

Taiyo Oil Company, Limited, and Consolidated Subsidiaries

Consolidated Balance Sheets

	March 31,		
	2024	2023	2024
	(Millions of yen)		(Thousands of U.S. dollars) (Note 2)
Assets			
Current assets:			
Cash and deposits (Note 18,20)	¥ 27,421	¥ 31,253	\$ 181,110
Notes and accounts receivable-trade (Note 16,18)	71,775	67,691	474,048
Inventories (Note 3)			
Merchandise and finished goods	55,152	40,182	364,262
Work in process	1,201	1,062	7,932
Raw materials and supplies	125,571	86,101	829,350
Other	4,829	15,970	31,899
Total current assets	285,953	242,262	1,888,603
Noncurrent assets:			
Property, plant and equipment (Note 4):			
Buildings, structures and oil tanks	66,633	64,858	440,084
Machinery, equipment and vehicles	178,470	177,797	1,178,725
Land	28,729	28,836	189,748
Construction in progress	2,493	1,850	16,467
Other	6,112	6,283	40,369
	282,439	279,625	1,865,395
Accumulated depreciation	(204,531)	(199,292)	(1,350,846)
	77,907	80,333	514,548
Intangible assets			
Goodwill	1,928	2,629	12,737
Other	648	764	4,281
	2,576	3,394	17,019
Investments and other assets:			
Investment securities (Note 18)	3,266	3,128	21,574
Long-term loans receivable	17	19	118
Net defined benefit asset (Note 5)	1,300	627	8,587
Deferred tax assets (Note 12)	2,504	2,166	16,544
Other	1,818	2,374	12,011
	8,908	8,316	58,837
Total noncurrent assets	89,393	92,043	590,405
Total assets	¥ 375,346	¥ 334,305	\$ 2,479,008

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Consolidated Balance Sheets

	March 31,		
	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Liabilities and net assets			
Current liabilities:			
Notes and accounts payable-trade <i>(Note 18)</i>	¥ 56,290	¥ 51,895	\$ 371,773
Short-term loans payable <i>(Note 4,18)</i>	70,282	63,627	464,183
Current portion of long-term debt <i>(Note 4)</i>	10,091	10,115	66,652
Accounts payable-other <i>(Note 18)</i>	29,902	20,234	197,493
Income taxes payable	6,237	580	41,197
Gasoline and other excise taxes payable <i>(Note 18)</i>	33,089	26,674	218,542
Provision for bonuses	1,947	733	12,865
Provision for repairs	7,585	—	50,099
Other <i>(Note 15)</i>	31,216	31,464	206,174
Total current liabilities	246,643	205,325	1,628,980
Noncurrent liabilities			
Long-term debt <i>(Note 4,18)</i>	15,589	25,681	102,960
Deferred tax liabilities <i>(Note 12)</i>	3,723	3,692	24,589
Asset retirement obligations <i>(Note 6)</i>	2,297	2,300	15,170
Provision for directors' retirement benefits	634	652	4,193
Provision for repairs	8,290	11,039	54,758
Provision for business structure improvement	2,515	2,560	16,615
Net defined benefit liability <i>(Note 5)</i>	691	687	4,566
Other <i>(Note 24)</i>	498	471	3,290
Total noncurrent liabilities	34,240	47,084	226,145
Total liabilities	280,884	252,409	1,855,125
Net assets <i>(Note 7)</i> :			
Shareholders' equity:			
Capital stock	400	400	2,641
Capital surplus	5	5	35
Retained earnings	92,453	80,960	610,617
Total shareholders' equity	92,858	81,366	613,294
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	18	(41)	122
Deferred gains or losses on hedges	107	—	712
Foreign currency translation adjustment	1,020	594	6,739
Remeasurements of defined benefit plans	456	(23)	3,013
Total accumulated other comprehensive income	1,603	530	10,588
Total net assets	94,462	81,896	623,883
Total liabilities and net assets	¥ 375,346	¥ 334,305	\$ 2,479,008

See accompanying notes to the consolidated financial statements.

Taiyo Oil Company, Limited, and Consolidated Subsidiaries

Consolidated Statements of Operations

	Year ended March 31,		
	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 2)</i>
Net sales <i>(Note 23)</i>	¥ 753,936	¥ 721,351	\$ 4,979,436
Cost of sales <i>(Note 22)</i>	707,262	716,728	4,671,171
Gross profit	46,674	4,623	308,265
Selling, general and administrative expenses <i>(Note 9)</i>	27,478	24,946	181,483
Operating income (loss)	19,196	(20,323)	126,782
Non-operating income:			
Interest and dividends income	107	74	709
Foreign exchange gains, net	1,541	295	10,181
Equity in earnings of affiliates	90	80	595
Futures trading gain, net	51	—	339
Subsidy income	20	27	135
Insurance income	12	612	83
Other	713	605	4,712
Total non-operating income	2,537	1,695	16,757
Non-operating expenses:			
Interest expenses	962	896	6,357
Interest income on early payments	602	544	3,980
Futures trading loss, net	—	102	—
Loss on reduction of noncurrent assets	20	27	135
Idle assets expenses	1,736	856	11,466
Other	390	361	2,579
Total non-operating expenses	3,712	2,787	24,519
Ordinary income (loss)	18,020	(21,415)	119,020
Extraordinary gains:			
Gain on sales of noncurrent assets	4	0	32
Compensation income	64	—	427
Reversal of provision for business restructuring	25	29	165
Other	—	0	—
Total extraordinary gains	94	29	625
Extraordinary losses:			
Loss on sales of noncurrent assets	2	138	13
Loss on retirement of noncurrent assets	90	202	598
Impairment loss <i>(Note 10)</i>	34	102	227
Loss on cancellation of leases	5	—	33
Loss on withdrawal from business <i>(Note 11)</i>	—	4,525	—
Other	—	2	—
Total extraordinary losses	132	4,971	873
Profit (loss) before income taxes	17,983	(26,356)	118,773
Income taxes:			
Current	6,218	650	41,068
Deferred	(567)	(466)	(3,748)
Total income tax	5,650	183	37,320
Profit (loss)	12,332	(26,540)	81,452
Profit (loss) attributable to owners of parent <i>(Note 17)</i>	¥ 12,332	¥ (26,540)	\$ 81,452

See accompanying notes to the consolidated financial statements.

Taiyo Oil Company, Limited, and Consolidated Subsidiaries

Consolidated Statements of Comprehensive Income

	Year ended March 31,		
	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Profit (loss)	¥ 12,332	¥ (26,540)	\$ 81,452
Other comprehensive income <i>(Note 13)</i>			
Valuation difference on available-for-sale securities	55	(19)	364
Deferred gains or losses on hedges	107	(55)	712
Foreign currency translation adjustment	425	240	2,810
Remeasurements of defined benefit plans	479	(46)	3,166
Share of other comprehensive income of affiliates accounted for using the equity method	4	0	30
Total other comprehensive income	1,072	118	7,085
Comprehensive income <i>(Note 13)</i>	¥ 13,405	¥ (26,442)	\$ 88,537
Total comprehensive income attributable to: Owners of parent	¥ 13,405	¥ (26,442)	\$ 88,537

See accompanying notes to the consolidated financial statements.

Taiyo Oil Company, Limited, and Consolidated Subsidiaries

Consolidated Statements of Cash Flows

	Year ended March 31,		
	2024	2023	2024
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 2)</i>
Cash flows from operating activities			
Profit (loss) before income taxes	¥ 17,983	¥ (26,356)	\$ 118,773
Depreciation and amortization	6,911	7,240	45,648
Amortization of goodwill	701	701	4,631
Impairment loss	34	3,436	227
Decrease in provision for directors' retirement benefits	(17)	(17)	(113)
Decrease in provision for business structure improvement	(44)	(110)	(294)
Increase (decrease) in provision for repairs	4,836	(5,288)	31,944
Increase (decrease) in provision for bonuses	1,214	(1,180)	8,021
Decrease in net defined benefit liability	(33)	(48)	(224)
Decrease (increase) in net defined benefit asset	54	(70)	360
Interest and dividend income	(107)	(74)	(709)
Interest expense	962	896	6,357
(Increase) decrease in notes and accounts receivable-trade	(390)	3,970	(2,578)
Increase in inventories	(54,572)	(15,107)	(360,428)
Increase (decrease) in notes and accounts payable-trade	704	(7,526)	4,653
Increase (decrease) in accounts payable-other	9,662	(1,904)	63,819
Increase in gasoline and other excise taxes payable	6,414	3,168	42,367
Decrease (increase) in consumption taxes refund receivable	12,010	(13,665)	79,324
(Increase) decrease in other current assets	(430)	669	(2,843)
Increase (decrease) in other current liabilities	58	(82)	388
Other, net	292	147	1,929
Subtotal	6,246	(51,204)	41,254
Interest and dividends income received	130	97	860
Interest expense paid	(926)	(926)	(6,115)
Income taxes paid	(855)	(14,865)	5,647
Net cash provided by (used in) operating activities	4,595	(66,900)	30,351
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	(4,446)	(10,171)	29,366
Proceeds from sales of property, plant and equipment and intangible assets	115	21	765
Purchase of investment securities	(17)	(36)	(112)
Proceeds from sales of investment securities	8	0	57
Other, net	202	555	1,336
Net cash used in investing activities	(4,136)	(9,630)	(27,319)
Cash flows from financing activities			
Net increase in short-term loans payable	6,655	43,494	43,953
Repayments of finance lease obligations	(140)	(113)	(925)
Proceeds from long-term loans payable	—	600	—
Repayment of long-term loans payable	(5,157)	(2,667)	(34,065)
Redemption of bonds	(4,958)	(5,008)	(32,745)
Cash dividends paid	(840)	(1,345)	(5,547)
Net cash (used in) provided by financing activities	(4,440)	34,958	(29,330)
Effect of exchange rate change on cash and cash equivalents	150	(53)	991
Net decrease in cash and cash equivalents	(3,831)	(41,625)	(25,306)
Cash and cash equivalents at beginning of period	31,253	72,879	206,417
Cash and cash equivalents at end of period <i>(Note 20)</i>	¥ 27,421	¥ 31,253	\$ 181,110

See accompanying notes to the consolidated financial statement