



February 12, 2025

# Consolidated Financial Results [Japan GAAP]

for the nine months ended December 31, 2024

Company Name: **Idemitsu Kosan Co.,Ltd.** (URL <https://www.idemitsu.com/en/index.html>)

Company Code: 5019, Shares listed on: Tokyo Stock Exchange

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Scheduled date of commencement of dividend payments: —

Supplementary materials for the financial results: Yes

Financial results presentation: Yes (for institutional investors and analysts)

(Figures less than ¥1 million are rounded off)

## 1. Consolidated Financial Results for the nine months ended December 31, 2024

### (1) Consolidated operating results

(Percentage figures represent changes from the corresponding previous period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	¥million	%	¥million	%	¥million	%	¥million	%
For the nine months ended December 31, 2024	6,876,464	7.4	123,275	(58.0)	165,813	(49.3)	127,454	(46.7)
December 31, 2023	6,402,264	(11.2)	293,700	(1.7)	327,282	(2.8)	239,085	(4.2)

Note: Comprehensive income December 31, 2024: ¥136,235 million (52.2%) December 31, 2023: ¥285,153 million (1.3%)

	Net income per share	Diluted net income per share
	¥	¥
For the nine months ended December 31, 2024	94.43	—
December 31, 2023	167.76	—

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

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	¥million	¥million	%
December 31, 2024	5,148,516	1,861,244	35.8
March 31, 2024	5,012,295	1,812,531	35.9

Reference: Total equity as of December 31, 2024: ¥1,841,214 million As of March 31, 2024: ¥1,799,895 million

## 2. Dividends

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

Note:

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

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

(Percentage figures represent changes from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥
Fiscal year ending March 31, 2025	9,200,000	5.5	204,000	(41.1)	245,000	(36.4)	145,000	(36.5)	107.43

Note: Revisions of the forecasts of consolidated financial results since the latest announcement: Yes

#### \* Notes

(1) Changes of material consolidated subsidiaries during the nine months ended December 31, 2024: **None**

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

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

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

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

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

d) Restatement: **None**

(4) Number of shares issued (common stock)

a) Number of shares issued (including treasury stock)

As of December 31, 2024: 1,392,642,290 As of March 31, 2024: 1,392,642,290

b) Number of shares of treasury stock

As of December 31, 2024: 84,338,020 As of March 31, 2024: 13,602,310

c) Weighted average number of shares outstanding during the period

Nine months ended December 31, 2024: 1,349,677,071

Nine months ended December 31, 2023: 1,425,168,353

Note: The Company conducted a 1:5 stock split on its common shares with the effective date of January 1, 2024.

The number of shares issued, the number of shares of treasury stock and the weighted average number of shares outstanding during the period above are calculated under the assumption that the stock split had been implemented at the beginning of the fiscal year ended March 31, 2024.

\*1 Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

\*2 The financial forecasts above are based on information available and assumptions as of the date of publication of this document. Actual operating results may differ from the forecasts due to various factors. Additionally, for the assumptions used for the forecasts of the above, please refer to page 3 “Explanation of Forecasts of Consolidated Financial Results for FY2024” of the Appendix.

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## 1. Overview of Operating Results and Others

### (1) Overview of Operating Results for the Nine Months Ended December 31, 2024

The Idemitsu Group's net sales for the nine months ended December 31, 2024 were ¥6,876.5 billion, up 7.4% year on year, with operating income of ¥123.3 billion, down 58.0% year on year, ordinary income of ¥165.8 billion, down 49.3% year on year, and net income attributable to owners of the parent of ¥127.5 billion, down 46.7% year on year.

The performance of our business by segment for the nine months ended December 31, 2024 is as follows:

(Segment income (loss): Operating income (loss) + Equity in earnings of non-consolidated subsidiaries and affiliates)

#### [Petroleum segment]

Net sales in the petroleum segment were ¥5,760.5 billion, up 12.0% year on year, mainly due to the depreciation of the yen, and segment income was ¥86.6 billion, down 53.8% year on year, mainly due to inventory valuation effects associated with a decrease in crude oil prices, despite steady product margins.

#### [Basic chemicals segment]

Net sales in the basic chemicals segment were ¥430.7 billion, down 3.6% year on year, with segment loss of ¥4.2 billion, down ¥25.5 billion year on year, mainly due to a decrease in production volume associated with manufacturing equipment problems and periodic repairs, and deterioration of product margins.

#### [Functional materials segment]

Net sales in the functional materials segment were ¥380.9 billion, down 0.3% year on year, with segment income of ¥22.7 billion, down 0.5% year on year, mainly due to a decrease in production volume associated with periodic repairs of functional chemical manufacturing facilities despite the improved sales portfolio of the lubricants business.

#### [Power and renewable energy segment]

Net sales in the power and renewable energy segment were ¥95.9 billion, down 11.6% year on year, mainly due to efforts based on the supply and sale of in-house power sources, and segment loss was ¥7.1 billion, down ¥4.8 billion year on year, mainly due to increased procurement costs associated with problems and increased biomass raw material costs.

#### [Resources segment]

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

Net sales in the oil/natural gas exploration and production and geothermal energy business were ¥31.0 billion, up 8.8% year on year, with segment income of ¥13.6 billion, up 2.6% year on year, as factors such as yen depreciation outweighed the decline in production volume.

##### (Coal business and others)

Net sales in the coal business and others were ¥169.3 billion, down 41.5% year on year, with segment income of ¥46.0 billion, down 39.8% year on year, mainly due to price factors associated with a decline in the coal market.

As a result of the above, total net sales in the resources segment were ¥200.2 billion, down 37.0% year on year, and segment income was ¥59.6 billion, down 33.6% year on year.

[Other segments]

Net sales in the other segments were ¥8.3 billion, up 94.0% year on year, and segment income was ¥0.5 billion, down ¥36.8% year on year.

(2) Overview of Financial Position for the Nine Months Ended December 31, 2024

Regarding the financial position as of December 31, 2024, total assets increased by ¥136.2 billion from the end of the previous fiscal year to ¥5,148.5 billion. Total liabilities increased by ¥87.5 billion from the end of the previous fiscal year to ¥3,287.3 billion, mainly due to an increase in accounts payable. Total net assets increased by ¥48.7 billion from the end of the previous fiscal year to ¥1,861.2 billion, mainly due to recording net income attributable to owners of the parent. As a result, the equity ratio improved from 35.9% at the end of the previous fiscal year to 35.8%, down 0.1 points. The Net D/E ratio as of December 31, 2024 was 0.6 (end of the previous fiscal year: 0.7).

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

The Company has revised its forecasts of the consolidated financial results for the year ending March 31, 2024, released on May 14, 2024, given the actual business results for the nine months ended December 31, 2024, and the latest forecasts. Please refer to the “Announcement on Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 2025” announced today for details of the forecasts.

(4) Explanation of Important Management Contracts

The contract terminated during the nine months ended December 31, 2024 of the current fiscal year is as follows.

Name of the contracting company	Name of counterparty	Country	Contract type	Details of contract	Effective date	Date of contract termination
Idemitsu Kosan Co., Ltd.	Shell Brands International AG	Switzerland	Trademark use agreement	License agreement for trademarks, etc. related to the branding of a specific business	December 19, 2016	November 11, 2024

## 2. Consolidated Financial Statements and Major Notes

### (1) Consolidated Balance Sheets

(Unit: ¥Million)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets:		
Cash and deposits	139,325	188,485
Notes and accounts receivable, trade	919,011	953,823
Inventories	1,377,865	1,324,258
Accounts receivable, other	308,130	342,061
Other	179,105	194,994
Less: Allowance for doubtful accounts	(6,595)	(3,374)
Total current assets	2,916,843	3,000,249
Fixed assets:		
Property, plant and equipment:		
Machinery and equipment, net	260,317	265,728
Land	751,345	752,794
Other, net	350,917	362,081
Total property, plant and equipment	1,362,581	1,380,605
Intangible fixed assets:		
Goodwill	131,228	126,683
Other	140,798	134,742
Total intangible fixed assets	272,027	261,425
Investments and other assets:		
Investment securities	266,315	312,206
Other	229,763	237,656
Less: Allowance for doubtful accounts	(35,234)	(43,626)
Total investments and other assets	460,844	506,236
Total fixed assets	2,095,452	2,148,267
Total assets	5,012,295	5,148,516
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable, trade	793,760	915,156
Short-term loans payable	443,415	462,411
Commercial paper	225,971	314,810
Current portion of bonds payable	10,000	30,000
Accounts payable, other	479,783	471,510
Income taxes payable	56,942	8,532
Provision for bonuses	16,677	9,460
Other	165,948	159,806
Total current liabilities	2,192,498	2,371,689
Non-current liabilities:		
Bonds payable	140,000	110,000
Long-term loans payable	479,056	419,306
Liability for employees' retirement benefits	51,793	50,760
Reserve for repair work	81,997	97,325
Asset retirement obligations	26,815	28,380
Other	227,601	209,808
Total non-current liabilities	1,007,265	915,581
Total liabilities	3,199,763	3,287,271

(Unit: ¥Million)

	As of March 31, 2024	As of December 31, 2024
Net assets		
Shareholders' equity:		
Common stock	168,351	168,351
Capital surplus	390,341	391,193
Retained earnings	1,037,716	1,128,517
Treasury stock	(11,006)	(82,605)
Total shareholders' equity	1,585,403	1,605,456
Accumulated other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	5,918	4,781
Deferred gains (losses) on hedging activities, net	(4,255)	(4,523)
Surplus from land revaluation	155,282	155,040
Foreign currency translation adjustments	31,652	56,922
Defined retirement benefit plans	25,895	23,536
Total accumulated other comprehensive income	214,492	235,758
Noncontrolling interests	12,636	20,030
Total net assets	1,812,531	1,861,244
Total liabilities and net assets	5,012,295	5,148,516

(2) Consolidated Statements of Income and Comprehensive Income

1) Consolidated Statements of Income

(Unit: ¥Million)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	6,402,264	6,876,464
Cost of sales	5,742,922	6,369,372
Gross profit	659,342	507,092
Selling, general and administrative expenses	365,641	383,817
Operating income	293,700	123,275
Non-operating income:		
Interest income	9,992	10,823
Dividend income	3,546	3,307
Equity in earnings of nonconsolidated subsidiaries and affiliates, net	13,556	22,173
Gain on foreign exchange, net	18,563	15,180
Other	4,885	4,848
Total non-operating income	50,544	56,333
Non-operating expenses:		
Interest expense	14,421	11,758
Other	2,541	2,036
Total non-operating expenses	16,962	13,795
Ordinary income	327,282	165,813
Extraordinary income:		
Gain on sales of fixed assets	7,462	5,832
Gain on sales of investment securities	2,367	62
Gain on reversal of loss on valuation of shares of subsidiaries and affiliates	—	3,244
Other	2,491	1,396
Total extraordinary income	12,321	10,535
Extraordinary losses:		
Impairment loss on fixed assets	1,580	2,478
Loss on sales of fixed assets	527	321
Loss on disposals of fixed assets	4,708	5,478
Loss on sale of business	4,725	—
Other	2,736	1,172
Total extraordinary losses	14,278	9,451
Income before income taxes	325,325	166,898
Income taxes	87,492	40,723
Net income	237,832	126,175
Net loss attributable to noncontrolling interests	(1,252)	(1,279)
Net income attributable to owners of the parent	239,085	127,454



## 2) Consolidated Statements of Comprehensive Income

(Unit: ¥Million)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income	237,832	126,175
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	1,230	(1,526)
Deferred gains (losses) on hedging activities, net	(1,999)	(94)
Foreign currency translation adjustments	43,452	14,774
Defined retirement benefit plans	(838)	(2,404)
Share of other comprehensive income in equity method affiliates	5,474	(689)
Total other comprehensive income	47,320	10,059
Comprehensive income	285,153	136,235
Comprehensive income attributable to:		
Owners of the parent	286,170	137,373
Noncontrolling interests	(1,016)	(1,138)

### (3) Notes on the Consolidated Financial Statements

#### 1) Method of Preparation of Consolidated Financial Statements

Quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange Inc.'s Standards for the Preparation of Quarterly Financial Statements and generally accepted accounting principles for quarterly financial statements in Japan, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

#### 2) Notes on Changes in Scope of Consolidation or Scope of Application of the Equity Method (Changes in Fiscal Year-end of Consolidated Subsidiaries)

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

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

#### 3) Notes on the Application of the Accounting Method Peculiar to the Preparation of the Consolidated Financial Statements

##### (Calculation of income taxes)

Income taxes are calculated by multiplying the income before income taxes for the nine months ended December 31, 2024 by the estimated effective tax rate that is reasonably estimated for income before income taxes for the fiscal year that includes the nine months ended December 31, 2024.

However, if the calculation using the relevant estimated effective tax rate leads to significantly irrational results, income taxes are calculated by multiplying the nine months ended December 31, 2024 income before income taxes by the effective statutory tax rate, after adjusting important differences that do not constitute temporary differences.

#### 4) Notes on the Consolidated Segment Information

For the nine months ended December 31, 2023

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

(Unit: ¥Million)

	Reportable segment						Others	Total	Recon- ciliation	Consoli- dated
	Petroleum	Basic chemicals	Functional materials	Power and renewable energy	Resources	Total				
Net sales:										
customers	5,142,821	446,585	382,118	108,483	318,002	6,398,011	4,253	6,402,264	—	6,402,264
Intersegment	24,831	27,435	18,699	4,002	3	74,973	2,172	77,145	(77,145)	—
Total	5,167,653	474,020	400,818	112,485	318,006	6,472,984	6,426	6,479,410	(77,145)	6,402,264
Operating income (loss)	180,312	23,182	22,364	(3,097)	82,416	305,177	747	305,925	(12,224)	293,700
Equity in earnings (losses) of non- consolidated subsidiaries and affiliates, net	6,899	(1,808)	418	767	7,286	13,563	—	13,563	(7)	13,556
Segment income (loss)	187,212	21,373	22,783	(2,330)	89,703	318,741	747	319,489	(12,232)	307,257

Notes:

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

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

There is no significant item during the period.

For the nine months ended December 31, 2024

a) Net sales and income or loss by reportable segment

(Unit: ¥Million)

	Reportable segment						Others	Total	Recon- ciliation	Consoli- dated
	Petroleum	Basic chemicals	Functional materials	Power and renewable energy	Resources	Total				
Net sales:										
customers	5,760,511	430,661	380,894	95,919	200,222	6,868,210	8,254	6,876,464	—	6,876,464
Intersegment	19,178	35,368	19,254	2,684	0	76,487	5,993	82,480	(82,480)	—
Total	5,779,690	466,030	400,149	98,604	200,223	6,944,697	14,247	6,958,944	(82,480)	6,876,464
Operating income (loss)	71,317	(5,209)	22,363	(6,443)	52,701	134,730	472	135,203	(11,928)	123,275
Equity in earnings (losses) of non- consolidated subsidiaries and affiliates, net	15,263	1,033	315	(650)	6,889	22,851	—	22,851	(677)	22,173
Segment income (loss)	86,580	(4,175)	22,679	(7,093)	59,591	157,581	472	158,054	(12,605)	145,449

Notes:

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

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

There is no significant item during the period.

#### 5) Notes on the Significant Changes in Shareholders' Equity

The Company adopted a resolution to acquire up to 75,000 thousand treasury shares for a total amount of up to ¥35.0 billion at the Board of Directors meeting held on November 14, 2023. Based on this resolution of the Board of Directors, the Company acquired 24,539 thousand treasury shares (acquisition price: ¥25,319 million) by the end of December 31, 2024. The Company also adopted a resolution to acquire up to 90,000 thousand treasury shares for a total amount of up to ¥70.0 billion at the Board of Directors meeting held on May 14, 2024. Based on this resolution of the Board of Directors, the Company acquired 46,401 thousand treasury shares (acquisition price: ¥46,415 million) by the end of December 31, 2024. As a result of these acquisitions, treasury shares increased by ¥71,598 million during the nine months ended December 31, 2024, and treasury shares amounted to ¥82,605 million at the end of December 31, 2024.

#### 6) Notes on the Assumption of a Going Concern

None

#### 7) Notes on the Consolidated Statements of Cash Flow

The consolidated statements of cash flows are not prepared for the nine months ended December 31, 2024. The following shows depreciation and amortization (including amortization related to intangible fixed assets (excluding goodwill)) and amortization of goodwill for the nine months ended December 31, 2024.

	(Unit: ¥Million)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	73,951	71,140
Amortization of goodwill	7,051	7,062