May 9, 2024

Summary of Consolidated Financial Results (Japanese GAAP) for the Fiscal Year Ended March 31, 2024

Listed company:	Cosmo Energy Holdings Co., Ltd.	Listed: Tokyo Stock Exchange	
Securities code:	5021	URL https://www.cosmo-energy.co.jp/	
Representative:	Shigeru Yamada, Representative Director & Group CEO		
Contact:	Masahiro Oikawa, General Manager of Corporate Communication Department		Phone: 03-3798-3101
Scheduled date of annual shareholders' meeting:	June 20, 2024		
Scheduled date of commencement of dividend payment:	June 21, 2024		
Scheduled date of annual securities report filing:	June 20, 2024		
Creation of supplementary results materials:	Yes		
Results briefing:	Yes (for analysts and institutional investors)		

Note: Figures less than 1 million yen are rounded down

1. Consolidated Business Results for FY2023 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(% indicates changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2023	2,729,570	-2.2	149,200	-8.9	161,615	-1.8	82,060	20.8
FY2022	2,791,872	14.4	163,780	-30.4	164,505	-29.4	67,935	-51.1

Note： Comprehensive income FY2023：99,046 million yen (15.7%) FY2022：85,626 million yen (-40.8%)

	Net income per share	Diluted net income per share	Net income to net worth	Ordinary profit to total assets	Operating profit to net sales
	yen sen	yen sen	%	%	%
FY2023	938.11	—	14.5	7.5	5.5
FY2022	811.15	726.65	13.8	8.1	5.9

Reference： Share of profit(loss) of entities accounted for using equity method FY2023：-1,770 million yen FY2022：1,000 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	million yen	million yen	%	yen sen
FY2023	2,211,942	726,771	27.1	6,856.20
FY2022	2,120,763	663,380	24.9	6,042.41

Reference： Net worth FY2023：600,517 million yen FY2022：527,895 million yen

(3) Consolidated Cash Flows

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
FY2023	177,944	-32,768	-104,178	105,480
FY2022	8,122	-81,178	81,137	61,825

2. Dividend Payment Results and Forecast

	Dividend per share					Total amount of dividends paid/ payable (annual)	Dividend payout (consolidated)	Rate of dividend to net assets (consolidated)
	As of Q1-end	As of Q2-end	As of Q3-end	As of Fiscal Year-end	Annual			
	yen sen	yen sen	yen sen	yen sen	yen sen	million yen	%	%
FY2022	—	75.00	—	75.00	150.00	12,841	18.5	2.6
FY2023	—	150.00	—	150.00	300.00	26,505	32.0	4.7
FY2024 (forecast)	—	150.00	—	150.00	300.00		31.9	

3. Consolidated Business Forecast for FY2024 (April 1, 2024 to March 31, 2025)

(% 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
FY2024	3,200,000	17.2	154,000	3.2	165,000	2.1	79,000	-3.7	939.50

Note：The Company made a resolution at a Board of Directors meeting held May 9, 2024 to repurchase of treasury stock. Dividend payout in the forcast for FY2024 and Net income per share in the forecast of consolidated financial results for FY2024 takes into account the effect of such repurchase of treasury stock. For details on the repurchase of treasury stock, please refer to the "3. (5) Notes to Consolidated Financial Statements (Significant Subsequent Events)" on page 15.

Notes

(1) Changes in important subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

New: － Exclusion: －

(2) 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

(3) Number of shares issued (ordinary shares)

1) Number of shares issued at the end of the period (including treasury shares)

FY2023	88,353,761	shares	FY2022	88,353,761	shares

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

FY2023	766,247	shares	FY2022	988,694	shares

3) Average number of shares outstanding during the period

FY2023	87,474,003	shares	FY2022	83,752,744	shares

Note：This summary of financial results is not subject to audits by certified public accountants or auditing firms.

Note：Explanation regarding the proper use of business forecasts and other special notes

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.Overview of Operating Results, etc. (4) Outlook on page 4 of the accompanying materials.

Supplementary results materials will be posted on the Company’s website on Thursday, May 9, 2024.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy recovered modestly, partly due to the effects of various policy measures in an improving employment and income situation. At the same time, a slowdown in overseas economies, including the effect of global monetary policy tightening and concern over the outlook for China's economy, posed a downside risk to Japan's economy. While a pause in the recovery of consumer spending was seen, capital spending showed a tendency towards recovery, and consumer prices rose moderately. Under these conditions, domestic demand for petroleum products remained weak, with no apparent change in the falloff of demand.

The price for Dubai crude oil began the fiscal year in the $84 per barrel range and, in spite of factors that weigh on crude oil prices such as decisions to raise interest rates in the United States and Europe and the slowdown of the China's economy, rose temporarily on supply side factors such as the extension of output cuts by OPEC+ members and the voluntary trimming of crude oil supplies by Saudi Arabia and Russia. Afterward, crude oil prices fell mainly on speculation that OPEC+ members would not deepen output cuts and the scale of voluntary output cuts would be limited. Since the start of the new year, crude oil prices have been in an upward trend, bolstered by heightened geopolitical risks in the Middle East and Ukraine, and prices ended the fiscal year in the $86 per barrel range.

As for exchange rates, the Japanese yen started the fiscal year at the ¥133 per dollar range, but weakened amid deep-rooted concern over prolonged monetary tightening in the United States, temporarily reaching the ¥151 per dollar level. However, on one occasion, following the BOJ's Monetary Policy Meeting, the yen rallied against the dollar amid growing speculation over an early normalization of monetary policy. Later, the yen showed a weakening tendency after the BOJ decided at its Monetary Policy Meeting to end negative interest rates but indicated that accommodative financial conditions would be maintained for the time being. The yen ended the fiscal year in the ¥151 per dollar range.

Under these operating conditions, in line with the Seventh Consolidated Medium-Term Management Plan with the slogan "Oil & New ~ Next Stage" that sets out four basic policies: "Secure profitability to enable reinvestment," "Expand growth driver toward the future," "Improve financial condition" and "Strengthen Group management foundation," we focused on sustainable improvement in our corporate value by seeking realization of business strategies through the use of non-financial capital, improvement in profitability as a result, enhancement of capital policy, and expansion of growth business. During the fiscal year under review, we accelerated initiatives to improve ROE and PER and, as a result, we achieved a PBR of 1.0x earlier than planned.

As a result of such activities, the Company posted consolidated net sales for the fiscal year under review of ¥2,729.6 billion (down ¥62.3 billion year on year), operating profit of ¥149.2 billion (down ¥14.6 billion), ordinary profit of ¥161.6 billion (down ¥2.9 billion), and profit attributable to owners of parent of ¥82.1 billion (up ¥14.2 billion).

The following is segment information.

Net sales and profit/loss in reportable segments (Unit：billion yen)

	Petroleum	Petrochemical	Oil exploration and production	Renewable energy	Other and adjustment	Consolidated
Net sales	2,445.6	361.8	127.8	14.3	-219.9	2,729.6
Segment profit/loss	90.7	-7.8	68.3	2.8	7.5	161.6

Petroleum Business

In the petroleum business segment, due mainly to the fall in crude oil prices from the previous year, the segment reported net sales of ¥2,445.6 billion (down ¥5.9 billion year on year). On the other hand, due mainly to improvement in domestic market conditions, segment profit was ¥90.7 billion (up ¥25.0 billion year on year). Segment profit excluding the effect of inventory valuation was ¥91.3 billion (up ¥47.2 billion year on year).

Petrochemical Business

In the petrochemical business segment, due mainly to the deterioration of product market conditions from the previous year, the segment reported net sales of ¥361.8 billion (down ¥78.4 billion year on year) and a segment loss of ¥7.8 billion (a segment profit of ¥3.8 billion in the previous year).

Oil Exploration and Production Business

In the oil exploration and production business segment, due mainly to the fall in the sales price of crude oil from the previous year, the segment reported net sales of ¥127.8 billion (down ¥10.2 billion year on year) and segment profit of ¥68.3 billion (down ¥16.2 billion).

Renewable Energy Business

In the renewable energy business segment, due mainly to more favorable wind conditions at wind farms than in the previous year, the segment reported net sales of ¥14.3 billion (up ¥2.1 billion year on year) and a segment profit of ¥2.8 billion (up ¥0.2 billion year on year).

(2) Overview of financial position for the fiscal year under review

(Assets)

Current assets were ¥1,122.7 billion at the end of the fiscal year under review, up ¥86.7 billion from the end of the previous fiscal year. This mainly reflects an increase of ¥75.5 billion in accounts receivable - trade. Non-current assets were ¥1,089.1 billion at the end of the fiscal year under review, an increase of ¥4.4 billion from the end of the previous fiscal year. This mainly reflects an increase of ¥3.9 billion in property, plant and equipment.

As a result, total assets were ¥2,211.9 billion at the end of the fiscal year under review, up ¥91.1 billion from the end of the previous fiscal year.

(Liabilities)

Current liabilities were ¥1,007.6 billion at the end of the fiscal year under review, down ¥5.0 billion from the end of the previous fiscal year. This mainly reflects a decrease of ¥67.3 billion in commercial paper. Non-current liabilities amounted to ¥477.5 billion, an increase of ¥32.7 billion from the end of the previous fiscal year. This mainly reflects an increase of ¥18.6 billion in bonds payable.

As a result, total liabilities were ¥1,485.2 billion, up ¥27.8 billion from the end of the previous fiscal year.

(Net assets)

Net assets were ¥726.8 billion at the end of the fiscal year under review, up ¥63.4 billion from the end of the previous fiscal year. This was primarily due to the posting of a profit of ¥82.1 billion attributable to owners of parent.

As a result, the equity ratio stood at 27.1% (compared to 24.9% at the end of the previous fiscal year).

(3) Overview of cash flows for the fiscal year under review

Consolidated cash and cash equivalents (“cash”) at the end of the fiscal year under review were ¥105.5 billion, an increase of ¥43.7 billion from the end of the previous fiscal year.

The following is a summary of cash flows and major factors for the fiscal year under review.

(Cash flows from operating activities)

Cash provided by operating activities stood at ¥177.9 billion (cash provided of ¥8.1 billion in the previous fiscal year), chiefly reflecting profit before income taxes.

(Cash flow from investing activities)

Cash used in investing activities came to ¥32.8 billion (cash used of ¥81.2 billion in the previous fiscal year), chiefly due to the purchase of property, plant and equipment.

(Cash flow from financing activities)

Cash used in financing activities was ¥104.2 billion (cash provided of ¥81.1 billion in the previous fiscal year), chiefly reflecting a decrease in commercial paper.

(4) Outlook

1) Outlook for the next fiscal year

We have formulated the Seventh Consolidated Medium-Term Management Plan with the slogan “Oil & New ~ Next Stage,” and are implementing various measures under the plan. While strengthening profitability, especially in the petroleum business, and expanding our business portfolio for the next phase of growth, we will work to actively return profits to shareholders and ensure financial soundness on the capital policy front.

Assuming a crude oil price of $85 per bbl and an exchange rate of ¥145 to the dollar in FY2024, the Group forecasts that in the next fiscal year, it will post consolidated net sales of ¥3,200.0 billion (up ¥470.4 billion year on year), an operating profit of ¥154.0 billion (up ¥4.8 billion), an ordinary profit of ¥165.0 billion (up ¥3.4 billion) and a profit attributable to owners of parent of ¥79.0 billion (down ¥3.1 billion).

Forecasts by Segment (Unit：billion yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Renewable energy business	Other and adjustments	Consolidated
Net sales	2,807.0	399.0	137.0	14.0	-157.0	3,200.0
Segment profit	86.0	0.0	66.0	2.0	11.0	165.0

Petroleum Business

In the petroleum business segment, we forecast a year-on-year decline in profit on expectations for deterioration in market conditions overseas.

Petrochemical Business

In the petrochemical business segment, we forecast year-on-year growth in profit on expectations for increased sales volume in Japan.

Oil Exploration and Production Business

In the oil exploration and production business segment, profit is likely to fall from the fiscal year under review due to an increase in operating costs.

Renewable Energy Business

In the renewable energy business segment, profit is expected to decrease from the fiscal year under review due to higher costs resulting from expansion of equipment capacity.

2) Outlook for dividends

The annual dividend will be ¥300 per share, including an interim dividend of ¥150 per share.

For the next fiscal year, the Company expects to pay an annual dividend of ¥300 per share (an interim dividend of ¥150 per share).

2. Basic Policy for the Selection of Accounting Standards

The Group’s policy is to prepare its consolidated financial statements based on Japanese Accounting Standards for the present time, taking the comparability of the consolidated financial statements between terms and between companies into consideration.

As for the application of IFRS, the Group plans to appropriately respond to the standards by considering domestic and international affairs.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated balance sheet

(Unit：million yen)

	FY2022 As of March 31, 2023	FY2023 As of March 31, 2024
Assets		
Current assets		
Cash and deposits	104,344	117,295
Notes receivable - trade	3,809	4,130
Accounts receivable - trade	319,801	395,261
Merchandise and finished goods	198,166	204,470
Work in process	83	168
Raw materials and supplies	198,722	187,652
Accounts receivable - other	84,302	97,059
Other	126,840	116,730
Allowance for doubtful accounts	-29	-28
Total current assets	1,036,040	1,122,740
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	237,358	240,625
Oil storage depots, net	35,960	36,874
Machinery, equipment and vehicles, net	200,101	205,190
Land	313,637	313,806
Leased assets, net	2,158	1,833
Construction in progress	46,439	37,497
Other, net	10,608	14,411
Total property, plant and equipment	846,264	850,239
Intangible assets		
Software	10,229	10,216
Other	32,987	31,877
Total intangible assets	43,216	42,094
Investments and other assets		
Investment securities	127,897	131,147
Long-term loans receivable	515	312
Long-term prepaid expenses	9,977	10,048
Net defined benefit asset	5,259	10,086
Deferred tax assets	42,588	37,203
Other	9,250	8,270
Allowance for doubtful accounts	-275	-278
Total investments and other assets	195,212	196,790
Total non-current assets	1,084,694	1,089,123
Deferred assets		
Bond issuance cost	28	77
Total deferred assets	28	77
Total assets	2,120,763	2,211,942

(Unit：million yen)

	FY2022 As of March 31, 2023	FY2023 As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	330,923	346,805
Short-term loans payable	274,210	245,082
Commercial papers	155,300	88,000
Accounts payable - other	116,607	150,515
Accrued volatile oil and other petroleum taxes	86,241	113,810
Income taxes payable	10,036	12,793
Accrued expenses	3,665	3,681
Provision for bonuses	8,870	8,642
Provision for directors' bonuses	760	719
Other	25,963	37,577
Total current liabilities	1,012,579	1,007,628
Non-current liabilities		
Bonds payable	3,000	21,568
Long-term loans payable	253,708	263,669
Deferred tax liabilities	50,838	55,359
Deferred tax liabilities for land revaluation	5,078	4,968
Provision for special repairs	52,447	52,415
Provision for environmental measures	1,735	954
Net defined benefit liability	3,395	3,481
Provision for executive remuneration BIP trust	1,788	1,535
Asset retirement obligations	27,282	27,384
Other	45,529	46,204
Total non-current liabilities	444,804	477,542
Total liabilities	1,457,383	1,485,170
Net assets		
Shareholders' equity		
Capital stock	46,435	46,435
Capital surplus	91,349	93,572
Retained earnings	396,361	458,542
Treasury shares	-2,237	-1,932
Total shareholders' equity	531,909	596,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,094	9,602
Deferred gains or losses on hedges	-34	-1,185
Revaluation reserve for land	-20,880	-20,771
Foreign currency translation adjustment	11,278	13,587
Remeasurements of defined benefit plans	527	2,665
Total accumulated other comprehensive income	-4,014	3,899
Non-controlling interests	135,485	126,253
Total net assets	663,380	726,771
Total liabilities and net assets	2,120,763	2,211,942

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Unit：million yen)

	FY2022 From April 1, 2022 to March 31, 2023	FY2023 From April 1, 2023 to March 31, 2024
Net sales	2,791,872	2,729,570
Cost of sales	2,471,141	2,409,926
Gross profit	320,730	319,643
Selling, general and administrative expenses	156,949	170,443
Operating profit	163,780	149,200
Non-operating income		
Interest income	2,171	4,936
Dividend income	941	962
Rent income on non-current assets	1,040	792
Share of profit of entities accounted for using equity method	1,000	―
Foreign exchange gains	1,453	10,291
Other	3,228	4,107
Total non-operating income	9,836	21,090
Non-operating expenses		
Interest expenses	6,512	4,761
Share of loss of entities accounted for using equity method	―	1,770
Other	2,599	2,142
Total non-operating expenses	9,111	8,675
Ordinary profit	164,505	161,615
Extraordinary income		
Gain on sales of non-current assets	4,325	1,296
Gain on sales of investment securities	335	143
Subsidy income	63	―
Compensation income	623	7,021
Insurance income	96	73
Other	626	125
Total extraordinary income	6,071	8,661
Extraordinary losses		
Loss on sales of non-current assets	36	20
Loss on disposal of non-current assets	7,272	12,249
Impairment loss	3,698	902
Loss on valuation of investment securities	128	857
Loss on redemption of bonds	4,346	―
Other	1,830	1,293
Total extraordinary losses	17,312	15,323
Profit before income taxes	153,263	154,952
Income taxes - current	61,009	57,394
Income taxes - deferred	10,357	7,214
Total income taxes	71,366	64,609
Profit	81,896	90,343
Profit attributable to non-controlling interests	13,961	8,283
Profit attributable to owners of parent	67,935	82,060

(Consolidated statement of comprehensive income)

(Unit：million yen)

	FY2022 From April 1, 2022 to March 31, 2023	FY2023 From April 1, 2023 to March 31, 2024
Profit	81,896	90,343
Other comprehensive income		
Valuation difference on available-for-sale securities	313	4,907
Deferred gains or losses on hedges	477	-1,150
Revaluation reserve for land	—	109
Foreign currency translation adjustment	1,434	959
Remeasurements of defined benefit plans, net of tax	-616	2,504
Share of other comprehensive income of entities accounted for using equity method	2,121	1,371
Total other comprehensive income	3,730	8,702
Comprehensive income	85,626	99,046
(Breakdown)		
Comprehensive income attributable to owners of parent	71,780	89,974
Comprehensive income attributable to non-controlling interests	13,846	9,071

(3) Consolidated statement of changes in equity

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

(Unit：million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2022	40,000	82,843	343,377	-1,902	464,318
Changes of items during the period					
Issuance of new shares	6,435	6,435			12,870
Dividends of surplus			-14,691		-14,691
Profit attributable to owners of parent			67,935		67,935
Purchase of treasury shares				-20,884	-20,884
Disposal of treasury shares		-824		20,549	19,725
Capital increase of consolidated subsidiaries		316			316
Change in ownership interest of parent due to transactions with non-controlling interests		2,183			2,183
Purchase of shares of consolidated subsidiaries		395			395
Reversal of revaluation reserve for land			-259		-259
Net changes in items other than shareholders' equity					
Total changes of items during the period	6,435	8,506	52,984	-334	67,591
Balance at March 31, 2023	46,435	91,349	396,361	-2,237	531,909

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2022	4,610	-536	-21,139	7,691	1,255	-8,118	127,771	583,971
Changes of items during the period								
Issuance of new shares								12,870
Dividends of surplus								-14,691
Profit attributable to owners of parent								67,935
Purchase of treasury shares								-20,884
Disposal of treasury shares								19,725
Capital increase of consolidated subsidiaries								316
Change in ownership interest of parent due to transactions with non-controlling interests								2,183
Purchase of shares of consolidated subsidiaries								395
Reversal of revaluation reserve for land								-259
Net changes in items other than shareholders' equity	483	501	259	3,587	-728	4,103	7,713	11,817
Total changes of items during the period	483	501	259	3,587	-728	4,103	7,713	79,408
Balance at March 31, 2023	5,094	-34	-20,880	11,278	527	-4,014	135,485	663,380

FY2023 (From April 1, 2023 to March 31, 2024)

(Unit：million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2023	46,435	91,349	396,361	-2,237	531,909
Changes of items during the period					
Issuance of new shares					—
Dividends of surplus			-19,879		-19,879
Profit attributable to owners of parent			82,060		82,060
Purchase of treasury shares				-793	-793
Disposal of treasury shares				1,098	1,098
Capital increase of consolidated subsidiaries		308			308
Change in ownership interest of parent due to transactions with non-controlling interests					—
Purchase of shares of consolidated subsidiaries		1,914			1,914
Reversal of revaluation reserve for land					—
Net changes in items other than shareholders' equity					
Total changes of items during the period	—	2,222	62,180	305	64,708
Balance at March 31, 2024	46,435	93,572	458,542	-1,932	596,617

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2023	5,094	-34	-20,880	11,278	527	-4,014	135,485	663,380
Changes of items during the period								
Issuance of new shares								—
Dividends of surplus								-19,879
Profit attributable to owners of parent								82,060
Purchase of treasury shares								-793
Disposal of treasury shares								1,098
Capital increase of consolidated subsidiaries								308
Change in ownership interest of parent due to transactions with non-controlling interests								—
Purchase of shares of consolidated subsidiaries								1,914
Reversal of revaluation reserve for land								—
Net changes in items other than shareholders' equity	4,508	-1,150	109	2,309	2,138	7,914	-9,231	-1,317
Total changes of items during the period	4,508	-1,150	109	2,309	2,138	7,914	-9,231	63,391
Balance at March 31, 2024	9,602	-1,185	-20,771	13,587	2,665	3,899	126,253	726,771

(4) Consolidated statement of cash flows

(Unit：million yen)

	FY2022 From April 1, 2022 to March 31, 2023	FY2023 From April 1, 2023 to March 31, 2024
Cash flows from operating activities		
Profit before income taxes	153,263	154,952
Depreciation	53,768	55,290
Impairment loss	3,698	902
Loss (gain) on sales of non-current assets	-4,289	-1,276
Loss (gain) on disposal of non-current assets	7,272	12,249
Loss on redemption of bonds	4,346	―
Loss (gain) on sales of investment securities	-329	-143
Loss (gain) on valuation of investment securities	128	857
Subsidy income	-63	―
Interest and dividend income	-3,112	-5,898
Compensation income	-623	-7,021
Insurance income	-96	-73
Interest expenses	6,512	4,761
Foreign exchange losses (gains)	-1,484	-1,823
Share of loss (profit) of entities accounted for using equity method	-1,000	1,770
Increase (decrease) in allowance for doubtful accounts	-34	3
Increase (decrease) in provision for special repairs	14,540	668
Increase (decrease) in provision for environmental measures	1,292	-227
Increase (decrease) in net defined benefit asset (liability)	-621	-1,110
Decrease (increase) in notes and accounts receivable - trade	-38,730	-75,152
Recovery of recoverable accounts under production sharing	4,403	―
Decrease (increase) in inventories	-20,378	5,678
Increase (decrease) in notes and accounts payable - trade	4,193	14,902
Decrease (increase) in other current assets	-13,512	-27,516
Increase (decrease) in other current liabilities	-64,161	85,634
Decrease (increase) in investments and other assets	-286	954
Increase (decrease) in other non-current liabilities	-428	2,464
Other, net	-476	1,992
Subtotal	103,791	222,839
Interest and dividend income received	6,074	8,347
Interest expenses paid	-6,257	-4,641
Proceeds from subsidy income	63	―
Proceeds from compensation	623	7,021
Proceeds from insurance income	96	73
Income taxes paid	-96,268	-55,696
Net cash provided by (used in) operating activities	8,122	177,944

(Unit：million yen)

	FY2022 From April 1, 2022 to March 31, 2023	FY2023 From April 1, 2023 to March 31, 2024
Cash flows from investing activities		
Purchase of investment securities	-2,040	-2,310
Proceeds from sales and redemption of investment securities	759	2,160
Purchase of shares of subsidiaries and associates	-7,411	-359
Proceeds from sales and liquidation of shares of subsidiaries and associates	189	2,887
Purchase of property, plant and equipment	-49,588	-71,113
Payments for disposal of property, plant and equipment	-3,724	-10,477
Proceeds from sales of property, plant and equipment	5,290	17,050
Payments for purchases of intangible assets and long-term prepaid expenses	-15,284	-5,356
Decrease (increase) in short-term loans receivable	-6,221	-232
Payments of long-term loans receivable	-38	-99
Proceeds from collection of long-term loans receivable	233	247
Payments into time deposits	-132,145	-53,712
Proceeds from withdrawal of time deposits	128,172	88,477
Proceeds from withdrawal of investments in silent partnership	108	71
Other, net	524	0
Net cash provided by (used in) investing activities	-81,178	-32,768
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	106,170	-31,431
Proceeds from long-term loans payable	80,000	62,600
Repayments of long-term loans payable	-105,998	-49,405
Payments into deposits of restricted withdrawals	-78	-381
Redemption of bonds	-3,800	—
Payments for retirement by purchase of bonds	-28,496	—
Proceeds from issuance of bonds	—	18,467
Net increase (decrease) in commercial papers	73,000	-67,300
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	-15,942
Purchase of treasury shares	-20,884	-793
Dividends paid	-14,676	-19,859
Dividends paid to non-controlling interests	-6,192	-4,776
Proceeds from share issuance to non-controlling shareholders	2,229	4,509
Other, net	-135	134
Net cash provided by (used in) financing activities	81,137	-104,178
Effect of exchange rate change on cash and cash equivalents	5,677	2,657
Net increase (decrease) in cash and cash equivalents	13,759	43,654
Cash and cash equivalents at beginning of period	48,066	61,825
Cash and cash equivalents at end of period	61,825	105,480

(5) Notes to consolidated financial statements

(Notes to the going concern assumption)

None

(Segment information, etc.)

Segment information

1. Overview of reportable segments

The reportable segments of the Group are the units of the Company for which separate financial statements can be obtained and which are regularly examined by the Board of Directors to make decisions regarding the allocation of management resources and to assess business performance.

The Group operates the Petroleum business, Petrochemical business, Oil Exploration and Production business, and the Renewable Energy business. The Company and each of its consolidated subsidiaries conduct business activities as independent management units according to the products and services they handle.

Therefore, the Group comprises segments according to handled products and services. It has four reportable segments: the Petroleum business, Petrochemical business, Oil Exploration and Production business, and Renewable Energy business.

The Petroleum business mainly produces and sells gasoline, naphtha, kerosene, diesel, fuel oil, crude oil, lubricating oil, liquefied petroleum gas and asphalt. The Petrochemical business produces and sells petrochemical products, such as ethylene, mixed xylene, paraxylene, benzene, toluene and petrochemical solvents. The Oil Exploration and Production business develops, produces and sells crude oil. The Renewable Energy business supplies and sells electricity generated by wind power.

2. Method of calculation of net sales, profit/loss, assets, liabilities and other items by reportable segment

Accounting procedures for reported business segments are generally the same as those stated in “Basic and important matters in preparing the consolidated financial statements.”

Profit in each reportable segment is ordinary profit. Intersegment sales and transfers are based on prevailing market prices.

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

FY2022 (From April 1, 2022 to March 31, 2023) (unit : million yen)

	Petroleum Business	Petrochemical Business	Oil Exploration and Production Business	Renewable Energy Business	Other Note : 1	Adjustments Note : 2, 4	Consolidated Note : 3
Net sales							
Outside customers	2,328,298	370,738	52,593	12,119	28,122	—	2,791,872
Inter-segment	123,201	69,435	85,434	106	32,634	-310,813	—
Total	2,451,500	440,174	138,027	12,225	60,757	-310,813	2,791,872
Segment profit	65,676	3,825	84,512	2,587	1,488	6,414	164,505
Segment assets	1,515,212	334,627	302,543	67,881	27,011	-126,511	2,120,763
Other items							
Depreciation	28,722	9,871	13,727	1,861	99	-514	53,768
Interest income	669	129	1,500	284	41	-454	2,171
Interest expenses	4,273	536	1,974	141	0	-413	6,512
Share of profit(loss) of entities accounted for using equity method	2,959	-5,301	3,208	31	102	—	1,000
Investment amount for entities accounted for using equity method	27,408	39,906	14,057	513	553	—	82,439
Capital Expenditure	19,812	9,605	22,352	19,391	169	610	71,941

Notes: 1 The Other segment is composed of businesses that are not included in the reportable segments. It includes construction, insurance agency.
2 The 6,414 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 5,482 million yen, eliminated intersegment transactions of 420 million yen, an inventory adjustment of 436 million yen, and a non-current asset adjustment of 75 million yen.
3 Segment profits are adjusted according to ordinary profit recorded in the consolidated statement of income.
4 The -126,511 million yen adjustment of segment assets includes corporate assets that have not been allocated to any reportable segment or to the Other segment and eliminated intersegment transactions.
5 The Company does not disclose segment liabilities because liabilities are not allocated to the reportable segments.

FY2023 (From April 1, 2023 to March 31, 2024) (unit : million yen)

	Petroleum Business	Petrochemical Business	Oil Exploration and Production Business	Renewable Energy Business	Other Note : 1	Adjustments Note : 2, 4	Consolidated Note : 3
Net sales							
Outside customers	2,341,027	313,115	39,141	14,156	22,129	—	2,729,570
Inter-segment	104,524	48,667	88,686	150	39,297	-281,326	—
Total	2,445,551	361,782	127,828	14,307	61,426	-281,326	2,729,570
Segment profit(loss)	90,719	-7,764	68,262	2,848	3,120	4,428	161,615
Segment assets	1,637,666	346,301	314,717	54,732	25,504	-166,979	2,211,942
Other items							
Depreciation	28,226	10,555	14,448	2,461	79	-481	55,290
Interest income	945	224	3,870	333	34	-471	4,936
Interest expenses	2,705	428	1,746	240	0	-359	4,761
Share of profit(loss) of entities accounted for using equity method	2,143	-5,702	1,815	68	-96	—	-1,770
Investment amount for entities accounted for using equity method	28,389	36,725	14,958	305	974	—	81,353
Capital Expenditure	41,440	9,229	18,926	10,481	360	1,952	82,391

Notes: 1 The Other segment is composed of businesses that are not included in the reportable segments. It includes construction, insurance agency.
2 The 4,428 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 6,395 million yen, eliminated intersegment transactions of -1,268 million yen, an inventory adjustment of -918 million yen, and a non-current asset adjustment of 219 million yen.
3 Segment profits (loss) are adjusted according to ordinary profit recorded in the consolidated statement of income.
4 The -166,979 million yen adjustment of segment assets includes corporate assets that have not been allocated to any reportable segment or to the Other segment and eliminated intersegment transactions.
5 The Company does not disclose segment liabilities because liabilities are not allocated to the reportable segments.

(Per share information)

(Unit: yen)

	FY2022 April 1, 2022 - March 31, 2023	FY2023 April 1, 2023 - March 31, 2024
Net assets per share	6,042.41	6,856.20
Net income per share	811.15	938.11
Diluted net income per share	726.65	—

Notes: 1. Since no dilutive securities exist for the fiscal year, diluted net income per share is omitted.

2. In the calculation of net assets per share, the shares of the Company held by the executive remuneration BIP trust (986 thousands shares in the previous fiscal year and 764 thousands shares in the fiscal year under review) are deducted from the number of shares issued at the end of the period. In the calculation of net income per share, the shares of the Company held by the executive remuneration BIP trust (953 thousands shares in the previous fiscal year and 877 thousands shares in the fiscal year under review) are deducted from the average number of shares outstanding during the period.

3. The basis for the calculation of net income per share and diluted net income per share is as shown below.

	FY2022 April 1, 2022 - March 31, 2023	FY2023 April 1, 2023 - March 31, 2024
Net income per share		
Profit attributable to owners of parent (million yen)	67,935	82,060
Amount that does not belong to ordinary share holders (million yen)	—	—
Profit attributable to owners of parent that belongs to ordinary shares (million yen)	67,935	82,060
Average number of ordinary shares outstanding during the period (thousands of shares)	83,752	87,474
Diluted net income per share		
Profit attributable to owners of parent (million yen)	—	—
Increase in the number of ordinary shares (thousands of shares)	9,738	—
(incl. convertible bond-type bonds with share acquisition rights (thousands of shares)	(9,738)	—
Potential shares of ordinary stock that were not included in the calculation of diluted net income per share because they have no dilutive effect	—	—

(Significant subsequent events)

(Purchase of Treasury Shares)

The Company resolved to repurchase treasury shares under Article 156, which is applicable in accordance with Article 165, paragraph (3) of the Companies Act, at the meeting of Board of Directors held on May 9th, 2024.

1. Reason for the Repurchase of Treasury Shares

To improve capital efficiency and to enhance shareholder return

2. Details of Matters Concerning Repurchase

(1) Class of shares to be repurchased: Common shares of the Company

(2) Total number of shares to be repurchased: 3,500,000 shares (Maximum)

(Equivalent to 3.96% of outstanding shares (excluding treasury shares))

(3) Total amount of repurchase price: ¥23,000 million (Maximum)

(4) Period of repurchase: From May 10, 2024 to March 31, 2025

(5) Method of repurchase: Open market purchase on the Tokyo Stock Exchange