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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)



May 10, 2023

Company name: Fuji Oil Company, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5017
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 Scheduled date of the annual general meeting of shareholders: June 28, 2023
 Scheduled date to commence dividend payments: June 29, 2023
 Scheduled date to file the securities report: June 28, 2023
 Preparation of supplementary materials on financial results: Yes (Japanese only)
 Holding of financial results briefing: Yes (for institutional investors and analysts; Japanese only)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	850,863	75.1	5,028	(69.1)	4,704	(70.7)	3,575	(76.5)
Fiscal year ended March 31, 2022	486,014	41.0	16,251	129.0	16,076	93.9	15,203	132.9

(Note) Total comprehensive income:
 Fiscal year ended March 31, 2023: 7,859 million yen [-54.1%]
 Fiscal year ended March 31, 2022: 17,123 million yen [148.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit margin
	Yen -	Yen -	%	%	%
Fiscal year ended March 31, 2023	46.36	-	5.3	1.4	0.6
Fiscal year ended March 31, 2022	197.29	-	27.1	5.3	3.3

(Reference) Share of profit (loss) of entities accounted for using equity method:
 Fiscal year ended March 31, 2023: 2,277 million yen
 Fiscal year ended March 31, 2022: 831 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen -
As of March 31, 2023	336,985	71,658	21.2	926.31
As of March 31, 2022	352,842	64,539	18.2	835.28

(Reference) Equity: As of March 31, 2023: 71,476 million yen
 As of March 31, 2022: 64,369 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	(5,989)	(726)	7,539	8,329
Fiscal year ended March 31, 2022	(31,999)	(12,546)	39,940	7,912

2. Cash dividends

	Annual dividends per share					Total dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen -	Yen -	Yen -	Yen -	Yen -	Millions of yen	%	%
Fiscal year ended March 31, 2022	-	0.00	-	10.00	10.00	772	5.1	1.4
Fiscal year ended March 31, 2023	-	0.00	-	10.00	10.00	773	21.6	1.1
Fiscal year ending March 31, 2024 (Forecast)	-	0.00	-	10.00	10.00		13.8	

3. Consolidated financial results forecast for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen -
Six months ending September 30, 2023	310,400	(30.2)	2,900	(82.4)	2,800	(83.8)	2,400	(83.4)	31.10
Full year	688,000	(19.1)	7,600	51.1	6,800	44.5	5,600	56.6	72.57

*Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2023 (changes in specified subsidiaries resulting in changes in the scope of consolidation) : None
- (2) Changes in accounting policies and accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
 - (ii) Changes in accounting policies due to reasons other than (i) : None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatement : None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period

As of March 31, 2023	78,183,677 shares	As of March 31, 2022	78,183,677 shares
As of March 31, 2023	1,020,910 shares	As of March 31, 2022	1,121,198 shares
Fiscal year ended March 31, 2023	77,130,619 shares	Fiscal year ended March 31, 2022	77,062,479 shares

(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	841,424	76.4	4,587	(71.1)	1,806	(87.8)	625	(95.4)
Fiscal year ended March 31, 2022	476,927	41.7	15,863	139.5	14,775	186.4	13,529	229.2

	Basic earnings per share	Diluted earnings per share
	Yen -	Yen -
Fiscal year ended March 31, 2023	8.09	-
Fiscal year ended March 31, 2022	175.21	-

(2) Non-consolidated financial position

(Percentages indicate year-on-year changes.)

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen -
As of March 31, 2023	311,471	44,738	14.4	578.63
As of March 31, 2022	332,842	43,884	13.2	568.33

(Reference) Equity:

As of March 31, 2023: 44,738 million yen

As of March 31, 2022: 43,884 million yen

* Financial results reports are exempt from audits conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements such as financial results forecasts contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual financial results may differ significantly from the forecasts due to various factors. For the assumptions underlying the financial results forecasts and cautions concerning the use thereof, please refer to "Outlook for the Future" on page 8 of the attachment.

The Company will hold a financial results briefing for institutional investors and analysts. The financial results materials used in this briefing will be disclosed on TDnet on the same day and posted on our company website. In addition, a transcript of the financial results briefing and a summary of questions and answers will be disclosed on our company website within a few days after the financial results briefing.

○ Table of Contents of Attachment

1. Overview of Operating Results, Etc.....	5
(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2023.....	5
(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2023.....	7
(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2023.....	7
(4) Outlook for the Future.....	8
(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2023, and the Fiscal Year Ending March 31, 2024.....	8
2. Status of the Corporate Group.....	9
3. Basic Views Concerning the Selection of Accounting Standards.....	10
4. Consolidated Financial Statements and Significant Notes Thereto.....	11
(1) Consolidated Balance Sheet.....	11
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	13
(3) Consolidated Statement of Changes in Equity.....	15
(4) Consolidated Statement of Cash Flows.....	17
(5) Notes to Consolidated Financial Statements.....	19
(Notes on Going Concern Assumption).....	19
(Change in Presentation Method).....	19
(Additional Information).....	19
(Segment Information, Etc.).....	19
(Per Share Information).....	20
(Significant Subsequent Events).....	21
5. Non-consolidated Financial Statements and Significant Notes Thereto.....	22
(1) Balance Sheet.....	22
(2) Statement of Income.....	24
(3) Statement of Changes in Equity.....	25
(4) Notes to Non-consolidated Financial Statements.....	27
(Change in Presentation Method).....	27

1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2023

[Business environment surrounding the Group]

In the crude oil market, the Dubai started the period at the US\$101/bbl level. When the European Union announced a policy of banning imports of Russian crude oil and petroleum products as sanctions against the nation following its military invasion of Ukraine, it rose to reach the US\$118/bbl in mid-June on the prospect that supply and demand would tighten. Then it took a downward turn following a series of interest rate hikes by the U.S. and European central banks and an increase in the number of new cases of COVID-19 in China, which raised concerns over global economic recession. While there was a phase when the Dubai went up in response to the OPEC Plus agreement in early October on reducing oil production by 2 million barrels per day, it declined to the low US\$70/bbl level in mid-December due to strong and persistent concerns about economic recession. Following China's announcement of significant easing of restrictions on people's movement, it recovered to around US\$85/bbl in January buoyed by expectations for an increase in crude oil demand, but then fell to near US\$70/bbl in mid-March with the eruption of financial turmoil in the U.S and Europe. As a result, it marked about US\$92/bbl on a yearly average basis, up about US\$14/bbl over the previous period.

In the foreign exchange market, the yen started the period at the lower ¥122/US\$ level. The trend of a weakening yen and strengthening dollar advanced against the backdrop of an accelerated pace of interest-rate hikes by the U.S. Federal Reserve who was in a rush to curb inflation, and the yen temporarily fell to the ¥151/US\$ level in October. After that, the yen swung back to appreciation due to rising expectations for a slowdown in the pace of U.S. interest-rate hikes on the back of the nation's deteriorating economic indicators and due to the Bank of Japan's partial revision of its yield curve control (long-term interest rate control) policy to expand allowable range of fluctuation in long-term interest rates, and ended the period at the mid¥133/US\$ level. As a result, the yen marked about ¥135/US\$ on a yearly basis, a depreciation of about ¥23/US\$ over the previous period.

Looking at the domestic oil product market, demand for Gasoline was at 100.6% of the previous period's figure, reflecting relaxation of people movement restrictions and a domestic travel subsidy program by the government, etc., while there existed structural factors that drove the demand lower, such as a decrease in the number of gasoline passenger cars owned and improvement in fuel efficiency. Demand for Jet Fuel was at 121.6% of the previous period's figure due to a recovery in demand for air transport of passengers and freight. Demand for Kerosene was at 90.6% of the figure of the previous period due to a mild winter across the nation. Gas Oil declined slightly to 98.7% of the previous period's figure despite a steady demand for freight transport. As a result, the total sales volume of the products was at 98.1% of the previous period's figure.

[Status of business of the Group]

Petroleum refining and sales business

The Sodegaura Refinery maintained generally safe and stable operations throughout the year, although there was a temporary decline in the operating rate of production facilities due to repair works on them. Crude oil throughput stood at 7,648 thousand kL, up by 22.2% as compared to the previous period when a once in four years major periodical SDM was carried out. The utilization rate of the crude distillation unit was 92.2% on average during the period.

As this period was not a year for periodic SDM, total sales volume of petroleum products including petrochemicals and others came to 8,028 thousand kL, up by 24.2% as compared to the previous period.

Looking at sales by product, Jet Fuel is up by 99.4% year-on-year on the back of demand recovery in passenger and cargo transport. Kerosene is down by 18.6% over the previous period due to the effect of a mild winter across the nation.

Activities of Group companies

PETRO PROGRESS PTE LTD, an important overseas operation base of the Company located in Singapore, has continued business operations such as purchase and sale of crude oil and petroleum products.

Japan Oil Engineering Company Ltd. is expanding its business area and working on the projects which will contribute to the achievement of carbon-neutrality, in addition to its traditional businesses of engineering and consulting for development and production of oil and gas. Among such projects are the environmental engineering and consulting services related to the technologies of CO₂-EOR (injection of CO₂ for Enhanced Oil Recovery) and CCS/CCUS (CO₂ Capture and Storage / CO₂ Capture, Utilization and Storage, which contribute to CO₂ emission reduction), methane hydrate development, offshore wind and geothermal power generation.

[Overview of consolidated operating results]

Under these business circumstances, consolidated net sales resulted in 850.8 billion yen, up 364.8 billion yen over the previous period, mainly due to an increase in sales reflecting the absence of periodic SDM this period, and an increase in the selling prices of products associated with a rise in crude oil prices.

Looking at profit and loss for the period, operating profit was 5.0 billion yen, a decrease of 11.2 billion yen over the previous period, due to such factors as a decline in positive effect of inventory valuation (i.e., effect on cost of sales arising from inventory valuation using the gross average method and the lower of cost or market method), which pushed down the cost of sales by 0.6 billion yen (in the previous period, positive effect of inventory valuation pushed down the cost of sales by 18.7 billion yen). As for ordinary profit, it was 4.7 billion yen, a decrease of 11.3 billion yen over the previous period.

Profit attributable to owners of parent for the period resulted in 3.5 billion yen, a decrease of 11.6 billion yen over the previous period.

Operating loss and ordinary loss excluding effect of inventory valuation amounted to 4.3 billion yen (an improvement of 6.8 billion yen over the previous period) and 4.0 billion yen (an improvement of 6.7 billion yen over the previous period), respectively.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2023

(Current assets)

At the end of the fiscal year under review, current assets totaled 210.9 billion yen, a decrease of 14.0 billion yen compared with the end of the previous fiscal year. This was mainly due to an 11.4 billion yen decrease in accounts receivable - other, a 9.2 billion yen decrease in notes and accounts receivable - trade, a 1.4 billion yen increase in inventories, and a 1.0 billion yen increase in cash and deposits.

(Non-current assets)

At the end of the fiscal year under review, non-current assets totaled 126.0 billion yen, a decrease of 1.8 billion yen compared with the end of the previous fiscal year. This was mainly due to a 5.0 billion yen increase in investment securities, and a 4.5 billion yen decrease in machinery, equipment and vehicles.

(Current liabilities)

At the end of the fiscal year under review, current liabilities totaled 226.5 billion yen, a decrease of 20.6 billion yen compared with the end of the previous fiscal year. This was mainly due to an 18.2 billion yen increase in short-term loans payable, a 31.3 billion yen decrease in accounts payable - trade, a 3.9 billion yen decrease in accounts payable - other, and a 3.1 billion yen decrease in current portion of long-term loans payable.

(Non-current liabilities)

At the end of the fiscal year under review, non-current liabilities totaled 38.7 billion yen, a decrease of 2.3 billion yen compared with the end of the previous fiscal year. This was mainly due to a 6.1 billion yen decrease in long-term loans payable, and a 3.5 billion yen increase in provision for repairs.

(Net assets)

At the end of the fiscal year under review, net assets totaled 71.6 billion yen, an increase of 7.1 billion yen compared with the end of the previous fiscal year. This was mainly due to a 3.5 billion yen increase in foreign currency translation adjustment, and a 2.6 billion yen increase in retained earnings.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2023

Cash and cash equivalents at the end of the fiscal year under review totaled 8.3 billion yen, an increase of 0.4 billion yen compared with the end of the previous fiscal year.

(Cash flows from operating activities)

In the previous fiscal year, net cash used in operating activities was 31.9 billion yen. This was due to the fact that cash outflows including a 49.5 billion yen increase in trade receivables and a 37.2 billion yen increase in inventories exceeded cash inflows including a 45.1 billion yen increase in trade payables.

Meanwhile, in the fiscal year under review, net cash used in operating activities was 5.9 billion yen. This was due to the fact that cash outflows including a 31.3 billion yen decrease in trade payables exceeded cash inflows including a 9.2 billion yen decrease in trade receivables.

(Cash flows from investing activities)

In the previous fiscal year, net cash used in investing activities was 12.5 billion yen. This was mainly due to the purchase of property, plant and equipment for refinery facilities, etc., of 12.6 billion yen. These investments were financed by bank loans and own funds.

Meanwhile, in the fiscal year under review, net cash used in investing activities was 0.7 billion yen. This was mainly due to the purchase of property, plant and equipment for refinery facilities, etc., of 1.5 billion yen. These investments were financed by bank loans and own funds.

(Cash flows from financing activities)

In the previous fiscal year, net cash provided by financing activities was 39.9 billion yen. This was mainly due to a net increase in short-term loans payable of 37.8 billion yen.

Meanwhile, in the fiscal year under review, net cash provided by financing activities was 7.5 billion yen. This was mainly due to a net increase in short-term loans payable of 18.2 billion yen.

(Reference) Trends in cash flow-related indicators

	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023
Equity-to-asset ratio	23.8%	16.8%	19.0%	18.2%	21.2%
Equity-to-asset ratio at market value	6.5%	5.9%	7.0%	5.8%	6.1%
Ratio of cash flow to interest-bearing debt	-	25.8 years	4.9 years	-	-
Interest coverage ratio	-	1.9 times	16.5 times	-	-

Equity-to-asset ratio: $\text{Equity} / \text{Total assets}$

Equity-to-asset ratio at market value: $\text{Total market capitalization} / \text{Total assets}$

Ratio of cash flow to interest-bearing debt: $\text{Interest-bearing debt} / \text{Cash flow}$

Interest coverage ratio: $\text{Cash flow} / \text{Interest payments}$

Notes: 1. All figures are calculated on a consolidated basis.

2. Total market capitalization of shares is calculated based on the number of shares outstanding excluding treasury stock.

3. Cash flow is based on cash flows from operating activities.

4. Interest-bearing debt includes all interest-bearing liabilities recorded on the consolidated balance sheet.

(4) Outlook for the Future

This outlook assumes a crude oil price (Dubai crude oil) of US\$80/bbl and an exchange rate of ¥130/US\$.

In the fiscal year ending March 31, 2024, we expect net sales to decrease as a minor periodic shut-down maintenance is scheduled and equipment will be suspended for a certain period of time.

On the other hand, in terms of profit and loss, although a minor periodic shut-down maintenance will be conducted, the cost-reduction effect of inventory valuation (effect of inventory valuation on the cost of sales when using the gross average method and the lower of cost or market method) is expected to increase. As such, operating profit, ordinary profit, and profit attributable to owners of parent are all expected to increase from the fiscal year under review.

As a result, for the consolidated financial results for the fiscal year ending March 31, 2024, we forecast net sales of 688.0 billion yen, operating profit of 7.6 billion yen, ordinary profit of 6.8 billion yen, and profit attributable to owners of parent of 5.6 billion yen. We are also expecting operating profit excluding the effect of inventory valuation of 4.4 billion yen and ordinary profit excluding the effect of inventory valuation of 3.6 billion yen.

The above forecasts are based on information available as of the date of publication of this document. Actual results may differ from the forecasts due to various factors.

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2023, and the Fiscal Year Ending March 31, 2024

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

In the fiscal year under review, in addition to recording a consolidated net profit for three consecutive fiscal years, the Company also recorded a profit excluding the effect of inventory valuation for the first time in four fiscal years. On the other hand, our financial position is still in the process of recovering. Considering these comprehensively, the Company will pay a year-end dividend of 10 yen per share for the fiscal year ended March 31, 2023, which is the same as for the fiscal year ended March 31, 2022.

As for the dividend for the fiscal year ending March 31, 2024, the Company is planning to pay a dividend of 10 yen per share.

2. Status of the Corporate Group

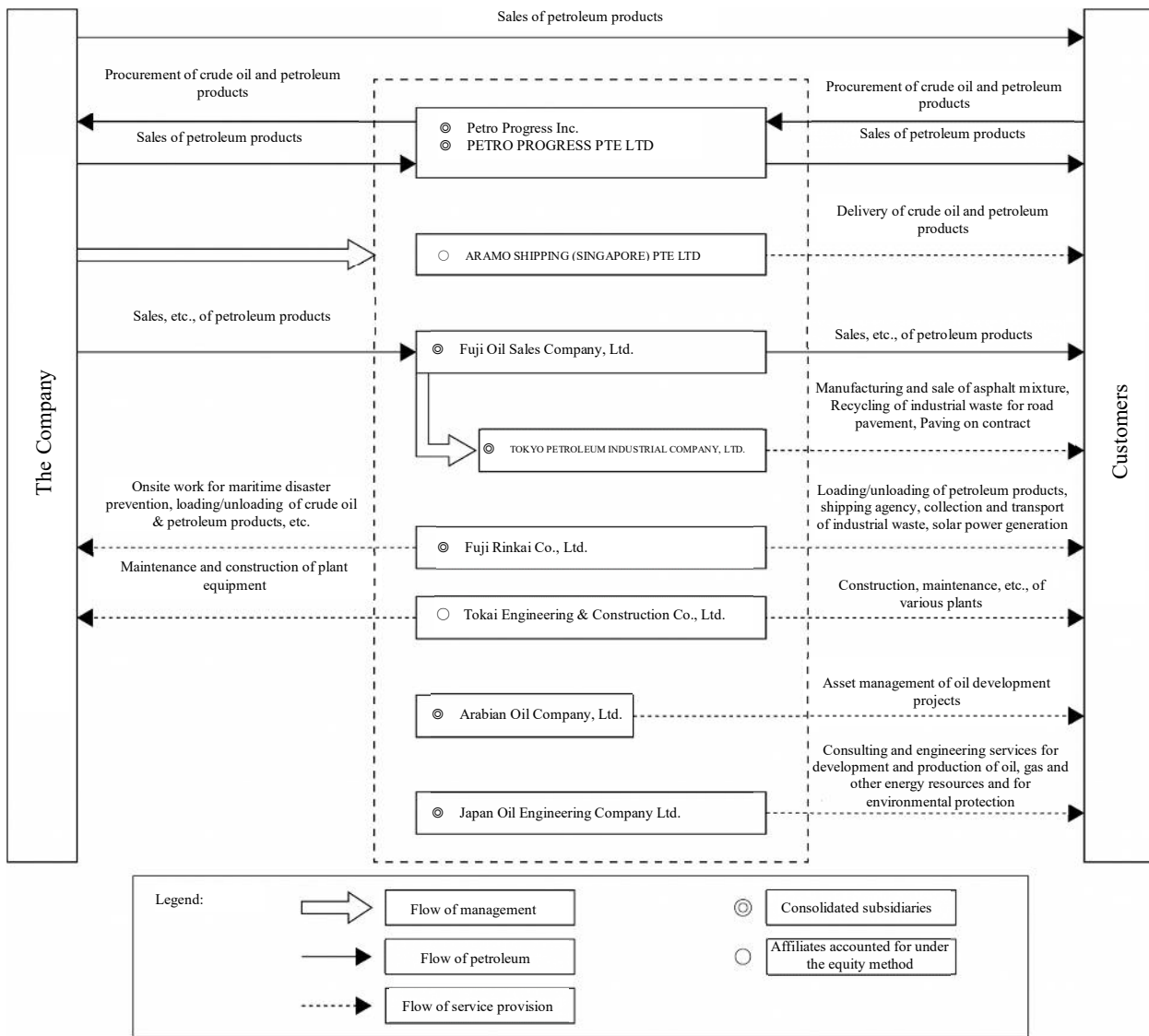
The Fuji Oil Group consists of the Company, seven consolidated subsidiaries, and two affiliates accounted for under the equity method. Its main business activities are the refining of oil; storage, procurement, sales and purchase of petroleum products and petrochemical feedstock; and delivery and loading/unloading of crude oil and petroleum products.

The Group's business positions are as follows.

(As of March 31, 2023)

Company name	Contents of business
The Company	Refining of oil, and storage, procurement, sales, etc. of petroleum products
Petro Progress Inc. PETRO PROGRESS PTE LTD	Procurement and sales of crude oil and petroleum products Overseas procurement and sales of crude oil and petroleum products
ARAMO SHIPPING (SINGAPORE) PTE LTD	Ownership and operation of crude oil and LPG carriers
Fuji Oil Sales Company, Ltd.	Sales, etc., of petroleum products
TOKYO PETROLEUM INDUSTRIAL COMPANY, LTD.	Manufacturing and sale of asphalt mixture, Recycling of industrial waste for road pavement, Paving on contract
Fuji Rinkai Co., Ltd.	Maritime disaster prevention operations, Loading/unloading of crude oil & petroleum products, Collection and transportation of industrial waste, Solar power generation
Tokai Engineering & Construction Co., Ltd.	Construction, maintenance, etc., of various plants
Arabian Oil Company, Ltd.	Asset management, etc., related to oil development projects
Japan Oil Engineering Co., Ltd.	Consulting and engineering services for development and production of oil, gas and other energy resources and for environmental protection

The relationship between the Fuji Oil Group companies and related parties is shown in the diagram below.



3. Basic Views Concerning the Selection of Accounting Standards

For the time being, the Group intends to prepare consolidated financial statements in accordance with Japanese GAAP.

With regard to the application of IFRS, the Company will respond appropriately in consideration of various domestic and international situations.

4. Consolidated Financial Statements and Significant Notes Thereto
(1) Consolidated Balance Sheet

(Millions of yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the fiscal year under review (March 31, 2023)
Assets		
Current assets		
Cash and deposits	11,388	12,463
Notes and accounts receivable - trade	78,707	69,461
Securities	100	-
Inventories	117,862	119,288
Accounts receivable - other	13,345	1,929
Other	3,567	7,827
Total current assets	224,971	210,970
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,653	12,056
Storage tanks, net	2,974	2,651
Machinery, equipment and vehicles, net	34,409	29,862
Land	51,542	51,541
Construction in progress	1,956	1,152
Other, net	529	590
Total property, plant and equipment	104,065	97,855
Intangible assets		
Software	624	478
Other	134	134
Total intangible assets	758	612
Investments and other assets		
Investment securities	21,130	26,169
Long-term loans receivable	679	641
Net defined benefit asset	859	761
Other	785	380
Allowance for doubtful accounts	(408)	(407)
Total investments and other assets	23,047	27,545
Total non-current assets	127,871	126,014
Total assets	352,842	336,985

(Millions of yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the fiscal year under review (March 31, 2023)
Liabilities		
Current liabilities		
Accounts payable - trade	67,145	35,792
Short-term loans payable	112,018	130,316
Current portion of long-term loans payable	14,133	10,949
Accounts payable - other	30,323	26,402
Excise taxes payable on gasoline and other fuels	16,370	16,482
Income taxes payable	944	213
Provision for bonuses	470	336
Other	5,778	6,052
Total current liabilities	247,184	226,545
Non-current liabilities		
Long-term loans payable	25,943	19,793
Deferred tax liabilities	8,760	8,854
Provision for special repairs	2,452	2,387
Provision for repairs	1,510	5,080
Net defined benefit liability	1,849	1,740
Provision for directors' retirement benefits	20	23
Other	582	900
Total non-current liabilities	41,118	38,780
Total liabilities	288,302	265,326
Net assets		
Shareholders' equity		
Capital stock	24,467	24,467
Capital surplus	25,495	25,495
Retained earnings	15,977	18,653
Treasury stock	(1,431)	(1,271)
Total shareholders' equity	64,508	67,345
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	612	842
Deferred gains or losses on hedges	(591)	155
Revaluation reserve for land	1	1
Foreign currency translation adjustments	(950)	2,571
Remeasurements of defined benefit plans	789	560
Total accumulated other comprehensive income	(139)	4,130
Non-controlling interests	170	182
Total net assets	64,539	71,658
Total liabilities and net assets	352,842	336,985

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated statement of income

(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Fiscal year under review (From April 1, 2022 to March 31, 2023)
Net sales	486,014	850,863
Cost of sales	465,185	840,916
Gross profit	20,829	9,946
Selling, general and administrative expenses	4,577	4,917
Operating profit	16,251	5,028
Non-operating income		
Interest income	21	77
Dividend income	284	222
Foreign exchange gains	652	1,193
Equity in earnings of affiliates	831	2,277
Rent income from storage tanks	241	217
Other	261	314
Total non-operating income	2,294	4,303
Non-operating expenses		
Interest expenses	1,533	3,725
Rent expenses on storage tanks	265	202
Other	669	699
Total non-operating expenses	2,468	4,627
Ordinary profit	16,076	4,704
Extraordinary income		
Gain on sales of non-current assets	18	0
Gain on sale of investment securities	-	41
Insurance claim income	711	-
Other	10	-
Total extraordinary income	740	41
Extraordinary losses		
Loss on retirement of non-current assets	64	432
Impairment loss	0	0
Total extraordinary losses	65	432
Profit before income taxes	16,751	4,313
Income taxes - current	1,569	960
Income taxes - deferred	(36)	(235)
Total income taxes	1,532	724
Profit	15,219	3,588
Profit attributable to non-controlling interests	15	13
Profit attributable to owners of parent	15,203	3,575

Consolidated statement of comprehensive income

(Millions of yen)

	As of the end of the previous fiscal year (From April 1, 2021 to March 31, 2022)	As of the end of the fiscal year under review (From April 1, 2022 to March 31, 2023)
Profit	15,219	3,588
Other comprehensive income		
Valuation difference on available-for-sale securities	114	230
Deferred gains or losses on hedges	(591)	747
Foreign currency translation adjustments	434	680
Remeasurements of defined benefit plans, net of tax	137	(228)
Share of other comprehensive income of entities accounted for using equity method	1,809	2,841
Total other comprehensive income	1,904	4,270
Comprehensive income	17,123	7,859
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	17,108	7,845
Comprehensive income attributable to non-controlling interests	15	13

(3) Consolidated Statement of Changes in Equity
 Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	24,467	25,495	1,543	(1,431)	50,075
Changes during period					
Dividends of surplus			(770)		(770)
Profit attributable to owners of parent			15,203		15,203
Deficit disposition					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	14,433	-	14,433
Balance at end of period	24,467	25,495	15,977	(1,431)	64,508

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	498	-	1	(3,194)	651	(2,043)	156	48,188
Changes during period								
Dividends of surplus								(770)
Profit attributable to owners of parent								15,203
Deficit disposition								-
Net changes in items other than shareholders' equity	114	(591)		2,244	137	1,904	13	1,918
Total changes during period	114	(591)	-	2,244	137	1,904	13	16,351
Balance at end of period	612	(591)	1	(950)	789	(139)	170	64,539

Fiscal year under review (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	24,467	25,495	15,977	(1,431)	64,508
Changes during period					
Dividends of surplus			(770)		(770)
Profit attributable to owners of parent			3,575		3,575
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(128)		160	32
Transfer from retained earnings to capital surplus		128	(128)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,676	160	2,837
Balance at end of period	24,467	25,495	18,653	(1,271)	67,345

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	612	(591)	1	(950)	789	(139)	170	64,539
Changes during period								
Dividends of surplus								(770)
Profit attributable to owners of parent								3,575
Purchase of treasury stock								(0)
Disposal of treasury stock								32
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	230	747		3,521	(228)	4,270	11	4,281
Total changes during period	230	747	-	3,521	(228)	4,270	11	7,119
Balance at end of period	842	155	1	2,571	560	4,130	182	71,658

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	As of the end of the previous fiscal year (From April 1, 2021 to March 31, 2022)	As of the end of the fiscal year under review (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	16,751	4,313
Depreciation and amortization	7,092	7,689
Increase (decrease) in provision for repairs	(6,209)	3,570
Increase (decrease) in net defined benefit liability	(254)	(239)
Increase (decrease) in provision for special repairs	113	(65)
Interest and dividend income	(306)	(300)
Interest expenses	1,533	3,725
Share of profit of entities accounted for using equity method	(831)	(2,277)
Insurance claim income	(711)	-
Decrease (increase) in trade receivables	(49,507)	9,245
Decrease (increase) in inventories	(37,201)	(1,425)
Increase (decrease) in trade payables	45,162	(31,352)
Increase (decrease) in excise taxes payable on gasoline and other fuels	(1,304)	112
Increase (decrease) in accrued consumption taxes	2,371	3,870
Other	(6,345)	2,091
Subtotal	(29,646)	(1,041)
Interest and dividends received	526	563
Interest paid	(1,500)	(3,676)
Proceeds from insurance claims	711	-
Income taxes paid	(2,093)	(1,836)
Income taxes refund	3	0
Net cash provided by (used in) operating activities	(31,999)	(5,989)

(Millions of yen)

	As of the end of the previous fiscal year (From April 1, 2021 to March 31, 2022)	As of the end of the fiscal year under review (From April 1, 2022 to March 31, 2023)
Cash flows from investing activities		
Payments into time deposits	(6,832)	(8,192)
Proceeds from withdrawal of time deposits	6,608	8,890
Purchase of investment securities	(1)	(11)
Proceeds from sale of investment securities	-	54
Purchase of property, plant and equipment	(12,615)	(1,599)
Proceeds from sale of property, plant and equipment	45	0
Proceeds from national subsidies received	395	-
Purchase of intangible assets	(191)	(4)
Loan advances	(201)	(0)
Proceeds from collection of loans receivable	239	38
Other	5	98
Net cash provided by (used in) investing activities	(12,546)	(726)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	37,820	18,297
Proceeds from long-term loans payable	14,000	4,800
Repayments of long-term loans payable	(10,346)	(14,133)
Dividends paid	(772)	(769)
Dividends paid to non-controlling interests	(1)	(1)
Other	(758)	(653)
Net cash provided by (used in) financing activities	39,940	7,539
Effect of exchange rate change on cash and cash equivalents	182	(406)
Net increase (decrease) in cash and cash equivalents	(4,423)	416
Cash and cash equivalents at beginning of period	12,336	7,912
Cash and cash equivalents at end of period	7,912	8,329

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Change in Presentation Method)

(Consolidated statement of income)

Subsidies received under the government's measures for mitigating the impact of drastic changes in fuel oil prices, which were included in "Subsidy income" under "Non-operating income" in the previous consolidated financial year, is included in "Net sales" from the beginning of this consolidated financial year. This change is due to an increased significance of these subsidies in terms of their total amount and an extension of the implementation period. The Company reassessed items that should be presented as net sales and, as a result, has judged that including the said subsidies in "Net sales" rather than "Non-operating income" will more precisely indicate the results of its operating activities. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in the presentation method.

As a result, the 0.711 billion yen presented in "Subsidy income" under "Non-operating income" has been restated as "Net sales" in the consolidated statement of income for the previous fiscal year.

(Additional Information)

(Impact of COVID-19)

Although the outlook for demand is uncertain due to the global COVID-19 pandemic, we believe that the impact on the future operation rates of machinery and equipment will be limited and that the impact on accounting estimates will be immaterial.

(Segment Information, Etc.)

1. Overview of Reportable Segments

Previous fiscal year (From April 1, 2021 to March 31, 2022)

Segment information is omitted as the consolidated Group has only one segment consisting of the petroleum refining and sales business.

Fiscal year under review (From April 1, 2022 to March 31, 2023)

Segment information is omitted as the consolidated Group has only one segment consisting of the petroleum refining and sales business.

2. Information Concerning Reportable Segments

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(1) Information by product and service

Information is omitted since sales to external customers in a single product or service category exceed 90% of net sales in the consolidated statement of income.

(2) Geographic Information

(i) Net sales

Information is omitted since the sales attributable the “Japan” segment account for more than 90% of the total of all geographic segments.

(ii) Property, plant and equipment

Information is omitted since the property, plant and equipment attributable to the “Japan” segment account for more than 90% of the total of all geographic segments.

(3) Information by major customer

(Millions of yen)

Name of customer	Net sales
Idemitsu Kosan Co., Ltd.	307,053
ENEOS Corporation	62,519

Note: Information on the name of the relevant segment is omitted as the consolidated Group has only one segment.

Fiscal year under review (From April 1, 2022 to March 31, 2023)

(1) Information by product and service

Information is omitted since sales to external customers in a single product or service category exceed 90% of net sales in the consolidated statement of income.

(2) Geographic Information

(i) Net sales

Information is omitted since the sales attributable the “Japan” segment account for more than 90% of the total of all geographic segments.

(ii) Property, plant and equipment

Information is omitted since the property, plant and equipment attributable to the “Japan” segment account for more than 90% of the total of all geographic segments.

(3) Information by major customer

(Millions of yen)

Name of customer	Net sales
Idemitsu Kosan Co., Ltd.	601,564

Note: Information on the name of the relevant segment is omitted as the consolidated Group has only one segment.

(Per Share Information)

	As of the end of the previous fiscal year (From April 1, 2021 to March 31, 2022)	As of the end of the fiscal year under review (From April 1, 2022 to March 31, 2023)
Net assets per share	835.28 yen	926.31 yen
Basic earnings per share	197.29 yen	46.36 yen

Notes: 1 Diluted earnings per share is not stated because there are no dilutive shares.

2 The basis for calculating basic earnings per share is as follows.

Item	As of the end of the previous fiscal year (From April 1, 2021 to March 31, 2022)	As of the end of the fiscal year under review (From April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	15,203	3,575
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent of common stock (million yen)	15,203	3,575
Average number of shares of common stock outstanding during the period	77,062,479	77,130,619

(Significant Subsequent Events)
Not applicable.

5. Non-consolidated Financial Statements and Significant Notes Thereto
(1) Balance Sheet

(Millions of yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the fiscal year under review (March 31, 2023)
Assets		
Current assets		
Cash and deposits	4,298	4,754
Accounts receivable-trade	77,088	67,280
Merchandise and finished goods	34,212	44,619
Raw materials and supplies	83,618	74,644
Accounts receivable - other	13,405	1,970
Prepaid expenses	1,354	1,445
Income taxes receivable	-	255
Other	2,174	6,195
Total current assets	216,152	201,166
Non-current assets		
Property, plant and equipment		
Buildings, net	4,223	4,144
Storage tanks, net	2,974	2,651
Structures, net	7,991	7,487
Machinery and equipment, net	33,864	29,386
Vehicles, net	0	1
Tools, furniture and fixtures, net	195	161
Land	50,709	50,709
Leased assets, net	118	91
Construction in progress	1,956	1,141
Total property, plant and equipment	102,034	95,774
Intangible assets		
Software	602	462
Other	7	7
Total intangible assets	610	470
Investments and other assets		
Investment securities	1,091	1,288
Shares of subsidiaries and associates	12,078	12,078
Long-term loans receivable	678	641
Other	604	459
Allowance for doubtful accounts	(408)	(407)
Total investments and other assets	14,044	14,061
Total non-current assets	116,689	110,305
Total assets	332,842	311,471

(Millions of yen)

	As of the end of the previous fiscal year (March 31, 2022)	As of the end of the fiscal year under review (March 31, 2023)
Liabilities		
Current liabilities		
Accounts payable - trade	66,227	34,756
Short-term loans payable	114,098	133,696
Current portion of long-term loans payable	14,133	10,949
Accounts payable - other	30,809	26,560
Accrued expenses	173	198
Excise taxes payable on gasoline and other fuels	16,370	16,482
Income taxes payable	904	155
Provision for bonuses	329	336
Other	5,508	5,617
Total current liabilities	248,554	228,751
Non-current liabilities		
Long-term loans payable	25,943	19,793
Deferred tax liabilities	8,396	8,462
Provision for special repairs	2,452	2,387
Provision for repairs	1,510	5,080
Provision for retirement benefits	1,599	1,537
Asset retirement obligations	103	104
Other	397	615
Total non-current liabilities	40,402	37,981
Total liabilities	288,957	266,732
Net assets		
Shareholders' equity		
Capital stock	24,467	24,467
Capital surplus		
Legal capital surplus	2,480	2,480
Total capital surplus	2,480	2,480
Retained earnings		
Legal retained earnings	77	154
Other retained earnings		
Retained earnings brought forward	16,790	16,437
Total retained earnings	16,867	16,591
Treasury stock	(1,797)	(1,636)
Total shareholders' equity	42,017	41,902
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	525	747
Deferred gains or losses on hedges	(591)	155
Revaluation reserve for land	1,932	1,932
Total valuation and translation adjustments	1,866	2,835
Total net assets	43,884	44,738
Total liabilities and net assets	332,842	311,471

(2) Statement of Income

(Millions of yen)

	As of the end of the previous fiscal year (From April 1, 2021 to March 31, 2022)	Fiscal year under review (From April 1, 2022 to March 31, 2023)
Net sales	476,927	841,424
Cost of sales	457,241	832,795
Gross profit	19,686	8,628
Selling, general and administrative expenses	3,822	4,041
Operating profit	15,863	4,587
Non-operating income		
Interest income	14	17
Dividend income	300	240
Foreign exchange gains	633	1,177
Rent income from storage tanks	241	217
Other	149	207
Total non-operating income	1,338	1,859
Non-operating expenses		
Interest expenses	1,539	3,743
Rent expenses on storage tanks	265	202
Other	621	694
Total non-operating expenses	2,427	4,639
Ordinary profit	14,775	1,806
Extraordinary income		
Gain on sales of non-current assets	10	-
Gain on sale of investment securities	-	41
Insurance claim income	711	-
Total extraordinary income	722	41
Extraordinary losses		
Loss on retirement of non-current assets	53	420
Total extraordinary losses	53	420
Profit before income taxes	15,444	1,427
Income taxes - current	1,956	1,064
Income taxes - deferred	(41)	(262)
Total income taxes	1,915	802
Profit	13,529	625

(3) Statement of Changes in Equity
 Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	24,467	2,480	-	2,480	-	4,110	4,110
Changes during period							
Dividends of surplus				-		(772)	(772)
Provision of legal retained earnings for dividends of surplus					77	(77)	-
Profit						13,529	13,529
Deficit disposition							
Net changes in items other than shareholders' equity				-			-
Total changes during period	-	-	-	-	77	12,679	12,757
Balance at end of period	24,467	2,480	-	2,480	77	16,790	16,867

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(1,797)	29,260	378	-	1,932	2,310	31,571
Changes during period							
Dividends of surplus		(772)					(772)
Provision of legal retained earnings for dividends of surplus		-					-
Profit		13,529					13,529
Deficit disposition							-
Net changes in items other than shareholders' equity		-	147	(591)		(443)	(443)
Total changes during period	-	12,757	147	(591)	-	(443)	12,313
Balance at end of period	(1,797)	42,017	525	(591)	1,932	1,866	43,884

Fiscal year under review (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	24,467	2,480	-	2,480	77	16,790	16,867
Changes during period							
Dividends of surplus						(772)	(772)
Provision of legal retained earnings for dividends of surplus					77	(77)	-
Profit						625	625
Purchase of treasury stock							
Disposal of treasury stock			(128)	(128)			
Transfer from retained earnings to capital surplus			128	128		(128)	(128)
Net changes in items other than shareholders' equity				-			-
Total changes during period	-	-	-	-	77	(352)	(275)
Balance at end of period	24,467	2,480	-	2,480	154	16,437	16,591

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(1,797)	42,017	525	(591)	1,932	1,866	43,884
Changes during period							
Dividends of surplus		(772)					(772)
Provision of legal retained earnings for dividends of surplus		-					-
Profit		625					625
Purchase of treasury stock	(0)	(0)					(0)
Disposal of treasury stock	160	32					32
Transfer from retained earnings to capital surplus		-					-
Net changes in items other than shareholders' equity		-	221	747		969	969
Total changes during period	160	(114)	221	747	-	969	854
Balance at end of period	(1,636)	41,902	747	155	1,932	2,835	44,738

(4) Notes to Non-consolidated Financial Statements

(Change in Presentation Method)

(Statement of income)

Subsidies received under the government's measures for mitigating the impact of drastic changes in fuel oil prices, which were included in "Subsidy income" under "Non-operating income" in the previous financial year, is included in "Net sales" from the beginning of this financial year. This change is due to an increased significance of these subsidies in terms of their total amount and an extension of the implementation period. The Company reassessed items that should be presented as net sales and, as a result, has judged that including the said subsidies in "Net sales" rather than "Non-operating income" will more precisely indicate the results of its operating activities. The financial statements for the previous fiscal year have been restated to reflect this change in presentation.

As a result, the 0.711 billion yen presented in "Subsidy income" under "Non-operating income" has been restated as "Net sales" in the statement of income for the previous fiscal year.