



May 21, 2020

**Overview of Business Results  
of Fiscal Year Ending March 2020  
[Based on Japanese GAAP] (Consolidated)**

Name of the Company: Cosmo Energy Holdings Co., Ltd. Shares traded: TSE  
 Company Code: 5021 URL <https://ceh.cosmo-oil.co.jp/>  
 Name of Representative: Hiroshi Kiriyama (Title) President  
 Name of Person to contact: Eriko Date (Title) General Manager of Corporate Communication Dept. Phone: 03-3798-3180  
 Annual shareholders' meeting is to be held on: June 25, 2020 Dividend payment is to be started on: June 26, 2020  
 Securities report is to be submitted on: June 25, 2020  
 Availability of the Financial Result Supplementary Information: Yes  
 Execution of the Financial Result Presentation Meeting: Yes (for analysts and institutional investors)

Note: Figures less than 1 million are rounded down

1. Consolidated Business Results for FY2019 (April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

(Figures in % refer to changes from FY2018)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2019	2,738,003	-1.2	13,893	-85.3	16,285	-83.2	-28,155	—
FY2018	2,770,365	9.8	94,653	-15.4	96,654	-17.3	53,132	-27.0

[Note] Comprehensive income FY2019: -27,107 million yen (—%) FY2018: 60,179 million yen (-33.1%)

	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	%	%	%
FY2019	-334.84	—	-10.8	1.0	0.5
FY2018	630.69	594.03	20.4	5.7	3.4

[Reference] Equity in earnings(losses) of associates FY2019: 5,391 million yen FY2018: 6,859 million yen

Note: In FY2019, diluted net income per share is not indicated because net loss per share is indicated, although there are potential common shares with dilutive effects.

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	million yen	million yen	%	yen sen
FY2019	1,639,765	362,839	14.6	2,853.14
FY2018	1,702,270	401,850	16.5	3,333.81

[Reference] Net worth FY2019: 239,792 million yen FY2018: 281,065 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
FY2019	111,733	-84,230	-24,675	43,295
FY2018	90,450	-84,521	-20,480	40,667

2. Dividend Payment Results and Forecast

	Annual dividend per share Total					Total amount of dividends paid/payable (full-year)	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	Full Year			
	yen sen	yen sen	yen sen	yen sen	yen sen	million yen	%	%
FY2018	—	0.00	—	80.00	80.00	6,781	12.7	2.6
FY2019	—	0.00	—	80.00	80.00	6,781	—	2.6
FY2020 (forecast)	—	0.00	—	80.00	80.00		46.4	

3. Consolidated Business Forecast for FY2020 (April 1, 2020 to March 31, 2021)

(% indicates change from the corresponding period of FY 2019)

	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
FY2020	2,040,000	-25.5	34,500	148.3	30,000	84.2	14,500	—	172.53

Notes to Consolidated Financial Statements

(1) Change in significant subsidiaries during FY2019: No  
 Newly — (Name of Company) — Exception — (Name of Company) —

(2) Changes in Accounting Policies, Accounting Estimates and Restatements:

- 1) Changes in accounting policies due to revisions of accounting standards, etc. : No
- 2) Changes in accounting policies for reasons other than the Item 1 : No
- 3) Changes in accounting estimates: No
- 4) Restatements: No

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

- 1) Number of outstanding shares as of the end of the period (including treasury shares):
- 2) Number of shares of treasury stock as of end of the period:
- 3) Average number of outstanding shares during the period:

FY2019	84,770,508 shares	FY2018	84,770,508 shares
FY2019	725,261 shares	FY2018	462,910 shares
FY2019	84,085,812 shares	FY2018	84,245,042 shares

Note: This summary report is not subject to audit procedure based on Financial Instruments and Exchange Act.

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

The above business forecasts are based on information available as of the published date of this release and actual results may differ from the forecast subject to various factors that may arise in the future. For details, please refer to the "1.(4)Forecast for FY 2020" on page 3-4 of this release.

Supplementary information will be uploaded on the Cosmo Energy Holdings Co., Ltd. website on May 21, 2020.

## Contents of Supporting Data

	Page
1. Overview of Consolidated Operating Results	
(1) Overview of Consolidated Operating Results .....	2
(2) Overview of Financial Position .....	3
(3) Overview of Cash Flows .....	3
(4) Forecast for FY2020 .....	3~4
2. Basic Policy for Selection of Accounting Standards .....	4
3. Consolidated Financial Statements and Their Main Notes	
(1) Consolidated Balance Sheet .....	5~6
(2) Consolidated Statements of Income and Comprehensive Income .....	7~8
(3) Consolidated Statements of Changes in Equity .....	9~10
(4) Consolidated Statements of Cash Flows .....	11~12
(5) Notes to Consolidated Financial Statements	
(Notes to Going Concern Assumption) .....	13
(Changes in Representation Methods) .....	13
(Segment Information) .....	14~15
(Per-share Information) .....	15
(Significant Subsequent Events) .....	16

## 1. Overview of Consolidated Operating Results

### (1) Overview of Consolidated Operating Results

The Japanese economy has continued to show a moderate recover during the current consolidated fiscal year, as personal consumption continues to recover as a result of improvements in the employment and moderate rise in incomes, and corporate profits are at a high level. However, capital investment has not increased strongly, and the economic prospect remain uncertain due to the effects of the new coronavirus (COVID-19) infection.

With respect to crude oil prices, the price for Dubai crude oil began the fiscal year in the \$68 per barrel range, moved roughly between higher \$50's to lower \$70's, as results of the increase in uncertainty about the future of the world economy due to trade conflicts between the United States and China, attacked oil-related facilities in Saudi Arabia, and the economic slowdown caused by the progress of U.S.-China trade talks, reducing concerns about the decline in crude oil demand. Subsequently, from the beginning of the year to March, economic activity was impacted by the outbreak of the new coronavirus (COVID-19) infection and the failure of OPEC member countries and non-member countries to reach a concerted agreement on production cuts, the oil price resulted in a sharp decline at the end of the period of \$ 23 per barrel range.

As for exchange rates, the Japanese yen started the fiscal year at around ¥111 per dollar level and temporarily appreciated to the ¥105 per dollar level due to trade conflicts between the United States and China. However, the yen depreciated in line with the progress in the U.S.-China trade talks. Subsequently, despite the market became unstable due to concerns over a slowdown in the global economy caused by the new coronavirus (COVID-19) infection, the yen closed at the ¥108 per dollar level at the end of the period.

As for domestic demand for petroleum product, it is continuing to show declining tendency, although the diesel oil remained at the same level as the previous fiscal year, as a result of the decrease in gasoline, kerosene and heavy oil, the overall fuel oil decreased from the previous year.

As for petrochemical products, market conditions remained sluggish due to the easing of supply and demand for major products such as ethylene and para-xylene caused by the effects of expansion of new plants overseas and other factors.

Under such business environment, based on the basic policy of the 6th consolidated medium-term management plan, under the slogan of "Oil & New, Everything About Oil – And Beyond", while strengthening the earning power and establishing the financial basis of the Oil exploration and production business and the Petroleum business, which are our main business, in view of long-term environmental changes, efforts to expand the portfolio have started such as aggressive investment in the renewable energy business and strengthening competitiveness of the Petrochemical business.

As a result, consolidated net sales in FY2019 were recorded ¥2,738.0 billion (down 1.2% from FY2018), consolidated operating profit, ¥13.9 billion (down 85.3% from FY2018), consolidated ordinary profit, ¥16.3 billion (down 83.2% from FY2018).

This was due to the deterioration of market prices caused by the sharp decline in crude oil prices caused by the worldwide outbreak of the new coronavirus (COVID-19) infection, and the impact of inventory valuation due to fluctuations in crude oil prices.

Loss attributable to owners of the parent was ¥28.2 billion due to the decrease in profit mentioned above.

Segment-specific results were as follows:

[Business Segment Information]

(Unit: billion yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other and adjustments	Consolidated
Net sales	2,506.8	414.4	97.9	-281.1	2,738.0
Segment profit (loss)	-47.8	5.2	45.0	13.9	16.3

[Petroleum business]

In the petroleum business segment, due to the decline in crude oil prices, despite the increase in the sales volume of products from the same period of the previous year, the segment reported net sales of ¥2,506.8 billion for FY2019 (down ¥20.1 billion from FY2018).

On the other hand, due to the effects of valuation losses on inventories by fluctuations in crude oil prices from the same period of the previous year, segment loss was ¥47.8 billion (segment profit of ¥14.2 billion in FY2018).

The Segment profit that excludes the effect of inventory evaluation recorded ¥4.4 billion (down ¥20.5 billion from FY2018).

[Petrochemical business]

In the petrochemical business segment, due to the decline in the sales prices of petrochemical products, despite the increase in the sales volume of petrochemical products from the same period of the previous year, the segment reported net sales of ¥414.4 billion for FY2019 (down ¥44.2 billion from FY2018) and segment profit of ¥5.2 billion (down ¥10.1 billion from FY2018).

[Oil exploration and production business]

In the oil exploration and production business segment, due to the decline of the oil sales volume and sales price of oil products from the same period of the previous year, the segment reported net sales of ¥97.9 billion for FY2019 (down ¥13.8 billion from FY2018) and segment profit of ¥45.0 billion (down ¥11.9 billion from FY2018).

## (2) Overview of Financial Position

### (Assets)

The total current assets as of the end of FY2019 amounted to ¥572.6 billion, down ¥69.1 billion from the end of FY2018. This was primarily due to the decrease in inventories of ¥43.0 billion and notes and accounts receivable - trade of ¥30.5 billion. The total non-current assets amounted to ¥1,066.9 billion, up ¥6.8 billion from the end of FY2018. This was primarily due to the increase in property, plant and equipment of ¥11.4 billion.

As a result, the total assets amounted to ¥1,639.8 billion, down ¥62.5 billion from the end of FY2018.

### (Liabilities)

The total current liabilities as of the end of FY2019 amounted to ¥706.1 billion, down ¥58.6 billion from the end of FY2018. This was primarily due to the decrease in notes and accounts payable - trade of ¥34.4 billion and short-term loans payable of ¥29.7 billion. The total non-current liabilities amounted to ¥570.8 billion, up ¥35.1 billion from the end of FY2018. This was primarily due to the increase in long-term loans payable of ¥28.9 billion.

As a result, the total liabilities amounted to ¥1,276.9 billion, down ¥23.5 billion from the end of FY2018.

### (Net Assets)

The total net assets as of the end of FY2019 amounted to ¥362.8 billion, down ¥39.1 billion from the end of FY2018. This was primarily due to loss attributable to owners of parent of ¥28.2 billion.

As a result, the net worth ratio was 14.6% (16.5% in FY2018).

## (3) Overview of Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of the end of FY2019 amounted ¥43.3 billion, increased by ¥2.6 billion from ¥40.7 billion as of the end of FY2018.

Situations of each cash flow and its factors are as follows.

### (Cash flows from operating activities)

As a result of operating activities, increased cash amounted to ¥111.7 billion, and the cash flows increased by ¥21.2 billion from FY2018. This was primarily due to the decrease in income taxes paid.

### (Cash flows from investing activities)

As a result of investing activities, decreased cash amounted to ¥84.2 billion, and the cash flows decreased by ¥3.0 billion from FY2018. This was primarily due to the increase in proceeds from sales of property, plant and equipment, despite the increase in purchase of investment securities, property, plant and equipment.

### (Cash flows from financing activities)

As a result of financing activities, decreased cash amounted to ¥24.7 billion, and the cash flows increased by ¥4.2 billion from FY2018. This was primarily due to the decrease in proceeds from issuance of bonds and the increase in repayments of long-term loans payable.

## (4) Forecast for FY2020

### 1) Forecast for FY2020

The Cosmo Energy Group plan to improve profitability by strengthening the competitiveness of its petroleum-related businesses which were formulated in new consolidated medium-term management plan (the “6th Consolidated Medium-Term Management Plan”) which starting from FY2018, as well as promoting the reform of the business structure by promoting the renewable energy business while the trend toward de-oiling fuels is progressing.

The new fiscal year of 2020 commencing on April 1, 2020 has the assumptions of an average crude oil price of US\$29/bbl and an average exchange rate of ¥105/US\$, and its business forecast including consolidated net sales of ¥2,040.0 billion (down ¥69.8 billion from FY2019), consolidated operating profit of ¥34.5 billion (up ¥20.6 billion from FY2019), consolidated ordinary profit of ¥30.0 billion (up ¥13.7 billion from FY2019) and profit attributable to owners of parent of ¥14.5 billion (loss of ¥28.2 billion in FY2019).

[Segment-Specific Business Forecast]

(Unit: billion yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other and adjustments	Consolidated
Net sales	1,910.0	280.0	50.0	-200.0	2,040.0
Segment profit	27.0	-2.5	-4.0	9.5	30.0

[Petroleum business]

As for the petroleum business segment, profit is expected to increase from the previous fiscal year. The factors are reflecting the elimination of the impact of inventory valuation, which had been the factor pushing up the cost of sales in the previous fiscal year, despite declining sales quantity due to a decline in economic activity caused by the new coronavirus (COVID-19) infection and deteriorating market conditions.

[Petrochemical business]

As for the petrochemical business segment, profit is expected to decrease from the previous fiscal year. The factors are expecting declining in economic activity caused by the new coronavirus (COVID-19) infection, deteriorating market conditions and the decrease in selling volume of petrochemical products by regular maintenance.

[Oil exploration and production business]

As for the oil exploration and production business segment, will effort for constant crude oil production, profit is expected to decrease from the previous fiscal year, due to the fall in crude oil prices.

2) Forecast for dividends

The Company places priority on returning profits to its shareholders. Its basic policy is to distribute stable dividends, while considering the strengthening of its corporate structure, the development of operations, and the balance of results and finance. Under this policy, the Company plans to distribute a year-end dividend per share of 80 yen for the fiscal year under review. The Company plans to distribute a dividend of 80 yen the next fiscal year.

## 2. Basic Policy for Selection for Accounting Standards

The Cosmo Energy Group has a policy to make the consolidated financial statements with the Japanese Generally Accepted Accounting Principles for the meantime, because of retaining consolidated financial statements' comparability and inter-enterprise comparability.

And also, The Cosmo Energy Group will correspond appropriately to applying the International Financial Reporting Standards (IFRS) in consideration of the global trend.

## 3. Consolidated Financial Statements and Their Main Notes

## (1) Consolidated Balance Sheet

(Unit: million yen)

	FY2018 As of March 31, 2019	FY2019 As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	49,445	52,992
Notes and accounts receivable - trade	245,164	214,719
Merchandise and finished goods	131,952	145,573
Work in process	453	380
Raw materials and supplies	144,911	88,312
Accounts receivable - other	42,397	42,342
Other	27,553	28,422
Allowance for doubtful accounts	-146	-124
Total current assets	641,731	572,619
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	235,988	245,682
Oil storage depots, net	34,984	34,955
Machinery, equipment and vehicles, net	186,250	195,478
Land	317,255	316,908
Leased assets, net	597	698
Construction in progress	59,022	51,115
Other, net	8,183	8,825
Total property, plant and equipment	842,283	853,663
Intangible assets		
Software	3,585	5,954
Other	37,378	36,037
Total intangible assets	40,964	41,991
Investments and other assets		
Investment securities	117,552	119,071
Long-term loans receivable	1,262	1,085
Long-term prepaid expenses	4,741	4,312
Net defined benefit asset	2,765	2,236
Cost recovery under production sharing	19,404	12,988
Deferred tax assets	23,221	23,603
Other	8,397	8,407
Allowance for doubtful accounts	-459	-464
Total investments and other assets	176,886	171,239
Total non-current assets	1,060,134	1,066,895
Deferred assets		
Bond issuance cost	404	250
Total deferred assets	404	250
Total assets	1,702,270	1,639,765

(Unit: million yen)

	FY2018 As of March 31, 2019	FY2019 As of March 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	267,897	233,520
Short-term loans payable	164,739	135,026
Current portion of bonds	—	26,000
Commercial papers	98,000	86,000
Accounts payable - other	107,055	106,475
Accrued volatile oil and other petroleum taxes	88,987	82,147
Income taxes payable	5,324	7,540
Accrued expenses	3,188	3,835
Provision for bonuses	7,052	6,064
Provision for directors' bonuses	472	362
Other	22,016	19,107
<b>Total current liabilities</b>	<b>764,734</b>	<b>706,080</b>
<b>Non-current liabilities</b>		
Bonds payable	46,700	20,700
Convertible bond-type bonds with share acquisition rights	60,000	60,000
Long-term loans payable	324,669	353,583
Deferred tax liabilities	33,454	32,926
Deferred tax liabilities for land revaluation	5,192	5,131
Provision for special repairs	20,992	29,220
Provision for business structure improvement	1,050	552
Provision for environmental measures	1,362	853
Net defined benefit liability	5,085	7,400
Provision for executive remuneration BIP trust	111	253
Asset retirement obligations	21,330	22,632
Other	15,733	37,591
<b>Total non-current liabilities</b>	<b>535,684</b>	<b>570,845</b>
<b>Total liabilities</b>	<b>1,300,419</b>	<b>1,276,925</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	40,000	40,000
Capital surplus	82,963	82,843
Retained earnings	167,574	132,755
Treasury shares	-758	-1,382
<b>Total shareholders' equity</b>	<b>289,779</b>	<b>254,217</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,121	2,424
Deferred gains or losses on hedges	99	373
Revaluation reserve for land	-20,911	-21,020
Foreign currency translation adjustment	7,236	5,778
Remeasurements of defined benefit plans	739	-1,981
<b>Total accumulated other comprehensive income</b>	<b>-8,713</b>	<b>-14,425</b>
<b>Non-controlling interests</b>	<b>120,785</b>	<b>123,047</b>
<b>Total net assets</b>	<b>401,850</b>	<b>362,839</b>
<b>Total liabilities and net assets</b>	<b>1,702,270</b>	<b>1,639,765</b>



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

(Consolidated Statements of Income)

(Unit: million yen)

	FY2018 From April 1, 2018 to March 31, 2019	FY2019 From April 1, 2019 to March 31, 2020
Net sales	2,770,365	2,738,003
Cost of sales	2,539,936	2,586,244
Gross profit	230,429	151,758
Selling, general and administrative expenses	135,775	137,865
Operating profit	94,653	13,893
Non-operating income		
Interest income	642	802
Dividend income	763	789
Rent income on non-current assets	1,147	1,179
Share of profit of entities accounted for using equity method	6,859	5,391
Foreign exchange gains	3,861	3,215
Other	2,981	3,564
Total non-operating income	16,255	14,943
Non-operating expenses		
Interest expenses	10,875	9,252
Other	3,378	3,298
Total non-operating expenses	14,253	12,551
Ordinary profit	96,654	16,285
Extraordinary income		
Gain on sales of non-current assets	629	669
Gain on sales of investment securities	861	399
Subsidy income	5,541	2,759
Compensation income	744	7,948
Insurance income	272	1,517
Other	147	68
Total extraordinary income	8,197	13,362
Extraordinary losses		
Loss on sales of non-current assets	134	6
Loss on disposal of non-current assets	5,437	8,495
Impairment loss	2,009	3,914
Loss on valuation of investment securities	1,090	1,572
Settlement package	—	600
Other	213	1,145
Total extraordinary losses	8,885	15,734
Profit before income taxes	95,966	13,913
Income taxes - current	43,852	34,108
Income taxes - deferred	-13,935	816
Total income taxes	29,917	34,925
Profit (loss)	66,048	-21,012
Profit attributable to non-controlling interests	12,916	7,143
Profit (loss) attributable to owners of parent	53,132	-28,155

## (Consolidated Statements of Comprehensive Income)

(Unit: million yen)

	FY2018 From April 1, 2018 to March 31, 2019	FY2019 From April 1, 2019 to March 31, 2020
Profit (loss)	66,048	-21,012
Other comprehensive income		
Valuation difference on available-for-sale securities	-2,780	-2,142
Deferred gains or losses on hedges	500	439
Revaluation reserve for land	-9	9
Foreign currency translation adjustment	363	-25
Remeasurements of defined benefit plans, net of tax	-2,084	-2,913
Share of other comprehensive income of entities accounted for using equity method	-1,858	-1,461
Total other comprehensive income	-5,869	-6,095
Comprehensive income	60,179	-27,107
(Breakdown)		
Comprehensive income attributable to owners of parent	47,689	-33,748
Comprehensive income attributable to non-controlling interests	12,489	6,640

## (3) Consolidated Statements of Changes in Equity

FY2018 (From April 1, 2018 to March 31, 2019)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1,2018	40,000	84,359	118,701	-1,091	241,970
Changes of items during period					
Dividends of surplus			-4,238		-4,238
Profit attributable to owners of parent			53,132		53,132
Purchase of treasury shares				-2	-2
Disposal of treasury shares		206		334	541
Reversal of Revaluation reserve for land			-21		-21
Purchase of shares of consolidated subsidiaries		-1,602			-1,602
Net changes of items other than shareholders' equity					
Total changes of items during period	—	-1,395	48,872	332	47,808
Balance at March 31,2019	40,000	82,963	167,574	-758	289,779

	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 1,2018	6,379	-267	-20,923	8,715	2,803	-3,292	117,468	356,146
Change of items during period								
Dividends of surplus								-4,238
Profit attributable to owners of parent								53,132
Purchase of treasury shares								-2
Disposal of treasury shares								541
Reversal of Revaluation reserve for land			21			21		—
Purchase of shares of consolidated subsidiaries								-1,602
Net changes of items other than shareholders' equity	-2,257	367	-9	-1,479	-2,063	-5,442	3,316	-2,126
Total changes of items during period	-2,257	367	11	-1,479	-2,063	-5,420	3,316	45,704
Balance at March 31,2019	4,121	99	-20,911	7,236	739	-8,713	120,785	401,850

FY2019 (From April 1, 2019 to March 31, 2020)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1,2019	40,000	82,963	167,574	-758	289,779
Changes of items during period					
Dividends of surplus			-6,781		-6,781
Loss attributable to owners of parent			-28,155		-28,155
Purchase of treasury shares				-623	-623
Disposal of treasury shares					—
Reversal of Revaluation reserve for land			118		118
Purchase of shares of consolidated subsidiaries		-119			-119
Net changes of items other than shareholders' equity					
Total changes of items during period	—	-119	-34,818	-623	-35,561
Balance at March 31,2020	40,000	82,843	132,755	-1,382	254,217

	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 1,2019	4,121	99	-20,911	7,236	739	-8,713	120,785	401,850
Change of items during period								
Dividends of surplus								-6,781
Loss attributable to owners of parent								-28,155
Purchase of treasury shares								-623
Disposal of treasury shares								—
Reversal of Revaluation reserve for land			-118			-118		—
Purchase of shares of consolidated subsidiaries								-119
Net changes of items other than shareholders' equity	-1,696	273	9	-1,457	-2,721	-5,592	2,261	-3,330
Total changes of items during period	-1,696	273	-109	-1,457	-2,721	-5,711	2,261	-39,010
Balance at March 31,2020	2,424	373	-21,020	5,778	-1,981	-14,425	123,047	362,839

## (4) Consolidated Statements of Cash Flows

(Unit: million yen)

	FY2018 From April 1, 2018 to March 31, 2019	FY2019 From April 1, 2019 to March 31, 2020
Cash flows from operating activities		
Profit before income taxes	95,966	13,913
Depreciation	46,752	49,673
Impairment loss	2,009	3,914
Loss (gain) on sales of non-current assets	-495	-662
Settlement package	—	600
Loss (gain) on disposal of non-current assets	5,437	8,495
Loss (gain) on sales of investment securities	-861	-399
Loss (gain) on valuation of investment securities	1,090	1,572
Subsidy income	-5,541	-2,759
Interest and dividend income	-1,405	-1,592
Compensation income	-744	-7,948
Insurance income	-272	-1,517
Interest expenses	10,875	9,252
Foreign exchange losses (gains)	-1,227	-598
Share of loss (profit) of entities accounted for using equity method	-6,859	-5,391
Increase (decrease) in allowance for doubtful accounts	35	-17
Increase (decrease) in provision for special repairs	3,162	9,011
Increase (decrease) in provision for environmental measures	-516	-387
Increase (decrease) in net defined benefit asset (liability)	-625	-1,303
Decrease (increase) in notes and accounts receivable - trade	19,388	30,391
Recovery of recoverable accounts under production sharing	7,472	7,933
Decrease (increase) in inventories	-11,474	43,513
Increase (decrease) in notes and accounts payable - trade	-6,136	-34,325
Decrease (increase) in other current assets	-3,231	2,269
Increase (decrease) in other current liabilities	-9,971	-9,874
Decrease (increase) in investments and other assets	1,550	389
Increase (decrease) in other non-current liabilities	-1,247	22,964
Other, net	1,744	1,357
Subtotal	144,875	138,474
Interest and dividend income received	9,126	3,565
Interest expenses paid	-10,985	-9,432
Payments for business structure improvement expenses	-48	—
Proceeds from subsidy income	5,933	2,759
Proceeds from compensation	744	7,948
Proceeds from insurance income	502	1,517
Income taxes paid	-59,697	-33,100
Net cash provided by (used in) operating activities	90,450	111,733

(Unit: million yen)

	FY2018 From April 1, 2018 to March 31, 2019	FY2019 From April 1, 2019 to March 31, 2020
Cash flows from investing activities		
Purchase of investment securities	-1,454	-4,180
Proceeds from sales and redemption of investment securities	38	584
Purchase of shares of subsidiaries and associates	-1,240	-1,240
Proceeds from sales and liquidation of shares of subsidiaries and associates	813	4
Purchase of property, plant and equipment	-73,102	-78,122
Payments for disposal of property, plant and equipment	-4,823	-6,615
Proceeds from sales of property, plant and equipment	1,364	15,003
Payments for purchases of intangible assets and long-term prepaid expenses	-7,974	-9,067
Decrease (increase) in short-term loans receivable	-134	134
Payments of long-term loans receivable	-166	-44
Collection of long-term loans receivable	1,558	243
Payments into time deposits	-22	-7,240
Proceeds from withdrawal of time deposits	499	6,207
Proceeds from withdrawal of investments in silent partnership	122	105
Net cash provided by (used in) investing activities	-84,521	-84,230
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-28,116	15,330
Proceeds from long-term loans payable	26,526	129,417
Repayments of long-term loans payable	-99,050	-145,265
Payments into deposits of restricted withdrawals	-75	—
Proceeds from issuance of bonds	59,851	—
Net increase (decrease) in commercial papers	35,100	-12,000
Purchase of treasury shares	-2	-623
Cash dividends paid	-4,205	-6,775
Dividends paid to non-controlling interests	-7,173	-4,283
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-3,602	-285
Other, net	266	-189
Net cash provided by (used in) financing activities	-20,480	-24,675
Effect of exchange rate change on cash and cash equivalents	71	-199
Net increase (decrease) in cash and cash equivalents	-14,480	2,627
Cash and cash equivalents at beginning of period	55,148	40,667
Cash and cash equivalents at end of period	40,667	43,295

(5)Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Changes in Representation Methods)

“Purchase of treasury shares” which was included in “Other, net” under “Cash flows from financing activities” in the previous fiscal year is stated separately from FY2019, due to its increased monetary significance. In order to reflect this change in presentation method, a reclassification was made to the consolidated financial statements for FY2018.

As a result, ¥264 million stated as “Other, net” under “Cash flows from financing activities” in the consolidated statements of cash flows in FY2018, is reclassified as ¥-2 million in “Purchase of treasury shares” and ¥266 million in “Other, net”.

## (Segment Information)

## 1. Overview of Reporting Segments

The reporting segments of the Cosmo Group are comprised of those entities where obtaining separate financial reports are possible and those which the board members regularly review and decide distribution of management resources.

The Cosmo Group conducts “Petroleum Business”, “Petrochemicals Business” and “Petroleum Exploration and Production Business” and the Company or its affiliate companies operate these businesses independently depending on the type of services or products handled.

Therefore the 3 reporting segments by the Cosmo Group are, “Petroleum Business,” “Petrochemicals Business” and “Oil Exploration and Production Business,” based on the services and/or the products handled.

In further detail, “Petroleum Business” produces and markets gasoline, naphtha, kerosene, diesel, fuel oil, crude oil, lubricants, LPG, asphalt, etc. “Petrochemicals Business” produces and markets ethylene mixed-xylene, para-xylene, benzene, toluene, solvents, etc. “Petroleum Exploration and Production Business” explores and produces crude oil.

## 2. Methods to Determine Net Sales, Profit or Loss, Assets, Liabilities and Other Items by Business Segment

The accounting methods by business segment reported herein are almost the same as the accounting policy adopted to prepare consolidated financial statements.

Profit by business segment is stated on an ordinary profit basis. The inter-segment profit and transfers are based on market price.

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

FY2018 (From April 1, 2018 to March 31, 2019)

(unit: million yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other Note: 1	Adjustments Note: 2	Consolidated Note: 3
Net sales						
Outside customers	2,293,471	404,934	45,149	26,810	—	2,770,365
Inter-segment	233,411	53,700	66,584	33,438	-387,135	—
Total	2,526,882	458,634	111,734	60,249	-387,135	2,770,365
Segment profit	14,176	15,344	56,900	6,136	4,096	96,654
Other items						
Depreciation and amortization	22,065	7,430	13,214	4,861	-818	46,752
Interest income	733	147	410	31	-681	642
Interest expenses	7,625	359	2,435	632	-177	10,875
Equity earnings of associates	359	6,754	-258	5	—	6,859

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

2 Segment profit in “Adjustments” ¥4,096 million includes ¥5,204 million for profit that is not allocated each reported segment or “Other” segment, ¥-107 million for internal eliminations, ¥-655 million for inventory adjustments, and ¥-345 million adjustment of non-current assets.

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

4 No assets and liabilities allocation is made into each segment, so that the description of such information is omitted.



FY2019 (From April 1, 2019 to March 31, 2020)

(unit: million yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other Note: 1	Adjustments Note: 2	Consolidated Note: 3
Net sales						
Outside customers	2,290,964	364,658	42,917	39,462	—	2,738,003
Inter-segment	215,831	49,751	54,932	45,133	-365,650	—
Total	2,506,796	414,410	97,850	84,596	-365,650	2,738,003
Segment profit (loss)	-47,800	5,185	45,030	9,182	4,686	16,285
Other items						
Depreciation and amortization	23,772	7,782	13,548	5,258	-688	49,673
Interest income	621	211	516	53	-601	802
Interest expenses	6,516	239	2,288	304	-96	9,252
Equity earnings of associates	1,053	3,392	886	59	—	5,391

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

2 Segment profit (loss) in “Adjustments” ¥4,686 million includes ¥5,345 million for profit that is not allocated each reported segment or “Other” segment, ¥-51 million for internal eliminations, ¥42 million for inventory adjustments, and ¥-650 million adjustment of non-current assets.

3 Segment profit (loss) is adjusted to ordinary profit of consolidated statements of income.

4 No assets and liabilities allocation is made into each segment, so that the description of such information is omitted.

## (Per-share Information)

	FY2018 April 1, 2018 - March 31, 2019	FY2019 April 1, 2019 - March 31, 2020
Net assets per share (yen sen)	3,333.81	2,853.14
Net income (loss) per share (yen sen)	630.69	-334.84
Net income per share after adjustment for dilutive securities (yen sen)	594.03	—

Notes: 1. In FY2019, diluted net income per share is not indicated because net loss per share is indicated, although there are potential common shares with dilutive effects.

2. In calculating net assets per share, the company's shares which Executive Remuneration BIP Trust possess are excluded from issued shares at the end of the period (460 thousands of shares from FY2018, 721 thousands of shares from FY2019). In calculating net income per share, the company's shares which Executive Remuneration BIP Trust possess are also excluded from average number of shares during the period (523 thousands of shares from FY2018, 681 thousands of shares from FY2019).

3. Net income(loss) per share and diluted net income per share was calculated on the following basis.

	FY2018 April 1, 2018 - March 31, 2019	FY2019 April 1, 2019 - March 31, 2020
Net income per share		
Profit (loss) attributable to owners of parent (million yen)	53,132	-28,155
Amount that does not belong to ordinary share holders (million yen)	—	—
Profit (loss) attributable to owners of parent that belongs to ordinary shares (million yen)	53,132	-28,155
Average number of ordinary shares outstanding during the year (thousands of shares)	84,245	84,085
Diluted net income per share		
Net income adjustments to owners of parent (million yen)	—	—
Increase in the number of ordinary shares (thousands of shares)	5,918	—
(incl. convertible bond-type bonds with share acquisition rights (thousands of shares))	(5,918)	(—)
Overview of potential shares not included in calculation of diluted net income per share because the stock have no dilution effect	—	—

(Significant Subsequent Events)

None