-ciliation | Consoli-dated |
|---|---|---|---|---|---|---|---|---|---|---|
| | Petroleum | Basic chemicals | Functional materials | Power and renewable energy | Resources | Total | | | | |
| Net sales: | | | | | | | | | | |
| customers | 3,189,050 | 280,206 | 248,355 | 72,138 | 233,311 | 4,023,062 | 1,400 | 4,024,462 | — | 4,024,462 |
| Intersegment | 15,393 | 18,404 | 12,286 | 2,971 | 2 | 49,057 | 1,272 | 50,330 | (50,330) | — |
| Total | 3,204,443 | 298,610 | 260,642 | 75,109 | 233,313 | 4,072,120 | 2,672 | 4,074,792 | (50,330) | 4,024,462 |
| Operating income (loss) | 117,884 | 13,049 | 13,426 | (777) | 64,534 | 208,117 | 766 | 208,884 | (5,963) | 202,921 |
| Equity in earnings (losses) of non-consolidated subsidiaries and affiliates, net | 3,845 | (1,026) | (75) | 336 | 5,244 | 8,323 | — | 8,323 | 4 | 8,328 |
| Segment income (loss) | 121,729 | 12,023 | 13,350 | (441) | 69,778 | 216,441 | 766 | 217,207 | (5,958) | 211,249 |

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 amounts of reconciliation for the operating income (loss) mainly represents research and development costs, which do not belong to reportable segments.
3. The amount of reconciliation for equity in earnings (losses) of nonconsolidated subsidiaries and affiliates represents those related to equity method nonconsolidated subsidiaries and affiliates, which do not belong to reportable segments.
4. The segment income (loss) of the reportable segments is reconciled to the total of operating income (loss) and equity in earnings (losses) of nonconsolidated subsidiaries and affiliates in the consolidated statement of income.

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

There is no significant item during the period.

For the six months ended September 30, 2024

a) Net sales and income or loss by reportable segment

(Unit: ¥Million)

| | Reportable segment | | | | | | Others | Total | Recon-ciliation | Consoli-dated |
|---|---|---|---|---|---|---|---|---|---|---|
| | Petroleum | Basic chemicals | Functional materials | Power and renewable energy | Resources | Total | | | | |
| Net sales: | | | | | | | | | | |
| customers | 3,750,727 | 294,642 | 250,826 | 65,522 | 135,986 | 4,497,705 | 6,319 | 4,504,025 | – | 4,504,025 |
| Intersegment | 12,912 | 21,831 | 13,215 | 1,488 | 0 | 49,447 | 3,942 | 53,389 | (53,389) | – |
| Total | 3,763,639 | 316,474 | 264,041 | 67,010 | 135,986 | 4,547,153 | 10,261 | 4,557,415 | (53,389) | 4,504,025 |
| Operating income (loss) | 51,356 | 3,121 | 15,701 | (5,198) | 37,186 | 102,168 | 754 | 102,922 | (5,592) | 97,330 |
| Equity in earnings (losses) of non-consolidated subsidiaries and affiliates, net | 10,816 | 287 | 274 | (637) | 5,565 | 16,305 | – | 16,305 | (217) | 16,088 |
| Segment income (loss) | 62,173 | 3,409 | 15,976 | (5,836) | 42,752 | 118,474 | 754 | 119,228 | (5,809) | 113,418 |

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 amounts of reconciliation for the operating income (loss) mainly represents research and development costs, which do not belong to reportable segments.
3. The amount of reconciliation for equity in earnings (losses) of nonconsolidated subsidiaries and affiliates represents those related to equity method nonconsolidated subsidiaries and affiliates, which do not belong to reportable segments.
4. The segment income (loss) of the reportable segments is reconciled to the total of operating income (loss) and equity in earnings (losses) of nonconsolidated subsidiaries and affiliates in the consolidated statement of income.

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

There is no significant item during the period.

4) Notes on the Significant Changes in Shareholders' Equity

The Company adopted a resolution to acquire up to 75,000 thousand treasury shares for a total amount of up to ¥35.0 billion at the Board of Directors meeting held on November 14, 2023. Based on this resolution of the Board of Directors, the Company acquired 24,539 thousand treasury shares (acquisition price: ¥25,319 million) by the end of September 30, 2024. The Company also adopted a resolution to acquire up to 90,000 thousand treasury shares for a total amount of up to ¥70.0 billion at the Board of Directors meeting held on May 14, 2024. Based on this resolution of the Board of Directors, the Company acquired 23,241 thousand treasury shares (acquisition price: ¥22,749 million) by the end of September 30, 2024. As a result of these acquisitions, treasury shares increased by ¥47,932 million during the six months ended September 30, 2024, and treasury shares amounted to ¥58,939 million at the end of September 30, 2024.

5) Notes on the Assumption of a Going Concern

None

6) Notes on the Significant Subsequent Events

None