



Annual Report 2019
April 1, 2018 – March 31, 2019

RELIABILITY IN ENERGY SUPPLY



Profile

As a comprehensive energy-focused group, the Fuji Oil Group (the Group) seeks to fulfill its responsibilities as a corporate citizen by contributing to the future affluence of society and the realization of a safe and comfortable environment. Based on this mission, the Group provides a stable supply of energy products, which are indispensable to people's daily lives and industrial activities.

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Cautionary Statement with Respect to Forward-Looking Statements

This annual report contains forward-looking statements that reflect FOC and its consolidated subsidiaries' forecast, targets, plans, and strategies. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, and various other factors that may cause FOC's actual results, performance, achievements, or financial position to be materially different from any future results, performance, achievements, or financial position expressed or implied by these forward-looking statements.

Consolidated Performance

Fiscal year ended March 31, 2019 sees profit recorded for third consecutive year, despite effects of a blackout

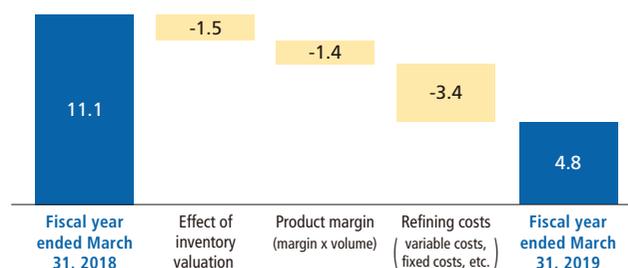
In the business results for the fiscal year ended March 31, 2019, profit attributable to owners of parent declined by 5.0 billion yen from the previous fiscal year to 2.8 billion yen. Although there was an increase in sales volume due to the removal of the effects of a major periodic shut-down maintenance and repair (SDM) implemented during the fiscal year ended March 31, 2018, factors such as the effects of a blackout at the Sodegaura Refinery that occurred in October 2018, and a temporary drop in the oil products market in the third quarter led to an overall decline in the product margin. In addition, the decline in profit from lower downward pressure on cost of sales from the effect of inventory valuation compared to the previous year, and higher in-house fuel costs accompanying a rise in crude oil prices, were also large.

Despite a decline in profit compared to the previous fiscal year, this was the third consecutive year in which we were able to achieve a profit.

(Billions of yen)	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018	Increase (decrease)
Net sales	541.6	423.7	117.8
Operating profit	4.8	11.1	(6.3)
Ordinary profit	3.5	8.6	(5.0)
Profit attributable to owners of parent	2.8	7.9	(5.0)
Operating profit excluding the effect of inventory valuation	2.5	7.2	(4.7)
Ordinary profit excluding the effect of inventory valuation	1.2	4.6	(3.4)

Main factors of change in operating profit

(Billions of yen)

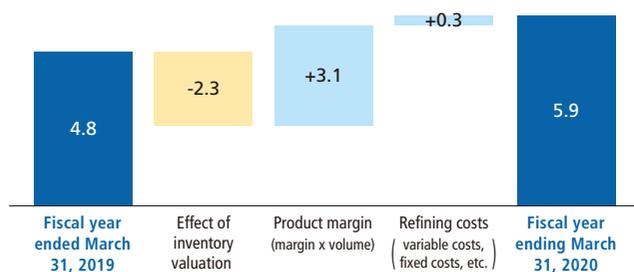


Year-on-year profit increase expected in the fiscal year ending March 31, 2020 primarily due to increased product margins, despite minor SDM

In the fiscal year ending March 31, 2020, we forecast that net sales will decline compared to the fiscal year ended March 31, 2019 due primarily to the effects of a minor SDM that was implemented from May to June, 2019. However, in terms of profit, although it is unlikely that there will be downward pressure on cost of sales from the effect of inventory valuation, the effects of the blackout at the Sodegaura Refinery that occurred in the fiscal year ended March 31, 2019 will be removed and we expect stable market conditions for products throughout the entire fiscal year. Therefore, we forecast higher results than the fiscal year ended March 31, 2019: operating profit of 5.9 billion yen, ordinary profit of 4.9 billion yen, and profit attributable to owners of parent of 4.0 billion yen. Operating profit and ordinary profit, excluding effect of inventory valuation, are expected to be 5.9 billion yen and 4.9 billion yen, respectively.

	Crude Oil Price (Dubai Crude)	Exchange Rate
Assumptions	US\$65/Barrel	¥110/US\$

■ Main factors of change in operating profit (forecast) (Billions of yen)



* Values are based on related information as of the time of announcement (May 9, 2019) and are subject to change in the future.

Tasks to Be Addressed in the Fiscal Year Ending March 31, 2020

Focus areas for steadily accomplishing medium-term business tasks

In order to address the medium-term business tasks stipulated in our Second Medium-Term Business Plan (for the fiscal year ended March 31, 2018 to the fiscal year ending March 31, 2021), in the fiscal year ending March 31, 2020 we will place priority on the following points.

Facility expansion and enhancement during minor SDM:

Minor SDM involves renewing aging facilities and the like to improve the plant's reliability as well as carrying out improvement work on some units, through which we expect to raise heavy oil processing capabilities and further improve yield ratios for highly profitable light-end products.

Response to changes in oil demand and low carbon society:

We will strive to ensure timely and reliable supply of the marine fuels that satisfy the requirements of the International Maritime Organization (IMO) regulations, going into effect in January 2020. We will also work toward maximizing production volumes and added value by adjusting production in response to demand and market trends for fuel oils, such as gasoline. We are also accelerating studies of investments in higher value-added production, energy saving, etc. to enhance our ability to respond to constant changes in demand trends and movement toward a low-carbon society.

Promotion of work-style reform and development of human resources:

We are engaged in work-style reform and realizing a work-life balance for our employees and, in the fiscal year ended March 31, 2019, we implemented initiatives including the introduction of a flex-time system and the enhancement of our paid vacation and leave systems targeting employees with child care and nursing care obligations. In the fiscal year ending March 31, 2020, we will work on reforming our re-employment system so that our experienced employees can take on advanced roles even after they reach the official retirement age by training and passing on their skills to younger generations in a comprehensive system.



August 2019

Atsuo Shibota

Atsuo Shibota

President and Representing Director

Financial Section

Consolidated Balance Sheets

Fuji Oil Company, Ltd. and Consolidated Subsidiaries
As of March 31, 2019 and 2018

Assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Current assets:			
Cash and deposits (Notes 4 and 16)	¥ 12,152	¥ 15,954	\$ 109,487
Notes and accounts receivable - trade (Note 4)	56,890	51,056	512,569
Short-term investment securities (Notes 4, 5 and 16)	100	100	901
Inventories (Note 3)	90,596	81,725	816,254
Accounts receivable - other (Note 4)	14,219	8,782	128,111
Other	1,955	2,511	17,614
Total current assets	175,915	160,131	1,584,963
Property, plant and equipment (Notes 6 and 7):			
Buildings and structures, net (Note 11)	11,478	12,011	103,415
Storage tanks, net (Note 11)	3,711	4,006	33,435
Machinery, equipment and vehicles, net (Note 11)	32,821	36,900	295,711
Land (Note 11)	51,672	51,660	465,555
Construction in progress	5,027	2,446	45,292
Other, net	419	301	3,775
Total property, plant and equipment	105,130	107,326	947,202
Intangible assets (Notes 6 and 7)	769	931	6,929
Investments and other assets:			
Investment securities (Notes 4 and 5)	16,278	16,964	146,662
Long-term loans receivable	795	832	7,163
Long-term accounts receivable - other (Note 4)	—	5,312	—
Net defined benefit asset (Note 13)	150	95	1,351
Other	517	695	4,658
Allowance for doubtful accounts	(412)	(412)	(3,712)
Total investments and other assets	17,329	23,489	156,131
Total assets	¥ 299,144	¥ 291,878	\$ 2,695,234

See notes to consolidated financial statements.

Liabilities and Net assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Current liabilities:			
Accounts payable - trade (Note 4)	¥ 31,252	¥ 28,068	\$ 281,575
Short-term loans payable (Notes 4 and 11)	80,064	64,017	721,362
Current portion of long-term loans payable (Notes 4 and 11)	19,481	22,220	175,520
Accounts payable - other (Note 4)	22,132	18,394	199,405
Excise taxes payable on gasoline and other fuels (Note 4)	18,375	23,600	165,555
Income taxes payable (Notes 4 and 12)	910	69	8,199
Other (Notes 11 and 12)	8,274	9,690	74,547
Total current liabilities	180,491	166,061	1,626,192
Noncurrent liabilities:			
Long-term loans payable (Notes 4 and 11)	29,386	39,267	264,763
Deferred tax liabilities (Note 12)	8,429	9,013	75,944
Provision for special repairs	2,195	2,052	19,777
Provision for repairs	4,060	1,162	36,580
Net defined benefit liability (Note 13)	2,451	2,660	22,083
Provision for directors' retirement benefits	9	19	81
Other (Note 11)	585	1,786	5,271
Total noncurrent liabilities	47,116	55,961	424,507
Total liabilities	227,608	222,022	2,050,707
Commitments and contingent liabilities (Note 15)			
Net assets (Note 14)			
Shareholders' equity:			
Capital stock:			
Authorized - 200,000,000 shares in 2019 and 2018			
Issued - 78,183,677 shares in 2019 and 2018	24,467	24,467	220,443
Capital surplus	30,396	30,396	273,863
Retained earnings	19,944	17,665	179,692
Treasury stock (Note 14)	(1,431)	(1,431)	(12,893)
Total shareholders' equity	73,376	71,097	661,105
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	(82)	210	(739)
Revaluation reserve for land	1	1	9
Foreign currency translation adjustments	(1,888)	(1,585)	(17,011)
Remeasurements of defined benefit plans (Note 13)	(74)	(59)	(667)
Total accumulated other comprehensive income	(2,044)	(1,433)	(18,416)
Non-controlling interests	204	191	1,838
Total net assets	71,536	69,856	644,527
Total liabilities and net assets	¥ 299,144	¥ 291,878	\$ 2,695,234

See notes to consolidated financial statements.

Financial Section

Consolidated Statements of Income

Fuji Oil Company, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2019 and 2018

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Net sales (Note 19)	¥ 541,640	¥ 423,772	\$ 4,880,079
Cost of sales (Note 3)	533,019	409,000	4,802,406
Gross profit	8,621	14,772	77,674
Selling, general and administrative expenses (Note 8)	3,745	3,584	33,742
Operating profit	4,876	11,188	43,932
Non-operating income (expenses):			
Interest and dividends income	503	284	4,532
Equity in earnings of affiliates	88	404	793
Interest expenses	(3,089)	(2,371)	(27,831)
Foreign exchange gains (losses), net	1,844	(28)	16,614
Loss on retirement of noncurrent assets (Note 9)	(44)	(155)	(396)
Gain on sales of noncurrent assets (Note 10)	4	3	36
Impairment losses (Note 7)	(0)	(51)	(0)
Loss on disaster	(234)	—	(2,108)
Other, net	(604)	(844)	(5,442)
Total non-operating income (expenses)	(1,532)	(2,758)	(13,803)
Profit before income taxes	3,344	8,430	30,129
Income taxes (Note 12):			
Income taxes - current	1,017	483	9,163
Income taxes - deferred	(584)	(11)	(5,262)
Total income taxes	433	472	3,901
Profit	2,911	7,958	26,228
Profit attributable to non-controlling interests	14	12	126
Profit attributable to owners of parent	¥ 2,896	¥ 7,945	\$ 26,092

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Fuji Oil Company, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2019 and 2018

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Profit	¥ 2,911	¥ 7,958	\$ 26,228
Other comprehensive income:			
Valuation difference on available-for-sale securities	(293)	98	(2,640)
Foreign currency translation adjustments	(53)	(86)	(478)
Remeasurements of defined benefit plans	(14)	121	(126)
Share of other comprehensive income of associates accounted for using equity method	(249)	(431)	(2,243)
Total other comprehensive income	(611)	(297)	(5,505)
Comprehensive income (Note 18)	¥ 2,299	¥ 7,660	\$ 20,714
Comprehensive income attributable to:			
Owners of parent	¥ 2,285	¥ 7,647	\$ 20,587
Non-controlling interests	14	12	126

See notes to consolidated financial statements.

Financial Section

Consolidated Statements of Changes in Net Assets

Fuji Oil Company, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2019 and 2018

	Millions of Yen					
	Shareholders' equity					
	Number of shares of capital stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Net assets as of April 1, 2017	78,183,677	¥ 24,467	¥ 30,396	¥ 10,339	¥ (1,431)	¥ 63,771
Dividends from surplus				(617)		(617)
Profit attributable to owners of parent				7,945		7,945
Purchase of treasury stock					(0)	(0)
Net changes of items other than shareholders' equity						
Total changes during the period	—	—	—	7,326	(0)	7,326
Net assets as of April 1, 2018	78,183,677	24,467	30,396	17,665	(1,431)	71,097
Dividends from surplus				(617)		(617)
Profit attributable to owners of parent				2,896		2,896
Purchase of treasury stock					—	—
Net changes of items other than shareholders' equity						
Total changes during the period	—	—	—	2,278	—	2,278
Balance as of March 31, 2019	78,183,677	¥ 24,467	¥ 30,396	¥ 19,944	¥ (1,431)	¥ 73,376

	Millions of Yen						
	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Net assets as of April 1, 2017	¥ 111	¥ 1	¥ (1,067)	¥ (181)	¥ (1,135)	¥ 180	¥ 62,816
Dividends from surplus							(617)
Profit attributable to owners of parent							7,945
Purchase of treasury stock							(0)
Net changes of items other than shareholders' equity	98		(517)	121	(297)	10	(286)
Total changes during the period	98	—	(517)	121	(297)	10	7,039
Net assets as of April 1, 2018	210	1	(1,585)	(59)	(1,433)	191	69,856
Dividends from surplus							(617)
Profit attributable to owners of parent							2,896
Purchase of treasury stock							—
Net changes of items other than shareholders' equity	(293)		(303)	(14)	(611)	13	(598)
Total changes during the period	(293)	—	(303)	(14)	(611)	13	1,680
Balance as of March 31, 2019	¥ (82)	¥ 1	¥ (1,888)	¥ (74)	¥ (2,044)	¥ 204	¥ 71,536

See notes to consolidated financial statements.

	Thousands of U.S. Dollars (Note 1)					
	Shareholders' equity					
	Number of shares of capital stock	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Net assets as of April 1, 2018	78,183,677	\$ 220,443	\$ 273,863	\$ 159,158	\$ (12,893)	\$ 640,571
Dividends from surplus				(5,559)		(5,559)
Profit attributable to owners of parent				26,092		26,092
Purchase of treasury stock					—	—
Net changes of items other than shareholders' equity						—
Total changes during the period		—	—	20,524	—	20,524
Balance as of March 31, 2019	78,183,677	\$ 220,443	\$ 273,863	\$ 179,692	\$ (12,893)	\$ 661,105

	Thousands of U.S. Dollars (Note 1)						
	Accumulated other comprehensive income						
	Valuation difference on available-for- sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasure- ments of defined benefit plans	Total accumu- lated other comprehen- sive income	Non- controlling interests	Total net assets
Net assets as of April 1, 2018	\$ 1,892	\$ 9	\$ (14,281)	\$ (532)	\$ (12,911)	\$ 1,721	\$ 629,390
Dividends from surplus							(5,559)
Profit attributable to owners of parent							26,092
Purchase of treasury stock							—
Net changes of items other than shareholders' equity	(2,640)		(2,730)	(126)	(5,505)	117	(5,388)
Total changes during the period	(2,640)	—	(2,730)	(126)	(5,505)	117	15,136
Balance as of March 31, 2019	\$ (739)	\$ 9	\$ (17,011)	\$ (667)	\$ (18,416)	\$ 1,838	\$ 644,527

See notes to consolidated financial statements.

Financial Section

Consolidated Statements of Cash Flows

Fuji Oil Company, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2019 and 2018

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Net cash flows from operating activities:			
Profit before income taxes	¥ 3,344	¥ 8,430	\$ 30,129
Depreciation and amortization	6,518	5,821	58,726
Increase (decrease) in provision for repairs	2,897	(4,650)	26,101
Decrease in net defined benefit liability	(277)	(239)	(2,496)
Increase in provision for special repairs	142	88	1,279
Interest and dividends income	(503)	(285)	(4,532)
Interest expenses	3,089	2,371	27,831
Equity in earnings of affiliates	(88)	(404)	(793)
(Increase) decrease in notes and accounts receivable - trade	(5,833)	205	(52,554)
Increase in inventories	(8,871)	(6,793)	(79,926)
Increase (decrease) in notes and accounts payable - trade	3,183	(2,525)	28,678
(Decrease) increase in excise taxes payable on gasoline and other fuels	(5,225)	4,952	(47,076)
Increase (decrease) in accrued consumption taxes	4,022	(4,581)	36,237
Other, net	(8,400)	10,506	(75,682)
Subtotal	(5,998)	12,897	(54,041)
Interest and dividends income received	503	285	4,532
Interest expenses paid	(3,103)	(2,335)	(27,957)
Income taxes paid	(204)	(3,507)	(1,838)
Income taxes refund	768	—	6,920
Net cash (used in) provided by operating activities	¥ (8,037)	¥ 7,339	\$ (72,412)

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Net cash flows from investing activities:			
Payments into time deposits	¥ (347)	¥ (2,621)	\$ (3,126)
Proceeds from withdrawal of time deposits	100	100	901
Purchase of investment securities	(1)	(1)	(9)
Proceeds from sales of investment securities	5,339	5,600	48,103
Purchase of property, plant and equipment	(3,549)	(11,312)	(31,976)
Proceeds from sales of property, plant and equipment	4	3	36
Proceeds from national subsidies	1,067	847	9,613
Purchase of intangible assets	(58)	(192)	(523)
Payments of loans receivable	(1)	(0)	(9)
Collection of loans receivable	45	36	405
Other, net	(2)	(48)	(18)
Net cash provided by (used in) investing activities	2,597	(7,588)	23,399
Net cash flows from financing activities:			
Net increase in short-term loans payable	15,750	2,766	141,905
Proceeds from long-term loans payable	9,600	11,710	86,494
Repayment of long-term loans payable	(22,220)	(15,848)	(200,198)
Cash dividends paid	(617)	(618)	(5,559)
Cash dividends paid to non-controlling interests	(3)	(3)	(27)
Other, net	(1,043)	2,207	(9,397)
Net cash provided by financing activities	1,464	212	13,190
Effect of exchange rate changes on cash and cash equivalents	(74)	(122)	(667)
Net decrease in cash and cash equivalents	(4,049)	(159)	(36,481)
Cash and cash equivalents at beginning of year (Note 16)	13,433	13,592	121,029
Cash and cash equivalents at end of year (Note 16)	¥ 9,383	¥ 13,433	\$ 84,539

See notes to consolidated financial statements.

Financial Section

Notes to Consolidated Financial Statements

Fuji Oil Company, Ltd. and Consolidated Subsidiaries

1. Basis of Presenting the Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by Fuji Oil Company, Ltd. (the "Company") and its domestic and foreign subsidiaries (collectively, the "Companies"), and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

The Company and its domestic subsidiaries maintain their accounting records in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. Foreign subsidiary maintains its accounting records in accordance with International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law of Japan. Certain supplementary information included in the statutory consolidated financial statements in Japanese, but not required for fair disclosure, is not disclosed in the accompanying consolidated financial statements.

As permitted by the Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at the rate of ¥110.99 = U.S.\$1.00, the approximate rate of exchange on March 31, 2019. This translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

2. Summary of Significant Accounting Policies

(a) Scope of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its seven significant subsidiaries as of March 31, 2019 and 2018. Consolidated subsidiaries as of March 31, 2019 are as follows:

- Petro Progress Inc.
- PETRO PROGRESS PTE LTD
- Fuji Oil Sales Company, Ltd.
- Fuji Rinkai Co., Ltd.
- Arabian Oil Company, Ltd.
- Japan Oil Engineering Company Ltd.
- TOKYO PETROLEUM INDUSTRIAL COMPANY, LTD.

Fuji Tanker Company, Ltd., which had been a consolidated subsidiary, was merged into the Company on April 1, 2017. Thus, Fuji Tanker Company, Ltd. was excluded from the above list in 2018.

PETRO PROGRESS PTE LTD has a fiscal year-end of December 31. The consolidated financial statements incorporate the accounts of the company for the fiscal year ended December 31 with adjustments for significant transactions arising after December 31. The fiscal year-end of other consolidated subsidiaries is March 31.

(b) Equity method

Affiliates accounted for under the equity method as of March 31, 2019 and 2018 are as follows:

- ARAMO SHIPPING (SINGAPORE) PTE LTD
- Tokai Engineering & Construction Co., Ltd.

There are two companies (non-consolidated affiliates) in 2019 and 2018, which are not accounted for under the equity method, but stated at cost, because the corresponding amounts of profit (loss) and retained earnings have immaterial impact and do not have a material effect on the consolidated financial statements as a whole.

Non-consolidated affiliates not accounted for under the equity method as of March 31, 2019 are as follows:

- Kyodo Terminal Co., Ltd.
- Keiyo Sea Berth Co., Ltd.

The accounts of a certain affiliate with a different fiscal year-end are consolidated on the basis of the affiliates' fiscal year-end.

(c) Cash and cash equivalents

In preparing the consolidated statements of cash flows, cash equivalents comprise of readily-available deposits and all highly liquid short-term investments exposed to immaterial risk of fluctuations in the value with an original maturity of three months or less.

(d) Short-term investment securities and investment securities

Securities other than equity securities issued by subsidiaries and affiliates are classified as available-for-sale securities. Short-term investment securities and investment securities classified as available-for-sale securities are carried at fair value with any changes in valuation on available-for-sale securities, net of taxes, included directly in accumulated other comprehensive income under net assets. The cost of marketable available-for-sale securities sold is calculated by the moving-average method. Non-marketable securities classified as available-for-sale securities are carried at cost determined by the moving-average method.

(e) Inventories

Inventories held for sale in the ordinary course of business are measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate.

Merchandise and finished goods, and raw materials are stated at cost determined by the gross average method. Supplies are stated at cost determined by the moving-average method.

(f) Impairment of long-lived assets

Long-lived assets, such as property, plant and equipment, and acquired intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of by sale are reported at the lower of the carrying amount or fair value less costs to sell.

(g) Depreciation and amortization

Depreciation of manufacturing plant equipment for petrochemical products is calculated principally by the declining-balance method, and depreciation of other property, plant and equipment is calculated principally by the straight-line method based on the estimated useful lives.

The useful lives of major property, plant and equipment are summarized as follows:

- | | |
|----------------------------|----------------|
| ■ Buildings and structures | 2 to 60 years |
| ■ Storage tanks | 10 to 15 years |
| ■ Machinery and equipment | 2 to 24 years |

Intangible assets are amortized by the straight-line method over their respective estimated useful lives. Software intended for internal use is amortized by the straight-line method over an estimated useful life of five years.

(h) Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debts with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables.

(i) Provision for repairs

The provision for repairs is provided at an amount equivalent to the estimated amount of periodical maintenance expenses for machinery and equipment.

(j) Provision for special repairs

The provision for special repairs is provided at an amount equivalent to the estimated amount of periodical inspection and maintenance expenses for storage tanks required by the Fire Defense Law.

(k) Provision for directors' retirement benefits

Provision for directors' retirement benefits is estimated based on the amount calculated in accordance with internal rules under the assumption that all directors retired at the balance sheet date.

(l) Employees' retirement benefits

(i) Periodic allocation method for projected retirement benefits

Regarding determination of retirement benefit obligations, the benefit formula basis is adopted as the method of attributing expected benefit to the periods until this fiscal year end.

(ii) Method for processing actuarial gains and losses and prior service costs

Prior service costs are amortized by the straight-line method over a period (ten years) within the average remaining years of service of the eligible employees. Actuarial gains and losses are amortized from the year following the year in which the gain or loss is incurred by the straight-line method over a period (ten years) within the average remaining years of service of the eligible employees.

(m) Derivatives and hedge accounting

Derivatives are principally stated at fair value. If certain hedging criteria are met, the gain or loss on a derivative designated as a hedging instrument is deferred as part of accumulated other comprehensive income in the accompanying consolidated balance sheets until the hedged item is settled.

Alternatively, foreign currency denominated receivables and payables hedged by forward exchange contracts are translated at the respective forward contract rates ("allocation method").

Furthermore, in cases where interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contracts are added to or deducted from the interest on the assets or liabilities for which the swap contracts were executed ("special treatment").

Hedge effectiveness is assessed based on hedged item and hedging instrument's fluctuations by comparing those cumulative market fluctuation totals from inception to the effectiveness test.

The hedge effectiveness test for the forward exchange contracts under the allocation method and the interest rate swap contracts under the special treatment is omitted.

(n) Income taxes

Deferred tax assets and liabilities are recognized for expected future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and operating loss and tax loss carryforwards. A valuation allowance is recorded to reduce deferred income tax assets to their net realizable value if it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company and certain domestic subsidiaries have adopted a consolidated tax filing system.

(o) Consumption taxes

Each item in the consolidated statement of income does not include consumption taxes.

(p) Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet date, except for foreign currency denominated monetary receivables and payables hedged by forward exchange contracts as noted above. Income and expenses in foreign currencies are translated at the rates prevailing at the time of the transactions. The resulting exchange gains or losses are credited or charged to income as incurred.

Financial statements of foreign subsidiaries and affiliates are translated into Japanese yen at the balance sheet exchange rates for all assets and liabilities, at historical exchange rates for shareholders' equity and average exchange rates during the year for all income and expense accounts. Foreign currency translation adjustments resulting from the above translation procedures are reported as a component of accumulated other comprehensive income under net assets in the accompanying consolidated balance sheets.

(q) Reclassifications

Certain amounts in the consolidated financial statements for the fiscal year ended March 31, 2018 have been reclassified to conform to the current year presentation.

(r) Change in accounting policy

There is no change in accounting policy for the fiscal years ended March 31, 2019 and 2018.

(s) Unapplied accounting standard

Accounting standards for revenue recognition

Accounting Standards Board of Japan ("ASBJ") issued "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30) on March 30, 2018.

(i) Overview

These accounting standards are comprehensive model of accounting for revenue recognition. In accordance with the accounting standards, revenue is recognized by five steps as follows.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

(ii) Scheduled date of application

The Companies are going to apply the accounting standards from the beginning of the fiscal year ending March 31, 2022.

(iii) Effects of application

Effects of application of the accounting standards are currently being examined.

(t) Change in presentation

Regarding partial amendments to accounting standard for tax effect accounting

The Company has adopted ASBJ Statement No. 28 "Partial Amendments to Accounting Standard for Tax Effect Accounting" issued on February 16, 2018, from the beginning of the fiscal year ending March 31, 2019. Accordingly, deferred tax assets are presented under "Investments and other assets", deferred tax liabilities are presented under "Noncurrent liabilities" and related footnote information for tax effect accounting are changed.

As a result, in the previous consolidated balance sheet, net amount of (a) Deferred tax assets of ¥551 million included in Current assets and (b) Deferred tax liabilities of ¥3 million included in Other of Current liabilities, were offset with (c) Deferred tax liabilities of ¥548 million included in Noncurrent liabilities. Consequently, Total assets are decreased by ¥551 million compared to before change.

Additional notes are presented as prescribed in Note 8 (excluding total valuation allowance) and Note 9 of "Accounting Standard for Tax Effect Accounting" set forth in paragraphs 3 through 5 of "Partial Amendments to Accounting Standard for Tax Effect Accounting". However, the additional notes for the previous fiscal year are not presented in accordance with specific transitional provisions set forth in paragraph 7 of "Partial Amendments to Accounting Standard for Tax Effect Accounting".

Financial Section

Regarding the consolidated statements of cash flows

In the previous consolidated statement of cash flows, "Impairment losses", "Increase/decrease in allowance for doubtful accounts", "Increase/decrease in provision for directors' retirement benefits", "Loss on retirement of noncurrent assets" and "Gain on sale of noncurrent assets" were presented independently under net cash flows from operating activities. However they are included in "Other, net" from the fiscal year ended March 31, 2019 due to immateriality. Previous consolidated statement of cash flows was reclassified to conform to the classifications used in 2019.

Accordingly, in the previous consolidated statement of cash flows, Impairment losses of ¥51 million, Increase/decrease in allowance for doubtful accounts of ¥(48)million, Increase/decrease in provision for directors' retirement benefits of ¥0 million, Loss on retirement of noncurrent assets ¥155 million, Gain on sale of noncurrent assets of ¥(3) million and Other, net of ¥10,350 million are all restated as Other, net of ¥10,506 million.

3. Inventories

Inventories as of March 31, 2019 and 2018 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Merchandise and finished goods	¥ 32,310	¥ 28,752	\$ 291,107
Raw materials and supplies	¥ 58,286	¥ 52,972	\$ 525,146
Total	¥ 90,596	¥ 81,725	\$ 816,254

Write-down (net of reversal) of inventories held for sale amounted to ¥404 million (\$3,640 thousand) and ¥76 million for the fiscal years ended March 31, 2019 and 2018, respectively.

4. Financial Instruments

(1) Qualitative information on financial instruments

(a) Policies for using financial instruments

The Companies limit their investment of temporary surpluses to short-term deposits and procure funds for capital investment and working capital through bank loans. Derivatives are employed to hedge against the risks described below. The Companies do not engage in speculative transactions.

(b) Policies and systems for risk management

Trade notes and accounts receivable, which are claimable assets, are subject to customer credit risk. Also, certain receivable related to product exports are denominated in foreign currencies, and therefore entail exchange rate fluctuation risk. The Company uses forward foreign exchange contracts to hedge this risk. As the allocation method is employed for forward exchange contracts, an evaluation of hedge effectiveness is not performed.

Short-term investment securities and investment securities are mainly equity securities and the Company reviews the market values on a quarterly basis for listed securities.

Most accounts payable, which are trade liabilities, are payable within four months. Certain accounts payable and the below-mentioned short-term loans payable related to crude oil imports are denominated in foreign currencies and are therefore subject to exchange rate fluctuation risk. Forward exchange contracts are used to hedge this risk. As the allocation method is applied for forward foreign exchange contracts, an evaluation of hedge effectiveness is not performed.

Short-term loans payable includes mainly funds raised as working capital in relation to crude oil imports. Long-term loans payable mainly comprise funds raised for capital expenditure. Floating-rate loans are subject to interest rate fluctuation risk, but for most long-term loans the Company minimizes the risk of fluctuations in interest payments by fixing payment interest rates, employing interest rate swap transactions to hedge individual contracts. With regard to the evaluation of hedge effectiveness, as interest rate swaps meet the conditions for the application of special treatment as described in Note 2 (m), an evaluation of hedge effectiveness is not performed.

With regard to the execution and control of derivative transactions, authorizations and monetary limits on transactions and controls are determined in accordance with internal rules. When employing derivatives, the Company selects as contractual counterparties Japanese banks, major trading companies and securities firms with high credit ratings. Consequently, the credit risk arising from counterparties being unable to fulfill their contractual obligations is considered negligible.

Trade liabilities and loans are subject to liquidity risk. To manage this risk, the Company creates and updates cash flow plans in a timely manner on the basis of reports from individual departments.

62.8% and 58.2% of claimable assets as of March 31, 2019 and 2018, respectively, are for the specific major customer.

(c) Supplemental information on fair values

In Note 4 (2) Fair values of financial instruments, market risk related to derivative financial instruments is not included in the contract amounts of those instruments.

(2) Fair values of financial instruments

Carrying values and fair values of the financial instruments on the consolidated balance sheets as of March 31, 2019 and 2018 are set out in the following table.

The following table does not include financial instruments whose fair values are not readily determinable.

Assets	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Carrying value:			
Cash and deposits	¥ 12,152	¥ 15,954	\$ 109,487
Notes and accounts receivable - trade	56,890	51,056	512,569
Short-term investment securities and investment securities:			
Available-for-sale securities	1,787	2,082	16,101
Accounts receivable - other	14,219	8,782	128,111
Long-term accounts receivable - other	—	5,312	—
Total	85,050	83,189	766,285
Fair value:			
Cash and deposits	12,152	15,954	109,487
Notes and accounts receivable - trade	56,890	51,056	512,569
Short-term investment securities and investment securities:			
Available-for-sale securities	1,787	2,082	16,101
Accounts receivable - other	14,219	8,782	128,111
Long-term accounts receivable - other	—	5,320	—
Total	85,050	83,197	766,285
Difference:			
Cash and deposits	—	—	—
Notes and accounts receivable - trade	—	—	—
Short-term investment securities and investment securities:			
Available-for-sale securities	—	—	—
Accounts receivable - other	—	—	—
Long-term accounts receivable - other	—	8	—
Total	¥ —	¥ 8	\$ —

Financial Section

Liabilities	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Carrying value:			
Accounts payable – trade	¥ 31,252	¥ 28,068	\$ 281,575
Short-term loans payable	80,064	64,017	721,362
Accounts payable - other	22,132	18,394	199,405
Excise taxes payable on gasoline and other fuels	18,375	23,600	165,555
Income taxes payable	910	69	8,199
Long-term loans payable	48,867	61,488	440,283
Total	201,602	195,638	1,816,398
Fair value:			
Accounts payable - trade	31,252	28,068	281,575
Short-term loans payable	80,064	64,017	721,362
Accounts payable - other	22,132	18,394	199,405
Excise taxes payable on gasoline and other fuels	18,375	23,600	165,555
Income taxes payable	910	69	8,199
Long-term loans payable	49,295	62,168	444,139
Total	202,030	196,318	1,820,254
Difference:			
Accounts payable - trade	—	—	—
Short-term loans payable	—	—	—
Accounts payable - other	—	—	—
Excise taxes payable on gasoline and other fuels	—	—	—
Income taxes payable	—	—	—
Long-term loans payable	(428)	(680)	(3,856)
Total	¥ (428)	¥ (680)	\$ (3,856)

Method of calculating the fair value of financial instruments and matters related to investment securities and derivative transactions

Assets:

(a) Cash and deposits, notes and accounts receivable - trade and accounts receivable - other

As these instruments are settled within a short term, their carrying value approximates fair value.

(b) Short-term investment securities and investment securities

The fair values of equity securities are determined by their quoted prices on stock exchanges. Since the bonds are settled within a short term, the Company deems the carrying amounts to approximate fair value. See Note 5 for an analysis of securities by classification.

(c) Long-term accounts receivable - other

Fair values for long-term accounts receivable - other is calculated at the present value of the estimated collectible amounts at maturity discounted by a low risk interest rate corresponding to the remaining period.

Liabilities:

(a) Accounts payable - trade, short-term loans payable, accounts payable - other, income taxes payable and excise taxes payable on gasoline and other fuels

As these instruments are settled within a short term, their carrying value approximates fair value.

(b) Long-term loans payable

For floating-rate loans, the Company assumes that interest rates reflect market rates over the short term and credit conditions will not change significantly after loans have gone into effect, so that the carrying value approximates fair value. For fixed-rate loans, the total amount of principal and interest is discounted to present value using the assumed rate of interest on new loans of the same type to calculate fair value.

Derivatives:

(a) Hedge accounting not applied

There are no outstanding derivative transactions for which hedge accounting is not applied as of March 31, 2019 and 2018.

(b) Hedge accounting applied

The Company has applied hedge accounting for forward exchange contracts to hedge risks of changes in foreign exchange rates on accounts payable and short-term loans payable. The contract amounts (Bought - U.S. dollar) as of March 31, 2019 and 2018 are ¥62,639 million (\$564,366 thousand) and ¥52,787 million, respectively. As stated in Note 2 (m), foreign currency denominated receivables and payables hedged by forward exchange contracts are translated at the respective forward contract rates. Therefore, the fair value of accounts payable and short-term loans payable include the fair value of the forward exchange contracts.

The Company has applied hedge accounting for interest rate swap contracts to hedge risks of changes in floating interest rates on long-term loans payable. The contract amount of interest rate swap (Receive floating/Pay fixed) as of March 31, 2019 is ¥23,891 million (\$215,254 thousand) and the amount of contracts for which terms are more than one year is ¥15,666 million (\$141,148 thousand). The contract amount of interest rate swap (Receive floating/Pay fixed) as of March 31, 2018 was ¥31,072 million and the amount of contracts for which terms are more than one year was ¥18,076 million. As stated in Note 2 (m), if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed. Therefore, the fair value of long-term loans payable includes the fair value of the interest swap contracts.

Financial instruments whose fair value is not readily determinable

The carrying value of financial instruments whose fair values are not readily determinable as of March 31, 2019 and 2018 are as follows:

	Millions of Yen		Thousands of
	2019	2018	U.S. Dollars (Note 1)
Unlisted equity securities	¥ 245	¥ 252	\$ 2,207
Stocks of affiliated companies	14,345	14,730	129,246

Monetary claims and securities with maturities after the balance sheet date and their expected maturity values

The redemption schedule for monetary claims and securities with maturity dates as of March 31, 2019 is summarized as follows:

	Millions of Yen			
	One year or less	More than one year, within five years	More than five years, within ten years	More than ten years
Cash and deposits	¥ 12,152	¥ —	¥ —	¥ —
Notes and accounts receivable - trade	56,890	—	—	—
Short-term investment securities and investment securities:				
Available-for-sale securities	100	100	100	—
Accounts receivable – other	14,219	—	—	—
Long-term accounts receivable - other	—	—	—	—
Total	¥ 83,362	¥ 100	¥ 100	¥ —

Financial Section

	Thousands of U.S. Dollars (Note 1)			
	One year or less	More than one year, within five years	More than five years, within ten years	More than ten years
Cash and deposits	\$ 109,487	\$ —	\$ —	\$ —
Notes and accounts receivable - trade	512,569	—	—	—
Short-term investment securities and investment securities:				
Available-for-sale securities	901	901	901	—
Accounts receivable – other	128,111	—	—	—
Long-term accounts receivable - other	—	—	—	—
Total	\$ 751,077	\$ 901	\$ 901	\$ —

The redemption schedule for monetary claims and securities with maturity dates as of March 31, 2018, are summarized as follows:

	Millions of Yen			
	One year or less	More than one year, within five years	More than five years, within ten years	More than ten years
Cash and deposits	¥ 15,954	¥ —	¥ —	¥ —
Notes and accounts receivable - trade	51,056	—	—	—
Short-term investment securities and investment securities:				
Available-for-sale securities	100	100	100	—
Accounts receivable – other	8,782	—	—	—
Long-term accounts receivable - other	—	5,312	—	—
Total	¥ 75,894	¥ 5,412	¥ 100	¥ —

5. Short-Term Investment Securities and Investment Securities

Short-term investment securities and investment securities classified as available-for-sale securities as of March 31, 2019 and 2018 are set out in the table below.

The following table does not include financial instruments whose fair values are not readily determinable. Unlisted equity securities amounting to ¥245 million (\$2,207 thousand) and ¥252 million as of March 31, 2019 and 2018, respectively, are not included in below table since they don't have market prices and their fair values are not readily determinable.

	Millions of Yen			Thousands of U.S. Dollars (Note 1)		
	Acquisition cost	Carrying value	Difference	Acquisition cost	Carrying value	Difference
2019						
Securities with carrying value exceeding acquisition cost:						
Equity securities	¥ 502	¥ 601	¥ 99	\$ 4,523	\$ 5,415	\$ 892
Securities with carrying value not exceeding acquisition cost:						
Equity securities	1,108	885	(222)	9,983	7,974	(2,000)
Debt securities	201	200	(0)	1,811	1,802	(0)
Other securities	100	100	—	901	901	—
Total	¥ 1,911	¥ 1,787	¥ (124)	\$ 17,218	\$ 16,101	\$ (1,117)

	Millions of Yen		
	Acquisition cost	Carrying value	Difference
2018			
Securities with carrying value exceeding acquisition cost:			
Equity securities	¥ 501	¥ 745	¥ 243
Securities with carrying value not exceeding acquisition cost:			
Equity securities	1,108	1,036	(71)
Debt securities	201	200	(0)
Other securities	100	100	—
Total	¥ 1,911	¥ 2,082	¥ 171

There were no significant available-for-sale securities sold during the fiscal years ended March 31, 2019 and 2018.

6. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation in the accompanying consolidated balance sheets. The accumulated depreciation as of March 31, 2019 and 2018 are ¥284,530 million (\$2,563,564 thousand) and ¥278,571 million, respectively.

Deferred proceeds from national subsidies and insurance claims

Deferred proceeds from national subsidies and insurance claims are directly deducted from the acquisition cost of the related assets in the accompanying consolidated balance sheets as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Proceeds from national subsidies			
Buildings and structures	¥ 564	¥ 564	\$ 5,082
Storage tanks	148	148	1,333
Machinery, equipment and vehicles	1,369	1,369	12,334
Other	128	128	1,153
Software	41	41	369
Proceeds from insurance claims	128	128	1,153

7. Impairment of Noncurrent Assets

For the fiscal year ended March 31, 2018, the Company has recorded impairment losses on following asset groups.

Location	Primary use	Type of asset
Ora country, Gunma prefecture	Idle asset	Land
Chuo-ku, Tokyo	Business asset	Software

Business assets are grouped based on the classification used for management accounting. Other idle assets are grouped by individual asset unit.

Regarding the idle asset which had an indication of impairment, the carrying value was reduced to the recoverable amount since market price of the asset had declined. The reduction amount is recognized as impairment loss amounting to ¥0 million in the consolidated statement of income. Regarding the business asset, the carrying value was reduced to the recoverable amount since the operating activity of the consolidated subsidiary continuously resulted in loss. The reduced amount is recognized as impairment loss amounting to ¥51 million in the consolidated statement of income.

The recoverable amounts for the above asset groups are measured by net realizable value mainly based on the appraisal value provided by a real estate appraiser.

The information for the fiscal year ended March 31, 2019 is omitted due to immateriality.

8. Selling, General and Administrative Expenses

Financial Section

The significant components of selling, general and administrative expenses for the fiscal years ended March 31, 2019 and 2018 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Directors' compensation	¥ 448	¥ 451	\$ 4,036
Provision for directors' retirement benefits	1	1	9
Salaries and allowances	1,058	900	9,532
Retirement benefit expenses	62	106	559
Taxes and dues	350	345	3,153

9. Loss on Retirement of Noncurrent Assets

The significant components of loss on retirement of noncurrent assets for the fiscal years ended March 31, 2019 and 2018 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Buildings and structures	¥ 23	¥ 0	\$ 207
Machinery, equipment and vehicles	2	155	18
Facility removal cost	18	—	162
Other	0	0	0
Total	¥ 44	¥ 155	\$ 396

10. Gain on Sales of Noncurrent Assets

The significant components of gain on sales of noncurrent assets for the fiscal years ended March 31, 2019 and 2018 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Gain on sales of noncurrent assets			
Machinery, equipment and vehicles	¥ 4	¥ 3	\$ 36

11. Short-Term Loans Payable, Long-Term Loans Payable, and Lease Obligations

Short-term loans payable, long-term loans payable, and lease obligations as of March 31, 2019 and 2018 and the weighted average interest rates on the loans payable outstanding as of March 31, 2019 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Short-term loans payable – 2.4%	¥ 80,064	¥ 64,017	\$ 721,362
Current portion of long-term loans payable – 1.8%	19,481	22,220	175,520
Lease obligation due within one year	17	5	153
Long-term loans payable, maturing in 2020-2026 - 1.5%	29,386	39,267	264,763
Lease obligation due in 2020-2025	50	5	450
Total	¥ 129,000	¥ 125,516	\$ 1,162,267

Annual maturities of long-term loans payable as of March 31, 2019 are as follows:

Year ending March 31,	Millions of Yen		Thousands of U.S. Dollars (Note 1)	
	¥		\$	
2020	¥	19,481	\$	175,520
2021		8,435		75,998
2022		8,268		74,493
2023		6,007		54,122
2024		4,957		44,662
2025 and thereafter		1,717		15,470

Annual maturities of long-term loans payable as of March 31, 2018 are as follows:

Year ending March 31,	Millions of Yen
2019	¥ 22,220
2020	18,801
2021	7,575
2022	5,408
2023	5,147
2024 and thereafter	2,335

Future lease payments as of March 31, 2019 are as follows:

Year ending March 31,	Millions of Yen		Thousands of U.S. Dollars (Note 1)	
	2019		2019	
	¥		\$	
2020	¥	17	\$	153
2021		15		135
2022		14		126
2023		13		117
2024 and thereafter		6		54

Future lease payments as of March 31, 2018 are as follows:

Year ending March 31,	Millions of Yen
	2018
2019	¥ 5
2020	3
2021	1
2022	0
2023 and thereafter	—

Pledged Assets

The following assets are pledged as collateral for long-term loans payable to the factory foundation amounting to ¥34,710 million (\$312,731 thousand) and ¥49,578 million, including current portion of ¥15,509 million (\$139,733 thousand) and ¥20,868 million, as of March 31, 2019 and 2018, respectively.

	Millions of Yen				Thousands of U.S. Dollars (Note 1)	
	2019		2018		2019	
	¥		¥		\$	
Buildings and structures	¥	10,687	¥	11,363	\$	96,288
Storage tanks		3,711		4,006		33,435
Machinery, equipment and vehicles		32,427		36,498		292,161
Land		48,952		48,952		441,049
Total carrying value of pledged assets	¥	95,778	¥	100,819	\$	862,943

Financial Section

12. Income Taxes

Income taxes applicable to the Company and its domestic subsidiaries comprise corporation, enterprise, and inhabitants' taxes which, in the aggregate, resulted in a statutory tax rate of 30.5% and 30.7% for the fiscal years ended March 31, 2019 and 2018, respectively.

The Company and certain domestic subsidiaries have adopted a consolidated tax filing system.

The significant components of deferred tax assets and liabilities as of March 31, 2019 and 2018 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Deferred tax assets:			
Tax loss carryforwards (*2)	¥ 17,714	¥ 21,033	\$ 159,600
Provision for repairs	1,238	354	11,154
Net defined benefit liability	672	782	6,055
Provision for special repairs	669	626	6,028
Depreciation	314	423	2,829
Impairment losses	67	66	604
Other	1,558	1,562	14,037
Subtotal	22,234	24,849	200,324
Valuation allowance for tax loss carryforwards (*2)	(17,280)	—	(155,690)
Valuation allowance for total deductible temporary differences	(3,634)	—	(32,742)
Valuation allowance total (*1)	(20,914)	(24,081)	(188,431)
Total deferred tax assets	1,320	767	11,893
Deferred tax liabilities:			
Valuation difference on assets of consolidated subsidiaries	(9,356)	(9,356)	(84,296)
Undistributed earnings of foreign subsidiaries	(255)	(253)	(2,298)
Adjustment assets for gains or losses on assets transfer to intercompany	(87)	(87)	(784)
Other	(50)	(83)	(450)
Total deferred tax liabilities	(9,749)	(9,780)	(87,837)
Net deferred tax liabilities	¥ (8,429)	¥ (9,013)	\$ (75,944)

(*1) Valuation allowance total decreased by ¥3,167 million (\$28,534 thousand) due to following reasons;

- At the Company as a tax payer of the consolidated tax filing system, tax loss carryforwards of ¥2,421 million (\$21,813 thousand), multiplied by normal effective statutory tax rate, was expired. Consequently, related valuation allowance was decreased.
- Deferred tax assets are additionally recognized because estimated future taxable income increased.

(*2) Breakdown of tax loss carryforwards and deferred tax assets by expiry date as of March 31, 2019 is as follows:

(Millions of Yen)							2025 and thereafter	Total
Fiscal Year Ending March 31	2020	2021	2022	2023	2024			
Tax loss carryforwards (a)	¥ —	¥ —	¥ —	¥ 7,819	¥ 5,827	¥ 4,068	¥ 17,714	
Valuation allowance.....	—	—	—	(7,385)	(5,827)	(4,068)	(17,280)	
Deferred tax assets.....	¥ —	¥ —	¥ —	¥ 434	¥ —	¥ —	¥ 434 (b)	

(Thousands of U.S. Dollars)							2025 and thereafter	Total
Fiscal Year Ending March 31	2020	2021	2022	2023	2024			
Tax loss carryforwards (a)	\$ —	\$ —	\$ —	\$ 70,448	\$ 52,500	\$ 36,652	\$ 159,600	
Valuation allowance.....	—	—	—	(66,538)	(52,500)	(36,652)	(155,690)	
Deferred tax assets.....	\$ —	\$ —	\$ —	\$ 3,910	\$ —	\$ —	\$ 3,910 (b)	

(a) Tax loss carryforwards represents the amount multiplied by normal effective statutory tax rate.

(b) For the total tax loss carryforwards of ¥17,714 million (\$159,600 thousand) (amount multiplied by normal effective statutory tax rate), deferred tax assets of ¥434 million (\$3,910 thousand) has been recognized. The tax loss carryforwards for which valuation allowance is not recognized incurred when the Company had recognized net loss before income taxes for the fiscal year ended March 31, 2014. The Company cautiously estimated the future taxable income based on the recent financial results and concluded the deferred tax assets is recoverable.

Reconciliation between the statutory income tax rate and the effective income tax rate for the fiscal years ended March 31, 2019 and 2018 are as follows:

	2019	2018
Normal effective statutory tax rate	30.5%	30.7%
Change in valuation allowance	(19.4)	(25.8)
Equity in earnings of affiliates	(0.8)	(1.4)
Non-deductible entertainment expenses	1.0	0.7
Other	1.6	1.4
Effective tax rate	12.9%	5.6%

13. Retirement Benefits Plans

Certain consolidated subsidiaries operate defined benefit corporate pension plans, lump-sum severance plans and others, which cover substantially all employees who are entitled upon retirement to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rate of pay, length of service, and the conditions under which termination occurs.

The reconciliation of retirement benefit obligation of beginning and ending balances for the fiscal years ended March 31, 2019 and 2018 (except for the plans adopting a simplified method in computing their retirement benefit obligations as permitted by Japanese GAAP) are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Retirement benefit obligation at the beginning of the year	¥ 5,201	¥ 5,510	\$ 46,860
Service cost	173	168	1,559
Actuarial gains and losses arising during the period	(15)	56	(135)
Defined benefit retirement plans paid	(612)	(533)	(5,514)
Retirement benefit obligation at the end of the year	¥ 4,746	¥ 5,201	\$ 42,761

The reconciliation of plan assets of beginning and ending balances for the fiscal years ended March 31, 2019 and 2018 (except for the plans adopting a simplified method stated above) are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Plan assets at the beginning of the year	¥ 2,961	¥ 2,893	\$ 26,678
Expected return on plan assets	47	46	423
Actuarial gains and losses arising during the period	(28)	131	(252)
Contribution from employer	72	137	649
Defined benefit retirement plans paid	(278)	(247)	(2,505)
Plan assets at the end of the year	¥ 2,774	¥ 2,961	\$ 24,993

The reconciliation of net defined benefit liability of beginning and ending balances for the fiscal years ended March 31, 2019 and 2018 for the plans adopting a simplified method are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Net defined benefit liability at the beginning of the year	¥ 324	¥ 307	\$ 2,919
Retirement benefit expenses	43	38	387
Defined benefit retirement plans paid	(32)	(15)	(288)
Contribution to the plans	(6)	(6)	(54)
Net defined benefit liability at the end of the year	¥ 328	¥ 324	\$ 2,955

Financial Section

The reconciliation of plan assets, retirement benefit obligation and net defined benefit liability and assets on the consolidated balance sheets as of March 31, 2019 and 2018 (included in the plans adopting a simplified method stated above) are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Retirement benefit obligation of funded plans	¥ 2,745	¥ 2,983	\$ 24,732
Plan assets	(2,867)	(3,053)	(25,831)
	(122)	(69)	(1,099)
Retirement benefit obligation of unfunded plans	2,422	2,633	21,822
Net amount of liabilities after deducting assets on the consolidated balance sheets	2,300	2,564	20,723
Net defined benefit liability	2,451	2,660	22,083
Net defined benefit asset	(150)	(95)	(1,351)
Net amount of liabilities after deducting assets on the consolidated balance sheets	¥ 2,300	¥ 2,564	\$ 20,723

The components of retirement benefit expenses for the fiscal years ended March 31, 2019 and 2018 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Service cost	¥ 173	¥ 168	\$ 1,559
Expected return on plan assets	(47)	(46)	(423)
Amortization of actuarial gains and losses	(2)	46	(18)
Amortization of prior service cost	0	0	0
Retirement benefit expenses computed by a simplified method	43	38	387
Retirement benefit expenses related to defined benefit plans	¥ 167	¥ 207	\$ 1,505

The components of remeasurements of defined benefit plans (before income taxes) for the fiscal years ended March 31, 2019 and 2018 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Prior service costs	¥ 0	¥ 0	\$ 0
Actuarial gains and losses	(15)	120	(135)
Total	¥ (14)	¥ 121	\$ (126)

The components of remeasurements of defined benefit plans-accumulated (before income taxes) for the fiscal years ended March 31, 2019 and 2018 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Unrecognized prior service costs	¥ —	¥ 0	\$ —
Unrecognized actuarial gains and losses	(74)	(59)	(667)
Total	¥ (74)	¥ (59)	\$ (667)

The component ratio of main items included in plan assets for the fiscal years ended March 31, 2019 and 2018 are as follows:

	2019	2018
Bonds	38%	38%
Stocks	51%	51%
General accounts	8%	8%
Other	3%	3%
Total	100%	100%

The actuarial assumptions for the fiscal years ended March 31, 2019 and 2018 are as follows:

	2019	2018
Discount rate	0.0%	0.0%
Long-term expected rate of return on plan assets	1.6%	1.6%

Long-term expected rate of return on plan assets is determined on the basis of the current/future expected distribution of plan assets and expected current/future return from various assets that composes plan assets.

14. Net Assets

Under the Japanese Corporate Law (the "Law") and related regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the lesser of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in capital and legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Law.

Changes in the number of shares issued and treasury stock

The changes in the number of shares issued and treasury stocks for the fiscal years ended March 31, 2019 and 2018 are as follows:

	Number of Shares			
	As of April 1, 2018	Changes during the year		As of March 31, 2019
		2019		
		Increase	Decrease	
Issued stock				
Common stock	78,183,677	—	—	78,183,677
Treasury stock				
Common stock	1,121,188	—	—	1,121,188

	Number of Shares			
	As of April 1, 2017	Changes during the year		As of March 31, 2018
		2018		
		Increase	Decrease	
Issued stock				
Common stock	78,183,677	—	—	78,183,677
Treasury stock				
Common stock	1,121,132	56	—	1,121,188

Note:

Due to the acquisition of the odd lot shares, the number of treasury stocks increased by 56 common stock shares as of March 31, 2018.

Financial Section

Detail of cash dividends for the fiscal year ended March 31, 2019

(1) Dividends paid

Resolution	Class of Shares	Total amount of Dividend		Dividend per Share		Record Date	Effective date
		(Millions of yen)	(Thousands of U.S. dollars) (Note 1)	(Yen)	(U.S. dollars) (Note 1)		
June 27, 2018 annual meeting of shareholders	Common stock	¥ 617	\$ 5,559	¥ 8	\$ 0.07	March 31, 2018	June 28, 2018

(2) Dividends whose record date belongs to the current year, but whose effective date falls in the following year

Resolution	Class of Shares	Total amount of Dividend		Dividend per Share		Source of dividend	Record Date	Effective date
		(Millions of yen)	(Thousands of U.S. dollars) (Note 1)	(Yen)	(U.S. dollars) (Note 1)			
June 26, 2019 annual meeting of shareholders	Common stock	¥ 772	\$ 6,956	¥ 10	\$ 0.09	Retained earnings	March 31, 2019	June 27, 2019

Detail of cash dividends for the fiscal year ended March 31, 2018

(1) Dividends paid

Resolution	Class of Shares	Total amount of Dividend		Dividend per Share		Record Date	Effective date
		(Millions of yen)	(Thousands of U.S. dollars) (Note 1)	(Yen)	(U.S. dollars) (Note 1)		
June 28, 2017 annual meeting of shareholders	Common stock	¥ 617	\$ 5,559	¥ 8	\$ 0.07	March 31, 2017	June 29, 2017

(2) Dividends whose record date belongs to the current year, but whose effective date falls in the following year

Resolution	Class of Shares	Total amount of Dividend		Dividend per Share		Source of dividend	Record Date	Effective date
		(Millions of yen)	(Thousands of U.S. dollars) (Note 1)	(Yen)	(U.S. dollars) (Note 1)			
June 27, 2018 annual meeting of shareholders	Common stock	¥ 617	\$ 5,559	¥ 8	\$ 0.07	Retained earnings	March 31, 2018	June 28, 2018

15. Contingent Liabilities

The Companies had the following guarantees of liabilities as of March 31, 2019 and 2018.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
	Employees (for home purchase):		
Indebtedness to financial institutions	¥ 14	¥ 17	\$ 126
Japan Biofuels Supply LLP:			
Guarantee of obligations related to overdraft facility, obligations related to deferred payment of consumption taxes on imports, and obligations related to letter of credit agreements	1,010	1,286	9,100

In addition to the above, the Company guaranteed some part of its affiliate's obligation related to payment of the shipbuilding contract. The upper limit of the guarantee was ¥3,924 million and there was no obligation recognized by the affiliate as of March 31, 2018.

16. Cash Flow Information

Reconciliation of "Cash and cash equivalents" in the consolidated statements of cash flows and "Cash and deposits" in the consolidated balance sheets as of March 31, 2019 and 2018 is as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Cash and deposits	¥ 12,152	¥ 15,954	\$ 109,487
Short-term investment securities	100	100	901
Subtotal	12,252	16,054	110,388
Less: Time deposits maturing over three months	(2,869)	(2,621)	(25,849)
Cash and cash equivalents	¥ 9,383	¥ 13,433	\$ 84,539

17. Per Share Data

	Yen		U.S. Dollars (Note 1)
	2019	2018	2019
Net assets per share	¥ 925.64	¥ 904.00	\$ 8.34
Basic profit per share	37.59	103.11	0.34

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Calculation basis:			
Net income attributable to owners of parent	¥ 2,896	¥ 7,945	\$ 26,092
Weighted average number of shares for the fiscal year	77,062,489	77,062,509	—

Net assets per share is computed based on the net assets available for distribution to the shareholders of capital stock and the number of shares of capital stock outstanding at the year-end.

Basic profit per share is computed based on the profit available for distribution attributable to shareholders of capital stock and the weighted average number of shares of capital stock outstanding during the fiscal year. Diluted profit per share has been omitted because no potentially dilutive instruments were outstanding during the fiscal years ended March 31, 2019 and 2018.

18. Comprehensive Income

Each component of other comprehensive income for the fiscal years ended March 31, 2019 and 2018 are the following:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Valuation difference on available-for-sale securities:			
Amount arising during the year	¥ (275)	¥ 103	\$ (2,478)
Reclassification adjustments	(19)	(1)	(171)
Amount before income tax effect	(294)	102	(2,649)
Income tax effect	1	(3)	9
Total	(293)	98	(2,640)
Foreign currency translation adjustments:			
Amount arising during the year	(53)	(86)	(478)
Reclassification adjustments	—	—	—
Amount before income tax effect	(53)	(86)	(478)
Income tax effect	—	—	—
Total	(53)	¥ (86)	(478)

Financial Section

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Remeasurements of defined benefit plans:			
Amount arising during the year	(12) ¥	74	(108)
Reclassification adjustments	(1)	47	(9)
Amount before income tax effect	(14)	121	(126)
Income tax effect	—	—	—
Total	(14)	121	(126)
Share of other comprehensive income of associates accounted for using equity method:			
Amount arising during the year	(249)	(431)	(2,243)
Total other comprehensive income	¥ (611)	¥ (297)	\$ (5,505)

19. Segment Information

Disclosure of segment information is omitted for the fiscal years ended March 31, 2019 and 2018 because the Companies have one segment.

(1) Related information

(a) Information on sales by products

Since the sales amount of a single product attributable to the external customers accounts for more than 90% of sales in the consolidated statements of income, disclosure of sales by products for the fiscal years ended March 31, 2019 and 2018 have been omitted.

(b) Geographic information

Since the sales and property, plant and equipment attributable to the "Japan" segment account for more than 90% of the total of all geographic segments, geographical segment information has not been presented for the fiscal years ended March 31, 2019 and 2018.

(c) Sales to major customers

Sales to major customers for the fiscal years ended March 31, 2019 and 2018 are as follows:

Name of customer	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Showa Shell Sekiyu K.K.	¥ 355,090	¥ 265,914	\$ 3,199,297
JXTG Nippon Oil & Energy Corporation	59,628	51,077	537,238

*Since there is one segment, related segment name is omitted on above table.

(2) Information of impairment losses on noncurrent assets by reporting segment

Information of impairment losses on noncurrent assets by reporting segment for the fiscal years ended March 31, 2019 and 2018 have been omitted since the Companies have one segment.

20. Related Party Transactions

The following are the Company's transactions with its related parties for the year ended March 31, 2019.

(1) The Company's directors and major shareholders (Individuals)

Name	Relationship	Transaction type	Transaction amount Millions of yen (Thousands of U.S. Dollars (Note 1))	Account	Balance at year-end Millions of yen (Thousands of U.S. Dollars (Note 1))
Tomonori Okada	Director of the Company	Sale of crude oil and products (*1)	¥ 264,891 (\$2,386,620)	Accounts receivable - trade	¥ 35,733 (\$321,948)
	Representative director of Showa Shell Sekiyu K.K. (*2)	Accommodation of crude oil (*4)	¥ 48,419 (\$436,247)	Accounts receivable - other	¥3,628 (\$32,688)
		Purchase of crude oil and products(*1)	¥ 71,602 (\$645,121)	Accounts payable - trade	¥11,685 (\$105,280)

Notes: Terms and conditions and determination policy of terms and conditions

1. The selling and purchase price of crude oil and petroleum products is determined based on usual general business terms in consideration of market prices through negotiation.
2. Tomonori Okada assumed a Director of the Company on June 27, 2018. The disclosed amounts are the transaction amount since the next month of the assumption.
3. The transaction amounts excludes consumption taxes, while the balances at year-end include consumption taxes.
4. The transactions disclosed above are the transactions for the benefit of a third party. The terms and conditions are determined based on usual general business terms.

21. Quarterly Information

Quarterly financial data for the fiscal year ended March 31, 2019

	Millions of yen			Yen
	Net sales	Profit (loss) before income taxes	Profit (loss) attributable to owners of parent	Profit (loss) per share
Three months ended June 30, 2018	¥ 137,834	¥ 5,611	¥ 4,608	¥ 59.81
Six months ended September 30, 2018	284,670	9,881	7,996	103.77
Nine months ended December 31, 2018	416,567	(3,274)	(3,313)	(42.99)
Twelve months ended March 31, 2019	541,640	3,344	2,896	37.59

	Thousands of U.S. Dollars (Note 1)			U.S. Dollars (Note 1)
	Net sales	Profit (loss) before income taxes	Profit (loss) attributable to owners of parent	Profit (loss) per share
Three months ended June 30, 2018	\$ 1,241,860	\$ 50,554	\$ 41,517	\$ 0.54
Six months ended September 30, 2018	2,564,826	89,026	72,043	0.93
Nine months ended December 31, 2018	3,753,194	(29,498)	(29,850)	(0.39)
Twelve months ended March 31, 2019	4,880,079	30,129	26,092	0.34

Quarterly financial data for the fiscal year ended March 31, 2018

	Millions of yen			Yen
	Net sales	Profit before income taxes	Profit attributable to owners of parent	Profit per share
Three months ended June 30, 2017	¥ 66,100	¥ (4,308)	¥ (4,368)	¥ (56.69)
Six months ended September 30, 2017	173,296	79	111	1.45
Nine months ended December 31, 2017	296,689	5,870	5,788	75.12
Twelve months ended March 31, 2018	423,772	8,430	7,945	103.11

Independent Auditor's Report



Independent Auditor's Report

To the Board of Directors of Fuji Oil Company, Ltd.:

We have audited the accompanying consolidated financial statements of Fuji Oil Company, Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2019 and 2018, and the consolidated statements of income, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fuji Oil Company, Ltd. and its consolidated subsidiaries as at March 31, 2019 and 2018, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2019 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

July 31, 2019
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Corporate Data

Trade Name	Fuji Oil Company, Ltd.
Date of Establishment	January 31, 2003
Head Office	Tennozu Parkside Building 5-8, Higashishinagawa 2-chome, Shinagawa-ku, Tokyo 140-0002, Japan TEL: 81-3-5462-7761 FAX: 81-3-5462-7815
Paid-in Capital	¥24,467 million
Fiscal Year-End	March 31
Employees	Non-consolidated: 440 Consolidated: 640
Principal Business	Import of crude oil, refining of oil and production, processing, storage, export and sales of petroleum products and petrochemical feedstock



Tennozu Parkside Building

Shareholder Information

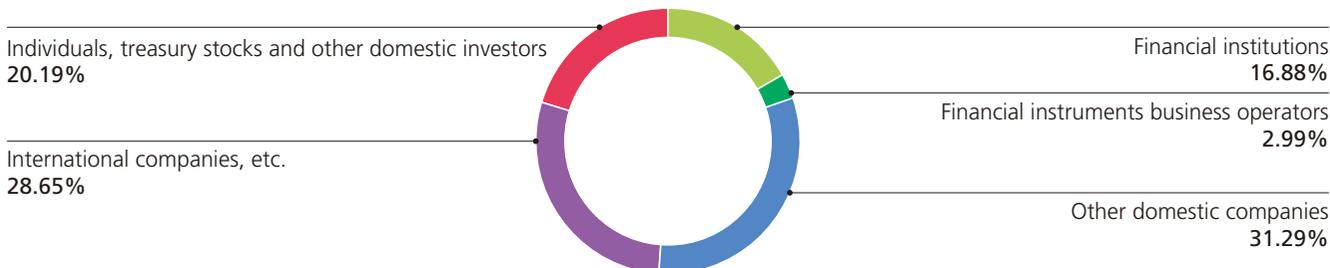
Number of Shares Authorized:	200,000,000 shares
Number of Shares Issued:	78,183,677 shares
Number of Shareholders:	12,412

Principal Shareholders

Name	Number of shares held (thousands)	Percentage of total shares outstanding (%)
TEPCO Fuel & Power, Incorporated	6,839.9	8.85
Kuwait Petroleum Corporation	5,811.3	7.52
Government of the Kingdom of Saudi Arabia	5,811.3	7.52
Showa Shell Sekiyu K.K.	5,144.0	6.66
Sumitomo Chemical Company, Limited	5,051.6	6.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,876.5	3.72
Nippon Yusen Kabushiki Kaisha	2,750.8	3.56
JXTG Holdings, Inc.	1,350.0	1.74
DFA INTL SMALL CAP VALUE PORTFOLIO	1,308.4	1.69
Japan Trustee Services Bank, Ltd. (Trust Account)	1,262.3	1.63
Total	38,206.4	49.47

Note: The percentage of total shares outstanding is calculated excluding treasury stocks of 966.1 thousand shares.

Composition of Shareholders by Type



A photograph of a coastal industrial area. In the foreground, a tall, grey utility pole stands in the water. The background shows a body of water, a distant industrial facility with various structures and a red-and-white tower, and a blue sky with light clouds. A solid blue circle is positioned in the upper right quadrant of the image.

Fuji Oil Company, Ltd.

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