

FY2024 3Q

Supplementary Materials for Financial Results



February 13, 2025

SAN-AI OBBLI CO., LTD. (Stock code: 8097)

CAUTIONARY STATEMENT

This document was prepared using our machine translation. This document is to be used solely as a reference and in cases where any differences occur between English version and the original Japanese version, the Japanese version shall prevail.

This document contains forward-looking statements, including statements regarding our management plans and future performance. These statements are based on our decisions at the present time. Actual results may differ materially from these statements because of various risks and uncertainties.

We assume no responsibility for any investment activities conducted based on the material contained in this document. You will be asked to make decisions regarding investment in your own judgment.

[About the notation in this material]

- **In principle, the figures in these materials are stated in millions of yen.**
- **Fiscal years beginning in April and ending in March 2025 (from April 2024 to March 2025) are indicated as "Fiscal 2024" or "FY2024."**

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1. Financial Results for the Nine months of FY2024

Key Points of Financial Results

Financial Results for the FY2024 3Q

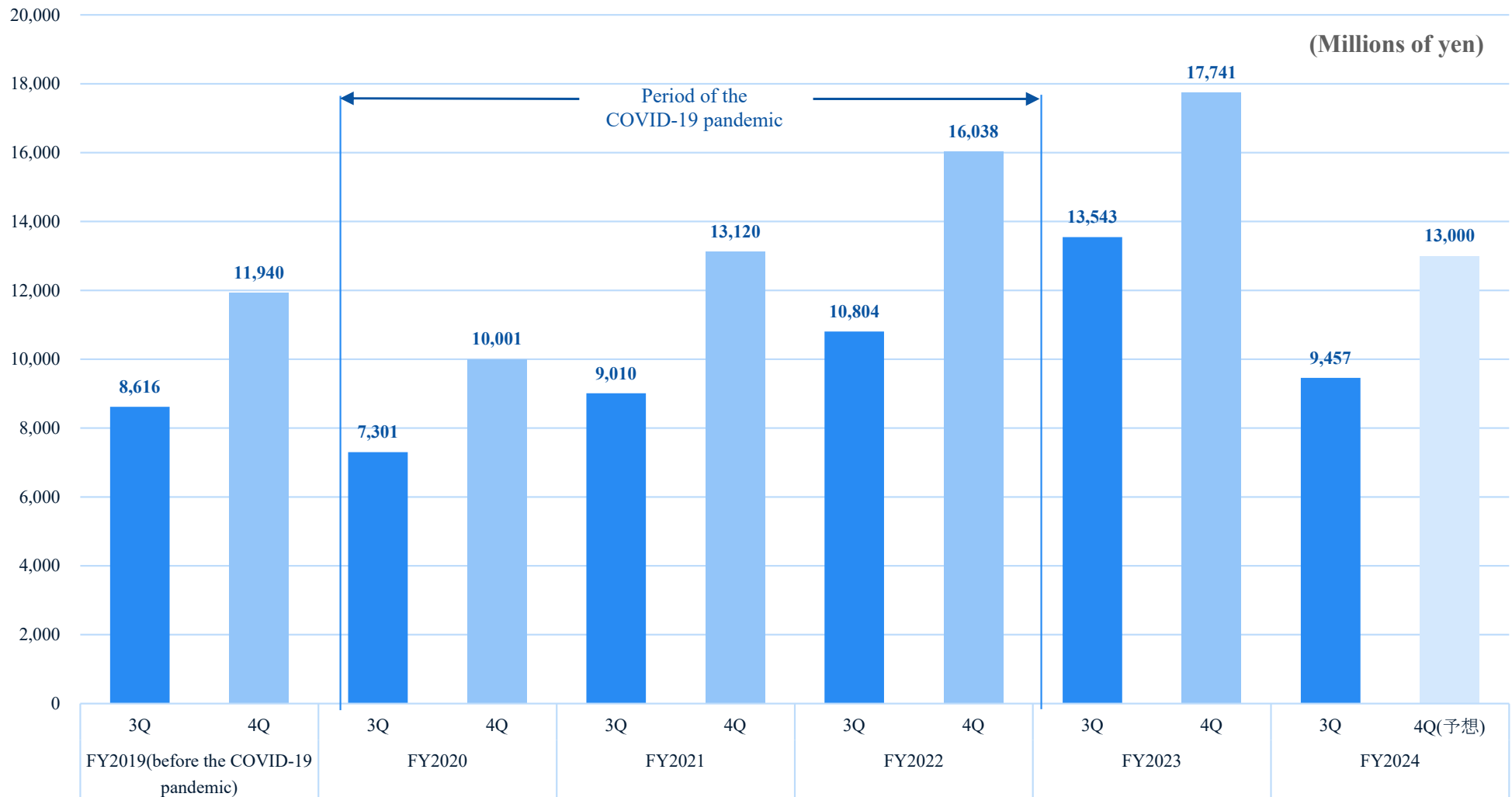
(Millions of yen)

	FY2023 3Q	FY2024 3Q	Year-on-year changes	(Reference) FY2024 forecast	Progress rate
Net sales	485,683	474,825	-2.2%	650,000	73.1%
Operating profit	12,790	8,599	-32.8%	12,500	68.8%
Ordinary profit	13,543	9,457	-30.2%	13,000	72.7%
Profit attributable to owners of parent	8,374	6,562	-21.6%	9,500	69.1%

- In the Aviation-related business, profits declined due to the revision of the unit price of fuel handling fees at Haneda Airport.
- In the Petroleum-related and Gas-related business, gross profit increased, but selling, general and administrative expenses increased.
- In conjunction with the sale of investment securities, our group recorded a gain on sale of 2,920 million yen as an extraordinary gain.
- Our group recorded 1,283 million yen as extraordinary losses (impairment losses on fixed assets including goodwill), because SAN-AI OBBLI GAS BANSHU, the LPG Sales company which is in Takasago City, Hyogo Prefecture, was expected to deteriorate due to defection of apartment complexes as the supply destination.

Change in Ordinary Profit

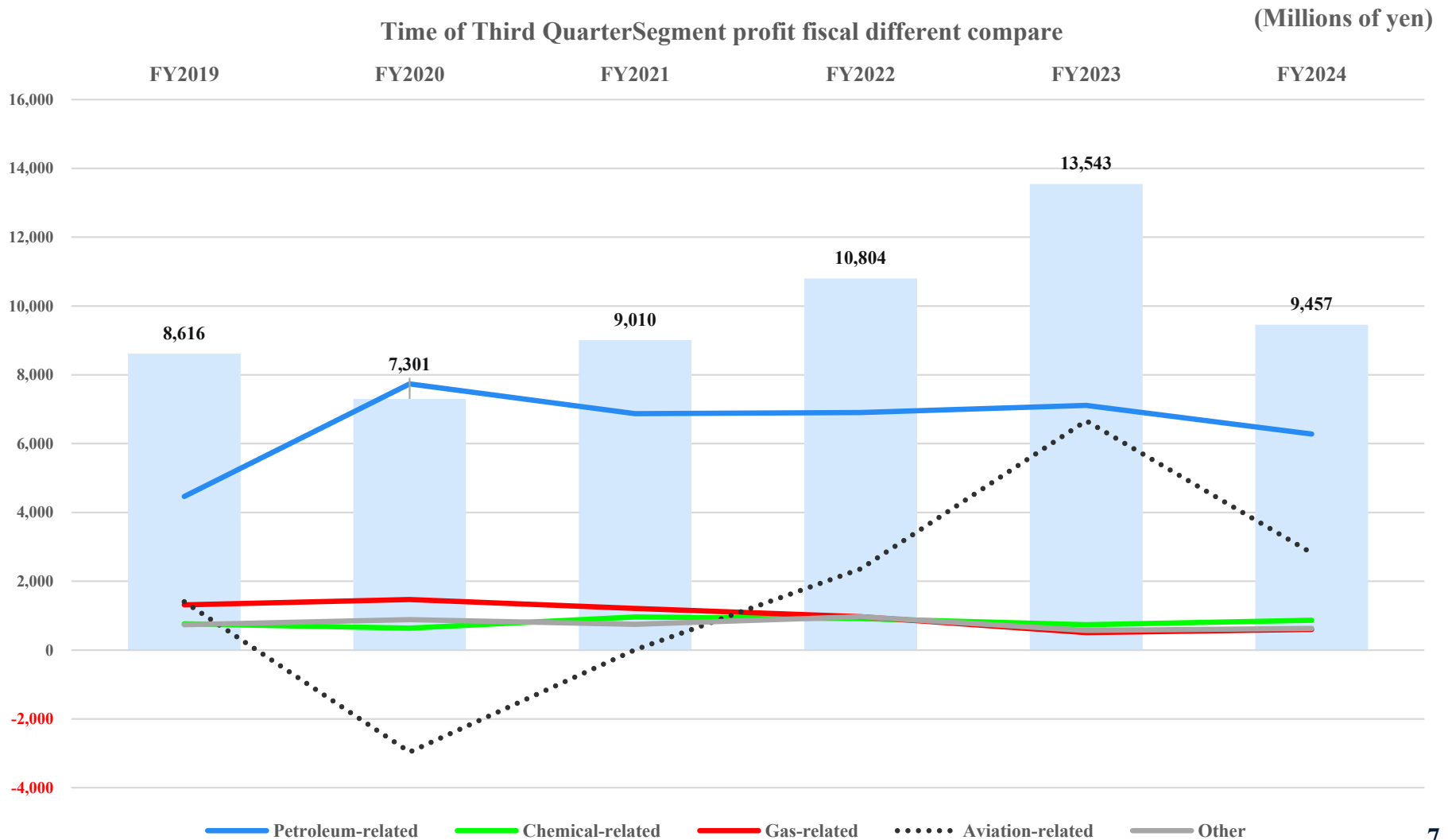
Although ordinary profit in Fiscal Year 2024 declined significantly year-on-year due to the revision of the unit price of fuel handling fees at Haneda Airport, the ordinary profit is expected to exceed before the COVID-19 pandemic.



Change in segment separates ordinary profit

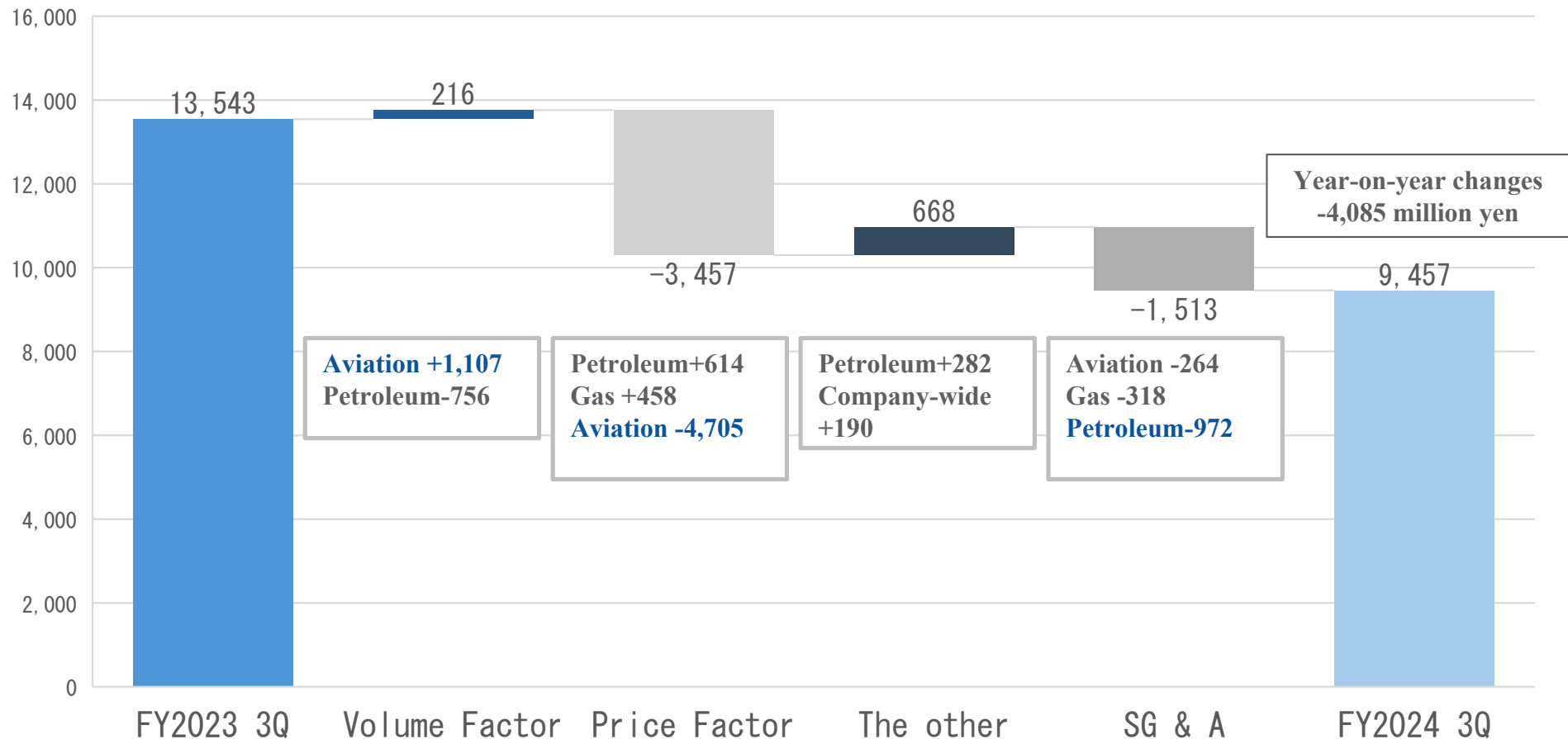
In FY2024, the decline in profits in the Aviation-related business had a significant impact on consolidated results.

However, results of the other businesses remains firm.



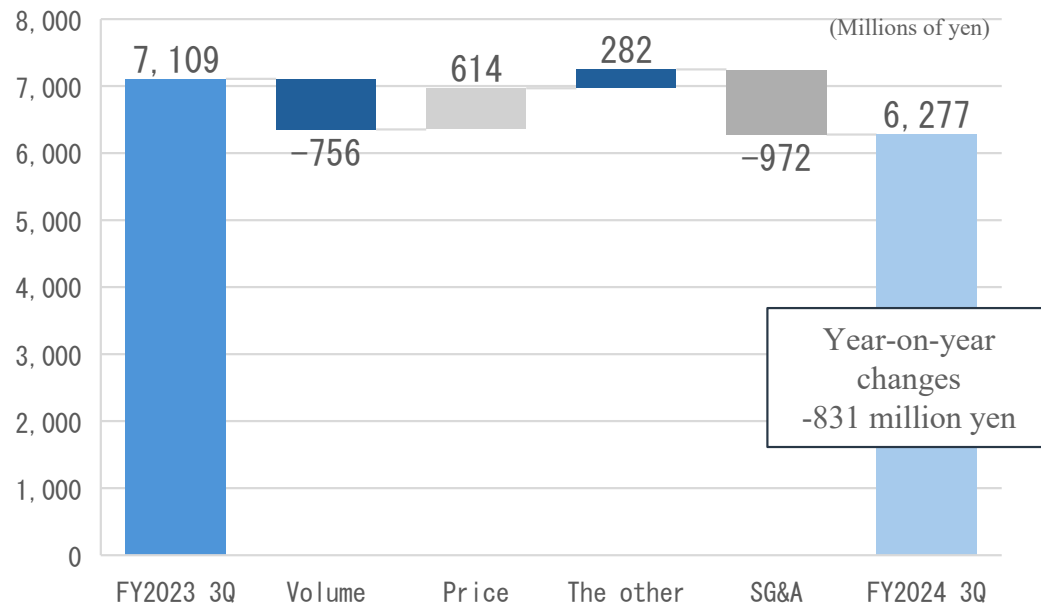
Details of Year on Year Changes in Ordinary Profit

(Millions of yen)



- The profit/loss impact from inventory is included in the unit price factor.
- Other factors include increases and decreases in commission income and net sales of completed construction contracts, excluding commissions on aviation fuel, and non-operating income and expenses.

Petroleum-related Business



Petroleum-related Business supplies petroleum products across the country through wholesale to dealers, sales of industrial fuels and lubricants for factories, and retail sales at SS (service stations).

Affiliated SS 978 locations as of December 31, 2024



Retail Division 1,336 million yen

Volume Sales of directly managed SS decreased. (-)

Price The profit margin shrank. (-)

Wholesale Division 4,805 million yen

Price Profit increased due to improved margins. (+)

Industrial Fuel Oil Sales Division 108 million yen

Volume Sales volume declined due to intensifying price competition. (-)

Industrial Lubricants Sales Division 26 million yen

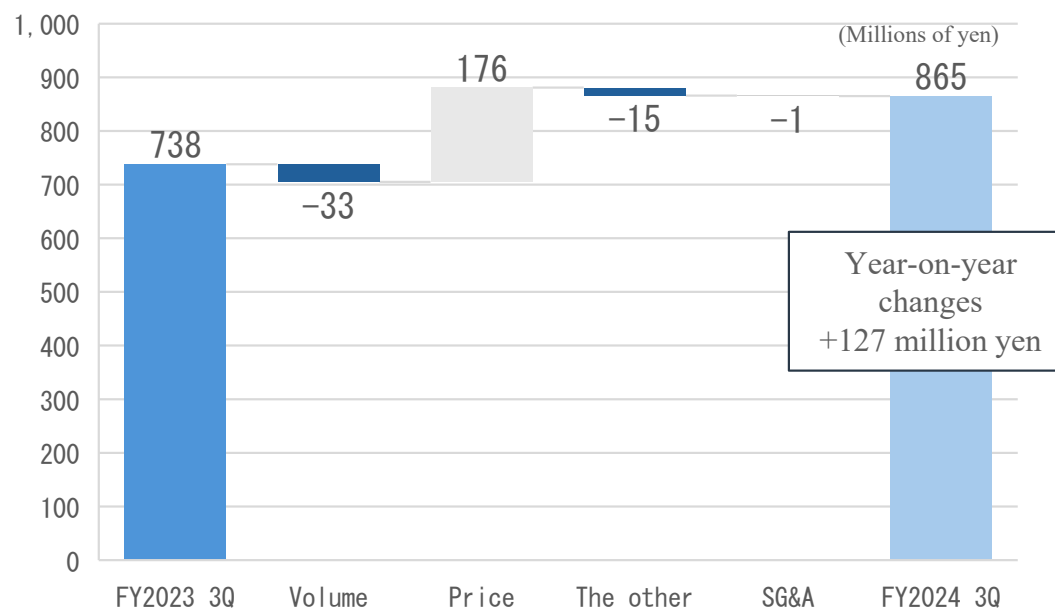
Other Maintenance revenue increased. (+)

SG&A The Company recorded a provision for doubtful accounts due to the interruption of a wind power plant development survey. (-)

Selling, general and administrative expenses

Personnel, packing and transportation expenses, etc. increased. (-)

Chemical Products-related Business



Chemical Products-related Business manufactures and sells biocide products and commercial car wash products. In addition, it sells petroleum-based solvents and tackifiers wholesale.



Commercial Car Wash Products 16.4%

Volume Sales volume of car wash agents decreased. (-)

Price Profit margins recovered. (+)

Biocide Products 32.1%

Volume Sales volume was flat Year on Year.

Solvent & Industrial Chemicals 30.3%

Price The sales margins recovered. (+)

Tackifier 13.5%

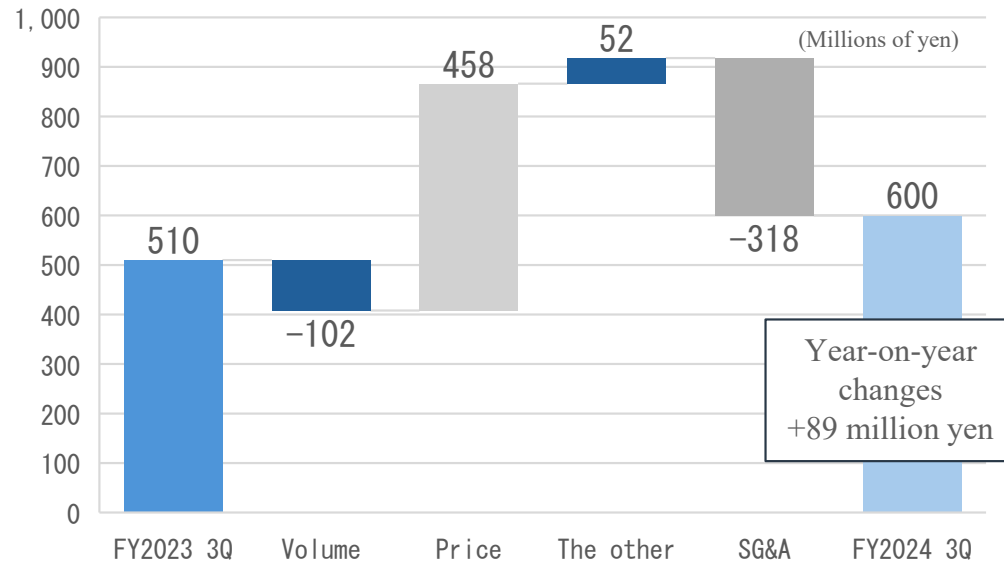
Volume Sales volume increased. (+)

Others (Performance Chemicals, etc.) 7.6%

Volume Sales of higher alcohol increased. (+)

※ Since only the Chemical-related business is explained by product, the percentage of gross profit is shown next to the product category.

Gas-related Business



<LPG Sales Business>

LPG Sales Business sells residential and commercial LP gas and sells renovations and gas appliances mainly in the Kanto and Tokai areas, Chugoku and Kinki areas, and Kyushu areas. 122 thousand retail customers as of December 31, 2024

<Natural Gas Sales Business>

Natural Gas Sales Business supplies to factories and the others using the Saga Natural Gas Pipeline, etc., and also supplies city gas to general consumers in Saga Prefecture.



<LPG Sales Business>

398 million yen

Retail Division

Volume

Unit consumption decreased due to the rise in temperature. (-)

Price

The acquisition of retail goodwill compensated profit. (+)

Wholesale Division

Volume

Unit consumption decreased due to the rise in temperature. (-)

Price

Profit margin recovered due to inventory valuation. (+)

<Natural Gas Sales>

202 million yen

Household use

Volume

Unit consumption decreased due to the rise in temperature. (-)

Commercial and industrial

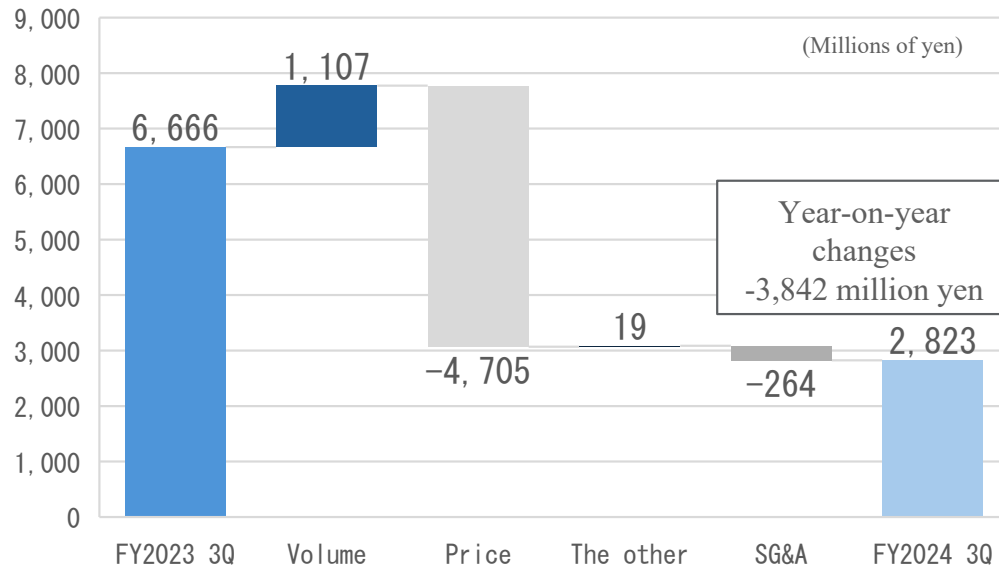
Volume

Demand at factories has declined slightly. (-)

< Selling, general and administrative expenses >

Personnel expenses increased. (-)

Aviation-related Business



Aviation-related Business operates aviation fuel facilities and refuel aircraft at Haneda Airport. Additionally, the business operates aviation fuel facilities and refueling operations at 27 locations across Japan, from Hokkaido to Okinawa.



Haneda Airport 2,292 million yen

- Volume** Demand on domestic airline recovered from October. (+)
Volume on International airline was robust due to new flights and increased flights due to an increase in the number of foreign visitors to Japan. (+)
- Price** Profit fell significantly due to revisions to air fuel commissions. (-)

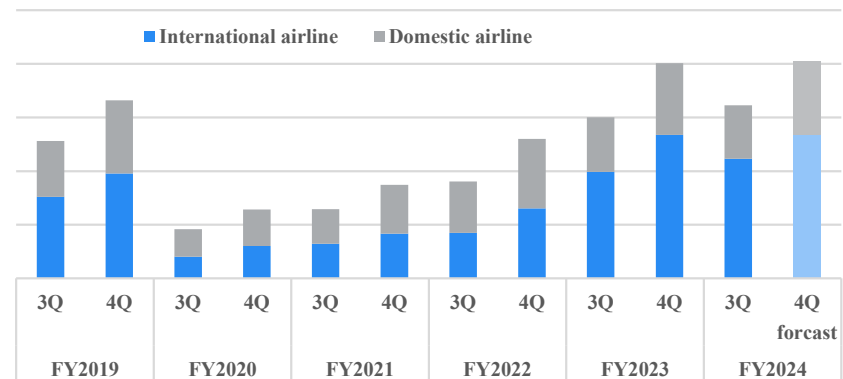
Other Airports (25 airports, 1 heliport) 530 million yen

- Volume** The volume of refueling remained strong. (+)

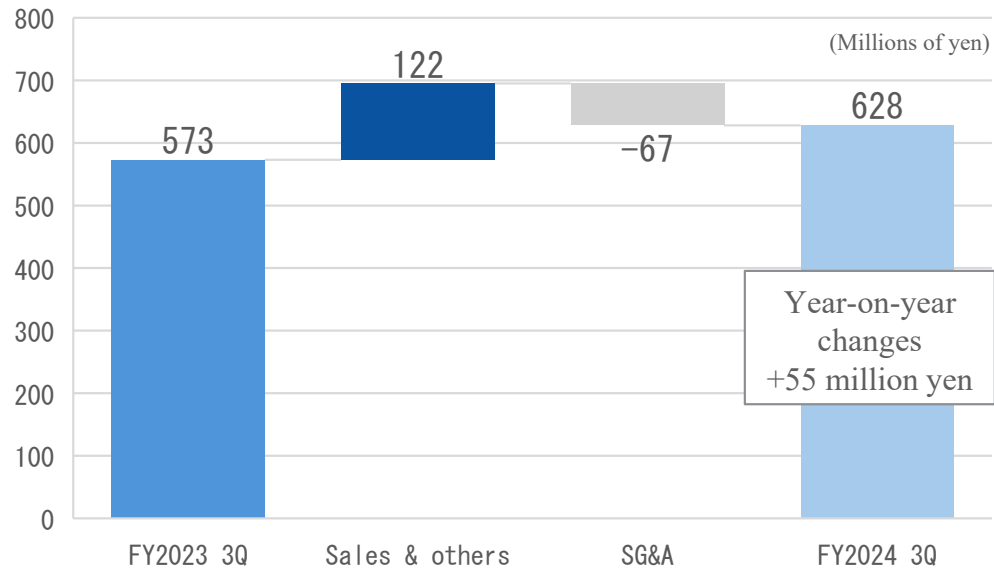
Selling, general and administrative expenses

Personnel expenses increased (-)

Changes in Haneda Airport Aviation Fuel Transportation Volume



The Other Businesses



The Other Business include cleaning and surface treatment for metal products, construction work and so on. In recent years, the revenue ratio of component cleaning of semiconductor manufacturing equipment has increased.



Cleaning and Surface treatment for Metal products Business 407 million yen

Sales and others There are signs of recovery in the production of semiconductor production equipment. (+)

Construction Business 181 million yen

Sales and others Profits declined due to a decrease in orders . (-)

Real Estate Leasing and Solar Business 40 million yen

Since November 2024, the Company have disclosed IR date for foreign investors in both Japanese version and English version simultaneously. The Company also renewed the English website in February 2025.

<https://www.san-ai-obbli.com/en/ir/>



Balance sheet

End of FY2023

End of FY2023	
Cash and deposits, 53,671	Interest-bearing debt, 4,473
Other current assets, 54,948	Other liabilities, 90,305
Non-current assets, 59,609	Net assets, 123,829 (Equity ratio 53.9%)
Investments and other assets, 50,377	

End of FY2024 3Q

End of FY2024 3Q		(Millions of yen)
Cash and deposits, 38,142 (-15,528)	Interest-bearing debt, 4,420	
Other current assets, 59,902	Other liabilities, 86,624 <small>(Notes and accounts payable-trade -3,599)</small>	
Non-current assets, 59,396	Net assets, 118,899 (Equity ratio 53.6%)	
Investments and other assets, 52,503 <small>(Guarantee deposits +5,971 Investment securities -3,933)</small>		
		<small>(Net profit +6,562 Year-end and interim dividends -6,381 Treasury shares -3,949 Valuation difference on available-for-sale securities -1,584)</small>

[Major Variance Factors]

- Cash and deposits, Guarantee deposits: Decreased due to payment of accounts payable at the end of the previous fiscal year and addition of cash collateral.
- Treasury shares: Increased due to the acquisition of 1,996,000 shares of treasury shares by resolution of the Board of Directors.
- Investment securities, Valuation difference on available-for-sale securities: Decreased due to sales of investment securities.

Cash allocation status

End of FY2024 3Q

(Millions of yen)

Fund procurement		Composition ratio
Cash generated from operations (excluding working capital)	12,447	37.7%
Asset sales, etc.	5,067	15.3%
Utilization of cash on hand	15,548	47.0%

Fund utilization		Composition ratio
Capital and business investment	6,176	18.7%
Cash dividends paid	6,381	Shareholder Returns 10,342 31.3%
Purchase of treasury shares	3,961	
Decrease in working capital	5,090	15.4%
Operating Security Deposits	5,896	17.8%
Income tax paid	4,737	14.3%
Other funds utilization	821	2.5%

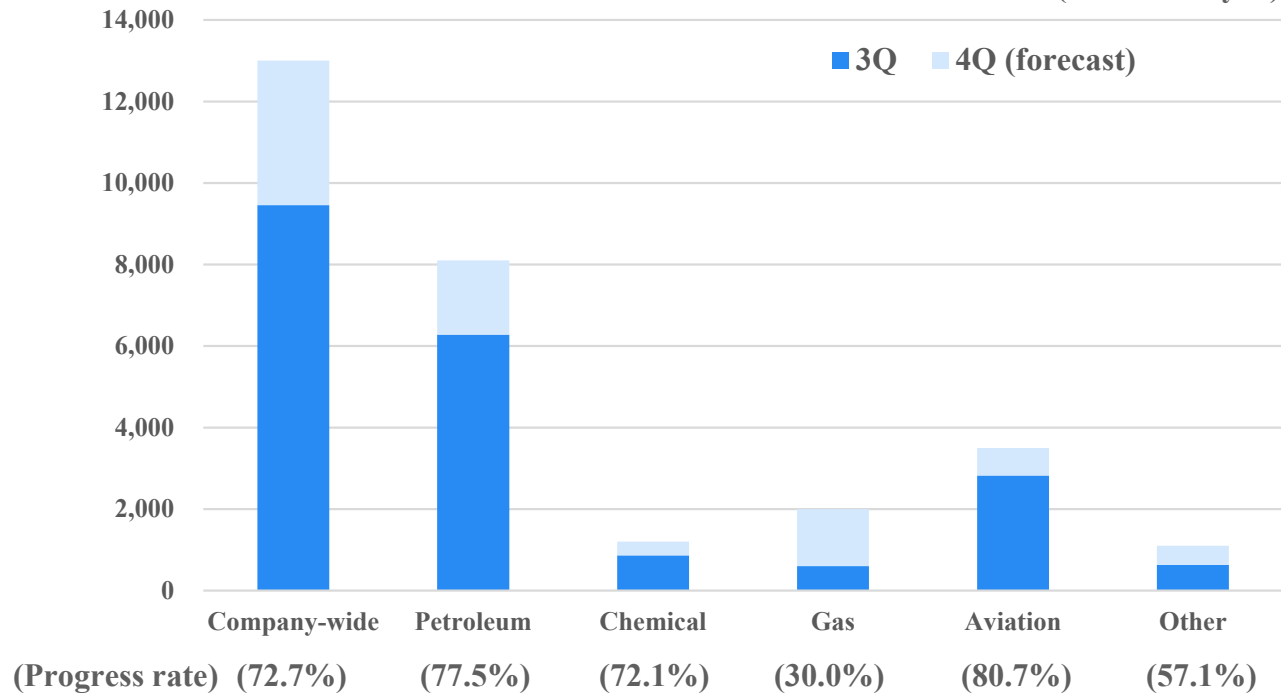
- As shareholder returns, the Company paid a dividend of 6,381 million yen for the end of the previous fiscal year and an interim dividend of 3,961 million yen for the acquisition of treasury shares by resolution of the Board of Directors in May and November 2024.
- The Company added operating security deposits to suppliers in line with the increased in trade value.
- Asset sales, etc. mainly include sales of investment securities.

2. Forecasts of Financial Results and Shareholder Returns

Progress of Business Results and Future Outlook

Performance Progress of Ordinary Profit

(Millions of yen)



Medium-term management plan FY2024-2026 Targets

Ordinary profit

13 to 15 billion yen

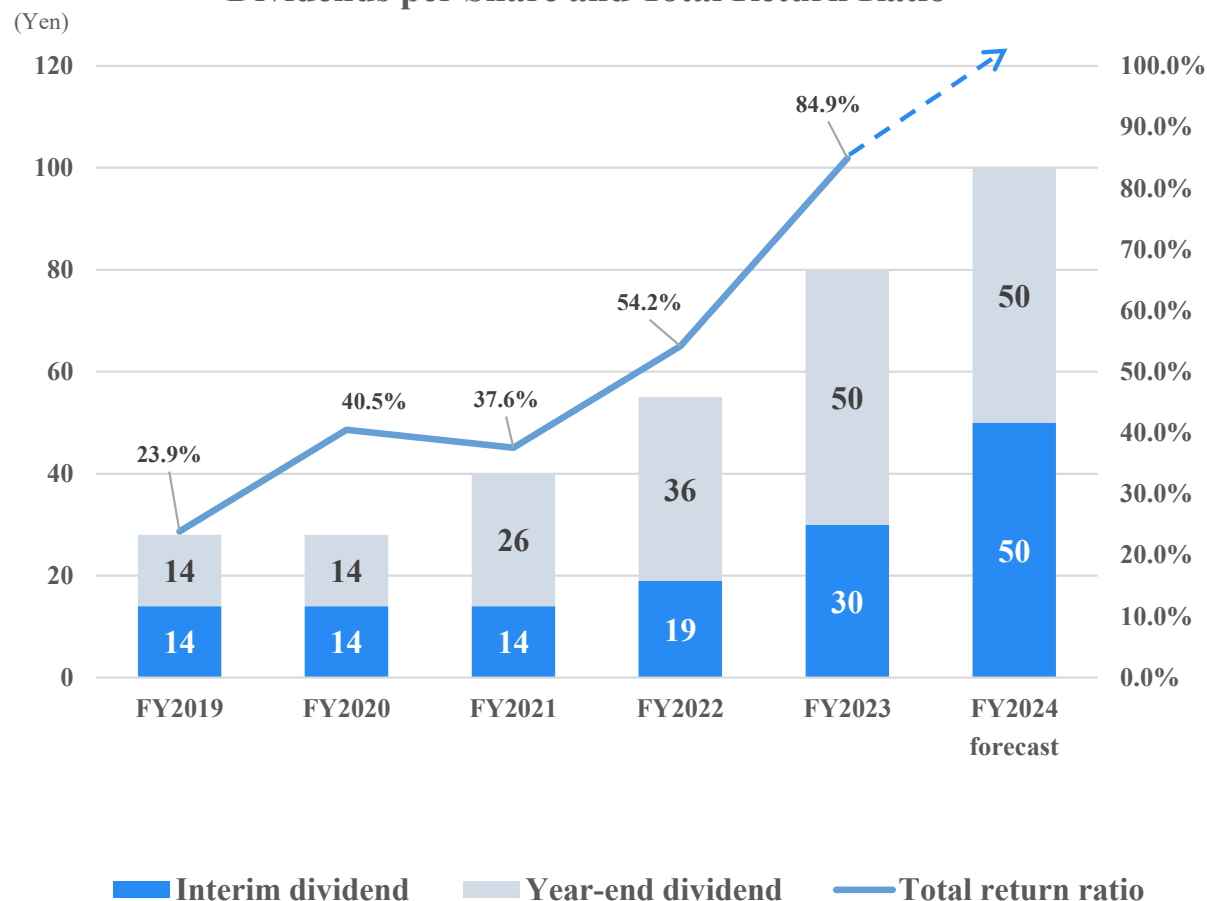
Consolidated ROE

8% or more

- In the petroleum-related business, sales in the retail sector have been sluggish. Recover by improving margins in the wholesale sector.
- Chemicals and Aviation-related businesses are progressing in line with forecasts.
- Gas-related business is progressing at about 90% of 3Q plan due to a decrease in unit consumption. The Company expects to catch up in 4Q (January to March) the period of demand.
- In the Other business, cleaning and surface treatment for metal products, etc. business is recovering due to recovery of demand for semiconductor manufacturing equipment.

Shareholder Return

Dividends per Share and Total Return Ratio



**Medium-term management plan
FY2024-2026 Targets**

Annual dividend per share
100 yen (Minimum)

Total return ratio
Aim at 100%

Total return ratio to the forecast of profit attributable to shareholders of owns of parent company is expected to be approximately 108%.