

Translation

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## Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Based on Japanese GAAP]

February 13, 2025

Company name: SAN-AI OBBLI CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 8097  
 URL : <https://www.san-ai-obbli.com/en/>  
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Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative)

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	%
Nine months ended December 31, 2024	474,825	-2.2	8,599	-32.8	9,457	-30.2	6,562	-21.6
Nine months ended December 31, 2023	485,683	1.5	12,790	26.8	13,543	25.3	8,374	12.9

(Note): Comprehensive Income For the nine months ended December 31, 2024: 5,602 million yen [-43.2%]

For the nine months ended December 31, 2023: 9,859 million yen [21.1%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	103.33	—
Nine months ended December 31, 2023	127.08	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	209,944	118,899	53.6
As of March 31, 2024	218,607	123,829	53.9

(Reference): Equity As of December 31, 2024 : 112,474 million yen

As of March 31, 2024 : 117,738 million yen

2. Cash Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	30.00	—	50.00	80.00
Year ended March 31, 2025	—	50.00	—		
Year ending March 31, 2025 (Forecast)				50.00	100.00

(Note): Revisions to the most recently announced dividends forecasts: No

3. Forecast of consolidated Financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	650,000	-1.5	12,500	-25.9	13,000	-26.7	9,500	-15.3	147.72

(Note): Revisions to the most recently announced financial forecasts: No

※ Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: No

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement

① Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

② Changes in accounting policies due to other reasons : No

③ Changes in accounting estimates : No

④ Restatement : No

For details, please refer to " (4) Notes to Changes in accounting policies of "2. Consolidated Financial Statements" on page 9 of the attached material.

(4) Number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	66,000,000 shares	As of March 31, 2024	66,000,000 shares
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② Number of treasury shares at the end of the period

As of December 31, 2024	3,678,147 shares	As of March 31, 2024	1,688,130 shares
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③ Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	63,514,349 shares	Nine months ended December 31, 2023	65,897,433 shares
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※ Proper use of earnings forecasts, and other special notes

The forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may significantly differ from these forecasts due to various factors. Please refer to "1. Overview of Operating Results and others. (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 3 of the attached material for the assumptions upon which the forecasts are based and notes for using the forecasts.

Supplementary material on financial results URL: <https://www.san-ai-obbli.com/en/ir/>

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## 1. Overview of Operating Results and Others

### (1) Business Results for nine months ended December 31, 2024

During the nine months ended December 31, 2024, in the business environment surrounding our group, the demand for aviation fuel has been increasing due to inbound tourists, but the demand for overall petroleum products has been decreasing due to factors such as a decline in the use of private vehicles and improved fuel efficiency in automobiles.

Under these circumstances, during the nine months ended December 31, 2024, net sales of our group decreased by 2.2% year-on-year to 474,825 million yen due to the decrease in sales volume of petroleum products. Operating profit decreased by 32.8% year-on-year to 8,599 million yen due to the revision of the unit price for fuel handling fees in the Aviation-related business. Ordinary profit decreased by 30.2% year-on-year to 9,457 million yen, and profit attributable to owners of parent decreased by 21.6% year-on-year to 6,562 million yen.

Our group recorded extraordinary losses (impairment losses on fixed assets including goodwill) amounting to 1,283 million yen, because SAN-AI OBBLI GAS BANSHU CO., LTD. (location: Takasago City, Hyogo Prefecture) an LPG Sales retailing company, was difficult to achieve the revenue initially expected.

Segment results are as follows.

In the Petroleum-related business, net sales decreased by 2.7% year-on-year to 407,207 million yen. Segment profit decreased by 11.7% year-on-year to 6,277 million yen due to an increase in selling, general and administrative expenses.

In the Chemical Products-related business, net sales increased by 4.6% year-on-year to 9,620 million yen. Segment profit increased by 17.3% year-on-year to 865 million yen, mainly due to improved margins.

In the Gas-related business, net sales increased by 8.9% year-on-year to 42,853 million yen due to higher LP gas sales prices. Segment profit increased by 17.5% year-on-year to 600 million yen due to the increase of the number of retail customers.

In May 2024, the company acquired shares of Imari Gas Co., Ltd., which supplies city gas and sells LPG to retailers in Imari City, Saga Prefecture.

In the Aviation-related business, the volume of fuel handled on international airline at Haneda Airport remained strong. However, net sales decreased by 25.0% year-on-year to 10,863 million yen due to revisions to the unit price of fuel handling fees at Haneda Airport. Segment profit decreased by 57.6% year-on-year to 2,823 million yen.

In the Other business, net sales increased 3.8% year-on-year to 4,281 million yen. Segment profit increased 9.7% year-on-year to 628 million yen due to improved profit margins in the cleaning and surface treatment businesses for metal products and other products.

### (2) Quarterly Overview of Financial Position

#### ① Conditions of Assets, Liabilities and Net Assets

Total assets as of December 31, 2024 decreased by 8,663 million yen from the end of the previous fiscal year to 209,944 million yen. This was mainly due to a decrease in cash and deposits.

Total liabilities decreased by 3,733 million yen from the end of the previous fiscal year to 91,044 million yen. This was mainly due to a decrease in notes and accounts payable trade.

Total net assets decreased by 4,929 million yen from the end of the previous fiscal year to 118,899 million yen. This was mainly due to the repurchase of treasury shares.

Consequently, the equity ratio increased from 53.9% at the end of the previous fiscal year to 53.6%.

#### ② Conditions of Cash Flow

Cash and cash equivalents (hereinafter referred to as "funds") as of December 31, 2024 decreased by 15,548 million yen from the previous consolidated accounting year (March 31, 2024) to 37,832 million yen.

The status of each cash flow and its factors for the nine months ended December 31, 2024 are as follows.

##### Cash flows from operating activities

Funds used in operating activities amounted to 3,277 million yen. This was mainly due to payments of Notes and accounts payable and an increase in operating security deposits. In the same period of the previous fiscal year (the nine months ended December 31, 2023), the company acquired funds amounting to 20,309 million yen.

##### Cash flows from investing activities

Funds used in investing activities amounted to 1,154 million yen. This was mainly due to the Purchase of property, plant and equipment. Funds used decreased by 5,679 million yen year-on-year.

##### Cash flows from financing activities

Funds used in financing activities amounted to 11,116 million yen. This was mainly due to dividend payments and the repurchase of treasury shares. Funds used decreased by 435 million yen year-on-year.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

The company has not revised the consolidated earnings forecasts announced on May 14, 2024.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	53,671	38,142
Notes and accounts receivable - trade, and contract assets	46,740	48,062
Securities	100	50
Merchandise and finished goods	7,387	9,983
Work in process	29	111
Raw materials and supplies	130	166
Other	1,046	1,626
Allowance for doubtful accounts	-486	-98
Total current assets	108,620	98,044
Non-current assets		
Property, plant and equipment		
Buildings and structures	71,938	74,245
Accumulated depreciation	-51,155	-53,616
Buildings and structures, net	20,783	20,628
Machinery, equipment and vehicles	37,178	38,212
Accumulated depreciation	-28,705	-29,937
Machinery, equipment and vehicles, net	8,472	8,275
Land	18,762	18,911
Other	10,259	11,355
Accumulated depreciation	-5,579	-5,826
Other, net	4,679	5,528
Total property, plant and equipment	52,697	53,344
Intangible assets		
Goodwill	1,881	1,796
Customer-related intangible assets	1,004	190
Other	4,026	4,065
Total intangible assets	6,912	6,052
Investments and other assets		
Investment securities	20,978	17,044
Retirement benefit asset	3,442	3,696
Guarantee deposits	24,813	30,784
Other	1,270	1,632
Allowance for doubtful accounts	-127	-654
Total investments and other assets	50,377	52,503
Total non-current assets	109,987	111,900
Total assets	218,607	209,944

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	55,202	51,603
Short-term borrowings	300	380
Current portion of long-term borrowings	946	472
Current portion of bonds payable	-	30
Income taxes payable	2,547	1,229
Provision for bonuses	2,226	857
Provision for bonuses for directors(and other officers)	84	64
Provision for warranties for completed construction	1	1
Asset retirement obligations	-	20
Other	17,179	20,000
Total current liabilities	78,488	74,659
Non-current liabilities		
Long-term borrowings	1,168	1,527
Provision for retirement benefits for directors (and other officers)	194	181
Provision for special repairs	227	250
Retirement benefit liability	95	157
Asset retirement obligations	562	872
Other	14,041	13,396
Total non-current liabilities	16,290	16,385
Total liabilities	94,778	91,044
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,127	10,127
Capital surplus	2,531	2,534
Retained earnings	101,702	101,892
Treasury shares	-2,605	-6,555
Total shareholders' equity	111,755	107,999
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,101	5,516
Revaluation reserve for land	-613	-622
Remeasurements of defined benefit plans	-505	-419
Total other accumulated comprehensive income	5,983	4,475
Non-controlling interests	6,090	6,425
Total net assets	123,829	118,899
Total liabilities and net assets	218,607	209,944

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income(cumulative)

## Consolidated Statements of Income(cumulative)

(Millions of yen)

	Nine months ended December 31,2023	Nine months ended December 31,2024
Net sales		
Net sales of goods	483,351	472,547
Net sales of completed construction contracts	2,332	2,277
Total net sales	485,683	474,825
Cost of sales		
Cost of goods sold	437,209	429,116
Cost of sales of completed construction contracts	2,061	1,991
Total cost of sales	439,270	431,108
Gross profit	46,413	43,717
Selling, general and administrative expenses	33,623	35,117
Operating profit	12,790	8,599
Non-operating income		
Interest income	40	56
Dividend income	435	489
Purchase discounts	163	192
Light oil delivery tax grant	135	129
Reversal of allowance for doubtful accounts	0	12
Other	226	244
Total non-operating income	1,002	1,124
Non-operating expenses		
Interest expenses	65	64
Sales discount	131	135
Other	52	66
Total non-operating expenses	249	266
Ordinary profit	13,543	9,457
Extraordinary income		
Gain on sale of non-current assets	49	8
Gain on sale of investment securities	-	2,920
Total extraordinary income	49	2,928
Extraordinary losses		
Loss on sale and retirement of non-current assets	417	229
Impairment losses	4	1,307
Total extraordinary loss	421	1,537
Profit before income taxes	13,171	10,848
Income taxes - current	3,868	3,381
Income taxes - deferred	457	347
Total income taxes	4,326	3,729
Net profit	8,844	7,119
Profit attributable to non-controlling interests	470	557
Profit attributable to owners of parent	8,374	6,562

## Consolidated Statements of Comprehensive Income(cumulative)

(Millions of yen)

	Nine months ended December 31,2023	Nine months ended December 31,2024
Profit	8,844	7,119
Other comprehensive income		
Valuation difference on available-for-sale securities	806	-1,602
Remeasurements of defined benefit plans, net of tax	208	85
Total other comprehensive income	1,014	-1,517
Quarterly comprehensive income	9,859	5,602
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,394	5,064
Comprehensive income attributable to non-controlling interests	465	538

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	13,171	10,848
Depreciation	4,109	4,127
Amortization of goodwill	317	347
Increase (decrease) in allowance for doubtful accounts	8	132
Increase (decrease) in provision for bonuses	-1,018	-1,375
Increase (decrease) in provision for bonuses for directors (and other officers)	-28	-19
Increase (decrease) in retirement benefit asset or liability	-93	-94
Interest and dividends income	-639	-738
Interest expenses	197	199
Loss (gain) on sale and retirement of property, plant and equipment	299	219
Impairment losses	4	1,307
Loss (Gain) on sales of Investment securities.	-	-2,920
Decrease (increase) in trade receivables	-5,680	-1,238
Decrease (increase) in inventories	-507	-2,673
Decrease (increase) in other current assets	-652	-483
Decrease (increase) in guarantee deposits and bankruptcy claims	-81	-6,482
Increase (decrease) in trade payables	11,269	-3,673
Increase (decrease) in other current liabilities	5,401	3,563
Other, net	-12	-143
Subtotal	26,064	905
Interest and dividends received	656	754
Interest paid	-200	-199
Income taxes paid	-6,210	-4,737
Net cash provided by (used in) operating activities	20,309	-3,277
<b>Cash flow from investing activities</b>		
Purchase of investment securities	-318	-607
Proceeds from sale of investment securities	-	5,044
Purchase of property, plant and equipment	-5,229	-4,167
Proceeds from sales of property, plant and equipment	224	22
Purchase of intangible assets	-1,280	-1,166
Purchase of investment subsidiaries resulting change in scope of consolidation	-	-234
Other, net	-229	-45
Net cash provided by (used in) investing activities	-6,833	-1,154
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	-	80
Proceeds from long-term loans payable	-	700
Repayments of long-term loans payable	-2,236	-890
Purchase of treasury shares	-3,400	-3,961
Dividends paid to non-controlling interests	-217	-208
Dividends paid	-4,377	-6,381
Other, net	-447	-454
Net cash provided by (used in) financing activities	-10,680	-11,116
Net increase (decrease) in cash and cash equivalents	2,795	-15,548
Cash and cash equivalents at beginning of period	46,747	53,381
Cash and cash equivalents at end of period	49,542	37,832

(4) Notes

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes”, etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc., from the beginning of the six months ended September 30, 2024.

With respect to the revision concerning the classification of current income taxes (taxes on other comprehensive income), the Company has applied the transitional treatments stipulated in the proviso of Paragraph 20-3 of the “Revised Accounting Standard 2022” and the proviso of Paragraph 65-2 (2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, March 22, 2024; hereinafter referred to as the “Revised Implementation Guidance 2024”). This change in accounting policy has no impact on the consolidated financial statements.

In addition, the Company has adopted “Revised Implementation Guidance 2024” from the beginning of the six months ended September 30, 2024, regarding the revision related to the treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries and other securities among consolidated companies.

Therefore, the new accounting policy was reflected in the semi-annual consolidated financial statements for the six-months period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

There is no impact for the consolidated financial statements for the previous fiscal year as a result of this change in accounting policy.

(Segment Information)

I Previous quarterly consolidated accounting period (Nine months ended December 31,2023)

1.Information on net sales and profit by reportable segment

(Millions of yen)

	Reportable Segments						Adjusted amount (NOTE)1	Amount recorded in quarterly consolidated statements of income (NOTE)2
	Petroleum-related business	Chemical-related business	Gas-related business	Aviation-related business	The Other business	Total		
Net sales								
Sales to customers	418,499	9,200	39,368	14,492	4,123	485,683	-	485,683
Intersegment revenues or transfers	1,301	272	33	0	1,979	3,587	-3,587	-
Total	419,801	9,472	39,402	14,492	6,103	489,271	-3,587	485,683
Segment profit	7,109	738	510	6,666	573	15,598	-2,054	13,543

(NOTE) 1. Adjusted amount to segment profit of -2,054 million yen include eliminations of intersegment transactions of -87million yen and corporate profit of -1,967 million yen not allocated to each reportable segment. Corporate profit is mainly selling, general and administrative expenses, non-operating income and non-operating expenses that are not attributable to reportable segments.

2.Segment profit is adjusted with ordinary profit in the quarterly consolidated statements of income.

II Current quarterly consolidated accounting period (Nine months ended December 31,2024)

1.Information on net sales and profit by reportable segment

(Millions of yen)

	Reportable Segments						Adjusted amount (NOTE)1	Amount recorded in quarterly consolidated statements of income (NOTE)2
	Petroleum-related business	Chemical-related business	Gas-related business	Aviation-related business	The Other business	Total		
Net sales								
Sales to customers	407,207	9,620	42,853	10,863	4,281	474,825	-	474,825
Intersegment revenues or transfers	1,445	244	44	-	710	2,444	-2,444	-
Total	408,652	9,864	42,897	10,863	4,991	477,269	-2,444	474,825
Segment profit	6,277	865	600	2,823	628	11,195	-1,738	9,457

(NOTE) 1. Adjusted amount to segment profit of -1,738 million yen include eliminations of intersegment transactions of 23 million yen and corporate profit of -1,761 million yen not allocated to each reportable segment. Corporate profit is mainly selling, general and administrative expenses, non-operating income and non-operating expenses that are not attributable to reportable segments.

2.Segment profit is adjusted with ordinary income in the quarterly consolidated statements of income.

2.Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant impairment loss on non-current assets)

The Petroleum-related business segment recorded an impairment losses of 0 million yen on fixed assets.

The Gas-related business segment recorded an impairment losses of 1,283 million yen on fixed assets.

(Significant changes in the amount of goodwill)

In the Gas-related business segment, there was a significant change in the amount of goodwill due to the recording of an impairment loss on goodwill. The decrease in goodwill due to this event is 459 million yen. The amounts listed above (significant impairment loss on fixed assets) also include the impairment loss on goodwill.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

The Company repurchased 996,600 shares of own shares in accordance with the resolution of the Board of Directors meeting held on May 14, 2024. In addition, The Company repurchased 1,000,000 shares of own shares in accordance with the resolution of the Board of Directors meeting held on November 12, 2024. As a result, treasury shares increased 3,949 million yen during nine months ended December 31, 2024, and amounted to 6,555 million yen during nine months ended December 31, 2024.

(Notes on the Going Concern Assumption)

Not applica