

Taiyo Oil Company, Limited, and Consolidated Subsidiaries

Consolidated Balance Sheets

	March 31,		
	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
<b>Assets</b>			
Current assets:			
Cash and deposits (Note 16,18)	¥ 35,719	¥ 27,421	\$ 238,895
Notes and accounts receivable-trade (Note 14,16)	42,958	71,775	287,312
Inventories (Note 3)			
Merchandise and finished goods	39,015	55,152	260,937
Work in process	1,113	1,201	7,444
Raw materials and supplies	123,598	125,571	826,633
Other	2,732	4,829	18,274
Total current assets	245,137	285,953	1,639,497
Noncurrent assets:			
Property, plant and equipment (Note 4):			
Buildings, structures and oil tanks	66,913	66,633	447,522
Machinery, equipment and vehicles	178,665	178,470	1,194,926
Land	28,909	28,729	193,351
Construction in progress	4,194	2,493	28,054
Other	6,391	6,112	42,749
	285,075	282,439	1,906,605
Accumulated depreciation	(206,662)	(204,531)	(1,382,173)
	78,413	77,907	524,431
Intangible assets			
Goodwill	1,227	1,928	8,208
Software in progress	1,037	—	6,935
Other	1,404	648	9,395
	3,669	2,576	24,538
Investments and other assets:			
Investment securities (Note 16)	3,148	3,266	21,058
Long-term loans receivable	16	17	113
Net defined benefit asset (Note 5)	1,227	1,300	8,212
Deferred tax assets (Note 11)	4,163	2,504	27,846
Other	1,384	1,818	9,262
	9,941	8,908	66,492
Total noncurrent assets	92,024	89,393	615,463
Total assets	¥ 337,161	¥ 375,346	\$ 2,254,960

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	March 31,		
	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
<b>Liabilities and net assets</b>			
Current liabilities:			
Notes and accounts payable-trade <i>(Note 16)</i>	¥ 58,800	¥ 56,290	\$ 393,262
Short-term loans payable <i>(Note 4, 16)</i>	63,344	70,282	423,650
Current portion of long-term debt <i>(Note 4)</i>	3,950	10,091	26,417
Accounts payable-other <i>(Note 16)</i>	12,513	29,902	83,691
Income taxes payable	269	6,237	1,800
Gasoline and other excise taxes payable <i>(Note 16)</i>	17,403	33,089	116,392
Provision for bonuses	900	1,947	6,023
Provision for repairs	7,311	7,585	48,896
Other	33,613	31,216	224,806
Total current liabilities	198,105	246,643	1,324,942
Noncurrent liabilities			
Long-term debt <i>(Note 4, 16)</i>	23,380	15,589	156,367
Deferred tax liabilities <i>(Note 11)</i>	11	3,723	77
Asset retirement obligations <i>(Note 6)</i>	2,210	2,297	14,786
Provision for directors' retirement benefits	774	634	5,180
Provision for repairs	9,300	8,290	62,203
Provision for business structure improvement	2,082	2,515	13,929
Net defined benefit liability <i>(Note 5)</i>	679	691	4,545
Other <i>(Note 22)</i>	617	498	4,127
Total noncurrent liabilities	39,057	34,240	261,218
Total liabilities	237,162	280,884	1,586,161
Net assets <i>(Note 7)</i> :			
Shareholders' equity:			
Capital stock	100	400	668
Capital surplus	305	5	2,041
Retained earnings	98,315	92,453	657,540
Total shareholders' equity	98,720	92,858	660,251
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	(95)	18	(635)
Deferred gains or losses on hedges	—	107	—
Foreign currency translation adjustment	967	1,020	6,470
Remeasurements of defined benefit plans	405	456	2,712
Total accumulated other comprehensive income	1,278	1,603	8,547
Total net assets	99,998	94,462	668,799
Total liabilities and net assets	¥ 337,161	¥ 375,346	\$ 2,254,960

*See accompanying notes to the consolidated financial statements.*

Taiyo Oil Company, Limited, and Consolidated Subsidiaries

Consolidated Statements of Income

	Year ended March 31,		
	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Net sales (Note 21)	¥ 700,718	¥ 753,936	\$ 4,686,455
Cost of sales (Note 20)	670,917	707,262	4,487,141
Gross profit	29,801	46,674	199,313
Selling, general and administrative expenses (Note 9)	26,883	27,478	179,800
Operating income	2,917	19,196	19,512
Non-operating income:			
Interest and dividends income	191	107	1,281
Foreign exchange gains, net	1,243	1,541	8,314
Equity in earnings of affiliates	80	90	541
Futures trading gain, net	11	51	75
Subsidy income	9	20	61
Insurance income	—	12	—
Other	752	713	5,029
Total non-operating income	2,288	2,537	15,303
Non-operating expenses:			
Interest expenses	886	962	5,930
Interest income on early payments	599	602	4,007
Loss on reduction of noncurrent assets	9	20	61
Idle assets expenses	1,120	1,736	7,497
Other	239	390	1,603
Total non-operating expenses	2,855	3,712	19,099
Ordinary income	2,349	18,020	15,716
Extraordinary gains:			
Gain on sales of noncurrent assets	3	4	25
Compensation income	—	64	—
Reversal of provision for business restructuring	79	25	528
Total extraordinary gains	82	94	554
Extraordinary losses:			
Loss on sales of noncurrent assets	0	2	0
Loss on retirement of noncurrent assets	111	90	744
Impairment loss (Note 10)	93	34	627
Loss on cancellation of leases	—	5	—
Total extraordinary losses	205	132	1,371
Profit before income taxes	2,227	17,983	14,898
Income taxes:			
Current	609	6,218	4,078
Deferred	(5,316)	(567)	(35,554)
Total income tax	(4,706)	5,650	(31,475)
Profit	6,933	12,332	46,374
Profit attributable to owners of parent (Note 15)	¥ 6,933	¥ 12,332	\$ 46,374

See accompanying notes to the consolidated financial statements.

# Taiyo Oil Company, Limited, and Consolidated Subsidiaries

## Consolidated Statements of Comprehensive Income

	Year ended March 31,		
	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Profit	¥ 6,933	¥ 12,332	\$ 46,374
Other comprehensive income (Note 12)			
Valuation difference on available-for-sale securities	(113)	55	(758)
Deferred gains or losses on hedges	(107)	107	(721)
Foreign currency translation adjustment	(52)	425	(354)
Remeasurements of defined benefit plans	(50)	479	(338)
Share of other comprehensive income of affiliates accounted for using the equity method	0	4	(1)
Total other comprehensive income	(325)	1,072	(2,174)
Comprehensive income (Note 12)	¥ 6,608	¥ 13,405	\$ 44,199
Total comprehensive income attributable to: Owners of parent	¥ 6,608	¥ 13,405	\$ 44,199

*See accompanying notes to the consolidated financial statements.*

# Taiyo Oil Company, Limited, and Consolidated Subsidiaries

## Consolidated Statements of Cash Flows

	Year ended March 31,		
	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
<b>Cash flows from operating activities</b>			
Profit before income taxes	¥ 2,227	¥ 17,983	\$ 14,898
Depreciation and amortization	6,370	6,911	42,605
Amortization of goodwill	701	701	4,690
Impairment loss	93	34	627
Increase (decrease) in provision for directors' retirement benefits	139	(17)	933
Decrease in provision for business structure improvement	(433)	(44)	(2,895)
Increase in provision for repairs	735	4,836	4,917
(Decrease) increase in provision for bonuses	(1,047)	1,214	(7,004)
Decrease in net defined benefit liability	(6)	(33)	(41)
Decrease in net defined benefit asset	58	54	389
Interest and dividend income	(191)	(107)	(1,281)
Interest expense	886	962	5,930
Decrease (increase) in notes and accounts receivable-trade	28,575	(390)	191,118
Decrease (increase) in inventories	18,219	(54,572)	121,851
Increase in notes and accounts payable-trade	2,750	704	18,398
(Decrease) increase in accounts payable-other	(17,636)	9,662	(117,953)
(Decrease) increase in gasoline and other excise taxes payable	(15,686)	6,414	(104,912)
Decrease in consumption taxes refund receivable	1,655	12,010	11,070
Decrease (increase) in other current assets	381	(430)	2,554
Increase in other current liabilities	1,922	58	12,859
Other, net	472	292	3,161
Subtotal	30,191	6,246	201,919
Interest and dividends income received	214	130	1,433
Interest expense paid	(936)	(926)	(6,260)
Income taxes paid	(6,226)	(855)	(41,641)
Net cash provided by operating activities	23,243	4,595	155,450
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	(8,507)	(4,446)	(56,900)
Proceeds from sales of property, plant and equipment and intangible assets	3	115	25
Purchase of investment securities	(25)	(17)	(167)
Proceeds from sales of investment securities	19	8	127
Other, net	249	202	1,665
Net cash used in investing activities	(8,260)	(4,136)	(55,248)
<b>Cash flows from financing activities</b>			
Net (decrease) increase in short-term loans payable	(15,197)	6,655	(101,638)
Repayments of finance lease obligations	(125)	(140)	(838)
Proceeds from long-term loans payable	20,000	—	133,761
Repayment of long-term loans payable	(5,181)	(5,157)	(34,656)
Redemption of bonds	(4,910)	(4,958)	(32,838)
Cash dividends paid	(1,072)	(840)	(7,169)
Net cash used in financing activities	(6,486)	(4,440)	(43,379)
Effect of exchange rate change on cash and cash equivalents	198	150	(1,327)
Net increase (decrease) in cash and cash equivalents	8,297	(3,831)	55,495
Cash and cash equivalents at beginning of period	27,421	31,253	183,399
Cash and cash equivalents at end of period (Note 18)	¥ 35,719	¥ 27,421	\$ 238,895

See accompanying notes to the consolidated financial statement