



May 12, 2022

Overview of Business Results of Fiscal Year Ending March 2022 [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 Kiriya (Title) President
 Name of Person to contact : Eriko Date (Title) General Manager of Corporate Communication Dept. Phone : 03-3798-3101
 Annual shareholders' meeting is to be held on : June 23, 2022 Dividend payment is to be started on : June 24, 2022
 Securities report is to be submitted on : June 23, 2022
 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 FY2021 (April 1, 2021 to March 31, 2022)

(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	%
FY2021	2,440,452	9.3	235,303	132.3	233,097	139.4	138,890	61.7
FY2020	2,233,250	-18.4	101,289	629.1	97,370	497.9	85,910	—

Note : Comprehensive income FY2021 : 144,616 million yen (49.8%) FY2020 : 96,530 million yen (—%)

	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	%	%	%
FY2021	1,658.64	1,389.40	35.6	12.8	9.6
FY2020	1,025.86	861.16	30.4	5.8	4.5

Reference : Equity in earnings(losses) of associates FY2021 : 2,650 million yen FY2020 : -447 million yen

Note : The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29 issued on March 31, 2020), etc. from the beginning of the consolidated fiscal year. Accordingly, the new accounting policies have been applied to the results of FY2021.

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	million yen	million yen	%	yen sen
FY2021	1,938,408	583,971	23.5	5,446.39
FY2020	1,709,017	449,120	19.0	3,882.72

Reference : Net worth FY2021 : 456,200 million yen FY2020 : 324,946 million yen

Note : The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29 issued on March 31, 2020), etc. from the beginning of the consolidated fiscal year. Accordingly, the new accounting policies have been applied to the results of FY2021.

(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
FY2021	108,361	-67,511	-42,040	48,066
FY2020	167,445	-84,584	-80,570	44,518

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	%	%
FY2020	—	0.00	—	80.00	80.00	6,781	7.8	2.4
FY2021	—	0.00	—	100.00	100.00	8,476	6.0	2.1
FY2022 (forecast)	—	75.00	—	75.00	150.00		12.2	

3. Consolidated Business Forecast for FY2022 (April 1, 2022 to March 31, 2023)

(% 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
FY2022	2,930,000	20.1	193,000	-18.0	190,000	-18.5	93,000	-33.0	1,227.53

Note : The Company made a resolution at a Board of Directors meeting held May 12, 2022 to repurchase of treasury stock. Net income per share in the forecast of consolidated financial results for FY2022 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 16.

Notes to Consolidated Financial Statements

(1) Change in significant subsidiaries during FY2021 : None
 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. : Yes
- 2) Changes in accounting policies for reasons other than the Item 1 : Yes
- 3) Changes in accounting estimates : Yes
- 4) Restatements : None

Note : For details, please refer to the “3. Consolidated Financial Statements and Their Main Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 13.

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

1) Number of outstanding shares as of the end of the period (including treasury shares)	FY2021	84,770,508 shares	FY2020	84,770,508 shares
2) Number of shares of treasury stock as of the end of the period	FY2021	1,008,526 shares	FY2020	1,079,993 shares
3) Average number of outstanding shares during the period	FY2021	83,737,358 shares	FY2020	83,745,198 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 forecasts statements shown in these materials are based on information available as of the published date of this release and actual results may be different from the forecast subject to various factors that may arise in the future. For details, please refer to the “1. Overview of Consolidated Operating Results(4)Forecast for FY 2022” on page 4 of the Supporting Data.

Supplementary information will be uploaded on the Cosmo Energy Holdings Co., Ltd. website on May 12, 2022.

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1. Overview of Consolidated Operating Results

(1) Overview of Consolidated Operating Results

Despite the uncertainty caused by the situation in Ukraine and other factors, the Japanese economy has continued to show moderate recovery during the current consolidated fiscal year, due to deregulation of movement restrictions and suppress to consumption weakened, as the vaccinations showed progress.

As for crude oil prices, the price for Dubai crude oil began in the US\$61 /bbl range at the beginning of FY2021 rose to the US\$80 /bbl range due to increase in oil demand caused by the normalization of the economy, while supply was constrained by the lack of progress in an OPEC-plus agreement on further production cutbacks. Thereafter, crude oil prices plunged temporarily to the US\$60 /bbl range due to concerns about the spread of a new coronavirus(COVID-19) variant, but recovered at the beginning of the year on the view that the impact would be limited. The price for Dubai crude oil soared to the \$120/bbl range due to supply concerns caused by the situation in Ukraine in February, closed at the \$107 /bbl range at the end of FY2021, partly due to the release of the U.S. strategic petroleum reserve.

As for exchange rates, the Japanese yen started the fiscal year at around ¥110 /US\$ level at the beginning of the period and remained flat in the first half of the period due to lower interest rates caused by the global spread of the new coronavirus (COVID-19) variant. In the second half, the yen weakened against the U.S. dollar due to the prospect for early raise in interest rate by FRB. From January to March, due to situation in Ukraine, the yen weakened against the dollar, as demand for the dollar increased since it is the international key currency, and closed at the ¥122/US\$ level at the end of the period.

As for domestic demand for petroleum product, it remained mostly flat. Demand of aviation fuel exceeded the previous year's level due to a recovery from the significant reduction of demand from the previous year caused by the impact of the new coronavirus(COVID-19) infection. On the other hand, sales of gasoline and kerosene were lower than the previous year due to the decline in demand and rise in product prices resulting from the high price of crude oil.

As for petrochemical products, market conditions remained severe due to sluggish market conditions for major products as paraxylene, affected by the construction of new plants overseas.

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 growing renewable energy business and strengthening competitiveness of the petrochemical business.

As a result, consolidated net sales in FY2021 were recorded ¥2,440.5 billion (up 9.3% from FY2020), consolidated operating profit ¥235.3 billion (up 132.3% from FY2020), consolidated ordinary profit, ¥233.1 billion (up 139.4% from FY2020).

This was mainly due to the margin of products improved in addition to inventory valuation effects, especially in the petroleum business segment, as a result of higher crude oil prices.

Profit attributable to owners of the parent was ¥138.9 billion due to the increase in profit mentioned above. However, due to application of "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29 issued on March 31, 2020; hereinafter, "Accounting Standard for Revenue Recognition"), etc., net sales decreased by ¥654.1 billion, operating profit decreased by ¥0.2 billion and ordinary profit increased by ¥0.4 billion.

Segment-specific results were as follows.

Effective from the consolidated fiscal year, the Company has changed the reportable segment classification. The comparison and analysis of the fiscal year is based on the reclassified classification.

[Business Segment Information]

(Unit : billion yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Renewable energy business	Other and adjustments	Consolidated
Net sales	2,137.7	359.4	91.0	13.1	-160.9	2,440.5
Segment profit	165.5	13.6	44.8	3.5	5.7	233.1

[Petroleum business]

In the petroleum business segment, due to the rise in crude oil prices, despite the decrease in the sales volume of petroleum products from the same period of the previous year, the segment reported net sales of ¥2,137.7 billion for FY2021 (up ¥81.9 billion from FY2020). And due to the impact of improvement in margin resulting from the continued rising in crude oil prices, the segment profit was ¥165.5 billion (up ¥91.4 billion from FY2020). Also, the segment profit that excludes the effect of inventory evaluation recorded ¥93.2 billion (up ¥39.9 billion from FY2020). The sales volume of petroleum products has decreased due to a change in the accounting method for certain transactions as a result of the application of Accounting Standard for Revenue Recognition. However, if the impact of these changes is excluded, the sales volume has increased from the same period of the previous year. Due to the application of Accounting Standard for Revenue Recognition, net sales down by ¥696.0 billion and segment profit up by ¥0.4 billion.

[Petrochemical business]

In the petrochemical business segment, due to the increase in the sales volume of petrochemical products and the improvement of product market conditions from the same period of the previous year, the segment reported net sales of ¥359.4 billion for FY2021 (up ¥54.9 billion from the same period of FY2020) and segment profit of ¥13.6 billion (segment loss of ¥3.3 billion in FY2020). However, due to the application of Accounting Standard for Revenue Recognition, net sales down by ¥120.9 billion and segment profit down by ¥0.0 billion.

[Oil exploration and production business]

In the oil exploration and production business segment, due to the rise in the sales price of oil products, despite the decrease in the oil sales volume from the same period of the previous year, the segment reported net sales of ¥91.0 billion for FY2021 (up ¥30.6 billion from FY2020) and segment profit of ¥44.8 billion (up ¥30.9 billion from FY2020).

[Renewable energy business]

In the renewable energy business segment, due to the increase in the costs associated with full-scale entry into offshore wind power, despite the wind power generation plant has been operated well, the segment reported net sales of ¥13.1 billion for FY2021 (up ¥1.4 billion from FY2020) and segment profit of ¥3.5 billion (down ¥0.6 billion from FY2020).

(2) Overview of Financial Position

(Assets)

The total current assets as of the end of FY2021 amounted to ¥868.0 billion, up ¥262.2 billion from the end of FY2020. This was primarily due to the increase in inventories of ¥126.6 billion. The total non-current assets amounted to ¥1,070.4 billion, down ¥32.7 billion from the end of FY2020. This was primarily due to the decrease in property, plant and equipment of ¥18.8 billion. As a result, the total assets amounted to ¥1,938.4 billion, up ¥229.4 billion from the end of FY2020.

(Liabilities)

The total current liabilities as of the end of FY2021 amounted to ¥954.7 billion, up ¥202.2 billion from the end of FY2020. This was primarily due to the increase in notes and accounts payable - trade of ¥59.1 billion, and the increase in commercial papers of ¥45.1 billion. The total non-current liabilities amounted to ¥399.8 billion, down ¥107.6 billion from the end of FY2020. This was primarily due to the decrease in long-term loans payable of ¥72.9 billion.

As a result, the total liabilities amounted to ¥1,354.4 billion, up ¥94.5 billion from the end of FY2020.

(Net Assets)

The total net assets as of the end of FY2021 amounted to ¥584.0 billion, up ¥134.9 billion from the end of FY2020. This was primarily due to profit attributable to owners of parent of ¥138.9 billion.

As a result, the net worth ratio was 23.5% (19.0% in FY2020).

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter “cash”) as of the end of FY2021 amounted ¥48.1 billion, increase by ¥3.6 billion from the end of FY2020.

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 ¥108.4 billion (increased cash amounted to ¥167.4 billion in FY2020), this was primarily due to the profit before income taxes.

(Cash flows from investing activities)

As a result of investing activities, decreased cash amounted to ¥67.5 billion (decreased cash amounted to ¥84.6 billion in FY2020), this was primarily due to the purchase of property, plant and equipment.

(Cash flows from financing activities)

As a result of financing activities, decreased cash amounted to ¥42.0 billion (decreased cash amounted to ¥80.6 billion in FY2020), this was primarily due to the repayments of long-term loans payable.

(4) Forecast for FY2022

1) Forecast for FY2022

The Cosmo Energy Group plan to improve profitability by strengthening the competitiveness of the petroleum-related business, as formulated in new consolidated medium-term management plan (the “6th Consolidated Medium-Term Management Plan”) which started from FY2018. We will also push forward the structural reform to enhance the petrochemical business and the renewable energy business, since shift from fossil fuel is accelerating.

For FY2022, based on the assumptions of crude oil price at US\$100/bbl and exchange rate at JPY125/US\$, we are forecasting consolidated net sales of ¥2,930.0 billion (up ¥489.5 billion from FY2021), consolidated operating profit of ¥193.0 billion (down ¥42.3 billion from FY2021), consolidated ordinary profit of ¥190.0 billion (down ¥43.1 billion from FY2021) and profit attributable to owners of parent of ¥93.0 billion (down ¥45.9 billion from FY2021).

[Segment-Specific Business Forecast]

(Unit : billion yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Renewable energy business	Other and adjustments	Consolidated
Net sales	2,410.0	492.0	135.0	14.0	-121.0	2,930.0
Segment profit	99.0	7.0	75.0	3.0	6.0	190.0

[Petroleum business]

As for the petroleum business segment, profit is expected to decrease from the current fiscal year, reflecting such factors as sales margin is expected to be secured while not being able to receive benefit of good market condition as the current fiscal year, since crude oil price was in rising phase, and as the impact of inventory valuation is expected to decrease from the current fiscal year, which had been the factor pushing down the cost of sales.

[Petrochemical business]

As for the petrochemical business segment, profit is expected to decrease from the current fiscal year due to the expectation on market environment decline.

[Oil exploration and production business]

As for the oil exploration and production business segment, profit is expected to increase from the current fiscal year, due to the rise in crude oil prices.

[Renewable energy business]

As for the renewable energy business segment, profit is expected to decrease from the current fiscal year due to the increase in costs associated with the business expansion.

2) Forecast for dividends

The Company plans to distribute a year-end dividend per share of 100 yen for the fiscal year under review.

The Company plans to distribute a dividend of 150 yen (including an interim dividend of 75 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)

	FY2020 As of March 31, 2021	FY2021 As of March 31, 2022
Assets		
Current assets		
Cash and deposits	52,972	80,328
Notes and accounts receivable - trade	234,635	—
Notes receivable - trade	—	2,635
Accounts receivable - trade	—	280,050
Merchandise and finished goods	122,152	166,942
Work in process	351	58
Raw materials and supplies	126,923	209,023
Accounts receivable - other	46,143	66,055
Other	22,746	62,928
Allowance for doubtful accounts	-116	-40
Total current assets	605,808	867,983
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	244,331	241,907
Oil storage depots, net	35,781	35,755
Machinery, equipment and vehicles, net	208,999	200,511
Land	315,483	315,353
Leased assets, net	737	2,384
Construction in progress	50,295	40,105
Other, net	9,803	10,598
Total property, plant and equipment	865,433	846,616
Intangible assets		
Software	10,557	11,102
Other	33,785	33,083
Total intangible assets	44,343	44,185
Investments and other assets		
Investment securities	122,402	118,719
Long-term loans receivable	1,030	802
Long-term prepaid expenses	3,169	2,953
Net defined benefit asset	5,471	5,081
Cost recovery under production sharing	13,018	1,322
Deferred tax assets	40,287	42,858
Other	8,234	8,126
Allowance for doubtful accounts	-310	-298
Total investments and other assets	193,303	179,566
Total non-current assets	1,103,080	1,070,369
Deferred assets		
Bond issuance cost	128	56
Total deferred assets	128	56
Total assets	1,709,017	1,938,408

(Unit : million yen)

	FY2020 As of March 31, 2021	FY2021 As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	266,695	325,780
Short-term loans payable	175,692	195,485
Current portion of bonds	17,700	—
Current portion of convertible bond-type bonds with share acquisition rights	—	60,000
Commercial papers	37,200	82,300
Accounts payable - other	92,953	102,254
Accrued volatile oil and other petroleum taxes	108,368	84,457
Income taxes payable	11,030	33,457
Accrued expenses	4,415	3,434
Provision for bonuses	6,348	8,926
Provision for directors' bonuses	352	867
Other	31,732	57,713
Total current liabilities	752,488	954,675
Non-current liabilities		
Bonds payable	3,000	3,000
Convertible bond-type bonds with share acquisition rights	60,000	—
Long-term loans payable	315,759	242,873
Deferred tax liabilities	35,415	40,801
Deferred tax liabilities for land revaluation	5,100	5,107
Provision for special repairs	27,001	37,560
Provision for environmental measures	866	864
Net defined benefit liability	2,992	2,879
Provision for executive remuneration BIP trust	847	1,360
Asset retirement obligations	19,993	22,621
Other	36,431	42,690
Total non-current liabilities	507,408	399,761
Total liabilities	1,259,897	1,354,437
Net assets		
Shareholders' equity		
Capital stock	40,000	40,000
Capital surplus	82,843	82,843
Retained earnings	211,977	343,377
Treasury shares	-2,019	-1,902
Total shareholders' equity	332,802	464,318
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,938	4,610
Deferred gains or losses on hedges	-85	-536
Revaluation reserve for land	-21,123	-21,139
Foreign currency translation adjustment	5,873	7,691
Remeasurements of defined benefit plans	2,540	1,255
Total accumulated other comprehensive income	-7,855	-8,118
Non-controlling interests	124,173	127,771
Total net assets	449,120	583,971
Total liabilities and net assets	1,709,017	1,938,408

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Unit : million yen)

	FY2020 From April 1, 2020 to March 31, 2021	FY2021 From April 1, 2021 to March 31, 2022
Net sales	2,233,250	2,440,452
Cost of sales	2,000,584	2,061,600
Gross profit	232,666	378,852
Selling, general and administrative expenses	131,376	143,548
Operating profit	101,289	235,303
Non-operating income		
Interest income	368	157
Dividend income	740	798
Rent income on non-current assets	1,543	1,141
Share of profit of entities accounted for using equity method	—	2,650
Foreign exchange gains	883	—
Other	2,979	2,900
Total non-operating income	6,515	7,648
Non-operating expenses		
Interest expenses	7,225	6,402
Share of loss of entities accounted for using equity method	447	—
Foreign exchange losses	—	1,243
Other	2,761	2,208
Total non-operating expenses	10,434	9,854
Ordinary profit	97,370	233,097
Extraordinary income		
Gain on sales of non-current assets	1,973	305
Gain on sales of investment securities	839	796
Subsidy income	340	1,339
Insurance income	421	2,012
Other	258	549
Total extraordinary income	3,833	5,003
Extraordinary losses		
Loss on sales of non-current assets	3	123
Loss on disposal of non-current assets	6,721	11,313
Impairment loss	267	12,232
Loss on valuation of investment securities	267	2,829
Other	296	9
Total extraordinary losses	7,555	26,507
Profit before income taxes	93,648	211,593
Income taxes - current	21,567	62,410
Income taxes - deferred	-17,137	4,115
Total income taxes	4,430	66,525
Profit	89,218	145,067
Profit attributable to non-controlling interests	3,307	6,177
Profit attributable to owners of parent	85,910	138,890

(Consolidated Statements of Comprehensive Income)

(Unit : million yen)

	FY2020 From April 1, 2020 to March 31, 2021	FY2021 From April 1, 2021 to March 31, 2022
Profit	89,218	145,067
Other comprehensive income		
Valuation difference on available-for-sale securities	3,375	-592
Deferred gains or losses on hedges	-984	-302
Revaluation reserve for land	-10	-8
Foreign currency translation adjustment	-77	1,166
Remeasurements of defined benefit plans, net of tax	4,765	-1,349
Share of other comprehensive income of entities accounted for using equity method	242	634
Total other comprehensive income	7,311	-451
Comprehensive income	96,530	144,616
(Breakdown)		
Comprehensive income attributable to owners of parent	92,572	138,634
Comprehensive income attributable to non-controlling interests	3,957	5,981

(3) Consolidated Statements of Changes in Equity

FY2020 (From April 1, 2020 to March 31, 2021)

(Unit : million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1,2020	40,000	82,843	132,755	-1,382	254,217
Cumulative effects of changes in accounting policies					—
Restated balance	40,000	82,843	132,755	-1,382	254,217
Changes of items during period					
Dividends of surplus			-6,781		-6,781
Profit attributable to owners of parent			85,910		85,910
Purchase of treasury shares				-637	-637
Disposal of treasury shares					—
Change of scope of equity method					—
Reversal of Revaluation reserve for land			92		92
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	79,221	-637	78,584
Balance at March 31,2021	40,000	82,843	211,977	-2,019	332,802

	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 1,2020	2,424	373	-21,020	5,778	-1,981	-14,425	123,047	362,839
Cumulative effects of changes in accounting policies								—
Restated balance	2,424	373	-21,020	5,778	-1,981	-14,425	123,047	362,839
Change of items during period								
Dividends of surplus								-6,781
Profit attributable to owners of parent								85,910
Purchase of treasury shares								-637
Disposal of treasury shares								—
Change of scope of equity method								—
Reversal of Revaluation reserve for land			-92			-92		—
Net changes of items other than shareholders' equity	2,513	-458	-10	95	4,522	6,661	1,126	7,787
Total changes of items during period	2,513	-458	-102	95	4,522	6,569	1,126	86,280
Balance at March 31,2021	4,938	-85	-21,123	5,873	2,540	-7,855	124,173	449,120

FY2021 (From April 1, 2021 to March 31, 2022)

(Unit : million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1,2021	40,000	82,843	211,977	-2,019	332,802
Cumulative effects of changes in accounting policies			-714		-714
Restated balance	40,000	82,843	211,263	-2,019	332,087
Changes of items during period					
Dividends of surplus			-6,781		-6,781
Profit attributable to owners of parent			138,890		138,890
Purchase of treasury shares				-0	-0
Disposal of treasury shares				117	117
Change of scope of equity method			-2		-2
Reversal of Revaluation reserve for land			7		7
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	132,113	116	132,230
Balance at March 31,2022	40,000	82,843	343,377	-1,902	464,318

	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 1,2021	4,938	-85	-21,123	5,873	2,540	-7,855	124,173	449,120
Cumulative effects of changes in accounting policies								-714
Restated balance	4,938	-85	-21,123	5,873	2,540	-7,855	124,173	448,405
Change of items during period								
Dividends of surplus								-6,781
Profit attributable to owners of parent								138,890
Purchase of treasury shares								-0
Disposal of treasury shares								117
Change of scope of equity method								-2
Reversal of Revaluation reserve for land			-7			-7		—
Net changes of items other than shareholders' equity	-327	-450	-8	1,817	-1,285	-255	3,597	3,342
Total changes of items during period	-327	-450	-16	1,817	-1,285	-262	3,597	135,565
Balance at March 31,2022	4,610	-536	-21,139	7,691	1,255	-8,118	127,771	583,971

(4) Consolidated Statements of Cash Flows

(Unit : million yen)

	FY2020 From April 1, 2020 to March 31, 2021	FY2021 From April 1, 2021 to March 31, 2022
Cash flows from operating activities		
Profit before income taxes	93,648	211,593
Depreciation	53,564	53,953
Impairment loss	267	12,232
Loss (gain) on sales of non-current assets	-1,970	-182
Loss (gain) on disposal of non-current assets	6,721	11,313
Loss (gain) on sales of investment securities	-839	-796
Loss (gain) on valuation of investment securities	267	2,829
Subsidy income	-340	-1,339
Interest and dividend income	-1,108	-956
Insurance income	-421	-2,012
Interest expenses	7,225	6,402
Foreign exchange losses (gains)	-1,357	1,409
Share of loss (profit) of entities accounted for using equity method	447	-2,650
Increase (decrease) in allowance for doubtful accounts	-165	-88
Increase (decrease) in provision for special repairs	-2,363	11,072
Increase (decrease) in provision for environmental measures	-172	-198
Increase (decrease) in net defined benefit asset (liability)	-832	-1,631
Decrease (increase) in notes and accounts receivable - trade	-20,191	-47,380
Recovery of recoverable accounts under production sharing	3,966	4,092
Decrease (increase) in inventories	-15,086	-126,575
Increase (decrease) in notes and accounts payable - trade	33,637	58,382
Decrease (increase) in other current assets	-8,768	-59,063
Increase (decrease) in other current liabilities	36,379	15,098
Decrease (increase) in investments and other assets	1,292	900
Increase (decrease) in other non-current liabilities	-1,464	541
Other, net	127	338
Subtotal	182,461	147,284
Interest and dividend income received	4,147	5,622
Interest expenses paid	-7,235	-6,489
Payments for business structure improvement expenses	-529	-339
Proceeds from subsidy income	340	1,339
Proceeds from insurance income	421	2,012
Settlement package paid	-600	—
Income taxes paid	-11,560	-41,161
Other, net	—	93
Net cash provided by (used in) operating activities	167,445	108,361

(Unit : million yen)

	FY2020 From April 1, 2020 to March 31, 2021	FY2021 From April 1, 2021 to March 31, 2022
Cash flows from investing activities		
Purchase of investment securities	-5,758	-3,168
Proceeds from sales and redemption of investment securities	4,026	3,457
Purchase of shares of subsidiaries and associates	-1,240	-1,940
Proceeds from sales and liquidation of shares of subsidiaries and associates	—	627
Purchase of property, plant and equipment	-72,503	-45,375
Payments for disposal of property, plant and equipment	-5,418	-4,193
Proceeds from sales of property, plant and equipment	6,298	13,573
Payments for purchases of intangible assets and long-term prepaid expenses	-11,422	-8,858
Decrease (increase) in short-term loans receivable	85	-10
Payments of long-term loans receivable	-42	-41
Collection of long-term loans receivable	247	259
Payments into time deposits	-7,355	-56,291
Proceeds from withdrawal of time deposits	8,065	34,351
Proceeds from withdrawal of investments in silent partnership	80	97
Other, net	352	1
Net cash provided by (used in) investing activities	-84,584	-67,511
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	8,050	16,754
Proceeds from long-term loans payable	36,100	—
Repayments of long-term loans payable	-40,123	-76,875
Payments into deposits of restricted withdrawals	-115	-19
Redemption of bonds	-26,000	-17,700
Net increase (decrease) in commercial papers	-48,800	45,100
Purchase of treasury shares	-637	-0
Cash dividends paid	-6,778	-6,777
Dividends paid to non-controlling interests	-2,095	-2,344
Other, net	-171	-176
Net cash provided by (used in) financing activities	-80,570	-42,040
Effect of exchange rate change on cash and cash equivalents	-1,269	4,528
Net increase (decrease) in cash and cash equivalents	1,021	3,338
Cash and cash equivalents at beginning of period	43,295	44,518
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-757	—
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	959	208
Cash and cash equivalents at end of period	44,518	48,066

(5)Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Changes In Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29 issued on March 31, 2020; hereinafter, “Accounting Standard for Revenue Recognition”), etc. from the beginning of the consolidated fiscal year, and recognizes revenue in the amount expected to be received in exchange for promised goods or services when the control of those goods or services is transferred to customers. As a result, the Company has changed its accounting method for exchange transactions of petroleum products with similar characteristics and values.

The Company has implemented the Accounting Standard for Revenue Recognition, etc. in accordance with the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of retroactively applying the new accounting policies prior to the beginning of the consolidated fiscal year is added to or deducted from retained earnings at the beginning of the consolidated fiscal year and the new accounting policies have been applied to the balance from the beginning of the consolidated fiscal year. However, the company has implemented the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition and the new accounting policy has not been applied retroactively to contracts for which almost all revenue amounts had been recognized prior to the beginning of the consolidated fiscal year in accordance with previous treatment.

As a result of the application, net sales decreased by ¥654,126 million, cost of sales decreased by ¥652,774 million, selling, general and administrative expenses decreased by ¥1,180 million, operating profit decreased by ¥172 million, and ordinary profit and profit before income taxes increased by ¥410 million each during the consolidated fiscal year. In addition, as a result of reflecting the cumulative effect to the net asset at the beginning of FY2021, the balance of retained earnings at the beginning of the consolidated fiscal year decreased by ¥714 million.

Impact for per-share information is described in the relevant part.

"Notes and accounts receivable-trade" which had been presented as "Current assets" in consolidated balance sheet of previous fiscal year is presented as “Notes receivable-trade”, “Accounts receivable-trade”, and “Other” from the consolidated fiscal year, due to the application of Accounting Standard for Revenue Recognition. In accordance with the transitional treatment as provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, the Company has made no reclassification for the previous fiscal year by using the new presentation method.

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30 issued on July 4, 2019; hereinafter, “Fair Value Measurement Accounting Standard”), etc. from the beginning of the consolidated fiscal year. In accordance with the transitional treatment provided for in paragraph 19 of Fair Value Measurement Accounting Standard and paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10 issued on July 4, 2019), the Company has applied the new accounting policies prescribed by Fair Value Measurement Accounting Standards, etc. prospectively. However, the impact on the consolidated financial statements was immaterial.

(Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting Estimates)

Previously, some of the consolidated subsidiaries mainly used the declining balance method (excluding buildings acquired in and after April 1998 and facilities attached to buildings, structures and oil tanks acquired in and after April 2016, which were depreciated by the straight-line method) to calculate depreciation of property, plant and equipment (excluding leased assets).

However, the depreciation method was changed to the straight-line method from the consolidated fiscal year.

Since large-scale capital investment is expected to complete in and after FY2020, we reconsidered the method of depreciation. As the long term and stable operation of production facility and constant return on investment are expected, we concluded that the straight-line method is more appropriate.

As a result of this change, in comparison with the previous method, operating profit, ordinary profit and profit before income taxes increased by ¥1,940 million during the consolidated fiscal year.

(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", "Petroleum Exploration and Production Business" and "Renewable Energy Business" and the Company or its affiliate companies operate these businesses independently depending on the type of services or products handled.

Therefore the 4 reporting segments by the Cosmo Group are, "Petroleum Business", "Petrochemicals Business", "Oil Exploration and Production Business" and "Renewable Energy 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. "Renewable Energy Business" supplies and sells electricity generated by wind power.

Effective from the consolidated fiscal year, the Company has changed its segment classification, due to change in business management system. This change was made in order to clarify management policies with the aim to expand business portfolio from the perspective of business performance and as a part of sustainable management considering changes of environment in the future. As a result, the reportable segments changed from three categories of "Petroleum Business," "Petrochemical Business," and "Oil Exploration and Production Business" to four categories of "Petroleum Business," "Petrochemical Business," "Oil Exploration and Production Business," and "Renewable Energy Business." "Renewable Energy Business" includes the wind power generation business and the solar power generation business, which were previously included in "Other."

In addition, in order to respond to changes in the business structure toward decarbonization, etc., information about investments and assets as sources of revenue is becoming increasingly important, and therefore, information on segment assets is disclosed.

To reflect this change in Segment information, the company has reclassified the reportable segment of the previous consolidated fiscal year.

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

The accounting methods of business segment reported herein are almost the same as the accounting policies adopted to the consolidated financial statements.

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

(Changes in Accounting Policies)

As written in "(Changes in Accounting Policies) - (Application of Accounting Standard for Revenue Recognition)," the Company has applied the Accounting Standard for Revenue Recognition from the beginning of the consolidated fiscal year and changed the accounting method for revenue recognition. Accordingly, the measuring method for profit or loss in the business segment has been changed likewise.

As a result of this change, in comparison with the previous method, Petroleum Business net sales decreased by ¥695,998 million and segment profit increased by ¥377 million, Petrochemical Business net sales decreased by ¥120,895 million and segment profit decreased by ¥5 million, and Other Business net sales increased by ¥282 million and segment profit increased by ¥71 million during the consolidated fiscal year.

(Changes in Depreciation Method for Property, Plant and Equipment)

As written in "(Changes in Accounting Policies) - (Changes in Accounting Policies that are Difficult to Distinguish from Changes in Accounting Estimates)," some of the consolidated subsidiaries mainly used the declining balance method (excluding buildings acquired in and after April 1998 and facilities attached to buildings, structures, and oil tanks acquired in and after April 2016, which were depreciated by the straight-line method) to calculate depreciation of property, plant and equipment (excluding leased assets). However, the depreciation method was changed to the straight-line method from the consolidated fiscal year.

As a result of this change, in comparison with the previous method, segment profit in Petrochemical Business increased by ¥1,940 million during the consolidated fiscal year.

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

FY2020 (From April 1, 2020 to March 31, 2021)

(unit : million yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Renewable Energy	Other Note : 1	Adjustments Note : 2, 4	Consolidated Note : 3
Net sales							
Outside customers	1,906,912	268,005	22,939	11,662	23,730	—	2,233,250
Inter-segment	148,924	36,525	37,472	—	45,099	-268,021	—
Total	2,055,836	304,530	60,411	11,662	68,830	-268,021	2,233,250
Segment profit (loss)	74,058	-3,319	13,859	4,134	4,134	4,503	97,370
Segment assets	1,194,125	297,797	255,685	51,027	55,746	-145,365	1,709,017
Other items							
Depreciation and amortization	26,584	9,479	13,510	1,824	2,738	-574	53,564
Interest income	366	124	220	28	27	-398	368
Interest expenses	4,650	263	2,097	83	173	-42	7,225
Equity earnings of associates	2,884	-3,433	5	65	30	—	-447
Investment amount for entities accounted for using equity method	25,868	37,120	12,821	568	343	—	76,722
Capital Expenditure	42,471	19,683	10,338	10,040	38	-2,948	79,624

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

2 Segment profit (loss) in “Adjustments” ¥4,503 million includes ¥3,773 million for profit that is not allocated each reported segment or “Other” segment, ¥1,759 million for internal eliminations, ¥64 million for inventory adjustments, and ¥-1,094 million adjustment of non-current assets.

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

4 Segment assets in “Adjustments” ¥-145,365 million includes assets that are not allocated to each reportable segment or “Other” segment and internal eliminations.

5 Liabilities are not disclosed since no liabilities are allocated to each reportable segment.

FY2021 (From April 1, 2021 to March 31, 2022)

(unit : million yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Renewable Energy	Other Note : 1	Adjustments Note : 2, 4	Consolidated Note : 3
Net sales							
Outside customers	2,054,427	312,286	37,208	13,091	23,437	—	2,440,452
Inter-segment	83,318	47,147	53,824	16	38,762	-223,070	—
Total	2,137,746	359,434	91,033	13,108	62,199	-223,070	2,440,452
Segment profit	165,549	13,617	44,761	3,483	3,465	2,221	233,097
Segment assets	1,424,267	312,316	271,564	42,563	54,330	-166,633	1,938,408
Other items							
Depreciation and amortization	27,667	8,435	13,534	2,582	2,712	-979	53,953
Interest income	396	151	55	28	47	-521	157
Interest expenses	3,949	488	2,011	130	158	-336	6,402
Equity earnings of associates	4,234	-3,462	1,901	-76	52	—	2,650
Investment amount for entities accounted for using equity method	26,226	35,974	12,493	482	410	—	75,587
Capital Expenditure	23,008	13,093	14,291	7,856	133	-1,318	57,064

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

2 Segment profit in “Adjustments” ¥2,221 million includes ¥3,522 million for profit that is not allocated each reported segment or “Other” segment, ¥790 million for internal eliminations, ¥-2,473 million for inventory adjustments, and ¥381 million adjustment of non-current assets.

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

4 Segment assets in “Adjustments” ¥-166,633 million includes assets that are not allocated to each reportable segment or “Other” segment and internal eliminations.

5 Liabilities are not disclosed since no liabilities are allocated to each reportable segment.

(Per-share Information)

	FY2020 April 1, 2020 - March 31, 2021	FY2021 April 1, 2021 - March 31, 2022
Net assets per share (yen sen)	3,882.72	5,446.39
Net income per share (yen sen)	1,025.86	1,658.64
Net income per share after adjustment for dilutive securities (yen sen)	861.16	1,389.40

Notes: 1. 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 (1,076 thousands of shares from FY2020, 1,004 thousands of shares from FY2021). 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 (1,021 thousands of shares from FY2020, 1,029 thousands of shares from FY2021).

2. As written in "(Changes in Accounting Policies)," the Company has applied the Accounting Standard for Revenue Recognition from the beginning of the consolidated fiscal year and changed the accounting method for revenue recognition. As a result of this change, in comparison with the previous method, net assets per share decreased by ¥5.31, income per share increased by ¥3.22, and net income per share after adjustment for dilutive securities increased by ¥2.69.

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

	FY2020 April 1, 2020 - March 31, 2021	FY2021 April 1, 2021 - March 31, 2022
Net income per share		
Profit attributable to owners of parent (million yen)	85,910	138,890
Amount that does not belong to ordinary share holders (million yen)	—	—
Profit attributable to owners of parent that belongs to ordinary shares (million yen)	85,910	138,890
Average number of ordinary shares outstanding during the year (thousands of shares)	83,745	83,737
Diluted net income per share		
Net income adjustments to owners of parent (million yen)	—	—
Increase in the number of ordinary shares (thousands of shares)	16,016	16,226
(incl. convertible bond-type bonds with share acquisition rights (thousands of shares))	(16,016)	(16,226)
Overview of potential shares not included in calculation of diluted net income per share because the stock have no dilution 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 12th, 2022.

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: 8,000,000 shares (Maximum)

(Equivalent to 9.55% of outstanding shares (excluding treasury shares))

(3) Total amount of repurchase price: ¥20,000 million (Maximum)

(4) Period of repurchase: From May 13, 2022 to November 30, 2022

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