

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**Dear Shareholders:**

**Matters Subject to Measures for Electronic Provision upon Giving Notice of  
the 111th Ordinary General Meeting of Shareholders**

**Idemitsu Kosan Co.,Ltd.**

Assets and income/loss:

Item	108th year April 1, 2022 - March 31, 2023	109th year April 1, 2023 - March 31, 2024	110th year April 1, 2024 - March 31, 2025	111th year (FY2025) April 1, 2025 - March 31, 2026
Net sales (million yen)	9,456,281	8,719,201	9,190,225	8,105,891
Ordinary income (million yen)	321,525	385,246	214,764	229,646
Net income attributable to owners of the parent (million yen)	253,646	228,518	104,055	171,914
Net income per share (yen)	170.67	161.32	77.83	140.38
Total assets (million yen)	4,865,370	5,012,295	4,775,586	5,328,792
Net assets (million yen)	1,629,308	1,812,531	1,737,699	1,951,099
Net assets per share (yen)	1,102.05	1,305.18	1,404.80	1,574.46

The Company conducted a 1:5 stock split on its common shares with an effective date of January 1, 2024. The net assets per share and net income per share above are calculated assuming that the stock split was implemented at the beginning of the 108th year.

Main businesses (as of March 31, 2026):

Segment	Main businesses
Petroleum	Import, refinement, transportation, storage, and sale of crude oil and petroleum products; manufacture and sale of petroleum-related products; sale of service station-related products; import, purchase, and sale of LPG; design and construction of petroleum-related facilities, etc.; credit card services
Basic chemicals	Manufacture and sale of petrochemical raw materials and products
Functional materials	Manufacture and sale of lubricants; manufacture and sale of engineering plastics, adhesive base material, etc.; manufacture and sale of electronic materials; manufacture and sale of high-performance asphalt; manufacture and sale of chemical pesticides, biological pesticides, etc.
Power/renewable energy	Generation, supply, and sale of power; development and operation of renewable energy power; provision of solutions of solar power stations
Resources	Investigation, exploration, development and sale of oil, natural gas, and geothermal resources; production, procurement, and sale of coal
Others	Overseas administration functions; insurance agency services

Major business offices and plants (as of March 31, 2026):

(i) The Company:

Category	Offices
Head office	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
Refineries	Hokkaido (Tomakomai-shi)
Complexes	Chiba (Ichihara-shi), Tokuyama (Shunan-shi), Aichi (Chita-shi)
Branch Offices	Hokkaido Branch (Sapporo-shi), Tohoku Branch (Sendai-shi), Kanto First Branch (Chiyoda-ku, Tokyo), Kanto Second Branch (Chiyoda-ku, Tokyo), Chubu Branch (Nagoya-shi), Kansai Branch (Osaka-shi), Chugoku Branch (Hiroshima-shi), Kyushu Branch (Fukuoka-shi)
Overseas offices	Middle East (Abu Dhabi)
Laboratories	Advanced Technology Research Laboratories (Sodegaura-shi), Lubricants Research Laboratory (Ichihara-shi), Performance Materials Laboratories (Ichihara-shi)

(ii) Subsidiaries:

Name	Address
Idemitsu Tanker Co., Ltd.	Chiyoda-ku, Tokyo
SHOWA YOKKAICHI SEKIYU CO., LTD.	Yokkaichi-shi, Mie
TOA Oil Co., Ltd.	Kawasaki-shi, Kanagawa
Fuji Oil Company, Ltd.	Shinagawa-ku, Tokyo
Idemitsu Retail Marketing Co., Ltd.	Chuo-ku, Tokyo
Idemitsu Supervising Co., Ltd.	Chiyoda-ku, Tokyo
Idemitsu Energy Solutions Co., Ltd.	Chiyoda-ku, Tokyo
IDEMITSU INTERNATIONAL (ASIA) PTE. LTD.	Singapore
IDEMITSU APOLLO CORPORATION	Sacramento, U.S.A.
Idemitsu Unitech Co., Ltd.	Minato-ku, Tokyo
SDS Biotech K.K.	Chiyoda-ku, Tokyo
AGRO-KANESHO CO., LTD.	Chiyoda-ku, Tokyo
Idemitsu Gas Production (Vietnam) Co., Ltd.	Chiyoda-ku, Tokyo
IDEMITSU AUSTRALIA PTY LTD	Brisbane, Australia
IDEMITSU COAL MARKETING AUSTRALIA PTY LTD	Brisbane, Australia
IDEMITSU ASIA PACIFIC PTE. LTD.	Singapore
Idemitsu Americas Holdings Corporation	Houston, U.S.A.

Other important matters concerning the current state of the Group:

Not applicable.

Accounting auditors:

- (i) Names of the accounting auditors:

Deloitte Touche Tohmatsu LLC

- (ii) Amount of remuneration, etc. payable to the accounting auditors for the fiscal year under review:

	Amount of remuneration, etc.
Amount of remuneration, etc. payable to the accounting auditors for the fiscal year under review:	¥469 million
Total amount of money and other proprietary benefits payable to the accounting auditors by the Company and its subsidiaries:	¥631 million

- (Notes) 1. The amount of remuneration, etc. payable to the accounting auditors for audits under the Companies Act of Japan and the amount of remuneration, etc. payable for audits under the Financial Instruments and Exchange Act of Japan are not separated in the audit agreement between the Company and the accounting auditors. Hence, the above amount of remuneration, etc., payable to the accounting auditors for the fiscal year under review includes both amounts.
2. The total amount of money and other proprietary benefits payable to the accounting auditors by the Company and its subsidiaries includes remuneration for services (non-auditing services), which are not covered by Article 2, paragraph 1 of the Certified Public Accountant Act of Japan, entrusted to Deloitte Touche Tohmatsu LLC.
3. Among the important subsidiaries of the Company, the overseas subsidiaries were audited by a certified public accountant or audit firm (including those who have an equivalent certification in a foreign country) other than the Company's accounting auditors.

- (iii) Reasons for the Audit & Supervisory Board to consent to the remuneration, etc. of the accounting auditors:

The Audit & Supervisory Board obtained necessary materials and received reports from the relevant divisions of the Company and the accounting auditors, and confirmed and verified the content of the audit plan of the accounting auditors, the status of the execution of their account auditing duties, the basis for calculation of the remuneration estimate, etc. As a result, the Audit & Supervisory Board determined that the remuneration, etc. of the accounting auditors was appropriate and consented thereto pursuant to Article 399, paragraph 1 of the Companies Act of Japan.

- (iv) Content of non-auditing services:

The Company has paid the accounting auditors remuneration for services (non-auditing services), including the advice and guidance regarding non-financial disclosure, not covered by Article 2, paragraph 1 of the Certified Public Accountant Act of Japan.

- (v) Policy on the determination of dismissal or non-reappointment of the accounting auditors:

In the event that there arises any problem with the performance by the accounting auditors of their duties or otherwise the Audit & Supervisory Board considers it necessary, it shall take a procedure to dismiss or not to reappoint the accounting auditors pursuant to the Companies Act of Japan.

Systems to secure the properness of business activities (so-called “internal control systems”) and the summary of the status of the operation of the systems:

[Systems to secure the properness of business activities (so-called “internal control systems”)]

With regard to basic policies on internal control systems, the Board of Directors has adopted resolutions as described below, for the systems to secure the properness of business activities.

In addition, the Board of Directors checks whether the internal control systems have properly been established and operated and revises them to make them more effective.

- (i) Systems to secure the execution by the Directors and employees of the Company and its subsidiaries of their duties to comply with laws or ordinances and the Articles of Incorporation:
  - a) The Board of Directors of the Company shall, pursuant to the Regulations of the Board of Directors, determine important matters and supervise the execution of business.
  - b) Pursuant to the Compliance Rules, the Company shall establish a Risk Management and Compliance Committee to monitor the appropriate response to compliance concerns reported to the hotlines, etc., and to promote compliance activities for the Company and its subsidiaries.
  - c) Under the Code of Conduct for Compliance, the Company shall make use of the Compliance Book that sets action guidelines on compliance with law to raise awareness of compliance throughout the Group. In addition, the Company shall continuously provide education and training related to compliance throughout the Group.
  - d) The Company shall establish, and allow the employees, etc. of the Company and its subsidiaries in and outside Japan to make use of, hotlines for compliance consultation within and outside of the Company to help solve questions and problems with regard to compliance and to promptly identify, rectify and prevent any problems.
  - e) The Company shall make use of the General Affairs Department, which supervises and promotes structuring the internal control system and compliance activities of the entire company, and shall aim to strengthen coordination among management divisions and to reinforce initiatives to improve the maturity of internal controls.
  - f) The Internal Audit Department shall conduct audits to verify the appropriateness of business activities and the state of execution of business pursuant to the internal rules at each business division of the Company and its subsidiaries.

- (ii) Systems concerning storage and management of information on the execution by the Directors of the Company of their duties:

Information on the execution by the Directors of their duties shall be stored and managed pursuant to the Regulations of the Board of Directors, the Circular Decision Document Handling Rules and other internal rules.

- (iii) Regulations concerning management of exposure to the risk of loss of the Company and its subsidiaries and other systems:
  - a) The Company shall establish an Enterprise Risk Management Committee with the President acting as the chairperson where issues including potential business strategy risks are discussed to respond to risks by projecting changes in the environment and their impact.
  - b) Pursuant to the Basic Manual for Risk Management, the Company shall establish a Risk Management and Compliance Committee to promote company-wide and integrated risk management. A system shall be established and operated to identify and evaluate major risks, and organize the status of responses to those risks, and to reflect this information in management decisions in a timely manner. Furthermore, this framework shall be extended to the Company's subsidiaries.
  - c) Pursuant to the Rules on How to Deal with a Crisis and other internal rules, the Company shall take measures promptly and properly upon the outbreak of any serious crisis to the Company or any of its subsidiaries.
  - d) Each department and affiliated company shall, pursuant to the Rules on Internal Control and Self-Management, make efforts to maintain and improve internal controls by implementing PDCA utilizing the Voluntary Inspection WEB System (SELCHE), an assistance tool, in relation to risks to the business. The Company shall develop and operate a system to assist their activities while monitoring the status thereof.
  - e) The Internal Audit Department shall, pursuant to the Internal Audit Regulations, conduct audits to verify the state of risk management by each business division.

- (iv) Internal control over financial reporting:

- a) Pursuant to the Regulations for Internal Control over Financial Report, the Company shall establish a system to ensure reliability of financial reporting of the whole Group and ensure adequate improvement and administration of internal control on financial reporting.
- b) Pursuant to the regulations set forth in (a) above, the Company shall establish a Committee for the Evaluation of Internal Controls over Financial Reporting, which shall deliberate on and investigate matters concerning annual improvement and administration policies and evaluation plans, matters concerning the determination of the evaluation scope, matters concerning evaluation results, etc.
- c) The Internal Audit Department shall conduct periodic evaluation of the effectiveness of internal control, as well as necessary improvements thereof.

- (v) Severance of all relations with antisocial forces:
  - a) The Company shall deal with any person or group, including any crime syndicate and corporate racketeer, who engages in antisocial activities, violence and illegitimate demand in a resolute attitude and sever all relations therewith.
  - b) In the event that any antisocial force sets on, the Company shall resolutely refuse without giving in and act properly pursuant to the Manual for Measures against Antisocial Forces.
- (vi) Systems to secure efficient execution by the Directors of the Company of their duties:
  - a) To secure efficient execution of business, the Company shall have Executive Officers.
  - b) Pursuant to the Rules concerning Approval Authority and the Regulations of Execution of Business, the Company shall clearly define the roles and authorities of the Board of Directors, Representative Directors and other Directors.
  - c) Pursuant to the Regulations of the Management Committee, as a deliberative body to plan and deliberate on strategies for group management and for smooth and proper decision-making of business execution, the Company shall establish a Management Committee in which the President acts as the chairperson. The members shall be determined by the chairperson after deliberation by the Personnel Committee. The Management Committee shall meet three times a month, in principle.
- (vii) Systems to secure the properness of business activities of the corporate group comprised of the Company and its subsidiaries:
  - a) In the Regulations for Affiliated Companies, the Company shall stipulate that the supervising departments shall have the responsibility for managing affiliates, and shall clarify the roles and functions that the supervising departments shall perform. In addition, specific management matters, decision standards, and matters to be reported by affiliated companies shall be set forth in the Appendix for Management Standards. The supervising departments and the affiliated companies shall make the necessary decisions and reports in accordance with the regulations above.
  - b) In the Regulations for Affiliated Companies, the Company shall provide a fundamental policy to the effect that “transactions with affiliated companies shall be based on market prices, in principle,” to prevent conflicts of interest.
  - c) In the Regulations for Affiliated Companies, the Company shall provide for the rules for selection of Directors and Audit & Supervisory Board Members of its affiliated companies, pursuant to which the Directors of the Company shall not assume office of Directors of the affiliated companies, in principle.
  - d) Major affiliated companies shall build a system to strengthen management support and monitor functions related to internal controls of the affiliated

companies by appointing full-time Audit & Supervisory Board Members or receiving at least one non-executive Audit & Supervisory Board Member dispatched from the supervising departments' managers or the corporate departments.

- e) The Company shall improve operational efficiencies by utilizing the Group-standard IT infrastructures.
  - f) The Safety & Environmental Protection Headquarters and the Quality Assurance Headquarters shall take the lead in promoting the strengthening of safety, environment, and quality foundations and the establishment of autonomous PDCA cycles in relevant departments, and the enhancement of company-wide response capabilities to changes in the environment.
- (viii) Matters concerning the employees to assist the Audit & Supervisory Board Members of the Company to execute their duties when the Audit & Supervisory Board Members request the assignment thereof:

The Company shall, upon request from the Audit & Supervisory Board Members, assign its employees as staff of the Audit & Supervisory Board's Secretariat to assist the Audit & Supervisory Board Members to execute their duties.

- (ix) Matters to secure the independence of the employees set forth in (viii) above from the Directors and the effectiveness of directions given to the employees:
- a) Staff at the Audit & Supervisory Board's Secretariat shall serve on a full-time basis. The final decision on personnel changes, evaluations, etc. of the Audit & Supervisory Board Member's staff shall be subject to consent of the Audit & Supervisory Board Members.
  - b) In the Organization Regulations, the Company shall provide for the duties of the Audit & Supervisory Board's Secretariat.
- (x) System for reporting by the Directors and employees of the Company and its subsidiaries and the Audit & Supervisory Board Members of the subsidiaries to the Audit & Supervisory Board Members (the Audit & Supervisory Board) of the Company and other systems for reporting to the Audit & Supervisory Board Members of the Company:
- a) The Directors, the Executive Officers, and the General Managers shall, pursuant to the Regulations of Execution of Business, report the specified matters to the Audit & Supervisory Board Members.
  - b) The Internal Audit Department shall, pursuant to the Internal Audit Regulations, report the results of audits to the Audit & Supervisory Board Members.
  - c) The Risk Management and Compliance Committee shall request the attendance of full-time Audit & Supervisory Board Members as observers, and shall share the state of consultations and measures at the Compliance Consultation Center, compliance concerns, etc. to the Audit & Supervisory Board Members appropriately.
  - d) The Directors and employees of the Company, and the Directors, Audit &

Supervisory Board Members and employees of its subsidiaries shall promptly provide a report to the Audit & Supervisory Board Members of the Company if there is, or they receive a report of any fact that may cause substantial damage to the Company or its subsidiaries, any material fact that violates any laws and regulations or the Articles of Incorporation, and the like. In addition, the Audit & Supervisory Board Members of the subsidiaries shall report the matters related to the execution of their duties upon request of the Audit & Supervisory Board Members of the Company.

- (xi) System to ensure the prevention of unfair treatment of the person who has given a report under (x) above because of such report:
  - a) It shall be prohibited to treat unfairly the person who has given a report under (x) above because of such report.
  - b) The Company shall stipulate in the Compliance Book and the Rules for Compliance Consultation Center that any person shall not be treated unfairly because of consulting with the Compliance Consultation Center and shall make it thoroughly educated through training and other sessions.
- (xii) Matters concerning the policy to pay expenses incurred by the Audit & Supervisory Board Members in executing their duties:

All expenses necessary for the Audit & Supervisory Board Members in performing their roles and duties, including audits of the execution by the Directors of their duties, election and dismissal of the accounting auditors, shall be borne by the Company.
- (xiii) Other systems to ensure effective audits by the Audit & Supervisory Board Members (the Audit & Supervisory Board) of the Company:
  - a) The Representative Directors shall hold a regular meeting with the Audit & Supervisory Board Members quarterly, in principle.
  - b) The Internal Audit Department shall closely coordinate and cooperate with the Audit & Supervisory Board Members and the accounting auditors with regard to internal audit schedules, visiting audits, etc.

Note: The above system was resolved at the Board of Directors Meeting held on April 21, 2026, reflecting initiatives conducted with the intention of improving management efficiency and strengthening governance.

[Summary of the status of the operation of the systems to secure the properness of business activities (so-called “internal control systems”)]

The Company, in accordance with the “systems to secure the properness of business activities (so-called “internal control systems”)” resolved by its Board of Directors, has established and operated the internal control systems of the Company and its subsidiaries.

The Company plans to revise the “systems to secure the properness of business activities (so-called “internal control systems”)” every year after the institution thereof. During the fiscal year under review, the Company operated the systems pursuant to the resolution made at the Board of Directors Meeting held in April 2025.

Major activities for internal control that were considered important during the fiscal year under review are as described below:

- (i) Activities for compliance:
  - a) The Risk Management and Compliance Committee held five meetings pursuant to the Risk Management and Compliance Committee Regulations. In addition, a promotion system was established in all workplaces by the responsible person for compliance promotion, and the managers and the person in charge of compliance promotion in order to spread and promote the Compliance Code of Conduct.
  - b) The Company conducted e-learning and questionnaires regarding compliance for the Company’s and its subsidiaries’ management members and employees, and also conducted training sessions for new employees and those for newly appointed managers. Furthermore, in fiscal year 2025, with the aim of raising compliance awareness, compliance training was conducted for all of the Company’s employees, and face-to-face training sessions and exchanges of opinions with those involved in promoting compliance were held during a tour of 15 subsidiaries.

The Company reviewed the contents and structure of the Compliance Book, which is a guidebook related to compliance, and disseminated it through the Compliance Room, a portal site set up on the intranet. The Company has exerted its efforts to achieve thorough compliance by also disseminating compliance-related cases in and outside of the Company through the portal site.
  - c) The details of consultations handled and measures taken by the Compliance Consultation Center established internally and externally have been reported to the Risk Management and Compliance Committee and shared with the full-time Audit & Supervisory Board Members. The Risk Management and Compliance Committee provides advice on and monitors the responses to each case and measures to prevent recurrences.
  - d) As announced in “Administrative Actions Taken Against Our Subsidiaries Based on the High Pressure Gas Safety Act” dated September 20, 2024, a violation of the High Pressure Gas Safety Act was identified at one of the Company’s subsidiaries in fiscal year 2024. In January 2026, the Company conducted a special audit of the subsidiary to confirm the implementation status and effectiveness of the measures to prevent recurrences, as well as the response to the audit findings made in fiscal years 2023 and 2024, and to strengthen the safety management system. In addition, based on the lessons learned from this case, the Company also focused on verifying the methods

for confirming applicable laws and regulations during construction, the necessary documents, and emergency notification systems during safety and environmental audits of the Company's complexes and refineries. In addition, we made reemphasizing compliance a priority task of the Safety & Environmental Protection Headquarters for fiscal year 2025, and analyzed past cases within the Group, including not only violations of regulations but also non-compliance with internal rules and work procedures, and compiled the lessons learned.

(ii) Activities for risk management:

- a) The Enterprise Risk Management Committee, chaired by the President, predicts changes in the internal and external environment and the impact of their risks from a managerial viewpoint and discusses how to respond to them. In addition, the Risk Management and Compliance Committee confirms the status of formulation and implementation of a plan to prevent occurrence of a crisis, establish the BCP, prevent increase of risks, and respond to new risks. During the fiscal year under review, the Risk Management and Compliance Committee met five times and, in addition to the above, deliberated on ways to improve risk management operations for fiscal year 2026. As part of this process, 26 risks surrounding the Company were identified as requiring a company-wide response.
- b) The Company has focused its efforts on requiring an immediate report from a department in which any operational risks arise on a Bad-News First basis as soon as the operational risks (accidents, disasters, violations or other risks) are recognized and taking a group-wide countermeasure in an early stage with the assistance of the Risk Management and Compliance Committee to prevent the impact of such risks from enlarging. Furthermore, the Company ensures that examples and countermeasures to prevent business risks from arising are horizontally shared by the Overseas Administration Contact Offices established for employees stationed overseas.
- c) As announced in "Occurrence of an Occupational Accident at the Heavy Oil Desulfurization Unit at Chiba Complex and Prevention of Recurrence" dated March 14, 2025, an occupational accident occurred at the Chiba Complex in fiscal year 2024. The Company has provided an explanation regarding the details, cause, and measures to prevent recurrence of the accident at the Company's complexes and refineries, and is working to implement horizontal deployment measures such as improving the construction working environment and strengthening risk assessments in disaster response. During the safety and environmental audit, the initiatives being taken at each business location and the status of management of partner companies were also confirmed.
- d) The Company inspected again whether there were any similar activities to the inappropriate testing activity that was revealed in 2022 within the Group, and has expanded such inspections to include its overseas affiliates, but no new legal or regulatory violations have been identified to date. To prevent the lessons learned from this accident from being forgotten, the Company continued to provide case study education to newly appointed quality assurance managers in the course of their basic training, and also held lectures aimed at promoting an understanding of the importance of quality among employees at all levels.
- e) The Company has formulated the Business Continuity Plan (BCP) as a plan for continuing or early recovering its important operations of ensuring a stable supply of petroleum and

petrochemicals in the event of an immense earthquake or other contingency. The Company annually confirms the contents thereof and renews it based on changes in the environment to enhance the effectiveness of the BCP under contingent circumstances. Furthermore, in fiscal year 2025 the Company newly formulated BCPs for earthquakes in the Japan Trench and Kuril Trench.

- f) The Company conducted comprehensive disaster management drills that assume an epicentral earthquake in the Tokyo metropolitan area, to confirm the flow of establishment and operation of the task group headquarters in the occurrence of a disaster.
- g) To strengthen its IT security systems, the Company conducted voluntary inspections of information and control systems, security audits, awareness-raising through the security portal, targeted attack email training, and e-learning (for personnel engaged with information and control systems or operating websites or business systems which are available outside of the Company).

(iii) Measures to ensure effective audits by the Audit & Supervisory Board Members:

- a) The Representative Directors have regular quarterly meetings with the Audit & Supervisory Board Members. In addition, through important meetings, such as sessions of the Management Committee and the Risk Management and Compliance Committee, the Company has shared various issues with the Audit & Supervisory Board Members, including issues regarding compliance and risk management.
- b) The Internal Audit Department and management divisions have strived to strengthen cooperation with the Audit & Supervisory Board Members, including information exchange.

The business divisions, complexes and subsidiaries in and outside of Japan have strived to appropriately respond to on-site interviews by the Audit & Supervisory Board Members.

- c) The Audit & Supervisory Board Members have cooperated with the audit & supervisory board members and other personnel of the subsidiaries and affiliated companies.

(iv) Measures for internal audits:

- a) In fiscal year 2025, the Company conducted internal audits and assessments of internal controls mainly on-site and also online.
- b) In accordance with its annual internal audit plan, the Company has specified the “status of risk management for achievement of management targets,” “status of compliance,” and “effectiveness and efficiency of business operations” as key items of internal audits and conducted internal audits of its complexes and subsidiaries in and outside of Japan.

During the fiscal year under review, by working to shorten the audit cycle and secure talent, prioritizing departments such as those having high internal control risks, and taking into account departments such as those having key issues in the medium-term plan, the Company conducted internal audits of 29 departments, comprising of both domestic and overseas departments (including three audits in collaboration with the U.S. subsidiary, Idemitsu Americas Holdings Corporation).

- c) With regard to internal control over financial reporting, the Company has evaluated the status of establishment and operation of the systems and schemes (group-wide internal control) and the status of documentation and operation of business processes (business process control) and has obtained confirmation from the Committee for the Evaluation of Internal Controls over Financial Reporting.  
Furthermore, as in the previous fiscal year, the Company, using the revised evaluation scope selection method and evaluation procedures in accordance with the revised standards for the evaluation of internal control over financial reporting, evaluated the affiliated companies subject to evaluation, as well as company-wide, financial reporting process, business process, and IT general and business process controls.
  
- (v) Measures for management of subsidiaries:
  - a) Based on the Regulations for Affiliated Companies and the Appendix for Management Standards, decisions on important Group matters related to affiliated companies are made appropriately by designated decision-makers after careful deliberation by the Investment & Finance Committee, the Management Committee, etc.
  
  - b) Full-time Audit & Supervisory Board Members are appointed at major affiliates, or non-executive officers (Audit & Supervisory Board Members and Directors) are dispatched from Management Consulting Section established in the General Affairs Department to major affiliates for the purpose of strengthening governance and reducing risk. These officers share information with the Company's Audit & Supervisory Board Members and accounting auditors to enhance the effectiveness of audits.  
Furthermore, the Company supported the enhancement of the internal control of affiliated companies through confirmation of the status of self-management using the Voluntary Inspection WEB System (SELCHE) and guidance.

Fundamental policy on corporate control:

The Company has exerted its efforts to attain constant and sustainable growth to secure and enhance the corporate value of the Group and the common interests of its shareholders.

Hence, in the event that any party engages in any large purchase action with regard to the shares of the Company and consequently, it threatens to prejudice the corporate value of the Group and the common interests of its shareholders, it is the Company's fundamental policy to take any appropriate measure to the extent permitted by laws or ordinances and the Articles of Incorporation.

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(April 1, 2025 to March 31, 2026)

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	168,351	354,693	1,111,225	(139,690)	1,494,580
Changes of items during the period:					
Dividends from surplus			(44,199)		(44,199)
Net income attributable to owners of the parent			171,914		171,914
Change of fiscal term of consolidated subsidiaries			929		929
Change in scope of consolidation			7,511		7,511
Acquisitions of treasury stock				(2,309)	(2,309)
Disposals of treasury stock		(0)		0	0
Cancellation of treasury stock		(73,215)		73,215	-
Change in ownership interest of parent due to transactions with non-controlling interests		(3,224)			(3,224)
Adjustment due to sales and revaluation of land			1,008		1,008
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(76,440)	137,165	70,905	131,631
Balance at the end of current period	168,351	278,253	1,248,391	(68,785)	1,626,211

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedging activities, net	Surplus from land revaluation	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	4,184	(1,014)	137,848	51,873	32,896	225,788	17,330	1,737,699
Changes of items during the period:								
Dividends from surplus								(44,199)
Net income attributable to owners of the parent								171,914
Change of fiscal term of consolidated subsidiaries								929
Change in scope of consolidation								7,511
Acquisitions of treasury stock								(2,309)
Disposals of treasury stock								0
Cancellation of treasury stock								—
Change in ownership interest of parent due to transactions with non-controlling interests								(3,224)
Adjustment due to sales and revaluation of land			(1,008)			(1,008)		—
Net changes of items other than shareholders' equity	1,571	2,488	(449)	56,437	7,085	67,134	15,643	82,777
Total changes of items during the period	1,571	2,488	(1,457)	56,437	7,085	66,125	15,643	213,400
Balance at the end of current period	5,755	1,473	136,390	108,311	39,982	291,914	32,974	1,951,099

(Note) Figures are indicated by discarding fractions less than one million yen.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### 1. Important matters forming the basis of preparation of consolidated financial statements

#### (1) Matters concerning the scope of consolidation

##### (i) Consolidated subsidiaries:

- Number of consolidated subsidiaries: 120 companies
- Names of major consolidated subsidiaries:

Idemitsu Tanker Co., Ltd.

SHOWA YOKKAICHI SEKIYU CO., LTD.

TOA Oil Co., Ltd.

Fuji Oil Company, Ltd.

Idemitsu Retail Marketing Co., Ltd.

Idemitsu Supervising Co., Ltd.

Idemitsu Energy Solutions Co., Ltd.

IDEMITSU INTERNATIONAL (ASIA) PTE. LTD.

IDEMITSU APOLLO CORPORATION

Idemitsu Unitech Co., Ltd.

SDS Biotech K.K.

AGRO-KANESHO CO., LTD.

Idemitsu Gas Production (Vietnam) Co., Ltd.

IDEMITSU AUSTRALIA PTY LTD

IDEMITSU COAL MARKETING AUSTRALIA PTY LTD

IDEMITSU ASIA PACIFIC PTE. LTD.

Idemitsu Americas Holdings Corporation

##### (ii) Non-consolidated subsidiaries:

- Name of major non-consolidated subsidiary:

Idemitsu Lube Techno Co., Ltd.

- Reason for excluding the non-consolidated subsidiaries from the scope of consolidation:

The scale of business conducted by each of the non-consolidated subsidiaries is small, and the total assets, net sales, net income or loss (based on the Company's equity interest) and retained earnings (based on the Company's equity interest) of each non-consolidated subsidiary do not have a material impact on the consolidated financial statements.

##### (iii) Company in which the Company holds a majority of voting rights but which is not treated as a subsidiary:

- Name of the company: Astomos Energy Corporation

- Reason for not treating it as a subsidiary:

Astomos Energy Corporation has been determined to be a jointly controlled company pursuant to Article 175 of the "Implementation Guidance on the Accounting Standard for Business Combinations and the Accounting Standard for Business Divestitures" (the Accounting Standards Board of Japan ("ASBJ") Accounting Standard Implementation Guidance No. 10) and excluded from the scope of

consolidation to apply the accounting method similar to the equity method.

(2) Matters concerning the application of the equity method

(i) Non-consolidated subsidiaries and affiliates to which the equity method is applied:

- Number of non-consolidated subsidiaries or affiliates to which the equity method is applied: 29 companies
- Names of the major companies:

Astomos Energy Corporation  
Idemitsu Credit Co., Ltd.  
Prime Polymer Co., Ltd.  
Nghì Son Refinery and Petrochemical LLC  
INPEX Norway Co., Ltd.

(ii) Non-consolidated subsidiaries and affiliates to which the equity method is not applied:

- Names of the major companies, etc.:

Union Sekiyu Kogyo Co., Ltd.  
Kuo Horng Co., Ltd.

- Reason for not applying the equity method to such companies:

The net income or loss (based on the Company's equity interest) and retained earnings (based on the Company's equity interest) of each company have no significant impact on the consolidated financial statements and is of no importance in general.

(iii) Special matter concerning the procedure to apply the equity method:

With regard to the equity method companies whose balance sheet dates do not correspond to the consolidated balance sheet date, the financial statements for the fiscal years of such equity method companies are used.

(3) Matters concerning the fiscal years of consolidated subsidiaries

With regard to any consolidated subsidiary whose balance sheet date does not correspond to the consolidated balance sheet date, the financial statements for the fiscal year of such consolidated subsidiary are used. However, with regard to any important transaction that took place after the end of the relevant fiscal year and prior to the consolidated balance sheet date, necessary adjustments are made for the purpose of preparation of the consolidated financial statements.

Previously, for consolidated subsidiaries with a balance sheet date of December 31, financial statements as of that date were used, and any significant transactions that occurred between that date and the consolidated balance sheet date were adjusted as necessary for consolidation. However, in order to ensure more accurate disclosure of consolidated financial statements, starting from the fiscal year under review, certain consolidated subsidiaries (a total of 46 companies, including IDEMITSU APOLLO CORPORATION) have either changed their balance sheet dates to March 31 or have changed to a method of consolidating financial statements by preparing a provisional settlement of accounts on March 31, which is the consolidated balance sheet date.

The income or loss of these consolidated subsidiaries from January 1, 2025 to March 31, 2025 has been adjusted as an increase of ¥929 million in retained earnings.

(4) Notes on accounting policies

(i) Basis and method of valuation of major assets:

(a) Basis and method of valuation of securities:

Bonds to be held to maturity:

At amortized cost (straight-line method)

Subsidiaries' stock and affiliates' stock:

At cost, determined by the moving average method

Other securities:

- Securities other than those without market value:

At market value (valuation differences are included directly in net assets, and costs of securities sold are determined by the moving average method).

- Those without market value:

At cost, determined by the moving average method.

(b) Basis and method of valuation of inventories:

At cost, determined by the gross average method, in principle

The balance sheet values are calculated by the write-down method based on declined margins.

(c) Basis and method of valuation of derivatives:

At market value

(ii) Method of depreciation of important depreciable assets:

(a) Property, plant and equipment (excluding lease assets):

By the straight-line method, in principle;

(b) Intangible fixed assets (excluding lease assets):

By the straight-line method, in principle. provided, however, that software for internal use is amortized by the straight-line method on the estimated useful life of internal use (five years).

Customer-related assets are amortized by the straight-line method on useful lives (20 years).

(c) Lease assets:

By the straight-line method on the assumption that the lease period is the useful life of the property and the residual value is zero, in principle.

(iii) Basis for accounting for important allowances and reserves:

(a) Allowance for doubtful accounts:

To meet losses from loan default, the Company sets aside an estimated uncollectible amount, by taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of specific claims, such as probable non-performing credits.

(b) Provision for bonuses:

To meet the payment of bonuses to employees, the Company sets aside the portion for the fiscal year under review of an estimated amount of bonuses to be paid in the future.

(c) Reserve for repair work:

To meet the payment for repair expenses in the future, the Company sets aside the portion until the fiscal year under review of an amount of expenses of inspection and repair to be defrayed in respect of the oil tanks and machinery and equipment and vessels that require periodic repairs in the future.

(iv) Standards for recognition of important revenue and expenses

The content of primary obligations in the major business in relation to revenue generated from contracts with customers of the Company and its consolidated subsidiaries, and the normal time when the obligations are fulfilled (the normal time when the revenue is recognized) are as follows:

(a) Sale of products:

The petroleum segment produces and sells refined petroleum products, the basic chemicals segment produces and sells olefin/aroma products, and the functional materials segment produces and sells lubricants, advanced materials and performance chemicals, etc. The resources segment explores, develops, produces, and sells crude oil, natural gas, and other energy resources such as coals.

With respect to these sales, the legal ownership and physical possession right to the products, and important risks associated with owning the products, and economic values are transferred to customers when control over the products is transferred to the customers, i.e., upon delivery of the products to the customers.

Furthermore, the Company obtains the right to receive consideration for the products from its customers; therefore, the revenue is recognized at that time. In addition, the revenue is recognized based on the transaction prices under the contracts with the customers; with respect to transactions in which the role of the Company and its subsidiaries is an agent, the transaction prices are calculated based on the net amount, namely the amount received from customers less payments to suppliers. The tax amount that is deemed to be collected as an agent such as those imposed at the time of sale, like value-added tax and the light oil delivery tax, are presented in net amount but not included in the sales. On the other hand, the tax amount, like gasoline tax, which is imposed in the process before sale and included in the sales amount, is included in the sales. Considerations for transactions include no material financial components because they are received within one year after delivery of the products. Regarding variable considerations including variable discounts, the amount of consideration to which the Company and its consolidated subsidiaries will obtain the rights are estimated using all reasonably available information including past, current, and expectation; and the sales are recognized only within the scope where material reversion is very unlikely to occur.

(b) Sale of electricity:

The power/renewable energy segment mainly conducts power generation (thermal power, solar power, wind power, etc.) and sales of electricity.

Regarding the revenue pertaining to power generation and sales of electricity, fees are measured by monthly meter reading; and the fees then calculated are recognized as the revenue generated for the relevant month. In addition, the revenue generated between the date of the first date in the settlement month and the settlement date are estimated from the result of the meter reading conducted in the settlement month, and the revenue according to the accounting period is recorded. The revenue is recognized based on the transaction prices under contracts with customers; and the

consideration for the transaction includes no material financial components because it is received within one year after delivery of the products.

(v) Method of important hedge accounting

(a) Method of hedge accounting:

Deferral hedge accounting is applied. Exceptional accounting treatment (tokurei shori) is applied to interest rate swap contracts that satisfy the requirements thereof.

(b) Hedging instruments and hedged items:

Hedging instruments:

Forward exchange contracts, currency option transactions, foreign currency borrowings  
Crude oil and petroleum product swap transactions  
Futures transactions, coal swap transactions  
Interest rate swap contracts, interest rate and currency swap transactions, and interest rate option transactions

Hedged items:

Foreign currency receivables and payables, forecasted foreign currency transaction  
Purchase and sale of crude oil and petroleum products  
Purchase and sale of coal, and debts payable

(c) Hedging policy:

The Company and some of its consolidated subsidiaries, in accordance with their respective rules, carry out hedge transactions within the scope of actual requirements to hedge risk of price changes, interest rate and currency fluctuations with regard to the hedged items.

(d) Method of evaluating the effectiveness of a hedge:

The method of evaluating the effectiveness of a hedge is to confirm the compliance of the hedging instruments with the hedged items. No evaluation is made as to the effectiveness of any transaction in which important conditions are common for the hedged assets and liabilities or scheduled transactions and price changes or cash flow changes are assumed in advance to be offset upon the commencement of the hedging and continue to be offset thereafter.

(vi) Amortization of goodwill:

Goodwill is amortized using the straight-line method over the estimated useful life of goodwill (five years to 20 years).

(vii) Other important matters forming the basis of preparation of consolidated financial statements:

(a) Basis of translation of assets and liabilities denominated in foreign currencies into the Japanese currency:

Foreign currency receivables and payables are translated into Japanese yen at the spot rate prevailing on the consolidated balance sheet date and translation differences are treated as gains and losses. Assets and liabilities of overseas subsidiaries are translated into Japanese yen at the spot rate prevailing on the consolidated balance sheet date. Income and expenses are translated into Japanese yen at the average rate for the period and translation differences are included in foreign currency translation adjustments and noncontrolling interests under the net assets section on the consolidated balance sheet.

(b) Basis of accounting for liability for employees' retirement benefits:

To meet the payment of retirement benefits to employees, the Company provides an amount obtained by deducting the amount of plan assets from retirement benefit obligations, based on their respective estimated amounts as of the end of the fiscal year under review, as a liability for employees' retirement benefits.

Actuarial differences are treated as expenses, based on the straight line method for a specific period of years (ten years to fourteen years) not exceeding the average remaining years of service of employees, from the fiscal year next following the fiscal year when such differences occur.

In principle, prior year service liabilities are treated as expenses in a lump sum during the fiscal year when such liabilities occur.

Unrecognized actuarial differences, after adjusting for taxes, are recognized as defined retirement benefit plans under accumulated other comprehensive income in the net assets section. Also, in the calculation of retirement benefits, expected retirement benefits are attributed to the period up to the end of the fiscal year under review on a benefit formula

basis.

(c) Accounting treatment of deferred assets:

Bond issuance expenses and stock issuance expenses are all treated as expenses upon payment thereof.

(d) Accounting principles and procedures adopted in cases where the relevant accounting standards are not clearly defined

(Acquisitions of treasury stock)

The Company's Board of Directors approved a resolution at a meeting during the previous fiscal year on February 12, 2025 regarding the acquisition of treasury stock, and the acquisition was completed on March 19, 2025. Acquisition of treasury stock is conducted through the use of the Accelerated Share Repurchase (ASR) method (hereinafter the "Method"). The Method applies to cases where the relevant accounting standards are not clear, and the accounting treatment is as follows.

a) Outline of the Method

The Company first acquired 60,737,500 shares of treasury stock, equivalent to ¥70 billion, at ¥1,152.5 per share through ToSTNeT-3 on March 19, 2025 (hereinafter the "Purchase").

For the Purchase, Daiwa Securities Co. Ltd. borrowed the shares and made the sell order. After the execution of the sell order in the Purchase, Daiwa Securities Co. Ltd. and its subsidiaries and associates (hereinafter the "Daiwa Securities Group") intend to acquire the Company's shares in and out of the stock market at its own discretion and calculation for the purpose of repaying the borrowed shares (hereinafter the "Short Cover Transaction"). Next, with regard to the sales price (hereinafter the "Base Price") of the Company's common stock sold by Daiwa Securities Co. Ltd. in the Purchase, the Company will separately conduct an adjustment transaction using the Company's shares with Daiwa Securities Co. Ltd. (hereinafter the "Scheduled Allottee") which is the allottee of the stock acquisition rights (hereinafter the "Stock Acquisition Rights") issued by the Company in the ASR Transaction so that the effective acquisition unit price of the Company will be equal to the average share price. Specifically, (1) if the average share price is higher than ¥1,152.5, the Company will deliver to the Scheduled Allottee the number of shares of the Company's common stock calculated by

deducting the “number of shares obtained by dividing the Base Price by the average share price” from the “number of shares of common stock of the Company sold by the Scheduled Allottee in the Purchase” (hereinafter the “Base Number of Shares”) upon exercise of the Stock Acquisition Rights, and conversely, (2) if the average share price is lower than ¥1,152.5, the Company agrees to acquire from the Scheduled Allottee the number of Company shares calculated by deducting the Base Number of Shares from the “number of shares obtained by dividing the Base Price by the average share price” without compensation.

b) Accounting principles and procedures

The Company’s shares acquired through ToSTNeT-3 on March 19, 2025 are recorded as “Treasury stock” under net assets in the consolidated balance sheet at the acquisition amount. The Company’s shares acquired through this method are included in the treasury stock deducted in the calculation of the average number of shares during the period for the purpose of calculating net income per share.

Further, on March 16, 2026, the Company acquired 4,792,300 shares of treasury stock without compensation as an adjustment transaction. The final number of shares acquired after the adjustment transaction was 65,529,800 shares (including 8,869,500 shares acquired from parties other than Daiwa Securities Co. Ltd.).

The adjustment transaction has no impact on the Company’s consolidated financial statements.

2. Matters concerning changes in the scope of consolidation and the scope of application of the equity method

(1) Change in the scope of consolidation:

- Number of new consolidated subsidiaries:  
Five companies
- Names of the new consolidated subsidiaries:  
Idemitsu Apollo (Thailand) Co., Ltd.  
Fuji Oil Company, Ltd. and three other companies  
Idemitsu Apollo (Thailand) Co., Ltd. was newly established through the business integration of Apollo (Thailand) Co., Ltd. and IDEMITSU LUBRICANTS (THAILAND) CO., LTD., and included in the scope of consolidation. Fuji Oil Company, Ltd. was changed from an equity method affiliate to a consolidated subsidiary due to the acquisition of additional shares.
- Number of subsidiaries excluded from the scope of consolidation:  
Four companies
- Names of the excluded consolidated subsidiaries:  
RS ENERGY K.K. and three other companies  
RS ENERGY K.K. is excluded from the scope of consolidation because it disappeared as a result of the absorption-type merger in which Idemitsu Kosan Co.,Ltd. is the surviving company.

(2) Change in the scope of application of the equity method:

- Number of new equity method companies:  
Three companies
- Names of the new equity method companies:  
Idemitsu Compounding Plastics (GuangZhou) Co.,Ltd.  
ARAMO SHIPPING (SINGAPORE) PTE LTD and one other company  
Idemitsu Compounding Plastics (GuangZhou) Co.,Ltd. was included in the scope of equity method companies as its importance has increased, and ARAMO SHIPPING (SINGAPORE) PTE LTD was included as Fuji Oil Company, Ltd. has become a consolidated company.
- Number of companies excluded from the scope of equity method:  
Four companies
- Names of the companies excluded from the scope of equity method:  
Apollo (Thailand) Co., Ltd.  
Fuji Oil Company, Ltd. and two other companies  
Apollo (Thailand) Co., Ltd. has ceased to exist as a result of its business integration with IDEMITSU LUBRICANTS (THAILAND) CO., LTD., and is therefore excluded from the scope of the equity method. Fuji Oil Company, Ltd. was changed from an equity method affiliate to a consolidated subsidiary due to the acquisition of additional shares.

3. Change in accounting policies

Not applicable.

4. Change in presentation methods

(Consolidated statement of income)

In the previous fiscal year, “subsidy income” (¥772 million in the current fiscal year) was presented separately. However, due to its reduced materiality, from the current fiscal year onward it is included in the “other” section of non-operating income.

In the previous fiscal year, “loss on valuation of shares of subsidiaries and affiliates” (¥0 million in the current fiscal year) was presented separately. However, due to its reduced materiality, from the current fiscal year onward it is included in the “other” section of extraordinary loss.

5. Notes on accounting estimates

The Company’s consolidated financial statements include management’s estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses. These estimates and assumptions are based on management’s best judgment, taking into account past financial results and various factors considered to be reasonable as of the end of the fiscal year, and other considerations. Due to their inherent nature, actual results may differ from these estimates and assumptions. Toward the end of the current fiscal year, the escalating geopolitical tensions in the Middle East, triggered by the attacks by the United States and Israel on Iran, have increased uncertainty in the business environment, including supply and demand and price trends in the crude oil and petroleum product markets. In light of these circumstances, the Group has made estimates and assumptions regarding the future business environment based on the assumption that the escalated geopolitical risks in the Middle East region will be resolved by the second half of 2026. Accordingly, the impact on crude oil and petroleum product prices arising from the escalated geopolitical risks will gradually ease thereafter.

Items that may have a significant impact on the Company’s consolidated financial statements are as follows.

(1) Valuation of equity-method investments and loans to equity-method affiliates

As to Nghi Son Refinery and Petrochemical LLC (“NSRP”), an equity-method affiliate of the Company, the Company holds an equity interest and has loans receivable, and provides funding through loans and advances made on behalf of NSRP via its consolidated subsidiaries. In preparing the consolidated financial statements, NSRP’s financial position and performance impact the fair value and the recoverable amount of long-term loans and the receivables arising from such advances. The amounts and the line items of the equity interest, the loans, and the receivables recorded in the consolidated balance sheet are as follows:

	Line item	Amount (million yen)
Equity interest	Investment securities	-
Loans	Long-term loans receivable	94,477
	Allowance for doubtful accounts	(57,649)
		36,828
Advances	Accounts receivable, other	159,809

In addition, as described in “7. Notes to the consolidated balance sheet,” the Company provides construction completion guarantees of ¥84,801 million (the Company’s share) for NSRP’s bank borrowings. No provision for loss on these construction completion guarantees has been recorded.

Since NSRP recorded significant operating losses in past fiscal years due to suboptimal asset utilization rates during the initial years following the start of commercial production and the subsequent deterioration of product market conditions, NSRP has had negative equity since fiscal year 2020. During the current fiscal year, although NSRP was able to maintain high asset utilization rates, NSRP recorded an operating loss due to deteriorating product margins. In addition, similar to the preceding fiscal year, NSRP recorded a net loss due to financial expenses associated with substantial borrowings.

When preparing its consolidated financial statements, the Company assesses the fair value and the recoverable amount of long-term loans receivable and accounts receivable, other from NSRP based on the DCF method, using estimated future cash flows and expected rate of return (discount rate). The Company also evaluates the necessity of recording a provision for losses on construction completion guarantees. As a result, no loss or reversal of allowance for doubtful accounts was recognized for long-term loans receivable and accounts receivable, other during the current fiscal year.

The estimated future cash flows are prepared using NSRP’s future business plan, reflecting the latest projection of product margins. The future business plan also incorporates such assumptions as asset utilization rates. These assumptions are based on past operational performance and external environmental factors, including supply-demand trends, product margins, geopolitical circumstances, and climate change considerations. In addition to inherent risks linked to investments in NSRP, the discount rate applied reflects factors not reflected in estimated future cash flows, such as the potential impact from global decarbonization initiatives, and uncertainties and risks of deterioration in financial performance associated with the escalated geopolitical risks in the Middle East.

An increase (or decrease) in product margin results in an increase (or decrease) in fair value and recoverable amount, and an increase (or decrease) in discount rate results in a decrease (or increase) in fair value and recoverable amount. The changes in these assumptions may have a material impact on the Company’s consolidated financial statements.

## (2) Valuation of fixed assets

In its consolidated balance sheet as of March 31, 2026, the Company recorded property, plant and equipment of ¥1,523,513 million and intangible fixed assets of ¥260,199 million.

With respect to property, plant and equipment and intangible fixed assets, indications of impairment are assessed for each asset group; and if there is any indication, an impairment test is implemented.

In calculating the recoverable amount in the impairment test, estimates of future cash flows and discount rates are determined; the future cash flows are estimated based on the business plan approved by management, as well as management’s best estimate and judgments. The sales volume, product prices, and exchange rates included in the future cash flows are affected by changes in uncertain factors, such as future economic conditions, the transition to a low-carbon society in response to climate change, a decrease in product demand associated with changes to Japan’s population structure; therefore, if these estimates and

recoverable amounts need to be reviewed, this may have a material impact on the Company's consolidated financial statements.

6. Change in accounting estimates

There is no material change to the accounting estimates.

A change was made to the estimate of part of the asset retirement obligations. The details are stated in the notes titled "16. Notes on asset retirement obligations."

## 7. Notes to the consolidated balance sheet

### (1) Assets pledged and corresponding liabilities

#### Assets pledged

(i) Factory foundation mortgage:	
Land	¥389,603 million
Machinery and equipment	¥55,599 million
Other	¥28,574 million
(ii) Other pledges:	
Land	¥8,077 million
Investment securities	¥3,563 million
Capital contribution	¥1,354 million
Total	¥486,772 million

The Company pledged the investment securities and the capital contribution above as collateral for its affiliated companies' borrowings, etc.

In addition to the above, the Company pledged the capital contribution (investment securities) in NSRP and long-term loans receivable from NSRP as collateral for NSRP's borrowings from financial institutions. The equity method has been applied to NSRP, and the consolidated balance sheet amount of each item is as described below:

	The current fiscal year (March 31, 2026)
Investment securities (million yen)	-
Long-term loans receivable (million yen)	-

#### Liabilities with assets pledged

(i) Factory foundation mortgage:	
Accounts payable, other	¥63,532 million
Long-term loans payable (including current portion of long-term loans payable)	¥16,174 million
(ii) Other pledges:	
Accounts payable, other	¥17,767 million
Total	¥97,474 million

The accounts payable, other were related to payment of gasoline tax.

In addition to the above, although the factory foundation was subjected to a revolving mortgage related to bank transactions, there were no substantial liabilities with assets pledged.

(2) Accumulated depreciation of property, plant and equipment: ¥2,213,460 million

(3) Contingent liabilities:

The Company provides guarantees for the loan obligations, etc. of the following companies, which are not the Company's consolidated companies, from financial institutions, etc.

(i) Guarantee of obligations

INPEX CORPORATION (*)	¥18,526 million
Japan Biofuels Supply LLP.	¥12,460 million
Idemitsu Sarawak E&P Co., Ltd.	¥4,030 million
Other	¥3,512 million
Total	¥38,529 million

(\*) Regarding the obligation to decommission the Valhall and Hod oil fields in Norway, in which INPEX Idemitsu Norge AS (hereinafter "IIN"), a wholly owned subsidiary of INPEX Norway Co., Ltd. (hereinafter "INO"), an equity method affiliate of the Company, holds an interest, a Decommissioning Security Agreement has been entered into in which INPEX CORPORATION guarantees the obligation if IIN is unable to perform the obligation. Furthermore, based on the shareholders' agreement between INO, INPEX CORPORATION, and the Company, a memorandum of understanding has been entered into, which states that if INPEX CORPORATION fulfills the guarantee obligation, the Company will compensate INPEX CORPORATION in proportion to the Company's shareholding ratio in INO.

(ii) Construction completion guarantee

The Company provides a construction completion guarantee for project financing regarding the project to construct the Nghi Son Refinery and Petrochemical Complex, by NSRP in Vietnam. The burden of the guarantee of the Company is as follows.

The Company's burden of guarantee ¥84,801 million

Depending on future changes in the circumstances, the Company may be requested to perform the construction completion guarantee by the banking syndicate. If the Company performs the construction completion guarantee, this may have a material impact on the Company's financial and cash flow conditions.

(4) Land revaluation

In accordance with the Land Revaluation Act (Act No. 34, promulgated on March 31, 1998) of Japan and the Act to Amend Part of the Land Revaluation Act (Act No. 19, promulgated on March 31, 2001) of Japan, the Company's land used for business is revaluated and an amount equivalent to taxes on the difference on revaluation is included in liabilities as "deferred tax liabilities upon revaluation" and the difference on revaluation minus the amount of such taxes is included in net assets as "surplus from land revaluation."

(i) Method of revaluation:

Land revaluation is made in accordance with the method of calculation by making reasonable adjustments to the assessed value of fixed assets as set forth in Article 2, item 3 of the Ordinance to Implement the Land Revaluation Act (Cabinet Order No. 119, promulgated on March 31, 1998; the “Ordinance”), the method of calculation by making reasonable adjustments to the land values that form the basis of land tax calculations as set forth in Article 2, item 4 of the Ordinance, and appraisals by real estate appraisers as set forth in Article 2, item 5 of the Ordinance.

(ii) Revaluation date: March 31, 2002

(iii) Difference of the market value at the end of the fiscal year under review of the land revaluated and the book value thereof after such revaluation:

¥(58,885) million

8. Notes to the consolidated statement of income

Not applicable.

9. Notes to the consolidated statement of changes in net assets

(1) Matters concerning the total number of issued shares

Class of shares	Number of shares as of April 1, 2025	Increase in the number of shares during the year	Decrease in the number of shares during the year	Number of shares as of March 31, 2026
Shares of common stock	1,358,078 thousand shares	– thousand shares	69,331 thousand shares	1,288,747 thousand shares

(Note) The decrease of 69,331 thousand shares in the total number of issued common stock is due to the cancellation of treasury stock determined by resolution at the meeting of the Board of Directors.

(2) Matters concerning the number of treasury stock:

Class of shares	Number of shares as of April 1, 2025	Increase in the number of shares during the year	Decrease in the number of shares during the year	Number of shares as of March 31, 2026
Shares of common stock	133,441 thousand shares	6,364 thousand shares	69,331 thousand shares	70,475 thousand shares

(Note 1) The increase of 6,364 thousand shares in the number of treasury stock is due to the acquisition of 6,364 thousand shares of treasury stock determined by resolution at the meeting of the Board of Directors, and an increase of 0 thousand shares due to the purchase of less-than-one-unit shares.

(Note 2) The decrease of 69,331 thousand shares consists of a decrease of 69,331 thousand shares due to cancellation of treasury stock determined by resolution at the meeting of the Board of Directors and a decrease of 0 thousand shares due to the requests for the purchase of less-than-one-unit shares.

(Note 3) Out of the number of treasury stock as of the end of the fiscal year under review, the number of shares held by the Board Incentive Plan Trust for Officers is 3,124 thousand shares.

(3) Matters concerning the distribution of retained earnings

(i) Amount of payment for dividends, etc.:

Matters concerning the dividends determined by resolution at the meeting of the Board of Directors held on May 13, 2025:

- Aggregate amount of dividends ¥22,099 million
- Amount of dividend per share ¥18
- Record date March 31, 2025
- Effective date June 4, 2025

(Note) The aggregate amount of dividends includes a dividend payment of ¥56 million made for the Company shares held by the Board Incentive Plan Trust for Officers.

Matters concerning the dividends determined by resolution at the meeting of the Board of Directors held on November 11, 2025:

- Aggregate amount of dividends ¥22,099 million
- Amount of dividend per share ¥18
- Record date September 30, 2025
- Effective date December 5, 2025

(Note) The aggregate amount of dividends includes a dividend payment of ¥56 million made for the Company shares held by the Board Incentive Plan Trust for Officers.

(ii) Dividends for which the record date falls in the current fiscal year but the effective date falls in the next fiscal year:

Matters concerning the dividends determined by resolution at the meeting of the Board of Directors held on May 12, 2026:

- Aggregate amount of dividends ¥21,985 million
- Amount of dividend per share ¥18
- Record date March 31, 2026
- Effective date June 3, 2026

(Note) The aggregate amount of dividends includes a dividend payment of ¥56 million made for the Company shares held by the Board Incentive Plan Trust for Officers.

## 10. Notes on financial instruments

### (1) Matters relating to the status of financial instruments

#### (i) Policy on financial instruments

The Group raises required funds (principally by bank loans and the issuance of bonds) according to plant and equipment plans, etc. The Group invests temporary surplus funds in high-security deposits and others and raises short-term operating funds through bank loans and commercial papers.

The Group utilizes derivatives to avoid or mitigate risk relating to its actual demand, as described below, and engages in no speculative transaction. Additionally, the Company and some of its consolidated subsidiaries have adopted hedge accounting.

#### (ii) Nature and extent of risks arising from financial instruments

Notes and accounts receivable, trade, which are trade receivables, are exposed to customer credit risk. In addition, trade receivables denominated in foreign currencies associated with product exports, etc. are exposed to the risk of fluctuations in exchange rates.

Among securities and investment securities, listed stocks that are other securities, excluding securities other than those without market value, are exposed to the risk of fluctuations in market price.

Loans are mainly to affiliated companies and are exposed to the credit risk of the borrowers. The Company regularly monitors their financial positions and makes every effort to properly manage this risk.

Most of these notes and accounts payable, trade are due within six months. Also, trade payables denominated in foreign currencies associated with the import of raw materials and other items are exposed to the risk of fluctuations in foreign exchange rates. In principle, however, the net position of trade receivables denominated in foreign currencies is hedged by utilizing forward exchange contracts.

Among borrowings, commercial papers, and corporate bonds, short-term loans payable and commercial papers are primarily used to raise funds for the purchase of raw materials and operating expenses, while long-term loans payable and corporate bonds are primarily used to raise funds for capital investment. Borrowings with floating interest rates are exposed to the risk of fluctuations in interest rates, and borrowings denominated in foreign currencies are exposed to the risk of fluctuations in exchange rates. Of these, a portion of long-term loans payable is hedged using interest rate swap transactions.

Derivatives transactions consist of forward exchange contracts to hedge the risk of foreign currency exchange fluctuations related to trade receivables and payables denominated in foreign currencies; interest rate swaps to hedge the risk of interest rate fluctuations related to borrowings; and crude oil and petroleum product swaps and futures transactions to hedge the risk of market price fluctuations related to crude oil and petroleum products, etc. For details regarding hedging instruments and hedged items, hedging policies, and methods for evaluating hedge effectiveness, etc., please refer to “(4) Notes on accounting policies (v) Method of important hedge accounting” in the “Important matters forming the basis of preparation of consolidated financial statements” mentioned above.

(iii) Risk management framework for financial instruments

(a) Management of credit risk (the risk of contractual counterparty default)

In accordance with the receivables management regulations and guidelines established by each business division, the Company regularly monitors the position of its business partners by business division with respect to trade receivables and manages payment terms, balances, collateral, etc. with business partners, while also working to quickly identify and mitigate concerns about recovery due to deterioration of financial position, etc. Consolidated subsidiaries are also managed in the same way in accordance with the Company's regulations. The General Affairs Department centrally monitors the status of credit management across the entire Group and reports monthly to the Credit Committee.

When engaging in derivatives transactions, there is almost no credit risk as transactions are limited to financial institutions, trading companies, and members of futures exchanges with internationally high credit ratings.

(b) Management of market risk (risk of fluctuations in exchange rates, interest rates, crude oil or petroleum product prices, etc.)

The Company and some of its consolidated subsidiaries use forward exchange contracts to hedge against the risk of fluctuation in exchange rates, measured monthly, within the scope of actual demand, with respect to foreign currency receivables and payables.

The Company also uses interest rate swap transactions (fixed payment/fluctuating rate) to hedge the risk of fluctuations in interest rates payable on long-term loans payable.

The Company and some of its consolidated subsidiaries use swaps and futures transactions for crude oil and petroleum products within the scope of actual demand in order to hedge against the risk of fluctuations in market prices of crude oil and petroleum products.

With regard to investment securities, which are principally stocks of client companies with which the Group has business ties that are held in the minimum amount necessary, the market prices of listed stocks are recognized for each quarter, and with regard to unlisted stocks, the Company obtains information to recognize the financial positions, etc. of the issuers for each fiscal year.

With regard to derivatives transactions, each department that handles derivatives prepares a trading policy and plan every year based on the Derivatives Management Regulations, which stipulate the purpose of use, trading policy, authority, and procedures related to transactions, reporting systems, etc., and these are approved following review by the General Affairs Department and deliberation by the Derivatives Committee. Transactions are executed and managed separately by the Accounting Department and the Finance Department for foreign exchange and interest rate-related transactions and the Integrated Supply & Trading Department and other departments for commodity-related transactions.

The General Affairs Department monitors the status of transactions and management from the internal control perspective, and reports monthly to the Derivatives

Committee. Consolidated subsidiaries also execute and manage transactions based on internal management rules established in accordance with the Company's Derivatives Management Regulations.

- (c) Management of liquidity risk associated with financing (the risk that the Group will be unable to pay by the due date)

Accounts payable, trade, borrowings, and corporate bonds are exposed to liquidity risk, but the Accounting Department and the Finance Department create and update cash flow plans in a timely manner based on information from each department, and manage liquidity risk by maintaining an appropriate level of liquidity on hand. Consolidated subsidiaries are financed by Group financing from the Company and other sources based on cash flow plans prepared by each company. In addition, the Company has entered into specified credit line agreements (commitment line agreements) with financial institutions to provide for unexpected demand for funds.

- (iv) Supplementary explanation of fair value, etc. of financial instruments

Since the calculation of the fair value of financial instruments takes into account variable factors, such values may change due to the adoption of different assumptions and other factors.

- (2) Matters concerning current values, etc. of financial instruments

The following chart shows the consolidated balance sheet amounts of financial instruments as of March 31, 2026, along with their current values and the variances. Securities without market value (consolidated balance sheet amount: ¥327,411 million) are not included in "Investment securities." Notes on "cash and deposit," "Notes and accounts receivable, trade," "Accounts receivable, other," "Notes and accounts payable, trade," "Short-term loans payable," "Commercial papers," and "Accounts payable, other" are omitted because they are settled in a short period and the market value approximates to the book value. In addition, notes on investments in partnerships that are measured at the Company's proportionate interest in their net assets in the balance sheet (consolidated balance sheet amount: ¥15,579 million) are omitted as well:

	(million yen)		
	Consolidated balance sheet amount	Current value	Variance
(1) Investment securities	12,567	12,567	—
(2) Long-term loans receivable	97,839		
Allowance for doubtful accounts (Note 1)	(58,052)		
	39,787	39,787	—
Total assets	52,355	52,355	—
(1) Bonds payable (including current portion of bonds payable)	120,000	113,412	(6,588)
(2) Long-term loans payable	494,087	475,345	(18,742)
Total liabilities	614,087	588,757	(25,330)
Derivatives transactions (Note 2)	6,432	6,432	—

(Note 1) The allowances for doubtful accounts individually recorded for the long-term loans receivable are deducted.

(Note 2) Net receivables and payables resulting from derivatives transactions are presented on net base. The total net payables are presented in parentheses.

(3) Matters regarding the breakdown of financial instruments by each fair value level

Fair values of financial instruments are categorized at the following three levels according to the observability and importance of inputs related to the calculation of the fair values:

Level 1 fair value: fair values calculated using the quoted prices of the assets and liabilities subject to the calculation of the fair values that are formed in active markets among inputs related to the calculation of observable fair values;

Level 2 fair value: fair values calculated using the inputs related to the calculation of fair values other than Level 1 inputs among inputs related to the calculation of observable fair values;

Level 3 fair value: fair values calculated using the inputs related to the calculation of fair values that cannot be observed.

In cases where multiple inputs that have a material effect on the calculation of the fair value are used, among the levels to which the respective inputs belong, the fair value is categorized at the level with the lowest priority in the fair value calculation.

(i) Financial instruments recorded on the consolidated balance sheet at fair value

Category	Fair value (million yen)			
	Level 1	Level 2	Level 3	Total
Investment securities	12,567	–	–	12,567
Long-term loans receivable	–	–	–	–
Derivatives transactions	–	6,432	–	6,432
Total assets	12,567	6,432	–	18,999

(ii) Financial instruments other than those that are recorded on the consolidated balance sheet at fair value

Category	Fair value (million yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	–	2,959	36,828	39,787
Total assets	–	2,959	36,828	39,787
Bonds payable (including current portion of bonds payable)	–	113,412	–	113,412
Long-term loans payable	–	475,345	–	475,345
Total liabilities	–	588,757	–	588,757

(Note) Explanation of the valuation methods and inputs used in calculating fair values

Investment securities

Listed shares are valued using the quoted price. As listed shares are traded on

active markets, their fair value is categorized as a Level 1 fair value.

Long-term loans receivable (those recorded on the consolidated balance sheet in the fair value):

Long-term loans receivable from NSRP are categorized as Level 3. The entire carrying amount of the loans receivable was written off during prior fiscal years when measured at fair value. For details of the calculation of the fair value, please see “(iii) Financial instruments categorized as Level 3” below.

Long-term loans receivable (other than those mentioned above):

Long-term loans receivable calculated based on the present value of the future cash flow discounted at a rate supposing that a similar loan is newly extended, is categorized as Level 2. The fair value of probable non-performing credits is calculated based on the present value of the future cash flow discounted at the expected return rate (discount rate) in which inherent risks of debtors are reflected or the expected amount to be collected from collateral or guarantee. If the amount of the impact of unobservable inputs on the fair value is material, the fair value is categorized as a Level 3 fair value; and if not, it is categorized as a Level 2 fair value. Long-term loans receivable to NSRP are categorized as Level 3 and an allowance for doubtful accounts is provided for the estimated uncollectible amount at the end of the current fiscal year, taking into consideration the possibility of collection of individual accounts.

Derivatives:

The fair value of derivatives is calculated based on the observable inputs, such as prices or exchange rates and interest rates presented by financial institutions, and categorized as a Level 2 fair value.

Bonds payable (including current portion of bonds payable):

The fair value of bonds issued by the Company is calculated using the market value, and categorized as a Level 2 fair value.

Long-term loans payable:

The fair value of long-term loans payable is calculated by discounting the total principal and interest by an interest rate supposing that similar borrowings are newly conducted. Long-term loans payable with floating interest rates are subject to interest rate swaps under exceptional accounting treatment. The fair value of these loans is calculated by discounting the total principal and interest that were accounted for as a single item with the relevant interest rate swap, by a reasonably estimated interest rate applicable when similar borrowings are conducted, and is categorized as a Level 2 fair value.

- (iii) Financial instruments categorized as Level 3 (those recorded on the consolidated balance sheet at fair value)

Increase and decrease in long-term loans receivable categorized as Level 3 are as follows:

	Fiscal year under review (April 1, 2025 to March 31, 2026)	
Balance at the beginning of fiscal year 2025	–	million yen
Gains and losses recorded for the current period (*)	–	
Balance at end of year	–	

- (\*) There is no balance at the end of the current fiscal year because the entire carrying amount has been written off during prior fiscal years when measured at fair value.

As to the method of measuring fair value of long-term loans receivable categorized as Level 3, refer to “5. Notes on accounting estimates.” The fair value is calculated by the accounting department in accordance with the method described above and the appropriateness of inputs for fair value measurement and fair value level classification is reviewed and authorized within the department.

#### 11. Notes on real estate for lease, etc.

- (1) Overview of real estate for lease, etc.

The Company and some of its subsidiaries possess office buildings, oil storage tanks, commercial establishments and others (including lands) for lease in Tokyo, Osaka and other areas in Japan and overseas. For the current fiscal year, net income on real estate for lease, etc. was ¥664 million (lease income is recorded in net sales and lease expenses are recorded in selling, general and administrative expenses, respectively, in principle), net income on disposal and sales of fixed assets was ¥149 million (recorded in extraordinary income and loss) and impairment loss was ¥609 million (recorded in extraordinary loss).

- (2) Fair value information on real estate for lease, etc.

(million yen)	
Consolidated balance sheet amount	Fair value
85,609	120,107

(Note 1) The consolidated balance sheet amount represents the acquisition cost less the accumulated depreciation and the accumulated impairment losses.

(Note 2) The fair value is principally determined by the Company based on the Real Estate Appraisal Standards, including amounts adjusted using indices, etc.

## 12. Notes on revenue recognition

### (1) Information on breakdown of revenues arising from contracts with customers

(million yen)

Region	Reportable Segment						Other (Note)	Total
	Petroleum	Basic chemicals	Functional materials	Power/ renewable energy	Resources	Subtotal		
Japan	4,775,355	310,227	233,719	94,035	127,720	5,541,058	16,189	5,557,247
Singapore	805,519	5,824	5,333	–	10,319	826,997	2	827,000
Asia and Oceania	485,928	171,754	187,821	–	51,103	896,608	6	896,614
North America	654,668	1,322	51,457	4,143	–	711,592	75	711,667
Other regions	71,943	2,236	24,824	–	14,356	113,361	–	113,361
Sales to external customers	6,793,416	491,365	503,156	98,178	203,500	8,089,617	16,273	8,105,891

- (Notes) 1. “Other” means business segments that are not included in reportable segments, and mainly includes insurance business, intra-group service business, etc.
2. The revenue of “Singapore” that was presented by being included in “Asia and Oceania” in the previous fiscal year is presented separately from the fiscal year under review due to its increase in importance. The revenue of “Singapore” that had been included in “Asia and Oceania” in the previous fiscal year was ¥851,998 million.

### (2) Underlying information to understand the revenues arising from contracts with customers

As described in “(iv) Standards for recognition of important revenue and expenses” in “(4) Notes on accounting policies” in “1. Important matters forming the basis of preparation of consolidated financial statements.”

### (3) Information to understand the amount of revenue for the fiscal year under review and the subsequent fiscal years

#### (i) Balance of contractual assets and contractual liabilities

A breakdown of receivables, contractual assets, and contractual liabilities arising from contracts with customers is as shown below.

In the consolidated balance sheet, receivables arising from contracts with customers are included in “notes and accounts receivable, trade,” contractual assets are included in “other current assets,” and contractual liabilities are included in “other current liabilities” and “other long-term liabilities,” respectively.

(million yen)

	Current fiscal year
Receivables arising from contracts with customers	841,806
Contractual assets	367
Contractual liabilities	65,983

“Contract assets” are unpaid receivables arising primarily from construction contracts, and are transferred to “receivables arising from contracts with customers” when the right to payment becomes unconditional. “Contractual liabilities” are primarily consideration received in advance of performance under a contract, and are reversed upon recognition of revenues.

The balance of “contractual liabilities” at the beginning of the fiscal year is generally recognized as revenue during the fiscal year under review, and the amount carried forward is not significant.

Due to performance obligations satisfied in prior periods, the amount of revenue recognized in the fiscal year under review (e.g., changes in transaction prices) is immaterial.

(ii) Transaction prices allocated to the residual performance obligations

The Company and its consolidated subsidiaries apply the convenience method of practice to note the transaction prices allocated to the residual performance obligations, and do not include in the notes contracts with an initially anticipated contractual period of less than one year. The total amount of transaction prices allocated to the residual performance obligations and the period during which revenue is expected to be recognized are as shown below.

In addition, there are no significant amounts of consideration arising from contracts with customers that are not included in the transaction prices.

(million yen)	
	Current fiscal year
Within one year	60,619
Over one year	189,011
Total	249,631

13. Notes on per share information

(1) Net assets per share (yen):	1,574.46
(2) Net income per share (yen):	140.38

(Note 1) Diluted net income per share for the current fiscal year has not been presented, because there are no potential shares with a dilutive effect.

(Note 2) In calculating net assets per share, the 3,124 thousand shares held by The Master Trust Bank of Japan, Ltd. as the trust property for the Company’s stock compensation plan are included in the number of treasury stock that is to be deducted from the number of the Company’s issued shares at the end of the current fiscal year. Also, in calculating net income per share, the 3,124 thousand shares held by The Master Trust Bank of Japan, Ltd. as the trust property for the Company’s stock compensation plan are included in the number of treasury stock that is to be deducted from the average number of the Company’s issued shares during the current fiscal year.

14. Notes on significant subsequent events

Not applicable.

## 15. Notes on business combination

(Business combination through acquisition)

On November 5, 2025, the Company acquired 40,915,958 shares of common stock of Fuji Oil Company, Ltd., which was an equity method affiliate of the Company, through a tender offer. As a result, the Company's ratio of voting rights in Fuji Oil Company, Ltd. reached 75.03%, and therefore, Fuji Oil Company, Ltd. became a consolidated subsidiary as of the same date.

Subsequently, additional shares of Fuji Oil Company, Ltd. were acquired on February 27 and March 6, 2026, bringing the Company's ratio of voting rights at the end of the fiscal year under review to 92.49%.

### (1) Outline of the business combination

#### (i) Name and principal business of the acquiree

Name of the acquiree: Fuji Oil Company, Ltd.

Principal business: Import of crude oil, oil refinery, and production and sale of petrochemicals

#### (ii) Primary reasons for the business combination

Both the Company and Fuji Oil Company, Ltd. believe that, by engaging in business activities under the same business enterprise and the same management strategy after privatizing Fuji Oil Company, Ltd., both companies will be able to realize a more in-depth collaboration system, make decision-making more flexible and expedited, and compared to the case where the Fuji Oil Company, Ltd. is made an equity-method affiliate, further develop their petroleum businesses, through pursuing further synergies as described below.

- a) Optimization of petroleum product production systems
- b) Development of a stable energy supply base with a long-term perspective
- c) Strengthening of cost competitiveness through mutual utilization and unification of the functions and infrastructure of both companies
- d) Development of a low-carbon energy supply system

#### (iii) Date of the business combination

November 5, 2025

#### (iv) Legal form of the business combination

Purchase of shares for cash

#### (v) Company name after the business combination

There is no change.

(vi) Ratio of voting rights acquired

Ratio of voting rights held immediately before the business combination	22.06%
Ratio of voting rights after the tender offer	75.03%
Ratio of voting rights after the additional acquisition	92.49%

Furthermore, the Company treated this series of stock acquisitions as a single transaction.

(vii) Primary rationale for determining the acquirer

The Company acquired shares in exchange for cash.

(2) Period for which the acquiree's results are included in the consolidated financial statements

November 5, 2025 to March 31, 2026

As Fuji Oil Company, Ltd. had been an equity method affiliate of the Company, the portion of Fuji Oil Company, Ltd.'s operating results attributable to the Company for the period from April 1, 2025 to November 4, 2025 has been recorded as equity in (earnings) losses of nonconsolidated subsidiaries and affiliates, net.

(3) Acquisition cost of the acquiree and breakdown by type of consideration

Consideration transferred:

Fair value, at the acquisition date, of the equity interests held immediately before the business combination	¥8,177 million
Consideration for additionally acquired shares (cash)	¥26,185 million
Acquisition cost	¥34,362 million

(4) Details and amounts of main acquisition-related expenses

Advisory fees, etc. ¥698 million

(5) Difference between the acquisition cost of the acquiree and the aggregate acquisition costs for the transactions leading to the acquisition

Gain on step acquisition ¥1,157 million

(6) Amount and cause of gain on bargain purchase

(i) Amount of gain on bargain purchase

¥492 million

Although provisional accounting principles were used during the third quarter of the fiscal year under review, the allocation of the acquisition cost was finalized at the end of the fiscal year under review.

(ii) Cause

The difference was recognized as a gain on bargain purchase because the market value of the net assets at the time of the business combination exceeded the acquisition cost.

- (7) The amount and main breakdown of assets received and liabilities assumed on the date of the business combination

Current assets	¥243,649 million
Fixed assets	¥105,445 million
Total assets	¥349,095 million
Current liabilities	¥282,206 million
Long-term liabilities	¥29,211 million
Total liabilities	¥311,417 million

## 16. Notes on asset retirement obligations

- (1) Asset retirement obligations recorded on the consolidated balance sheet:

- (i) Outline of the asset retirement obligations:

Restitution obligations in connection with real estate lease agreements with regard to land for facilities of service stations (SS), etc., expenses of removal of coal production facilities upon termination of production or mining rights and other items are reasonably estimated and recorded as asset retirement obligations.

- (ii) Method of calculation of the amounts of the asset retirement obligations:

The periods projected prior to defrayment are based on, with regard to service stations, the useful lives of principal facilities thereof and with regard to coal, etc., mining lives from the commencement of operations. Applicable discount rates range from 0.0% to 8.5%.

- (iii) Changes in the total amount of the asset retirement obligations during the fiscal year under review:

	(million yen)
Balance at beginning of year	46,207
Increased amount in connection with the acquisition of property, plant and equipment	435
Adjustments by lapse of time	935
Decreased amount as a result of asset retirement obligations	(7,333)
Increased (decreased) amount as a result of changes in estimates (see Note 1)	3,767
Other increased (decreased) amount (see Note 2)	2,244
Balance at end of year	46,256

(Note 1) Primarily, we revised the amounts of estimates of the expenses for the removal of piping at the site of our former refinery and reviewed the restoration costs upon vacating the head office building. The increased (decreased) amount comprises an increase of ¥3,892 million and a decrease of ¥125 million.

(Note 2) The other major change was the increase due to the acquisition of an additional interest in the Boggabri coal mine in Australia held by IDEMITSU AUSTRALIA PTY LTD, a consolidated subsidiary of the Company.

- (2) Asset retirement obligations not recorded on the consolidated balance sheet:

The Group has facilities, such as oil pipelines, located on land owned by third parties or on public land adjacent to its operating manufacturing sites, and is obligated to restore such facilities to their original condition. However, it is difficult to reasonably estimate these asset retirement obligations because the timing of settlement is uncertain and the removal methods and other details are determined through consultations and negotiations with relevant authorities. Accordingly, no such obligations have been recognized.

**NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**

(April 1, 2025 to March 31, 2026)

(million yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings				
		Capital reserve	Other capital surplus	Total capital surplus	Retained earnings reserve	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of fixed assets	Reserve for acquisition of specific shares	Retained earnings carried forward	
Balance at the beginning of current period	168,351	42,105	316,773	358,878	1,081	28,264	17	424,753	454,116
Changes of items during the period:									
Dividends from surplus								(44,199)	(44,199)
Net income								143,434	143,434
Acquisitions of treasury stock									
Disposals of treasury stock			(0)	(0)					
Cancellation of treasury stock			(73,215)	(73,215)					
Reversal of other retained earnings						(1,929)		1,929	–
Adjustment due to sales and revaluation of land								(494)	(494)
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	(73,215)	(73,215)	–	(1,929)	–	100,669	98,740
Balance at the end of current period	168,351	42,105	243,557	285,663	1,081	26,335	17	525,423	552,856

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedging activities, net	Surplus from land revaluation	Total valuation and translation adjustments	
Balance at the beginning of current period	(139,690)	841,656	1,714	207	137,848	139,770	981,426
Changes of items during the period:							
Dividends from surplus		(44,199)					(44,199)
Net income		143,434					143,434
Acquisitions of treasury stock	(2,309)	(2,309)					(2,309)
Disposals of treasury stock	0	0					0
Cancellation of treasury stock	73,215	—					—
Reversal of other retained earnings		—					—
Adjustment due to sales and revaluation of land		(494)			494	494	—
Net changes of items other than shareholders' equity			543	(205)	(1,952)	(1,613)	(1,613)
Total changes of items during the period	70,905	96,430	543	(205)	(1,457)	(1,119)	95,311
Balance at the end of current period	(68,785)	938,086	2,258	2	136,390	138,651	1,076,737

(Note) Figures are indicated by discarding fractions less than one million yen.

## **NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**

### 1. Matters concerning significant accounting policies

#### (1) Basis and method of valuation of assets

##### (i) Basis and method of valuation of securities:

###### (a) Bonds to be held to maturity:

At amortized cost (straight-line method).

###### (b) Capital stocks of affiliates:

At cost, determined by the moving average method.

###### (c) Other securities:

- Securities other than those without market value:

At market value (valuation differences are included directly in net assets, and costs of securities sold are determined by the moving average method).

- Those without market value:

At cost, determined by the moving average method.

##### (ii) Basis and method of valuation of inventories:

###### Merchandise and finished goods, and raw material and supplies:

At cost, determined by the gross average method, in principle (the balance sheet values are calculated by the write-down method based on declined margins).

##### (iii) Basis and method of valuation of derivatives:

At market value.

(2) Method of depreciation of fixed assets

(i) Property, plant and equipment (excluding lease assets):

By the straight-line method.

(ii) Intangible fixed assets (excluding lease assets):

By the straight-line method; provided, however, that software for internal use is amortized by the straight-line method on the estimated useful life of internal use (5 years).

Goodwill is amortized by the straight-line method, on the estimated term to become effective (5-20 years).

Customer-related assets are amortized by the straight-line method, on useful lives (20 years).

(iii) Lease assets:

By the straight-line method on the assumption that the lease period is the useful life of the property and the residual value is Zero.

(3) Basis for accounting for allowances and reserves

(i) Allowance for doubtful accounts:

To meet losses from loan default, the Company sets aside an estimated uncollectible amount, by taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of specific claims, such as probable non-performing credits.

(ii) Provision for bonuses:

To meet the payment of bonuses to employees, the Company sets aside the portion for the fiscal year under review of an estimated amount of bonuses to be paid in the future.

(iii) Retirement allowances for employees:

To meet the payment of retirement benefits to employees, the Company provides an amount estimated to accrue at the close of the fiscal year under review, based on the estimated retirement benefit obligations and pension plan assets as of the close of each such fiscal year.

Actuarial differences are treated as expenses, based on the straight line method for a specific period of years (10 years) not exceeding the average remaining years of service of employees, from the fiscal year next following the fiscal year when such differences occur. Prior year service liabilities are treated as expenses in a lump sum during the fiscal year when such liabilities occur.

(iv) Reserve for repair work:

To meet the payment for repair expenses in the future, the Company sets aside the portion until the fiscal year under review of an amount of expenses of inspection and repair to be defrayed in respect of the oil tanks and machinery and equipment that require periodic repairs in the future.

(4) Standards for recognition of revenue and expenses

The content of primary obligations in the major business in relation to revenue generated from contracts with customers of the Company, and the normal time when the obligations are fulfilled (the normal time when the revenue is recognized) are as follows:

(i) Sale of products

The Company produces and sells refined petroleum products, olefin and aromatic products, lubricants, advanced materials and performance chemicals.

With respect to these sales, the legal ownership and physical possession right to the products, and important risks associated with owning the products, and economic values are transferred to customers when control over the products is transferred to the customers, i.e., upon delivery of the products to the customers. Furthermore, the Company obtains the right to receive consideration for the products from its customers; therefore, the revenue is recognized at that time. The revenue is recognized based on the transaction prices under the contracts with the customers; with respect to transactions in which the role of the Company is an agent, the transaction prices are calculated based on the net amount, namely the amount received from customers less payments to suppliers. The tax amount that is deemed to be collected as an agent such as those imposed at the time of sale, like the light oil delivery tax, are presented in net amount but not included in the sales. On the other hand, the tax amount, like gasoline tax, which is imposed in the process before sale and included in the sales amount, is included in the sales. Considerations for transactions include no material financial components because they are received within one year after delivery of the products. Regarding variable considerations including variable discounts, the amount of consideration to which the Company will obtain the rights are estimated using all reasonably available information including past, current, and expectation; and the sales are recognized only within the scope where material reversion is very unlikely to occur.

(ii) Sale of electricity

The Company sells electricity.

Regarding the revenue pertaining to sales of electricity, fees are measured by monthly meter reading; and the fees then calculated are recognized as the revenue generated for the relevant month. In addition, the revenue generated between the date of the meter reading in the settlement month and the settlement date are estimated from the result of the meter reading conducted in the settlement month, and the revenue according to the accounting period is recorded. The revenue is recognized based on the transaction prices under contracts with customers; and the consideration for the transaction includes no material financial components because it is received within one year after delivery of the products.

(5) Method of hedge accounting

(i) Method of hedge accounting: Deferral hedge accounting is applied.

(ii) Hedge instruments and hedged items:

Hedging instruments:

Forward exchange contracts, currency option transactions, crude oil and petroleum products swap transactions, futures transactions, coal swap transactions, interest rate swap transactions, interest rate and currency swap transactions, and interest rate option transactions.

Hedged items:

Foreign currency receivables and payables, purchase and sale of crude oil and petroleum products, purchase and sale of coal, and debts payable.

(iii) Hedging policy:

The Company, in accordance with its rules, carries out hedge transactions within the scope of actual requirements to hedge risk of price changes, interest rate and currency fluctuations with regard to the hedged items.

(iv) Method of evaluating the effectiveness of a hedge:

The method of evaluating the effectiveness of a hedge is to confirm the compliance of the hedging instruments with the hedged items. No evaluation is made as to the effectiveness of any transaction in which important conditions are common for the hedged assets and liabilities and price changes or cash flow changes are assumed in advance to be offset upon the commencement of the hedging and continue to be offset thereafter.

(6) Other important matters forming the basis of preparation of financial statements

(i) Accounting treatment of deferred assets:

Bond issuance expenses and stock issuance expenses are all treated as expenses upon payment thereof.

(ii) Accounting principles and procedures adopted in cases where the relevant accounting standards are not clearly defined

(Acquisitions of treasury stock)

The Company's Board of Directors approved a resolution at its February 12, 2025 meeting during the previous fiscal year regarding the

acquisition of treasury stock, and the acquisition was completed on March 19, 2025. Acquisition of treasury stock is conducted through the use of the Accelerated Share Repurchase (ASR) method (hereinafter the “Method”). The Method applies to cases where the relevant accounting standards are not clear, and the accounting treatment is as follows.

(a) Outline of the Method

The Company first acquired 60,737,500 shares of treasury stock, equivalent to ¥70 billion, at ¥1,152.5 per share through ToSTNeT-3 on March 19, 2025 (hereinafter the “Purchase”).

For the Purchase, Daiwa Securities Co. Ltd. borrowed the shares and made the sell order. After the execution of the sell order in the Purchase, Daiwa Securities Co. Ltd. and its subsidiaries and associates (hereinafter the “Daiwa Securities Group”) intend to acquire the Company’s shares in and out of the stock market at its own discretion and calculation for the purpose of repaying the borrowed shares (hereinafter the “Short Cover Transaction”). Next, with regard to the sales price (hereinafter the “Base Price”) of the Company’s common stock sold by Daiwa Securities Co. Ltd. in the Purchase, the Company will separately conduct an adjustment transaction using the Company’s shares with Daiwa Securities Co. Ltd. (hereinafter the “Scheduled Allottee”) which is the allottee of the stock acquisition rights (hereinafter the “Stock Acquisition Rights”) issued by the Company in the ASR Transaction so that the effective acquisition unit price of the Company will be equal to the average share price. Specifically, (1) if the average share price is higher than ¥1,152.5, the Company will deliver to the Scheduled Allottee the number of shares of the Company’s common stock calculated by deducting the “number of shares obtained by dividing the Base Price by the average share price” from the “number of shares of common stock of the Company sold by the Scheduled Allottee in the Purchase” (hereinafter the “Base Number of Shares”) upon exercise of the Stock Acquisition Rights, and conversely,

(2) if the average share price is lower than ¥1,152.5, the Company agrees to acquire from the Scheduled Allottee the number of Company shares calculated by deducting the Base Number of Shares from the “number of shares obtained by dividing the Base Price by the average share price” without compensation.

(b) Accounting principles and procedures

The Company’s shares acquired through ToSTNeT-3 on March 19, 2025 are recorded as “Treasury stock” under net assets in the balance sheet at the acquisition amount. The Company’s shares acquired through this method are included in the treasury stock deducted in the calculation of the average number of shares during the period for the purpose of calculating net income per share.

Further, on March 16, 2026, the Company acquired 4,792,300 shares of treasury stock without compensation as an adjustment transaction. The final number of shares acquired after the adjustment transaction was 65,529,800 shares (including 8,869,500 shares acquired from parties other than Daiwa Securities Co. Ltd.).

The adjustment transaction has no impact on the Company’s financial statements.

2. Change in accounting policies

Not applicable.

3. Changes in presentation methods

Not applicable.

4. Notes on accounting estimates

(1) Valuation of equity-method investments and loans to equity-method affiliates

In the balance sheet for the fiscal year under review, the Company recorded long-term loans receivable to NSRP of ¥94,477 million, and an allowance for doubtful accounts of ¥(57,649) million, and did not record any provision of allowance for doubtful accounts or reversal of allowance for doubtful accounts for the fiscal year under review. The valuation method of recoverability and the main assumptions are described in detail in “5. Notes on accounting estimates” in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.”

(2) Valuation of fixed assets

In the balance sheet for the fiscal year under review, the Company recorded property, plant and equipment of ¥1,028,603 million and intangible fixed assets of ¥230,440 million. The valuation of fixed assets in the non-consolidated financial statements is described in detail in “5. Notes on accounting estimates” in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS,” so the note is omitted.

5. Change in accounting estimates

There is no material change to the accounting estimates.

A change was made to the estimate of part of the asset retirement obligations. The details are stated in “16. Notes on asset retirement obligations.” in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.”

6. Notes to the non-consolidated balance sheet

(1) Assets pledged and corresponding liabilities

Assets pledged

(i) Factory foundation mortgage:

Land ¥337,963 million

(ii) Other pledges:

Investment securities ¥932 million

Investments in shares of affiliates ¥2,630 million

Capital contribution ¥1,354 million

---

Total ¥342,880 million

The Company pledged the investment securities, shares of subsidiaries and affiliates, and capital contributions above as collateral for borrowings, etc. of its affiliated companies. In addition to the above, the Company pledged the capital contribution (investment in shares of affiliate) in NSRP, amounting to ¥90,645 million, as collateral for NSRP's borrowings from financial institutions. All of the capital contribution (investment in shares of affiliate) has been accounted for as impairment loss in fiscal year 2019.

Liabilities with assets pledged

Factory foundation mortgage:

Accounts payable, other ¥41,332 million

---

Total ¥41,332 million

The accounts payable, other were related to payment of gasoline tax.

In addition to the above, although the factory foundation was subjected to a revolving mortgage related to bank transactions, there were no substantial liabilities with assets pledged.

(2) Accumulated depreciation of property, plant and equipment: ¥1,863,249 million

(3) Contingent liabilities:

The Company provides guarantees for the loan obligations, etc. of the following companies from financial institutions, etc.

(i) Guarantee of obligations

IDEMITSU INTERNATIONAL (ASIA) PTE. LTD. ¥271,245 million

IDEMITSU AUSTRALIA PTY LTD ¥20,581 million

Idemitsu Gas Production (Vietnam) Co., Ltd. ¥19,398 million

INPEX CORPORATION (\*) ¥18,526 million

Others ¥44,152 million

---

Total ¥373,904 million

(\*) Regarding the obligation to decommission the Valhall and Hod oil fields in Norway, in which INPEX Idemitsu Norge AS (hereinafter “IIN”), a wholly owned subsidiary of INPEX Norway Co., Ltd. (hereinafter “INO”), an equity method affiliate of the Company, holds an interest, a Decommissioning Security Agreement has been entered into in which INPEX CORPORATION guarantees the obligation if IIN is unable to perform the obligation. Furthermore, based on the shareholders’ agreement between INO, INPEX CORPORATION, and the Company, a memorandum of understanding has been entered into, which states that if INPEX CORPORATION fulfills the guarantee obligation, the Company will compensate INPEX CORPORATION in proportion to the Company’s shareholding ratio in INO.

(ii) Construction completion guarantee

The Company provides a construction completion guarantee for project financing regarding the project to construct the Nghi Son Refinery and Petrochemical Complex, by NSRP in Vietnam. The burden of the guarantee of the Company is as follows.

The Company’s burden of guarantee ¥84,801 million

Depending on future changes in the circumstances, the Company may be requested to perform the construction completion guarantee by the banking syndicate. If the Company performs the construction completion guarantee, this may have a material impact on the Company’s financial and cash flow conditions.

(4) Receivables from affiliates and payables to affiliates:

- |   |                  |
|---|------------------|
| (i) Short-term receivables from affiliates: | ¥456,571 million |
| (ii) Long-term receivables from affiliates: | ¥100,787 million |
| (iii) Short-term payables to affiliates:    | ¥483,892 million |
| (iv) Long-term payables to affiliates:      | ¥6,086 million   |

(5) Land revaluation

In accordance with the Land Revaluation Act (Act No. 34, promulgated on March 31, 1998) of Japan and the Act to Amend Part of the Land Revaluation Act (Act No. 19, promulgated on March 31, 2001) of Japan, the Company’s land used for business is revaluated and an amount equivalent to taxes on the difference on revaluation is included in liabilities as “deferred tax liabilities upon revaluation” and the difference on revaluation minus the amount of such taxes is included in net assets as “surplus from land revaluation.”

(i) Method of revaluation:

Land revaluation is made in accordance with the method of calculation by making reasonable adjustments to the assessed value of fixed assets as set forth in Article 2, item 3 of the Ordinance to Implement the Land Revaluation Act (Cabinet Order No. 119, promulgated on March 31, 1998; the “Ordinance”), the method of calculation by making reasonable adjustments to the land values that form the basis of land tax calculations as set forth in Article 2, item 4 of the Ordinance, and appraisals by real estate appraisers as set forth in Article 2, item 5 of the Ordinance.

- (ii) Revaluation date: March 31, 2002

(iii) Difference of the market value at the end of the fiscal year under review of the land revaluated and the book value thereof after such revaluation:

¥(58,885) million

7. Notes to the non-consolidated statement of income

(1) Transactions with affiliates:

(i) Sales:	¥1,686,113 million
(ii) Purchases:	¥1,613,683 million
(iii) Transactions other than ordinary business:	¥113,362 million

(2) Gain on cancellation of tie-in shares

Gain on cancellation of tie-in shares of ¥2,819 million resulted from an absorption-type merger whereby RS Renewables K.K. and RS ENERGY K.K. became disappearing companies and the Company became the surviving company.

8. Notes to the non-consolidated statement of changes in net assets

Matters concerning the number of treasury stock:

Class of shares	Number of shares as of April 1, 2025	Increase in the number of shares during the year	Decrease in the number of shares during the year	Number of shares as of March 31, 2026
Shares of common stock	133,441 thousand shares	6,364 thousand shares	69,331 thousand shares	70,475 thousand shares

(Note 1) The increase of 6,364 thousand shares in the number of treasury stock is due to the acquisition of 6,364 thousand shares of treasury stock determined by resolution at the meeting of the Board of Directors, and an increase of 0 thousand shares due to the purchase of less-than-one-unit shares.

(Note 2) The decrease of 69,331 thousand shares consists of a decrease of 69,331 thousand shares due to cancellation of treasury stock determined by resolution at the meeting of the Board of Directors and a decrease of 0 thousand shares due to the requests for the purchase of less-than-one-unit shares.

(Note 3) Of the number of shares of treasury stock at the end of the fiscal year under review, 3,124 thousand shares were held by the Board Incentive Plan Trust for Officers.

9. Notes on tax effect accounting

Principal components of deferred tax assets and deferred tax liabilities:

(Deferred tax assets)	(million yen)
Tax effect on investments	56,221
Impairment loss on fixed assets	26,704
Allowance for doubtful accounts	18,276
Reserve for repair work	17,284
Retirement allowances for employees	12,282
Asset retirement obligations	8,645
Estimated sales prices	7,346
Retirement benefit trust	5,682
Accrued interest	5,445
Provision for bonuses	2,824
Fixed assets for research and development	2,181
Business tax payable	1,703
Loss on penalty for LPG business	945
Accounts payable for removal	574
Others	6,453
Subtotal of deferred tax assets	<u>172,571</u>
Valuation reserve	<u>(99,169)</u>
Total deferred tax assets	<u>73,401</u>
(Deferred tax liabilities)	
Market price valuation difference due to business combination	(51,009)
Reserve for deferred income tax on fixed assets	(18,117)
Prepaid pension cost	(10,354)
Asset retirement obligations	(2,750)
Tax effect on investments	(1,267)
Unrealized gains (losses) on available-for-sale securities	(1,111)
Reserve for acquisition of specific shares	(7)
Total deferred tax liabilities	<u>(84,619)</u>
Net deferred tax liabilities	<u>(11,217)</u>

10. Notes on the fixed assets used by lease

The notes are omitted because they are insignificant.

11. Notes on transactions with related parties

Attribute	Trade name	Capital stock (million yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)(%)	Relationship	Transaction	Transaction amount (million yen)	Account item	End-of-year balance (million yen)
Subsidiary	IDEMITSU INTERNATIO NAL (ASIA) PTE. LTD.	US\$45,156 thousand	Import, export and trading of crude oil, petroleum products, etc.	100.0 (indirect)	None	Sale of petroleum products, etc. (Note 1)	465,333	Accounts receivable	54,225
						Purchase of oil, etc. (Note 2)	1,079,508	Accounts payable	75,036
						Guarantee of obligations (Note 3)	271,245	–	–
Subsidiary	SHOWA YOKKAICHI SEKIYU CO., LTD.	4,000	Oil refinery and production of petrochemicals	75.0 (direct)	None	Loan extension (Note 5)	12,850	Short-term loans receivable	44,332
Subsidiary	Idemitsu Gas Production (Vietnam) Co., Ltd.	1	Exploration, development and production of natural gas fields	100.0 (direct)	None	Accommodation of surplus funds (Note 4)	7,890	Deposits	55,142
Subsidiary	Fuji Oil Company, Ltd.	24,468	Import of crude oil, oil refinery, and production and sale of petrochemicals	92.4 (direct)	None	Purchase of petroleum products, etc. (Note 2)	381,363	Accounts payable	48,079
						Loan extension (Note 5)	128,948	Short-term loans receivable	128,948
Affiliate	Idemitsu Credit Co., Ltd.	1,950	Credit card and credit guarantee business	50.0 (direct)	None	Collection of trade receivables (Note 6)	1,025,566 (Note 7)	Accounts receivable, other	90,501
Affiliate	Nghi Son Refinery and Petrochemical LLC	US\$2,362,723 thousand	Oil refinery, and production and sale of petrochemicals	35.1 (direct)	None	Loan extension (Notes 5, 8)	34,624	Long-term loans receivable	94,477
						Construction completion guarantee (Note 9)	84,801 (Note 10)	–	–

Attribute	Trade name	Capital stock (million yen)	Principal business	Ratio of voting rights owned by the Company (owned in the Company)(%)	Relationship	Transaction	Transaction amount (million yen)	Account item	End-of-year balance (million yen)
Company or other entity whose majority voting rights are held by the Company's officer or his/her close relative	Nissho Kosan Co., Ltd. (Note 11)	100	Real estate leasing and management, etc.	8.9 (owned in the Company) (direct)	Interlocking officers	Building lease (Note 12)	88	Prepaid expenses	8
						Sale of electricity (Note 13)	30	Security deposit	45
Company or other entity whose majority voting rights are held by the Company's officer or his/her close relative	Showa Kosan Co., Ltd (Note 11)	30	Real estate leasing and management, etc.	2.0 (owned in the Company) (direct)	Interlocking officers	Building lease (Note 12)	65	Prepaid expenses	6
								Security deposit	43
Company or other entity whose majority voting rights are held by the Company's officer or his/her close relative	Mita Kosan Co., Ltd. (Note 14)	100	Real estate leasing and management, etc.	–	Interlocking officers	Sale of electricity (Note 13)	28	Accounts receivable	2

(Note 1) The Company determines whether to sell products, etc. taking into consideration market prices, etc.

- (Note 2) The Company determines whether to purchase products, etc. taking into consideration market prices, etc.
- (Note 3) The Company guarantees obligations principally for purchasing goods.
- (Note 4) The Company determines whether to accommodate surplus funds taking into consideration market interest rates.
- (Note 5) The Company determines interest rates taking into consideration market interest rates and other factors.
- (Note 6) The Company receives part of the trade receivables of petroleum products, etc. for dealers (after offsets by such dealers against credit receivables from Idemitsu Credit Co., Ltd.) from Idemitsu Credit Co., Ltd.
- (Note 7) The transaction amount represents the total annual collection amount.
- (Note 8) An allowance for doubtful accounts of ¥57,649 million was provided for the balance of loans receivable from Nghi Son Refinery and Petrochemical LLC.
- (Note 9) The Company has provided a construction completion guarantee for the project finance in connection with the project to construct the Nghi Son Refinery and Petrochemical Complex. In addition, the Company pledged the capital contribution (investment in shares of affiliate) in the Nghi Son Refinery and Petrochemical LLC (“NSRP”), amounting to ¥90,645 million, as collateral for NSRP’s borrowings from financial institutions. All of the capital contribution (investment in shares of affiliate) has been accounted for as impairment loss in fiscal year 2019.
- (Note 10) The transaction amount represents the portion of the guarantee amount provided by the Company.
- (Note 11) Mr. Masakazu Idemitsu, one of the Company’s directors, and his close relatives hold majority of the voting rights.
- (Note 12) Rents are calculated based on actual transactions in the vicinity.
- (Note 13) The Company determines whether to sell electricity, taking into consideration market prices, etc.
- (Note 14) The close relatives of Mr. Masakazu Idemitsu, one of the Company’s directors, hold majority of the voting rights.

12. Notes on revenue recognition

The basic information to understand the revenue from the contracts with the clients of the Company is the same as described in “12. Notes on revenue recognition” in “NOTES TO CONSOLIDATED FINANCIAL STATEMENTS,” so the note is omitted.

13. Notes on the information per share

(1) Net assets per share (yen):	883.82
(2) Net income per share (yen):	117.13

(Note 1) Diluted net income per share is not calculated for the fiscal year under review because no potential shares with a dilutive effect exist.

(Note 2) In calculating net assets per share, the 3,124 thousand shares held by The Master Trust Bank of Japan, Ltd. as the trust property for the Company’s stock compensation plan are included in the number of treasury stock that is to be deducted from the number of the Company’s issued shares at the end of the fiscal year under review. Also, in calculating net income per share, the 3,124 thousand shares held by The Master Trust Bank of Japan, Ltd. as the trust property for the Company’s stock compensation plan are included in the number of treasury stock that is to be deducted from the average number of the Company’s issued shares during the fiscal year under review.

14. Notes on significant subsequent events

Not applicable.

- END -