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(Stock Code: 5017)
May 30, 2025

To Our Shareholders

The 23rd Annual General Meeting of Shareholders Other Matters Provided Electronically

(Matters Excluded from Paper-Based Documents Delivered to Shareholders)

In accordance with laws and regulations and Article 12 of the Company's Articles of Association, the above-stated matters are excluded from the paper-based documents delivered to shareholders who have made a request for paper documents.

Fuji Oil Company, Ltd.

LOCATION OF PRINCIPAL BUSINESS (As of March 31, 2025)

Fuji Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
	Sodegaura Refinery	Sodegaura-shi, Chiba, Japan
Fuji Oil Sales Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Fuji Rinkai Co., Ltd.	Head Office	Sodegaura-shi, Chiba, Japan
Arabian Oil Company, Ltd.	Head Office	Shinagawa-ku, Tokyo, Japan
Japan Oil Engineering Company Ltd.	Head Office	Chuo-ku, Tokyo, Japan
Petro Progress Inc.	Head Office	Shinagawa-ku, Tokyo, Japan
PETRO PROGRESS PTE LTD	Head Office	Singapore

(Note) Arabian Oil Company, Ltd. merged with the Company through an absorption-type merger on April 1, 2025.

FOC GROUP EMPLOYEES (As of March 31, 2025)

Number of Employees	Difference from the previous period
672	-30

Major Lenders (As of March 31, 2025)

Million Yen

Lender	Outstanding Balance
Japan Organization for Metals and Energy Security	30,357
Mizuho Bank, Ltd.	24,963
Sumitomo Mitsui Banking Corporation	17,946
MUFG Bank, Ltd.	15,336
Sumitomo Mitsui Trust Bank, Limited	13,536
Development Bank of Japan Inc.	9,162

MATTERS CONCERNING DIRECTORS AND OFFICERS LIABILITY INSURANCE CONTRACT

The Company has a Directors and Officers (D&O) liability insurance contract with an insurance company as provided for in Article 430-3, paragraph 1 of the Companies Act. In the event that a claim for damages is filed by a shareholder or a third party against the insured, the contract covers the compensation for damages and legal expenses to be borne by the insured. However, it does not cover the compensation for damages and legal expenses arising from the insured's unlawful gain or benefit, criminal acts, or acts committed with the knowledge that they violate laws.

Insureds in the said contract are all the Officers of the Company and its consolidated subsidiaries (i.e., Directors, Executive Officers and Audit & Supervisory Board Members). The Company bears the whole amount of premiums for the insurance.

ACCOUNTING AUDITOR

1. Name of Accounting Auditor

KPMG AZSA LLC

2. Remuneration for the Period

	Remuneration
Remuneration paid for services rendered under Article 2 (1) of the Certified Public Accountants Act	90 million yen
Remuneration paid for other services than those described above	—
Total cash and other compensation paid by the Company and its subsidiaries	90 million yen

Note: 1. After checking and evaluating the contents of the audit plan for the period explained by the said Auditor, the performance of audit services of the previous period and the basis for calculation upon which the remuneration is estimated, ASB judged that the amount of remuneration, etc. of the Accounig Auditor is at a reasonabel level as compared with the past actual amounts and remunerations of other companies in the same industry. Accordingly, ASB has given its consent as stipulated in Article 399 (1) of the Companies Act.

2. Under the audit contract with the Accounting Auditor, specific separation is not, or practically cannot be, made between the audit fees payable for auditing services rendered under the Companies Act and the ones rendered under the Financial Instruments and Exchange Act. The above amount paid for services as provided under Article 2 (1) of the Certified Public Accounts Act shows the total for services rendered for these two audits.

3. One of the Company's principal subsidiaries, PETRO PROGRESS PTE LTD, is audited by a different accounting auditor from the Company's accounting auditor.

3. Any other Services rendered by Accounting Auditor than Auditing

None.

4. Policies for dismissing or not reappointing Accounting Auditor

In the event the Accounting Auditor is deemed to fall under any of the matters listed in the items of Article 340 (1) of the Companies Act, the Audit & Supervisory Board (ASB) of the Company shall by its unanimous resolution dismiss such Accounting Auditor. One of the members on the ASB shall be appointed to report the dismissal with its reason to the first AGM to be held after the dismissal.

Furthermore, in the event there is any doubt about Accounting Auditor's capability to continuously perform its duties and responsibilities in a satisfactory manner, or the ASB concluded that it is appropriate to change the Accounting Auditor due to the reason that we could expect more appropriate audit etc., the ASB shall decide the contents of a proposition regarding dismissal or refusal of reappointment of the Accounting Auditor, which is to be submitted to a General Meeting of Shareholders.

DEVELOPMENT AND OPERATION STATUS OF SYSTEMS FOR ENSURING APPROPRIATE BUSINESS OPERATIONS

A) Systems for ensuring appropriate business operations

Pursuant to Article 362 (5) of the Companies Act, the fundamental policy concerning the development of the systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Association of the Company, and other systems necessary to ensure the properness of operations of the Company as well as the Company group that is comprised of the Company and its subsidiaries (“Group”) is given as below.

1. Systems to secure execution of duties by Directors of the Company to comply with applicable laws and regulations and the Articles of Association of the Company

The Company established its Charter of Corporate Behavior to ensure thorough compliance with applicable laws and regulations whether domestic or international, the Articles of Association of the Company and other relevant regulations. Along with the foregoing, the Board of Directors will determine and implement the Company’s policies and plans to improve compliance and internal control systems.

The Company will endeavor to maintain and enhance the function of the Board of Directors in supervising Directors’ execution of duties by having outside Directors on the Board.

Audit & Supervisory Board Members of the Company will audit Directors’ execution of duties as well as the status of development and operation of the internal control systems from independent points of view.

2. Systems to secure proper business operations of the Company and the Group

1) System concerning storage and management of information concerning execution of duties by Directors of the Company

Information concerning Directors of the Company’ execution of duties will be recorded, stored and maintained at relevant departments in forms of minutes, intra-office memoranda or other documents pursuant to laws and regulations and the Company’s Regulations concerning Board of Directors, Regulations concerning Executive Committee, Regulations concerning Application for Management Approval, and Regulations concerning Documentation, and shall be kept for later retrieval.

The department of the Company in charge of internal audit shall conduct audit in accordance with Regulations concerning Internal Audit to assess the status of recording, storage and maintenance of these documents and regularly report the results thereof to the Board of Directors and the Audit & Supervisory Board.

2) Regulations concerning risk management of the Company and other systems

Systematic preventive mechanism will be improved in ordinary times by improving a system to comprehensively identify and evaluate material risks to business management and by improving regulations concerning risk management.

The Company establishes its Business Continuity Plan (BCP) and maintains it on a regular basis to prepare for unforeseen events such as major earthquakes and outbreaks of infectious diseases.

If a serious loss is anticipated, Director in charge of the relevant department shall report it to Representing Director-President, and necessary countermeasures will be taken through deliberations at the Board Meeting, Executive Committee meeting, etc. When any contingency occurs, an emergency headquarters shall be set up immediately.

The department of the Company in charge of internal audit will conduct audit in accordance with Regulations concerning Internal Audit to assess the development and operation status of risk management system and regularly report the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company.

3) System to ensure efficient execution of duties by Directors of the Company

The Board of Directors of the Company will determine basic management policies, matters required by the laws and regulations and Articles of Association of the Company, and other important management issues. In addition, the Board will supervise Directors' execution of duties, too.

To promote the efficiency of Directors in the execution of their duties, the Company will appoint Executive Officers to the extent appropriate and the Representing Director President shall supervise Executive Officers.

The Executive Committee consisting of full-time Directors, Executive Officers, of the Company and full-time Audit & Supervisory Board Members of the Company shall share information concerning the overall management, and along with determining specific policies for each operating division of the Company, make decisions for efficient execution of duties in accordance with the decisions made by the Board of Directors of the Company.

Under the instruction from full-time Directors or Executive Officers in charge based on decisions made by the Executive Committee, each department shall execute its duties efficiently pursuant to Regulations concerning Corporate Organization, Regulations concerning Administrative Authority and other relevant regulations, and report the results of operations to Director or Executive Officer in charge of the department and the Board of Directors of the Company.

Following the report from each department, the Executive Committee shall review each of the specific policies and take necessary actions to improve the system concerning efficient execution of duties.

4) System to ensure that the execution of duties by employees of the Company and officers and employees of its subsidiaries/affiliates ("Subsidiaries") complies with applicable laws, regulations and the Articles of Association of the Company

The Company laid down its Charter of Corporate Behavior and requires employees of the Company and officers and employees of the Subsidiaries to strictly comply with applicable laws and regulations whether domestic or international, the Articles of Association of the Company and other relevant regulations, and carries out measures to instill an awareness for the compliance into officers and employees of the Company and officers and employees of its Subsidiaries.

"Helpline" is set up at the head office of the Company and the corporate lawyer's office in order to receive information on violation of the laws and regulations and to provide advice thereon. The Department of the Company in charge of the Helpline will examine the information submitted to the Helpline, implement Company-level preventive measures through consultation with the relevant departments, and regularly report the matter to the Board of Directors of the Company and the Audit & Supervisory Board of the Company.

The department of the Company in charge of internal audit shall conduct audit in accordance with Regulation concerning Internal Audit to assess legitimacy of the execution of duties by employees of the Company and officers and employees of its Subsidiaries and regularly report the results thereof to the Board of Directors and the Audit & Supervisory Board.

5) Systems as given below to ensure the appropriateness of execution of duties in the Group

a. System for reporting to the Company on the matters relating to execution of duties by officers and employees of the Company's Subsidiaries

b. Regulations concerning risk management of the Company's Subsidiaries and other systems

c. System to ensure efficient execution of duties by officers and employees of the Company's Subsidiaries

The Company shall ensure thorough management of the Subsidiaries on their execution of duties concerning risk management, effectiveness of their execution of duties, and other important matters through the departments of the Company in charge by specifying matters to be reported to and matters to be approved by the Company on the basis of the Company's regulations concerning management of the Subsidiaries, etc., and by facilitating close communications between the said departments of the Company in charge and the Subsidiaries.

The department of the Company in charge of internal audit shall conduct audit in accordance with the Company's regulations concerning internal audit to assess the properness of execution of duties in the entire Subsidiaries and regularly report the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company.

6) Systems concerning assigning assistants to Audit & Supervisory Board Members of the Company, independence of such assistants, and effectiveness of instructions given to such assistants

When Audit & Supervisory Board Members of the Company ask for assigning assistants to assist in executing their duties, a relevant division shall be established to which such assistants belong. Job description and authority of such assistants shall be determined taking consideration of Audit & Supervisory Board Members of the Company's opinions.

The assistants shall not receive any instruction from others than Audit & Supervisory Board Members of the Company concerning this assistance. Prior consensus from the Audit & Supervisory Board of the Company (or from an Audit & Supervisory Board Member designated by the Audit & Supervisory Board) is required for staff change and performance evaluation, etc. of the assistants.

7) Systems as given below concerning reporting to Audit & Supervisory Board Members of the Company

a. System for Directors and employees of the Company to report to Audit & Supervisory Board Members of the Company

b. System for Directors, Audit & Supervisory Board Members and employees of the Subsidiaries or the persons who received reports from them to report to Audit & Supervisory Board Members of the Company

Directors and employees of the Company and Directors, Audit & Supervisory Board Members and employees of the Subsidiaries shall make necessary reports to Audit & Supervisory Board Members of the Company regularly or at any time upon request of Audit & Supervisory Board Members of the Company. The persons who received reports from them shall report to Audit & Supervisory Board Members of the Company without delay.

Among the matters to be reported are the following:

- ✓ Important matters of business management and operations, and status and results of execution of duties, including matters related to compliance, risk management and internal control systems,
- ✓ Uncovered facts which may cause serious losses to the Company or the Subsidiaries,
- ✓ Newly disclosed information of the Company,
- ✓ Information submitted to "Helpline", and
- ✓ Other important matters related to compliance.

8) **System to ensure that any person who made a report to Audit & Supervisory Board Members of the Company shall not be given any unfavorable treatment based on such reporting**

Directors of the Company shall clearly indicate in relevant regulations of the Company that any employees of the Company or Directors, Audit & Supervisory Board Members and employees of the Subsidiaries who made a report to Audit & Supervisory Board Members of the Company in accordance with 7) above shall not be given any unfavorable treatment based on such reporting.

9) **Matters concerning processing of payment (including payment in advance) for expenses or payables incurred in connection with execution of duties by Audit & Supervisory Board Members of the Company**

Directors of the Company shall cooperate so that proper processing of payment for the expenses or payables incurred in connection with execution of duties by Audit & Supervisory Board Members of the Company will be carried out without any hindrance to execution of duties of Audit & Supervisory Board Members of the Company.

10) **Other Systems to ensure effective audit by Audit & Supervisory Board Members of the Company**

Directors of the Company shall hold regular meetings with Audit & Supervisory Board Members of the Company in order to secure good communications with each other.

Directors of the Company shall assist Audit & Supervisory Board Members of the Company so that Audit & Supervisory Board Members of the Company can have good communications with, gather information from, and exchange information with employees of the Company, and Directors, Audit & Supervisory Board Members and employees of the Subsidiaries, thereby facilitating Audit & Supervisory Board Members of the Company's proper execution of duties.

Directors of the Company shall provide assistance to Audit & Supervisory Board Members of the Company on the survey of important business counterparts as Audit & Supervisory Board Members of the Company deem necessary.

Directors of the Company shall provide assistance to Audit & Supervisory Board Members of the Company so that Audit & Supervisory Board Members of the Company can get necessary advice from auditing and legal firms or other outside specialists when necessary.

(Revised on June 25, 2021)

B) **Operation status of systems for ensuring appropriate business operations**

Outline of the operation status of the systems are as follows:

1. **System to ensure compliance**

To raise awareness for the compliance across the Company group, the Corporate Ethics Committee was established based on our "Corporate Code of Ethics". The Committee discusses important matters for improving corporate ethics and ensuring that all employees are made thoroughly aware of the importance of compliance. The Executive Officer in charge of the General Administration Department chairs the Committee and the head of each department of the Company's head office or the person in charge of corporate ethics at each of our subsidiaries is a member of the Committee.

During the period, the Committee met three times and conducted various activities based on key objectives of the period set by the Committee, including two workshops on Corporate Ethics for all officers and employees of the Group, and Compliance Training through e-learning to all officers and employees of the Group. In March, an annual general meeting of the Committee was held, where compliance activities conducted during the period at the Company and each subsidiary company and their action plans for the next period were confirmed.

Also, the Committee increased an effort to communicate and explain the system and functions of Helpline, which is set up at the head office of the Company, the corporate lawyer's office, and the office of external agency with qualified counselors to all employees of the Group in order to ensure that they have a better and proper understanding.

2. **System to manage risks**

Based on the "Regulations concerning Risk Management," each department of the Group companies identifies intrinsic risks in the businesses of each department exhaustively, evaluates the said risks based on the type of loss and scale in the event the said risks do occur as well as likelihood of occurrence, and has established management policy and countermeasures to address them.

The department of the Company in charge of internal audit conducted questionnaire surveys twice for assessing risks at all departments during the period. It also conducted audit in line with an audit plan to evaluate the risk management systems at four departments of the Company's head office, and reported the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company.

The Company has conducted emergency exercises of the Business Continuity Plan (BCP) to ensure stable supply of petroleum products even during times of disaster such as massive earthquakes. Through those exercises, we reviewed the BCP for further improvement in the BCP itself as well as improvements in our emergency responses.

3. System to ensure proper and efficient execution of duties by Directors of the Company

The Board of Directors of the Company made deliberations and decisions on important management policies by incorporating managerial advice and perspectives provided by six Outside Directors and four Outside Audit & Supervisory Board Members, who have advanced expertise and broad perspectives. The Board supervised Directors' execution of duties, too.

The Executive Committee consisting of full-time Directors, Executive Officers, and full-time Audit & Supervisory Board Member of the Company met on a regular basis and as necessary, shared information concerning business operations, and made deliberations and decisions on matters to be discussed or reported at the Board meetings and on specific policies for each operating division of the Company.

4. System to ensure the appropriateness of execution of duties in the Group

The department of the Company in charge of management of related companies formulated management criteria for each related company, which specify matters to be reported to and matters to be approved by the Company on the basis of the Company's "Regulations concerning Management of Related Companies", and conducted interviews with related companies as necessary, thereby managing those companies based on close communications with them.

The department of the Company in charge of internal audit conducted audit on one related company based on an audit plan and reported the results thereof to the Board of Directors and the Audit & Supervisory Board of the Company.

5. System to ensure effective audit by Audit & Supervisory Board Members of the Company

Audit & Supervisory Board Members of the Company worked to secure good communications with Directors through attending the meetings of the Board of Directors and the Executive Committee as well as to share a wide range of information by conducting interviews with each operating division of the Company. They also exchanged information regularly with Accounting Auditor, the department of the Company in charge of internal audit, Audit & Supervisory Members of the Subsidiaries, and others.

The Company has established Audit & Supervisory Board Office with a dedicated assistant who assists the Members in executing their duties. The said assistant performed the jobs of preparing materials for Audit & Supervisory Board meetings and minutes thereof.

BASIC POLICY ON THE DISTRIBUTION OF EARNINGS AND CASH DIVIDENDS

We consider the return of profits to shareholders to be one of its important management issues. And we have set forth in its Group Management Policy to endeavor to maintain ongoing and stable dividend payments to our shareholders while taking into consideration the Company's financial results, cash position, etc., as well as necessary internal reserves for the medium-and long-term business development.

In the fiscal year under review, although the Company recorded a loss attributable to owners of parent of 5.7 billion yen, the first deficit in five fiscal years, it still achieved an ordinary profit of 4.8 billion yen excluding the effect of inventory valuation, marking the third consecutive fiscal year of profitability. Furthermore, with the conclusion of the Third Medium-Term Business Plan in the fiscal year under review, the Company generated free cash flow exceeding the targets set in the plan. In addition, its net D/E ratio, which had been established as a financial target, improved significantly beyond the target.

Taking the above circumstances into consideration in a comprehensive manner and in line with its stable dividend policy, the Company has decided to pay a year-end dividend of 12 yen per share for the fiscal year under review.

As for the dividend for the next fiscal year, although the financial results are expected to be challenging, with a projected deficit due to the impact of the large-scale periodic SDM and other factors, the Company plans to pay a dividend of 12 yen per share based on its stable dividend policy.

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Consolidated Statement of Changes in Net Assets

(From April 1, 2024 to March 31, 2025)

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of Apr. 1, '24	24,467	25,495	33,398	-1,271	82,090
Changes of items during the period					
Dividends from surplus			-1,157		-1,157
Loss attributable to owners of parent			-5,774		-5,774
Purchase of treasury stock				-0	-0
Disposal of treasury shares		-84		124	40
Transfer to capital surplus from retained earnings		84	-84		
Change of scope of consolidation			4		4
Net changes of items other than shareholders' equity					
Total changes during the period			-7,011	124	-6,887
Balance as of Mar. 31, '25	24,467	25,495	26,387	-1,146	75,203

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Reevaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans
Balance as of Apr. 1, '24	1,472	-2,633	1	4,544	680
Changes of items during the period					
Dividends from surplus					
Loss attributable to owners of parent					
Purchase of treasury stock					
Disposal of treasury shares					
Transfer to capital surplus from retained earnings					
Change of scope of consolidation					
Net changes of items other than shareholders' equity	-299	2,633		3,856	273
Total changes during the period	-299	2,633		3,856	273
Balance as of Mar. 31, '25	1,172	-	1	8,400	953

	Total accumulated other comprehen-sive income	Non-controlling interests	Total net assets
Balance as of Apr. 1, '24	4,064	194	86,350
Changes of items during the period			
Dividends from surplus			-1,157
Loss attributable to owners of parent			-5,774
Purchase of treasury stock			-0
Disposal of treasury shares			40
Transfer to capital surplus from retained earnings			
Change of scope of consolidation			4
Net changes of items other than shareholders' equity	6,463	14	6,477
Total changes during the period	6,463	14	-410
Balance as of Mar. 31, '25	10,528	208	85,940

Notes to Consolidated Financial Statements

Basis of Presenting Consolidated Financial Statements

1. Scope of Consolidation

Consolidated subsidiaries	
Number	Six subsidiaries
Name	Fuji Oil Sales Company, Ltd.
	Fuji Rinkai Co., Ltd.
	Arabian Oil Company, Ltd.
	Japan Oil Engineering Company, Ltd.
	Petro Progress Inc.
	PETRO PROGRESS PTE LTD

Tokyo Petroleum Industrial Company, Ltd., which had been a consolidated subsidiary of the Company, was excluded from the scope of consolidation on July 1, 2024. In addition, Arabian Oil Company, Ltd., which is a consolidated subsidiary of the Company, will be excluded from the scope of consolidation as it will be merged with the Company through an absorption-type merger on April 1, 2025.

2. Equity Method

(1) Consolidated affiliates accounted for under the equity method

Number	Two companies
Name	ARAMO SHIPPING (SINGAPORE) PTE LTD Tokai Engineering and Construction Company, Ltd.

(2) Non-consolidated affiliates not accounted for under the equity method

Number	Two companies
Name	Kyodo Terminal Company, Ltd.
	Keiyo Sea Berth Company, Ltd.
Reasons for exclusion	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.

3. Accounting Policies

(1) Valuation basis and method for significant assets

(i) Inventories

Measured at the lower of cost or net selling value

a. Merchandise and finished goods, and raw materials

Stated at cost determined by the gross average method

b. Supplies

Stated at cost determined by the moving-average method

(ii) Securities

Available-for-sale securities*

Securities with available market price

Carried at fair value

(Any changes in valuation are included directly in net assets, and the cost of securities sold is calculated by the moving-average method)

Securities with no available market price

Carried at cost determined by the moving-average method

(iii) Derivatives — Principally stated at fair value

* Securities other than equity securities issued by subsidiaries and affiliates are classified as available-for-sale securities.

(2) Depreciation and amortization

(i) Property, plant and equipment

Manufacturing plant equipment for petrochemical products

Calculated by the declining-balance method

Others — Calculated principally by the straight-line method

Estimated useful lives of major property, plant and equipment

Buildings and structures	2 to 60 years
Storage tanks	10 to 15 years
Machinery, equipment and vehicles	2 to 24 years

(ii) Intangible assets

Amortized by the straight-line method

Software intended for internal use is amortized by the straight-line method over an estimated useful life of five years.

(3) Significant allowances

(i) 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.

(ii) Provision for bonuses

The provision for bonuses is provided based on the estimated amounts of future bonus payments to employees.

(iii) 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.

(vi) Provision for directors' retirement benefits

The provision for directors’ retirement benefit is estimated based on the amount calculated in accordance with internal rules under the assumption that all directors retired at the balance sheet date.

(v) 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.

(4) 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 consolidated financial 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.

(5) Basis for revenue recognition

Main business of the Group is production and sale of petroleum products and the Group’s main performance obligation is to transfer the control of petroleum products to customers. While the point in time when the control of the petroleum products is transferred to the customers varies for each shipping or contract type, the Group recognizes the revenue from the sale of the petroleum products at the time of delivery of the petroleum products, as performance obligations are principally considered to be fulfilled upon the transfer of control of the products to the customer.

Consideration for the petroleum products transaction is generally charged at the end of the month after the transfer of the control of the said products, and is mainly collected within several months. This consideration includes no significant financial elements.

(6) Method for accounting estimates

Amounts of accounting estimates are rationally determined based on available information at the time of preparing the consolidated financial statements. Among the amounts of accounting estimates recorded in the consolidated financial statements for the current consolidated financial year, those for which there is a risk that they may have a material impact on the consolidated financial statements for the following consolidated financial year are as follows:

(i) Valuation of inventories of a petroleum refining business

A) Amount recorded in the consolidated financial statements for the current consolidated financial year

In order to determine the necessity of recognizing a valuation loss on inventories (excluding supplies) of 141,228 million yen recorded in the consolidated financial statements, a comparison was made between the carrying value based on the weighted average costing method and the net sales value or replacement cost at the end of the current consolidated financial year. As a result, a valuation loss of 5,822 million yen was determined necessary for the inventories whose carrying value exceeded the net sales value or replacement cost at the end of the current consolidated financial year, and the difference of 4,817 million yen from the amount of the reversal at the beginning of the current consolidated financial year was included in cost of sales in the consolidated statement of income.

B) Other information that would help users of the consolidated financial statements understand the content of accounting estimates

Net sales value or replacement cost at the end of the current consolidated financial year is rationally calculated based on the actual sales price or purchase cost in the account closing month in principle. The valuation of inventories could have a material impact on the consolidated financial statements in the following consolidated financial year because it is subject to a high degree of uncertainty due to large fluctuations in the crude oil and petroleum product markets, which are the basis for its calculations, and also because as a large amount of inventories is held by the Company to meet its stockpiling obligations, loss on inventory valuation (including the amount of the reversal at the beginning of the consolidated financial year) will have a significant impact on the cost of sales.

(ii) Necessity to recognize impairment loss on non-current assets

A) Amount recorded in the consolidated financial statements for the current consolidated financial year

The non-current assets in the consolidated balance sheet include the Company's non-consolidated business assets of 91,819 million yen.

B) Other information that would help users of the consolidated financial statements understand the content of accounting estimates

The Group groups the Company's non-consolidated business assets as the smallest unit that generates cash flows that are largely independent to determine whether there is an indication of impairment.

If there is an indication of impairment, necessity of an impairment loss will be determined by comparing total undiscounted future cash flows from the asset group with its carrying value. If the former amount is found to be less than the latter and recognition of an impairment loss is judged necessary, the carrying value will be reduced to their recoverable amount and the reduced amount will be recognized as an impairment loss.

In the current consolidated financial year, it was determined that there was an indication of impairment as it was expected that the asset group would continue to record losses from operating activities. Therefore, necessity of an impairment loss was examined. As a result, it was determined that undiscounted future cash flows from the Company's non-consolidated business assets exceeded its carrying value, and accordingly, an impairment loss was not recorded.

Estimates of undiscounted future cash flows from the asset group are based on budgets for the following consolidated financial year which incorporates key assumptions such as the utilization rates of the relevant facilities, sales prices of petroleum products and purchase prices of crude oil. These assumptions are subject to uncertainty and may have a material impact on the estimates of future cash flows.

(7) Other significant matters for preparing consolidated financial statements

Accounting of hedged assets/liabilities

"Deferred hedge accounting method" is applied.

However, Foreign-currency-denominated payables/receivables hedged by forward exchange contracts are translated at the respective forward contract rates, and interest rate swaps qualifying for special treatment are accounted for by the special hedge accounting method.

Notes to Consolidated Balance Sheet

1. Pledged Assets and Secured Liabilities

Factory foundation

	as of March 31, 2025
	Millions of Yen
Pledged assets	Carrying value
Buildings and structures	10,550
Storage tanks	2,184
Machinery, equipment and vehicles	23,713
Land	48,952
Total	85,400
Secured liabilities	Carrying value
Long-term loans payable	25,684
(current portion)	(7,834)

2. Accumulated Depreciation of Property, Plant and Equipment

	as of March 31, 2025
	Millions of Yen
	320,128

3. Reduced-value entry

Amount deducted from the original acquisition costs using proceeds from national subsidies

	as of March 31, 2025
	Millions of Yen
Buildings and structures	3,469
Storage tanks	148
Machinery, equipment and vehicles	2,208
Others	128
Software	54

Amount deducted from the original acquisition costs using proceeds from insurance claims

Machinery and equipment	128

4. Contingent Liabilities

The Company had the following guarantees of liabilities

	as of March 31, 2025
	Millions of Yen
Employees (for home purchase):	
Indebtedness to financial institutions	2
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	2,735

Notes to Consolidated Statement of Changes in Net Assets

1. Changes in the Number of Shares Issued and Treasury Stock

(1) Issued shares

Class of shares	Common stock
Number of shares as of April 1, 2024	78,183,677
Increase during the period	–
Decrease during the period	–
Number of shares as of March 31, 2025	78,183,677

(2) Treasury stock

Class of shares	Common stock
Number of shares as of April 1, 2024	1,020,912
Increase during the period	30
Decrease during the period	77,600
Number of shares as of March 31, 2025	943,342

2. Details of Cash Dividends

(1) Dividends paid

Resolution	Class of Shares	Total Amount of Dividend (Millions of yen)	Dividend per Share (Yen)	Record Date	Effective Date
June 26, 2024 annual meeting of shareholders	Common stock	1,159	15	March 31, 2024	June 27, 2024

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

Matters concerning the dividend on the common stock resolved at the Board of Directors Meeting held on May 9, 2025

Dividend per share	12 yen

Matters concerning the dividend on the common stock resolved at the Board of Directors Meeting held on May 22, 2025

Total amount of dividend	928 million yen
Source of dividend	Retained earnings
Record date	March 31, 2025
Effective date	June 27, 2025

Notes to Financial Instruments

1. Information on Financial Instruments

The Company and its subsidiaries limit their investment of temporary surpluses to short-term deposits and procure funds for capital investment and working capital through bank loans.

Trade notes and accounts receivable, which are claimable assets, are subject to customer credit risk. Also, certain receivables are denominated in foreign currencies, and therefore entail exchange rate fluctuation risk. The Company uses forward foreign exchange contracts to hedge this risk.

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 a short term. Certain payables are denominated in foreign currencies and are therefore subject to exchange rate fluctuation risk. Forward foreign exchange contracts are used to hedge this risk.

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.

The Company employs interest rate swap transactions to hedge risks of changes in floating interest rates on long-term loans payable.

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.

64.2% of claimable assets as of March 31, 2025 is for a specific major customer, who has a high credit rating.

2. Fair Values of Financial Instruments

Carrying values and fair values of the financial instruments on the consolidated balance sheet as of March 31, 2025 are set out in the following table. The following table does not include financial instruments whose market prices are not available. (see Note 2)

Millions of Yen

	Carrying value	Fair value	Difference
(a) Investment securities: Available-for-sale securities	2,114	2,114	–
Total assets	2,114	2,114	–
(a) Long-term loans payable	28,134	27,828	306
Total liabilities	28,134	27,828	306

Note 1: Description of the following items (i) to (x) is omitted since (i) is cash, and the carrying value of the instruments (ii) to (x) approximates fair value as they are settled within a short term.

(i) Cash and deposits, (ii) Notes and accounts receivable-trade, (iii) Securities, (iv) Accounts receivable-other, (v) Accounts payable-trade, (vi) Short-term loans payable, (vii) Accounts payable-other, (viii) Excise taxes payable on gasoline and other fuels, (ix) Income taxes payable and (x) Derivatives

Note 2: Financial instruments whose market prices are not available

as of March 31, 2025
Millions of Yen

Category	Carrying value
Unlisted equity securities	217
Stocks of affiliated companies	32,446

3. Matters concerning Fair Value of Financial Instruments and Breakdown by Input Level

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement. Inputs used in Level 1 and Level 2 measurements are considered observable.

Level 1: Fair value measured by using (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measured by using observable inputs other than Level 1 inputs

Level 3: Fair values measured by using unobservable inputs

(1) Financial instruments whose fair values are stated on the balance sheet

Classification	Fair value (Millions of Yen)			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Available-for-sale securities				
Stocks	2,114	–	–	2,114
Total assets	2,114	–	–	2,114

(2) Financial instruments other than those whose fair values are stated on the balance sheet

Classification	Fair value (Millions of Yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans payable	–	27,828	–	27,828
Total liabilities	–	27,828	–	27,828

Note: Valuation techniques and inputs used to measure fair value

Investment securities

Listed stocks are stated at quoted market prices. Fair value of listed stocks is classified into Level 1 as they are traded in active markets.

Long-term loans payable

Fair value of Long-term loans payable is measured by the discounted present value method based on the total amount of principal and interest, and the interest rate adjusted for the remaining terms and credit risk. Some Long-term loans payable are subject to special treatment for interest rate swaps. The fair value of those loans are measured by the discounted present value method based on the total amount of principal and interest (accounted for together with the interest rate swaps), and the interest rate adjusted for the remaining terms and credit risk. Accordingly, they are classified into Level 2.

Notes to Revenue Recognition

1. Information on Disaggregation of Revenue Recognized from Contracts with Customers

For the current consolidated financial year (April 1, 2024 to March 31, 2025)

Millions of Yen

	Petroleum products	Other	Total
Revenue from contracts with customers	820,105	3,272	823,378
Other income	16,818	–	16,818
Sales to external customers	836,924	3,272	840,196

Note: “Revenue from contracts with customers” is mostly the “revenue from goods or services transferred to customers at a point in time” and others are few.

2. Information that serves as a basis for understanding the revenue from contracts with customers

Information that serves as a basis for understanding the revenue from contracts with customers is as stated in 3. Accounting Policies (5) Basis for revenue recognition.

3. Information to understand the amounts of revenues for the current and subsequent consolidated financial years

(1) Balance of contract assets and contract liabilities, etc.

The Group's contract assets and contract liabilities are omitted because the balances are immaterial. In addition, the amount of changes during the period is immaterial. Furthermore, the amount of revenue recognized in the current period from performance obligations satisfied in prior periods is immaterial.

(2) Transaction price allocated to remaining performance obligations

The Group applies a practical expedient to note the transaction prices allocated to the remaining performance obligations and does not include contracts that have original expected duration of one year or less in the notes. In addition, the transaction price allocated to the remaining performance obligations is immaterial. In addition, there is no significant consideration from contracts with customers not included in the transaction price.

Per Share Date

Net assets per share	1,109.93 Yen
Net loss per share	74.79 Yen

Other Note

Amounts of less than one million yen have been omitted.

Statement of changes in net assets

(From April 1, 2024 to March 31, 2025)

(Unit: Millions of Yen) Fuji Oil Company, Ltd.

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Retained earnings brought forward	Total retained earnings	Treasury stock	Total share-holders' equity
Net assets as of April 1, 2024	24,467	2,480	–	2,480	231	28,171	28,402	-1,636	53,714
Changes of items during the period									
Dividends from surplus						-1,159	-1,159		-1,159
Provision of legal retained earnings due to dividends of surplus					115	-115	–		–
Net loss						-6,854	-6,854		-6,854
Purchase of treasury stock								-0	-0
Disposal of treasury shares			-84	-84				124	40
Transfer to capital surplus from retained earnings			84	84		-84	-84		–
Net changes of items other than shareholders' equity				–			–	–	–
Total changes during the period	–	–	–	–	115	-8,214	-8,098	124	-7,974
Balance as of Mar. 31, 2025	24,467	2,480	–	2,480	347	19,956	20,304	-1,512	45,740

	Valuation and translation adjustments				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Reevaluation reserve for land	Total valuation and translation adjustments	Total net assets
Net assets as of April 1, 2024	1,068	-2,633	1,932	368	54,082
Changes of items during the period					
Dividends from surplus					-1,159
Provision of legal retained earnings due to dividends of surplus					–
Net loss					-6,854
Purchase of treasury stock					-0
Disposal of treasury shares					40
Transfer to capital surplus from retained earnings					–
Net changes of items other than shareholders' equity	-270	2,633	–	2,363	2,363
Total changes during the period	-270	2,633	–	2,363	-5,611
Balance as of Mar. 31, 2025	798	–	1,932	2,731	48,471

Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

1. Valuation basis and method for assets

(1) Securities

(i) Shares of subsidiaries and affiliates

Stated at cost determined by the moving average method

(ii) Available-for-sale securities*

Securities with available market price

Carried at fair value

(Any changes in valuation are included directly in net assets and the cost of securities sold is calculated by the moving-average method)

Securities with no available market price

Carried at cost determined by the moving-average method

(2) Derivatives

Principally stated at fair value

(3) Inventories

Measured at the lower of cost or net selling value

(i) Merchandise, finished goods and raw materials

Stated at cost determined by the gross average method

(ii) Supplies

Stated at cost determined by the moving-average method

* Securities other than equity securities issued by subsidiaries and affiliates, trading securities, and held-to-maturity securities are classified as available-for-sale securities.

2. Depreciation and amortization

(1) Property, plant and equipment (excl. lease assets)

Manufacturing plant equipment for petrochemical products

Calculated by the declining-balance method

Others — Calculated principally by the straight-line method

Estimated useful lives of major property, plant and equipment:

Buildings	3 to 50 years
Structures	2 to 60 years
Storage tanks	10 to 15 years
Machinery and equipment	2 to 24 years

(2) Intangible assets (excl. lease assets)

Amortized by the straight-line method

Software intended for internal use is amortized by the straight-line method over an estimated useful life of five years.

(3) Lease assets

Lease assets are depreciated / amortized by the straight line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

3. Allowances

(1) 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.

(2) Provision for bonuses

The provision for bonuses is provided based on the estimated amounts of future bonus payments to employees.

(3) Provision for 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 financial 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.

(4) 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 to be incurred in the current financial year.

(5) 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 to be incurred in the current financial year.

4. Accounting of hedged assets/liabilities

"Deferred hedge accounting method" is applied.

However, Foreign-currency-denominated payables/receivables hedged by forward exchange contracts are translated at the respective forward contract rates and an interest rate swap qualified for hedge accounting is not stated at fair value but the net settlement of interest under such an interest swap is reported as a component of interest on the related hedged assets or liabilities.

5. Retirement benefits

The methods by which unrecognized actuarial gains and losses and unrecognized prior service costs are processed differ from those used for the consolidated financial statements.

6. Basis for revenue recognition

Main business of the Group is production and sale of petroleum products and the Group's main performance obligation is to transfer the control of petroleum products to customers. While the point in time when the control of the petroleum products is transferred to the customers varies for each shipping or contract type, the Group recognizes the revenue from the sale of the petroleum products at the time of delivery of the petroleum products, as performance obligations are principally considered to be fulfilled upon the transfer of control of the products to the customer.

Consideration for the petroleum products transaction is generally charged at the end of the month after the transfer of the control of the said products, and is mainly collected within several months. This consideration includes no significant financial elements.

7. Method for accounting estimates

Amounts of accounting estimates are rationally determined based on available information at the time of preparing the Financial Statements. Among the amounts of accounting estimates recorded in the financial statements for the current financial year, those for which there is a risk that they may have a material impact on the financial statements for the following financial year are as follows:

(i) Valuation of inventories of a petroleum refining business

A) Amount recorded in the financial statements for the current financial year

In order to determine the necessity of recognizing a valuation loss on inventories (excluding supplies) of 141,230 million yen recorded in the financial statements, a comparison was made between the carrying value based on the weighted average costing method and the net sales value or replacement cost at the end of the current financial year. As a result, a valuation loss of 5,822 million yen was determined necessary for the inventories whose carrying value exceeded the net sales value or replacement cost at the end of the current financial year, and the difference of 4,817 million yen from the amount of the reversal at the beginning of the current financial year was included in cost of sales in the statement of income.

B) Other information that would help users of the financial statements understand the content of accounting estimates

Same as for the Consolidated Financial Statements.

(ii) Necessity to recognize impairment loss on non-current assets

A) Amount recorded in the financial statements for the current financial year

The non-current assets in the balance sheet include the Company's business assets of 91,819 million yen.

B) Other information that would help users of the financial statements understand the content of accounting estimates

Same as for the Consolidated Financial Statements.

Notes to Balance Sheet

as of March 31, 2025
Millions of Yen

1. Receivables from and payables to affiliated companies

Short-term receivables	52,648
Long-term receivables	641
Short-term payables	61,493

2. Accumulated depreciation of property, plant and equipment 318,665

3. Contingent liabilities

Warrantee	Amount of guarantee	Object of guarantee
PETRO PROGRESS PTE LTD	8,371 (139,053)	Trade obligations (upper limit of guarantee)
Japan Biofuels Supply LLP	2,735 (13,905)	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 (upper limit of guarantee)
Fuji Oil Sales Company, Ltd.	322 (800)	Trade obligations (upper limit of guarantee)
Employees	2	Indebtedness to financial institutions for home purchase
Total	11,431	

4. Pledged Assets and Secured Liabilities

Factory foundation

as of March 31, 2025
Millions of Yen

Pledged assets	Carrying value
Buildings	3,110
Storage tanks	2,184
Structures	7,440
Machinery and equipment	23,713
Land	48,952
Total	85,400

Secured liabilities	Carrying value
Long-term loans payable (current portion)	25,684 (7,834)

5. Reduced-value entry

Amount deducted from the original acquisition cost using proceeds from national subsidies

	as of March 31, 2025
	Millions of Yen
Buildings	175
Storage tanks	148
Structures	3,294
Machinery and equipment	2,207
Vehicles	0
Tools, furniture and fixtures	128
Software	54

Amount deducted from the original acquisition costs using proceeds from insurance claims

Machinery and equipment	128

6. Revaluation reserve for land

Revaluation reserve for land is the amount received from old Fuji Oil Company, Ltd., who revaluated the business use land in accordance with the Act on Revaluation of Land, due to merger with the Company on October 1, 2013.

Notes to Statement of Income

Transactions with affiliated companies:

	Millions of Yen
Sales	568,421
Purchase	653,223
Other operational transactions	1,462
Non-operational transactions	621

Notes to Statement of Changes in Net Assets

Change in the number of treasury stock

Class of shares	Common stock
Number of shares as of April 1, 2024	865,912
Increase during the period	30
Decrease during the period	77,600
Number of shares as of March 31, 2025	788,342

Notes to Revenue Recognition

As stated in “Significant Accounting Policies” 6. “Basis for revenue recognition.”

Tax Effect Accounting

(1) Main causes of deferred tax assets and deferred tax liabilities

Main causes of deferred tax assets include provision for repairs, currently not deductible, and a tax loss carryforward.

Main cause of deferred tax liabilities is land revaluation difference.

(2) The methods on tax or tax effect accounting

Japanese group tax sharing system is adopted.

ASBJ practical solution No.42 Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System is applied.

Related Party Transactions

as of March 31, 2025

Millions of Yen

Category	Name	Share of voting rights	Relationship with related party	Transaction	Transaction amount	Account	Closing balance
Other affiliated company	Idemitsu Kosan Co., Ltd.	The related party holds 22% of the voting rights in the Company	Sales of oil products Concurrent positions of officers	Sales of oil products*1	557,086	Accounts receiv-able-trade	51,863
				Purchase of crude oil and oil products*1	140,043	Accounts payable-trade	23,504
Subsidiary	PETRO PROGRESS PTE LTD	The Company holds 100% of the voting rights in the related party.	Purchase of crude oil Concurrent positions of officers	Purchase of crude oil and oil products*2	511,753	Accounts payable-trade	31,313
				Export of oil products and swapping of crude oil*2	6,757		

*1 Transaction prices for the purchase of crude oil and oil products and the sale of oil products are determined by negotiations in consideration of market prices.

*2 Transaction prices for the purchase of crude oil and oil products, the export of oil products and the swapping of crude oil are determined by negotiations in consideration of market prices.

Per Share Data

Net assets per share	626.28 Yen
Basic net loss per share	88.60 Yen

Other Note

Amounts of less than one million yen have been omitted.