

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of ITOCHU ENEX CO., LTD.:

### **<Audit of Consolidated Financial Statements>**

#### **Opinion**

We have audited the consolidated financial statements of ITOCHU ENEX CO., LTD. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of March 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matter**

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Impairment of property, plant and equipment and intangible assets (Note 4. Use of Estimates and Judgments, Note 32. Impairment Loss)	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>The property, plant and equipment ("PP&amp;E") and intangible assets were ¥129,771 million and ¥22,704 million, respectively, in the consolidated statement of financial position as of March 31, 2025. The total of these assets accounted for 34.5% of the total assets on the consolidated statement of financial position. Impairment losses of PP&amp;E and intangible assets recorded for the year ended March 31, 2025, were ¥347 million and ¥70 million, respectively.</p> <p>The main components of PP&amp;E are land, buildings and other tangible assets pertaining to automobile sales outlets for the Car Life Division, as well as power generation, heat supply facilities and other tangible assets for the Power and Utility Division. The main components of intangible assets are the relationships with customers, brands, and relationships with suppliers as a result of business combinations.</p> <p>The Group conducts decision making in accordance with its internal investment criteria and subsequent periodic monitoring of its investments to mitigate various risks, including the risk of impairment of these assets. However, when the Group's external business environment or operating performance are worse than expected due to a variety of factors, including the trend toward decarbonization and fluctuations in resources prices, impairment of these assets may significantly affect the Group's financial position or operating results.</p> <p>The Group identifies indications of impairment, considering, among other matters, significant deterioration in the external business environment, changes in the extent or the manner in which an asset is used or expected to be used due to discontinuance of operations or other reasons, a significant decline in the value of an asset, and deterioration or the possibility of deterioration in economic performance of an asset by cash generating unit ("CGU"), which is the smallest identifiable group of assets that largely independently generate cash inflows.</p> <p>When indications of impairment are identified, the recoverable amount of a CGU is calculated at the higher of the value in use or the fair value less costs of disposal, and the impairment loss is recognized if the recoverable amount is less than the carrying amount of the CGU.</p> <p>The estimates of the budgets for the subsequent year, the future cash flows and the discount rates applied in the calculation of the discounted present value used to identify indications of impairment, recognize and measure of impairment contain key assumptions made by management and are therefore involve uncertainties and require management's judgment.</p>	<p>Our audit procedures related to the determination of whether the impairment accounting is properly applied to PP&amp;E and intangible assets included the following, among others:</p> <p>(1) Evaluation of internal controls</p> <ul style="list-style-type: none"> <li>Evaluated the design and operating effectiveness of controls over management's identification of possible indications of impairment, recognition and measurement of impairment. Specifically, we focused on the controls over the estimates of the budgets for the subsequent year, the future cash flows and the applied discount rates.</li> </ul> <p>(2) Identification of indications of impairment, recognition and measurement of impairment</p> <ul style="list-style-type: none"> <li>Examined whether the events that should have been considered were reflected in management's judgment in identifying indications of impairment through inquiries of individuals in the related divisions of the Group and inspection of meeting minutes of various meeting bodies of the Group.</li> <li>Tested the accuracy and completeness of the list of trends in operating result by CGU by analyzing such information and by agreeing the amounts per the list to other sources for the CGUs selected based on certain criteria.</li> <li>Tested the reasonableness of the estimates of the budgets for the subsequent year and future cash flows by inspecting management's approval of the Group's budgets; performing analyses on the differences between the Group's past budgets and actual operating results; inquiring of individuals in the related divisions of the Group; and performing trend analyses on the past operating results.</li> </ul>

Therefore, we identified the impairment of PP&E and intangible assets as a key audit matter.	<ul style="list-style-type: none"> <li>Evaluated the appropriateness of the estimates of the applied discount rates by comparing such rates with the estimates based on readily available external information with the assistance of our valuation specialists.</li> </ul>
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## Other Information

Other information comprises the information included in the Group's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

## Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards as issued by the IASB and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRS Accounting Standards as issued by the IASB, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **<Fee-Related Information>**

Fees for audit and other services for the year ended March 31, 2025, which were charged by us and our network firms to ITOCHU ENEX CO., LTD. and its subsidiaries were ¥270 million and ¥27 million, respectively.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC  
August 6, 2025

Financial Information Report  
For the year ended March 31, 2025

ITOCHU ENEX CO.,LTD.

## Consolidated Financial Statements

### 1. Consolidated Statement of Financial Position

(Millions of yen)

	Notes	As of March 31, 2024	As of March 31, 2025
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	9, 42	30,103	13,931
Trade receivables	10, 29, 42	118,360	117,000
Other current financial assets	11	35,819	35,441
Inventories	12	28,508	31,296
Income taxes receivable		639	31
Trade advances paid		787	1,002
Other current assets		2,303	1,718
Total current assets		216,519	200,419
Non-current assets			
Investments accounted for by the equity method	13, 42	34,046	43,772
Other investments	11	4,987	6,598
Non-current financial assets other than investments	11, 42	8,590	9,382
Property, plant and equipment	14, 17, 40, 42	130,475	129,771
Investment property	15	12,624	13,502
Goodwill	16	521	521
Intangible assets	16, 17, 42	22,232	22,704
Deferred tax assets	18	12,979	13,512
Other non-current assets		1,331	1,969
Total non-current assets		227,785	241,731
Total assets	6	444,304	442,150

(Millions of yen)

	Notes	As of March 31, 2024	As of March 31, 2025
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Short-term bonds and borrowings	19, 42	1,174	1,481
Trade payables	20	125,062	117,423
Lease liabilities	17, 19	9,477	9,678
Other current financial liabilities	21	6,972	6,039
Income taxes payable		5,490	4,969
Advances from customers	29	11,716	12,060
Other current liabilities	22, 23	12,967	12,344
Total current liabilities		172,858	163,994
<b>Non-current liabilities</b>			
Non-current bonds and borrowings	19, 42	1,000	1,000
Lease liabilities	17, 19, 42	47,292	44,495
Other non-current financial liabilities	21	15,564	15,636
Non-current liabilities for employee benefits	24	9,479	8,947
Deferred tax liabilities	18	878	941
Provisions	23	4,864	4,221
Other non-current liabilities		160	169
Total non-current liabilities		79,237	75,409
Total liabilities		252,095	239,403
<b>Equity</b>			
Common stock	25	19,878	19,878
Capital surplus	25	19,051	19,009
Retained earnings	25	123,945	134,916
Other components of equity	26	1,534	529
Treasury stock	25	(1,865)	(2,047)
Total shareholders' equity		162,543	172,285
Non-controlling interests	39	29,666	30,462
Total equity		192,209	202,747
Total liabilities and equity		444,304	442,150



## 2. Consolidated Statement of Comprehensive Income

(Millions of yen)

	Notes	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	29	963,302	924,481
Cost of sales		(874,690)	(830,058)
Gross profit		88,612	94,423
Other income and expense			
Selling, general and administrative expenses	30	(70,227)	(70,647)
Gain (loss) from tangible assets, intangible assets and goodwill	31, 32	4,635	(882)
Other – net	33	567	4,002
Total other income and expense		(65,025)	(67,527)
Profit from operating activities		23,587	26,896
Financial income and costs	34		
Interest income		94	155
Dividends received		132	131
Interest expense		(691)	(797)
Other financial income and costs – net		(380)	9
Total financial income and costs		(845)	(502)
Share of profit of investments accounted for by the equity method	13	1,945	1,779
Profit before tax		24,687	28,173
Income tax expense	18	(7,683)	(7,928)
Net profit		17,004	20,245
Net profit attributable to:			
Net profit attributable to Itochu Enex's shareholders		13,887	17,102
Net profit attributable to non-controlling interests		3,117	3,143
Total		17,004	20,245

(Millions of yen)

	Notes	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Other comprehensive income, net of tax effect			
Items that will not be reclassified to profit or loss			
FVTOCI financial assets		494	(1,117)
Remeasurement of net defined benefit liability		93	179
Other comprehensive income of investments accounted for by the equity method	13	233	87
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		19	33
Cash flow hedges		201	–
Other comprehensive income (loss) of investments accounted for by the equity method	13	457	(3)
Total other comprehensive income (loss), net of tax effect	26	1,497	(821)
Comprehensive income		18,501	19,424
Comprehensive income attributable to:			
Comprehensive income attributable to Itochu Enex's shareholders		15,389	16,293
Comprehensive income attributable to non-controlling interests		3,112	3,131
Total		18,501	19,424

(Yen)

Earnings per share attributable to Itochu Enex's shareholders			
Basic	35	123.03	151.63
Diluted	35	–	–

### 3. Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Notes	Shareholders' equity					Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity	
Balance at April 1, 2023		19,878	19,014	115,899	66	(1,896)	152,961	180,328
Net profit				13,887			13,887	17,004
Other comprehensive income (loss)					1,502		1,502	1,497
Comprehensive income				13,887	1,502		15,389	18,501
Transactions with owners								
Cash dividends	27			(5,876)			(5,876)	(6,689)
Changes due to additional acquisitions and sales of interests in subsidiaries							—	—
Transfer from other components of equity to retained earnings				34	(34)		—	—
Purchase and disposal of treasury stock						(0)	(0)	(0)
Share-based payments			37			31	69	69
Balance at March 31, 2024		19,878	19,051	123,945	1,534	(1,865)	162,543	192,209

Fiscal year ended March 31, 2025

(Millions of yen)

	Notes	Shareholders' equity					Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total shareholders' equity	
Balance at April 1, 2024		19,878	19,051	123,945	1,534	(1,865)	162,543	192,209
Net profit				17,102			17,102	20,245
Other comprehensive income (loss)					(809)		(809)	(821)
Comprehensive income (loss)				17,102	(809)		16,293	19,424
Transactions with owners								
Cash dividends	27			(6,327)			(6,327)	(8,662)
Changes due to additional acquisitions and sales of interests in subsidiaries			(93)				(93)	(93)
Transfer from other components of equity to retained earnings				196	(196)		—	—
Purchase and disposal of treasury stock						(210)	(210)	(210)
Share-based payments			51			28	79	79
Balance at March 31, 2025		19,878	19,009	134,916	529	(2,047)	172,285	202,747

#### 4. Consolidated Statement of Cash Flows

(Millions of yen)

	Notes	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities			
Profit before tax		24,687	28,173
Depreciation and amortization		20,650	21,554
Loss (gain) from tangible assets, intangible assets and goodwill		(4,635)	882
Financial income and costs		845	502
Share of profit of investments accounted for by the equity method		(1,945)	(1,779)
Decrease (increase) in trade receivables		(2,419)	1,360
Increase in inventories		(2,327)	(2,788)
Increase (decrease) in trade payables		10,222	(7,639)
Other – net		132	(1,320)
Dividends received		1,141	1,588
Interest received		92	146
Interest expense		(602)	(694)
Income taxes paid		(11,303)	(8,900)
Income taxes refund		–	624
Net cash provided by operating activities		34,538	31,709
Cash flows from investing activities			
Purchase of investments (including investments accounted for by the equity method)		(3,070)	(12,918)
Proceeds from sales and redemption of investments (including investments accounted for by the equity method)		1,199	210
Payment for loans receivable		(546)	(159)
Collection of loans receivable		342	363
Payments for purchase of property, plant and equipment and investment property		(9,556)	(12,180)
Proceeds from sales of property, plant and equipment and investment property		27,341	698
Purchase of intangible assets		(4,811)	(4,230)
Proceeds from sales of intangible assets		288	33
Increase in deposits paid – net		(20,000)	–
Other – net		2,210	(151)
Net cash used in investing activities		(6,603)	(28,334)

(Millions of yen)

	Notes	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities			
Proceeds from bonds and borrowings		500	–
Repayments of bonds and borrowings		(11,220)	(300)
Repayments of lease liabilities		(10,820)	(10,867)
Net increase (decrease) in short-term borrowings		(1,304)	608
Cash dividends paid to Itochu Enex's shareholders	27	(5,876)	(6,327)
Cash dividends paid to non-controlling interests		(813)	(2,335)
Purchase of treasury stock		(0)	(210)
Other – net		(383)	–
Net cash used in financing activities		(29,916)	(19,431)
Net decrease in cash and cash equivalents		(1,981)	(16,056)
Cash and cash equivalents at the beginning of the period	9	32,013	30,103
Effect of exchange rate changes on cash and cash equivalents		71	26
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries		–	(142)
Cash and cash equivalents at the end of the period	9	30,103	13,931

## Notes to Consolidated Financial Statements

### 1. Reporting Entity

Itochu Enex Co., Ltd. (the “Company”) is an entity located in Japan. The addresses of the Company’s registered head office and principal offices are available on its website (URL: <https://www.itcenex.com/english/>). The Company’s consolidated financial statements, the closing date of which is March 31, 2025, comprise the accounts of the Company and its subsidiaries (the “Group”) and the Group’s equity interests in associates and joint ventures. The Group’s principal activities are sales of petroleum products and liquefied petroleum gas (“LPG”) and the provision of related services in Japan and overseas as well as supply of electricity and heat in Japan.

### 2. Basis of Consolidated Financial Statements

#### (1) Compliance with IFRS Accounting Standards

The Group’s consolidated financial statements are prepared in accordance with IFRS Accounting Standards.

These consolidated financial statements were approved on August 6, 2025 by Satoshi Watanabe, the Chief Financial Officer of the Company.

#### (2) Functional Currency and Presentation Currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the Group’s functional currency. All financial information presented in millions of yen has been rounded to the nearest million yen.

### 3. Material Accounting Policies

Accounting policies described below are applied to all of the periods presented in the consolidated financial statements, unless otherwise specified.

#### (1) Basis of Consolidation

The consolidated financial statements include financial statements of the Group companies and equity interests in associates and joint ventures.

##### A. Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an investee if the Group has power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the Group’s return. The acquisition date of a subsidiary is the date on which the Group obtained control of the subsidiary, and the subsidiary is included in the consolidation from the date of acquisition until the date on which the Group loses control.

In cases where the accounting policies applied by a subsidiary are different from those applied by the Group, adjustments are made to the subsidiary’s financial statements, if necessary. Comprehensive income for subsidiaries is attributed to owners of the parent and non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in an equity interest in a subsidiary due to acquisition, sale, etc., of interests that do not result in loss of control of the subsidiary by the Group are accounted for as equity transactions.

If the Group loses control of a subsidiary, the Group derecognizes assets and liabilities of the former subsidiary and non-controlling interests in the subsidiary, and remeasures the residual interest retained in the former subsidiary at its fair value as of the date of the loss of control and recognizes any resulting gain or loss in profit or loss.

##### B. Associates and Joint Ventures

An associate is an entity of which the Group has significant influence over the financial and operating policy. In determining whether the Group has significant influence, various factors, such as holding of voting rights (the Group is presumed to have significant influence over an investee if the Group owns 20% or more, but 50% or less of the voting rights of the investee directly or indirectly) and existence of currently exercisable voting rights, and proportion of employees seconded from the Group to all the directors of the investee are taken into account comprehensively.

A joint venture is a contractual arrangement whereby two or more parties including the Group have joint control which requires unanimous consent of the parties in making important decisions on business activities. The business of a joint venture is undertaken by an entity independent of its investors and each investor has rights only to the net assets of the arrangement.

Investments in associates and joint ventures are initially recognized at cost and adjusted thereafter for the amount equivalent to the Group's share of net assets of the investees. Profit or loss and other comprehensive income recorded by the investees after the acquisition are included in the Group's profit or loss and other comprehensive income using the equity method and they are reflected in the investment value. For goodwill recognized in the acquisition of associates and joint ventures, the balance is included in the carrying amount of the investment. Dividends received from associates and joint ventures are deducted from the investment value.

In cases where the accounting policies of associates and joint ventures are different from the accounting policies adopted by the Group, adjustments are made to the financial statements of associates and joint ventures, if necessary, to ensure use of the Group's policies.

If the Group loses significant influence over an associate or joint control of a joint venture and ceases to apply the equity method, the Group recognizes a gain or loss from the sale of the equity interest in profit or loss, and remeasures the residual interest at fair value and recognizes the resulting valuation difference in profit or loss for the fiscal year in which the significant influence or the joint control is lost.

#### C. Transactions Eliminated in Consolidation

Inter-group company balances of receivables and payables and transactions, and any unrealized gains and losses arising from inter-group company transactions are eliminated in the preparation of the consolidated financial statements.

For unrealized gains and losses arising from transactions between the Group and associates accounted for by the equity method, the amount equivalent to the Group's equity interest in such gains and losses is eliminated.

#### (2) Business Combinations

Business combinations are accounted for by the acquisition method. Identifiable assets acquired, liabilities assumed, and any non-controlling interest in the acquiree are measured at fair value (except for assets and liabilities that are required to be measured on a basis other than fair value, which are measured at the value specified in IFRS 3, "Business Combinations") at the time of acquisition. Goodwill is recognized and measured as the excess of the aggregate of the consideration transferred, the acquisition-date fair value of the acquirer's previously held equity interest, and the amount of any non-controlling interest over the net of the acquisition amounts of the identifiable assets acquired and liabilities assumed. However, if the aggregate of fair values of identifiable assets and liabilities assumed exceeds the sum of acquisition value, the value of pre-existing equity interest after the remeasurement, and the fair value of non-controlling interest in the acquiree, such an excess is immediately recognized in profit as the bargain purchase gain.

If the initial accounting treatment for a business combination has not been completed by the last day of the period in which the business combination occurred, the business combination is accounted for using provisional amounts. Retrospective adjustments to provisional amounts are made during the measurement period, which is within one year from the acquisition date. Acquisition-related costs incurred by the acquirer to achieve the business combination are recognized as expenses.

For a business combination where all parties to the business combination are under control of the Group before and after the business combination (business combination under common control), carrying amounts of assets and liabilities of the acquiree are taken over by the acquirer.

#### (3) Foreign Currency Translation

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of transaction or its approximate rate. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the fiscal year end. Differences arising from the translation and settlement are recognized in profit or loss. However, exchange differences arising from the translation of financial assets measured at fair value through other comprehensive income ("FVTOCI") and cash flow hedges are recognized in other comprehensive income. The assets and liabilities of foreign operations are translated into Japanese yen at the rates of exchange at the fiscal year end, while income and expenses of foreign operations are translated into Japanese yen at the exchange rate at the date of transaction or its approximate rate. The resulting exchange differences on translating foreign operations are recognized in other comprehensive income. In cases where foreign operations are disposed of, the cumulative amount of translation adjustments related to foreign operations is recognized in profit or loss in the period of disposition.

#### (4) Financial Instruments

##### A. Financial Assets Other Than Derivatives

###### (i) Initial Recognition and Measurement

For financial assets other than derivatives, trade receivables and other receivables are initially recognized on the day on which they arise. All other financial assets are initially recognized on the transaction date on which the Group becomes a party to the contract of the financial instrument.

Financial assets other than derivatives are classified into financial assets measured at amortized cost or financial assets measured at fair value. They are classified into financial assets measured at amortized cost if both of the following conditions are met; otherwise, they are classified into financial assets measured at fair value:

- The purpose of holding these assets is to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial assets measured at fair value, investments in equity instruments, such as ordinary shares in other entities, except for equity instruments held for the purpose of obtaining gains from short-term sales, are classified as FVTOCI financial assets in principle. Other financial assets measured at fair value are classified as financial assets measured at fair value through profit or loss ("FVTPL financial assets"), of which the change in fair value after acquisition is recognized in profit or loss, in principle.

Such classifications are made upon initial recognition of each asset and applied consistently without any change.

Financial assets measured at amortized cost and FVTOCI financial assets are initially recognized at fair value (including transaction costs that are directly attributable to the acquisition of financial assets). FVTPL financial assets are initially recognized at fair value and transaction costs are recognized in profit or loss when they are incurred.

###### (ii) Subsequent Measurement

After initial recognition, financial assets are measured based on the classification as follows:

###### (a) Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

###### (b) Other Financial Assets

Financial assets other than those measured at amortized cost are measured at fair value. Changes in the fair value of financial assets measured at fair value are recognized in profit or loss. However, changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income. Dividends received on the financial assets are recognized in profit or loss for the year.

###### (iii) Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or when the contractual right to receive cash flows from financial assets are transferred in transactions in which substantially all the risks and rewards incidental to ownership of the asset are transferred to another entity. When an FVTOCI financial asset is sold, the difference between the latest carrying amount and the consideration received is recognized in other comprehensive income, and the balance of accumulated other comprehensive income that has been recognized until the sale of the financial asset is transferred to retained earnings.

##### B. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits, and short-term investments that are readily convertible into cash and that are exposed to insignificant risk of change in value and due within three months from the date of acquisition.

##### C. Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses related to financial assets measured at amortized cost, lease receivables, financial guarantee contracts, and other financial assets.

The Group uses a simplified approach of IFRS 9, as the Group recognizes a loss allowance based on the lifetime expected credit losses for trade receivables that result from transactions within the scope of IFRS 15 and lease receivables.

For all other financial instruments, if payment is more than 30 days past due at the end of the period or if an event that causes credit concerns has occurred, unless there is reasonable proof to the contrary, the instrument is judged to have a significant increase in credit risk since initial recognition, and the lifetime expected credit losses is recognized. In contrast, if the credit risk of the financial instrument has not significantly increased since initial recognition, a loss allowance for the financial instrument is measured in the amount of the 12-month expected credit losses.

For expected credit losses, the Group aggregates receivables into groups based on credit risk characteristics, and then calculates the expected credit losses based on the coverage ratio, which is determined by reflecting current conditions and



projections of future economic conditions in the historical rate of credit losses calculated for each group of receivables. If any of the following events occurs, the receivable is deemed to be in default, and the expected credit losses are measured for individual receivables as credit-impaired financial assets. If it is reasonably determined that all or part of a financial asset cannot be recovered, the carrying amount of the asset is directly written off.

- If payment on the receivable is more than 90 days past due
- If payment stops for reasons such as the counterparty's bills or checks being dishonored
- If the counterparty has filed for commencement of bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings, special liquidation proceedings, or other such proceedings

#### D. Financial Liabilities Other Than Derivatives

##### (i) Initial Recognition and Measurement

The Group initially recognizes debt securities issued by the Group on the date of issuance. All other financial liabilities are recognized on the transaction date on which the Group becomes a party to the contract of the financial instrument. Financial liabilities other than derivatives are classified as financial liabilities measured at amortized cost. Financial liabilities measured at amortized cost are initially measured at fair value with the directly attributable transaction costs deducted from the acquisition value.

##### (ii) Subsequent Measurement

After initial recognition, financial liabilities other than derivatives are measured at amortized cost using the effective interest method. Amortization under the effective interest method and gains or losses on derecognition are recognized in profit or loss.

##### (iii) Derecognition

Financial liabilities are derecognized when the financial liability is extinguished, i.e. when the obligation that was specified in the contract is discharged due to performance of the obligation through repayment or is canceled or lapsed.

#### E. Presentation of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are presented on a net basis in the consolidated statement of financial position when both of the following conditions are met; otherwise, financial assets and financial liabilities are presented on a gross basis:

- The Group has an unconditional and legally enforceable right to set off the recognized amounts.
- The Group intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### F. Derivatives and Hedge Activities

Derivatives, including forward foreign exchange contracts, commodity futures, and interest rate swaps, are utilized to hedge currency risk, commodity price risk, and interest rate risk. These derivatives are recognized as assets or liabilities at fair value on the contract date on which the Group becomes a party to the contractual provisions, and also remeasured at the fair value subsequently. Changes in the fair value of derivatives are accounted for as follows depending on the intended use of the derivatives and resulting hedge effectiveness:

- Derivatives that are hedging instruments to changes in fair value of recognized assets or liabilities, or of an unrecognized firm commitment, and are deemed highly effective as a hedge, and for which, at the inception of the hedge, written designation of the hedge relationship and the risk management objective and strategy for undertaking the hedge are established are designated as fair value hedges. Changes in fair value of such derivatives are recognized in profit or loss, together with changes in the fair value of hedged items.
- Derivatives that are hedging instruments to changes in future cash flows generated in association with the forecasted transactions or recognized assets or liabilities and are deemed highly effective as a hedge and for which, at the inception of the hedge, written designation of the hedge relationship and the risk management objective and strategy for undertaking the hedge are established are designated as cash flow hedges. Changes in fair value of such derivatives are recognized in other comprehensive income. This accounting treatment is continued until changes in future cash flows generated in association with the unrecognized forecasted transactions or already recognized assets or liabilities that are designated as hedged items are realized. The ineffective portion of the hedge is recognized in profit or loss.
- Changes in fair value of derivatives other than the above are recognized in profit or loss.

In applying the above fair value hedges and cash flow hedges, the Group assesses whether the hedge is expected to be effective at the inception of the hedge and after the application of the hedge.

Hedge accounting is ceased when the hedge is no longer effective, in which case changes in fair value of the derivative are recognized in profit or loss.

(5) Inventories

Inventories held for purposes other than trading are measured at the lower of cost or net realizable value, and the costs are determined mainly using the specific identification method or the monthly moving-average method. For inventories with sales contracts, net realizable value is the sale value under the sales contract, less the estimated costs necessary to make the sale. For inventories without sales contracts, net realizable value is the estimated selling price, less the estimated costs necessary to make the sale.

Inventories held for trading purposes are measured at fair value, less costs to sell, with changes in the fair value recognized in profit or loss for the period in which the change occurred.

(6) Property, Plant and Equipment

Property, plant and equipment are measured using the cost model and are stated at cost, less accumulated depreciation and accumulated impairment losses. The costs of an item of property, plant and equipment comprise the following amounts, and depreciation begins when the asset is available for use.

- Purchase price
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating
- Estimated costs of dismantling and removing the item and restoring the site on which it is located
- Interest expense required up to the operation on borrowings for acquisition, construction, and manufacturing of property, plant and equipment that meet the criteria for capitalization

If different material components are identifiable in an item of property, plant and equipment, each component is accounted for as a separate item of property, plant and equipment.

Assets are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives of major assets are as follows:

- |                             |               |
|-----------------------------|---------------|
| • Buildings and structures: | 2 to 60 years |
| • Machinery and vehicles:   | 2 to 22 years |
| • Vessels:                  | 5 to 14 years |

The estimated useful lives and depreciation method are reviewed at each fiscal year end, and if there are any changes made to the estimated useful lives and depreciation method, among others, such changes are applied prospectively as changes in accounting estimates.

(7) Goodwill and Intangible Assets

A. Goodwill

Goodwill arising from the acquisition of subsidiaries is recognized in assets at the amount of the “aggregate of fair values of consideration transferred, non-controlling interests, and shareholders’ interests previously held by the acquirer in the acquiree” exceeding the “net amount of identifiable acquired assets and assumed liabilities” on the acquisition date. Goodwill is not amortized, but initially recognized at cost in assets, and is tested for impairment each fiscal year. Goodwill is carried at cost, less any accumulated impairment losses in the consolidated statement of financial position.

Goodwill is allocated to cash-generating units (minimum units or groups of units) that are expected to contribute to obtaining cash flows considering the synergies of the business combination. Cash-generating units to which goodwill was allocated are tested for impairment at the end of each fiscal year, or at any time when there is any indication of impairment.

When a subsidiary is disposed of, the amount of related goodwill is included in profit or loss for the disposal.

B. Intangible Assets

Intangible assets are measured using the cost model and are stated at cost, less accumulated amortization and accumulated impairment losses. Intangible assets acquired separately are measured at cost at the initial recognition, and the costs of intangible assets acquired through business combinations are recognized at fair value at the date of acquisition. All expenditures on internally generated intangible assets are recognized as an expense in the fiscal year in which they are incurred, except for development expenses that satisfy the capitalization criteria.

The period in which intangible assets, directly or indirectly, contribute to their estimated future cash flows is considered as the useful life. If the useful life of an intangible asset is reasonably projected, the intangible asset is amortized using the straight-line method over the estimated useful life. Intangible assets are tested for impairment whenever there is any indication of impairment. The estimated useful lives and amortization method of intangible assets are reviewed at each fiscal year end, and if there are any changes made to the estimated useful lives and amortization method, such changes are applied prospectively as changes in accounting estimates.

The estimated useful lives of major intangible assets are as follows:

- Relationships with customers: 5 to 42 years
- Brand and relationships with suppliers: 40 years
- Software: 5 to 10 years

Intangible assets with indefinite useful lives and intangible assets that are not yet ready to use are not amortized, but they are tested for impairment individually or by cash-generating unit annually or whenever there is any indication of impairment.

## (8) Leases

In accordance with IFRS 16, “Leases,” the Group determines whether a contract is, or contains, a lease based on examination of the economic nature of the transaction, regardless of whether the legal form of the contract is that of a lease contract, and accounts for them as follows:

### A. Leases as Lessee

If a contract is or contains a lease, right-of-use assets and lease liabilities are recognized at the commencement date of the lease.

Lease liabilities are measured at the present value of unpaid lease payments at the commencement date of the lease, discounted using the interest rate implicit in the lease or the lessee’s incremental borrowing rate.

Lease payments are allocated to finance costs and repayments of lease liabilities based on the effective interest method, with finance costs presented in “Interest expense” in the consolidated statement of comprehensive income.

The cost model is applied to measure right-of-use assets, and the value, measured at cost less accumulated depreciation and accumulated impairment losses, is presented in the consolidated statement of financial position by including it under “Property, plant and equipment” and “Investment property.” Cost is measured at the acquisition cost adjusted for the initial direct costs incurred by the lessee, including lease payments made before the commencement date of the lease and the cost of restoration obligation and other obligations required in the lease contract, in addition to the amount initially measured for the lease liability.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the end of the asset’s useful life or the end of the lease term, whichever is earlier.

For short-term leases with a lease term of 12 months or less and leases of low-value assets, lease payments are recognized in net profit on either a straight-line basis over the lease term or another systematic basis, and right-of-use assets and lease liabilities are not recognized.

### B. Leases as Lessor

Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases, and any leases other than finance leases are classified as operating leases.

For finance leases, net investments in the leases are recognized as lease receivables, total lease payments are classified into amounts equivalent to the principal and interest portions of lease receivables, and the amount allocated to the interest portion of lease payments receivable is calculated using the effective interest method. The interest portion of lease payments is presented in either “Revenue” or “Interest income” in the consolidated statement of comprehensive income, depending on the primary purpose of the finance lease.

Under operating leases, lease payments income is recognized in net profit on a straight-line basis over the lease term.

## (9) Investment Property

Investment property is land and/or buildings, among others, held to earn rentals or for capital appreciation due to an increase in real estate prices or both.

Investment property is measured using the cost model, in the same manner as property, plant and equipment, and is stated at cost, less accumulated depreciation and accumulated impairment losses.

Except for assets that are not subject to depreciation, such as land, investment property is depreciated using the straight-line method over its estimated useful life, which is between 2 and 50 years. The estimated useful lives and depreciation method are reviewed at each fiscal year end, and if there are any changes made to the estimated useful lives and depreciation method, among others, such changes are applied prospectively as changes in accounting estimates.

#### (10) Impairment of Non-Financial Assets

Each fiscal year, the Group assesses whether there is any indication that a non-financial asset has been impaired. If there is any indication that an asset has been impaired, the asset is tested for impairment. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually, at the same time each year, regardless of whether there is any indication of impairment. When a cash-generating unit, including goodwill, is tested for impairment, an impairment test is performed first for assets other than goodwill, and then for goodwill after necessary impairment losses are recognized for the assets other than goodwill.

An impairment test is performed by cash-generating unit. If cash flows from an asset are identifiable largely independently of other assets, the asset is considered its own cash-generating unit. If an asset from which cash flows are not identifiable largely independently of other assets, a cash-generating unit is the smallest identifiable group of assets that largely independently generates cash flows.

Goodwill is allocated to cash-generating units (minimum units or groups of units) that are expected to contribute to obtaining cash flows considering the synergies of the business combination.

An impairment test is performed by estimating the recoverable amount of the asset by cash-generating unit and comparing the estimated recoverable amount with the carrying amount of the cash-generating unit. The recoverable amount is calculated at the higher of the fair value of the cash-generating unit, less costs of disposal, or the value in use. If the carrying amount of the cash-generating unit exceeds the recoverable amount, an impairment loss is recognized for the asset and the carrying amount is written down to the recoverable amount. In the assessment of value in use, estimated future cash flows are discounted to the present value using a pre-tax discount rate reflecting the current market valuation on the time value of money, risks inherent in the asset, and other factors. To determine the fair value, less costs of disposal, the Group uses an appropriate valuation model supported by available indicators of fair value.

Recognized impairment losses are allocated so that the carrying amount of each asset in the cash-generating unit is reduced proportionally. Goodwill is first allocated so that the carrying amount of goodwill allocated to the cash-generating unit is reduced and then the carrying amount of each asset other than goodwill in the cash-generating unit is reduced proportionally. Whether there is any indication that an impairment loss recognized in prior years may have decreased or may no longer exist is assessed. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. If the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, an impairment loss is reversed up to the lower of the calculated recoverable amount or the carrying amount that would have been determined (net of depreciation) if no impairment loss had been recognized for the asset in prior years. However, an impairment loss recognized for goodwill is not reversed.

Goodwill on the acquisition of investments accounted for by the equity method is included in the part of the carrying amount of the investments with other components, and investments in the companies accounted for by the equity method may be impaired as a single asset.

#### (11) Non-Current Assets Held for Sale

When the carrying amount of a non-current asset (or disposal group) is expected to be recovered principally through a sale transaction rather than through continuing use, the asset (or disposal group) is classified as an asset held for sale. The criteria to be classified as an asset held for sale are only met if the sale of the asset is highly probable and the asset is available for immediate sale in its present condition. Because the sale of the asset will be completed within one year from the day of classification, the asset is presented in current assets.

Assets held for sale are measured at the lower of carrying amount or fair value, less costs of disposal. Property, plant and equipment and intangible assets classified as assets held for sale are not depreciated or amortized.

#### (12) Employee Benefits

##### A. Defined Benefit Retirement Plans

For defined benefit retirement plans, the net amount of the present value of defined benefit obligations and the fair value of plan assets is recognized as liabilities or assets. The present value of defined benefit obligations and related service costs are calculated using the projected unit credit method, in principle. The discount rate used to calculate the present value of defined benefit obligations is determined by reference to market yield at the end of the fiscal year on high-rating corporate bonds that are consistent with the estimated periods of the retirement benefit obligations, in principle.

Changes in the present value of defined benefit obligations for employees' service in prior periods arising due to an amendment to the plan are recognized in profit or loss in the period in which the amendment was made.

The Group recognizes all actuarial gains and losses arising from the Group's defined benefit retirement plans in other comprehensive income ("defined benefit remeasurement") and immediately reclassifies these gains and losses to retained earnings.

#### B. Defined Contribution Retirement Plans

Contributions to be made for employees' service corresponding to each fiscal period are recognized as expenses for the fiscal year.

#### C. Multi-Employer Plans

Some subsidiaries have participated in multi-employer plans. Multi-employer plans are classified into defined benefit retirement plans and defined contribution retirement plans in accordance with terms of each plan and the accounting treatment for each plan type is applied. However, for multi-employer plans classified as defined benefit retirement plans, the accounting treatment for defined contribution retirement plans is applied to them when information sufficient to account for the plans as defined benefit retirement plans is not available.

#### D. Short-Term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees during the fiscal period is recognized in profit or loss. For bonuses, the estimated amount of payments is recognized as a liability when the Group has legal or constructive obligations to make such payments and reliable estimates of the obligations can be made.

### (13) Provisions

A provision is recognized when there is a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will result from the settlement of the obligation, and when a reliable estimate of the obligation can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation (future cash flows), taking into account risks and uncertainty related to the obligation at the end of the fiscal year. When the time value of money for the provisions is material, the amount of the provisions is measured at the present value calculated by discounting estimated future cash flows at a pre-tax discount rate, reflecting risks inherent in the liabilities. Unwinding of the discount reflecting the passage of time is recognized as a financial cost.

Major provisions are provisions for asset retirement obligations, which are recognized and measured by estimating asset retirement obligations individually and specifically taking into account the status of each property based on expected usable years, etc., determined in light of past records of restoration and useful lives of inside fixtures in offices and other places, in preparation for obligations for restoration of rental offices, buildings and stores and removal of harmful materials related to non-current assets. An outflow of economic benefits in the future is expected to be principally in a period after one year from the end of each fiscal year.

### (14) Equity

#### A. Common Stock and Capital Surplus

Equity instruments issued by the Company are recorded in common stock and capital surplus. Transaction costs directly attributable to the issuance are deducted from capital surplus.

#### B. Treasury Stock

When treasury stock is acquired, the treasury stock is recognized at cost and presented as a deduction from equity. Transaction costs directly attributable to the acquisition are deducted from equity.

When treasury stock is sold, consideration received is recognized as an increase in equity.

### (15) Revenue

The Group has recognized revenue based on the following five-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group is engaged in the sale of LPG, gasoline, kerosene, diesel oil, fuel oil, asphalt, electricity, automobiles, and other goods. For the sale of these products, the Group considers that a performance obligation is satisfied when the customer is deemed to obtain control of the product in light of contractual terms and conditions. Specifically, the Group recognizes revenue on the date when the goods are shipped or delivered to the customer or when the customer performs an inspection of the delivered goods. In addition, revenue is recognized at the amount of consideration promised in the contract with the customer less discounts, rebates, returned goods, etc. As the amount of consideration for performance obligations is mainly received within one year of satisfaction of performance obligations, it is not adjusted for the effects of significant financing components.

When identifying the performance obligations, and determining whether the Group is involved in transactions as a party to the transaction, or whether the Group is involved as an agent, the Group considers factors such as whether or not the Group has the primary responsibility for providing the product or service to the customer, whether or not the Group bears the inventory risk, and whether or not the Group has discretion in establishing selling price. For a transaction in which the Group is involved as a party to the transaction, the Group presents revenue at the gross amount of consideration received from the customer. For a transaction in which the Group is involved as an agent, the Group presents revenue at a net amount calculated by deducting the cost of sales from the gross amount of consideration received from the customer.

#### (16) Government Grants

Proceeds from government grants are recognized at fair value when there is reasonable assurance that the conditions attached to them will be complied with, and that the grant will be received. Grants for expenses incurred are recorded as revenue in the fiscal year in which the expenses are incurred. For grants for acquisition of assets, the amount is deducted from the cost of the assets.

#### (17) Financial Income and Costs

Financial income consists of interest income, dividends received, gains on changes in fair value and sale of FVTPL financial assets, and gains on changes in fair value of derivatives. Interest income is recognized using the effective interest method when it arises. Dividends received are recognized when the Group's right to receive the payment is established.

Financial costs consist of interest expense, losses on changes in fair value and sale of FVTPL financial assets, impairment losses of financial assets measured at amortized cost other than trade receivables, and losses on changes in fair value of derivatives. Interest expense is recognized using the effective interest method when incurred.

#### (18) Income Taxes

Income taxes, which comprise current taxes and deferred taxes, are recognized in profit or loss, except for taxes arising from items that are recorded directly in equity or accumulated other comprehensive income and taxes arising from the initial recognition of business combinations.

Current taxes are measured at the amount that is expected to be paid to, or refunded from, the taxation authorities. In calculating the amount of taxes, the Group applies tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year in countries where the Group operates business activities and has taxable profit or tax loss.

Deferred taxes are calculated based on the temporary differences between the tax basis of an asset or liability and its carrying amount at the fiscal year end. Deferred tax assets are recognized for deductible temporary differences, carryforward of unused tax credits, and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax liabilities are, in principle, recognized for taxable temporary differences.

The deferred tax assets or liabilities are not recognized for the following temporary differences:

- Temporary differences from the initial recognition of goodwill

Deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures are not recognized if the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets for deductible temporary differences arising from investments in subsidiaries and associates are recognized only to the extent it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which temporary differences can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset is realized or the liability is settled, based on a tax rate (and tax laws) that has been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and the taxes are levied by the same taxation authority on the same taxable entity.

#### (19) Earnings per Share

Basic earnings per share are calculated by dividing profit or loss attributable to Itochu Enex's shareholders by the weighted-average number of ordinary shares outstanding during the period.

#### 4. Use of Estimates and Judgments

In the preparation of the consolidated financial statements, management uses accounting estimates and judgments. Accounting estimates and judgments made by the management have an impact on the amounts of assets and liabilities as of the date of reporting of the consolidated financial statement and disclosure of contingent liabilities, and the amounts reported as revenue and expenses. Major items in which the carrying amounts of assets, liabilities, revenue, and expenses are affected by judgments made in application of the accounting policies are as follows:

- Indication of impairment for property, plant and equipment, goodwill, intangible assets, etc. (refer to Note 3, "Material Accounting Policies (10) Impairment of Non-Financial Assets")
- Recognition and presentation of revenue (refer to Note 3, "Material Accounting Policies (15) Revenue")

Assumptions used in accounting estimates may differ from actual figures because these assumptions are set based on past experience and appropriately collected available information. Estimates and assumptions are reviewed by management on an ongoing basis. Effects of these reviews of estimates and assumptions are recognized in the period in which the estimates and assumptions are reviewed and subsequent periods.

Information on uncertainty of assumptions and estimates that have a risk of resulting in significant adjustments in the next fiscal year is as follows:

- Impairment of Non-Financial Assets

Impairment tests of non-financial assets are performed based on many assumptions and estimates, such as assumptions for measurement of fair value, less costs of disposal, in the calculation of the recoverable amount or estimated future cash flows of cash-generating units and discount rate as bases for calculation of value in use. There is a risk that changes in uncertain future economic conditions may result in significant adjustments to the amount of impairment losses.

The content and amount related to impairment of non-financial assets are discussed in Note 32, "Impairment Loss."

- Estimates of Income Taxes

In calculation of income taxes, estimates and judgments are required for various factors, including interpretation of tax regulations and history of past tax examinations. Therefore, the amount recorded as income taxes may differ from the actual amount of tax payment.

Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which deductible temporary differences can be used. As the timing when taxable profit is earned and the amount thereof may be affected by changes in uncertain future economic conditions, there is a risk that the amount recognized in subsequent fiscal years may change significantly if the actual timing and amounts differ from the estimates.

The content and amount related to income taxes are discussed in Note 18, "Deferred Taxes and Income Taxes."

- Measurement of Defined Benefit Obligations in Defined Benefit Retirement Plans

Defined benefit obligations are computed based on actuarial calculations, and assumptions used in those actuarial calculations include estimates of discount rates, employee turnover, mortality rates, salary increase rates, etc. These assumptions are determined with all available information, such as market trends of interest rate fluctuations judged comprehensively. These assumptions may be affected by economic conditions and revisions of laws and regulations, and there is a risk that such effects may cause significant changes in the measurement of defined benefit obligations in subsequent fiscal years.

Details on measurement of defined benefit obligations in defined benefit retirement plans and the amounts are discussed in Note 24, "Employee Benefits."

- Measurement of Provisions

The Group records asset retirement obligations as a provision in the consolidated statement of financial position. The amount recorded is the present value calculated by discounting the best estimate of expenditures required to settle the obligations, which takes into account risks and uncertainty as of the end of the fiscal year, at a pre-tax discount rate, reflecting risks inherent in the liabilities.

Although the amount of expenditures required to settle the obligations is calculated comprehensively taking into account future possible outcomes, this amount may be affected by unpredictable events or changes in situation. If the actual amount of payment differs from the estimate, or if there is any significant change in the discount rate for discounting the estimated expenditure due to changes in economic conditions and other factors, the amount recognized in subsequent fiscal years may be affected significantly. The amount of recognized asset retirement obligations is discussed in Note 23, "Provisions."

## 5. IFRS Accounting Standards or Interpretation Issued, but Not Yet Adopted

The following major IFRS Accounting Standards or interpretation that were newly established or amended were issued by the date of approval of the consolidated financial statements. However, these IFRS Accounting Standards or interpretation are not necessarily required to be adopted on or before the fiscal year ended March 31, 2025, and the Group has not early adopted them. The effect of adoption of IFRS 18 is under consideration and cannot be estimated at this time.

Standard	Title	Mandatory adoption (From fiscal years beginning on or after)	Fiscal year in which the Group will adopt standards	Summary of new or revised standards
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027	Fiscal year ending March 31, 2028	Improving comparability and transparency of management performance and profit or loss statement

## 6. Segment Information

### (1) Outline of Reportable Segments

The reportable segments of the Group are components of the Group for which separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing performance.

The Group is organized into business divisions, consolidating related businesses. Each business division plans strategies for each category of target customers and markets and develops business activities. The Group has four reportable segments that correspond to the business divisions, namely the "Home-Life Division," "Car-Life Division," "Industrial Business Division," and "Power & Utility Division."

The Home-Life Division is engaged in sales and services involving LP gas, kerosene, town gas (Nakatsu City, Oita, and Kanto region), electricity, household equipment, smart energy equipment, and remodeling.

The Car-Life Division is engaged in sales of gasoline, kerosene, diesel oil, fuel oil, electricity, and automobiles; providing sales and services related to lifestyle and automotive products services; maintenance contract services; and automobiles auction business.

The Industrial Business Division is engaged in providing sales and services related to asphalt, marine fuel, import/export of petroleum products, terminal tank rental, corporate fleet refueling cards, industrial gas, pressure resistance inspection of gas containers, AdBlue®, renewable fuel, GTL fuel, energy service business, and intermediary services of polychlorinated biphenyl (PCB) disposal.

The Power & Utility Division is engaged in electric power generating business (solar, hydro, coal-fired and natural gas-fired), electricity selling business, electric power supply/demand management services, asset management business, steam sales, district heating services, electricity/heat supply services, car rental business, and car-sharing services.

In the fiscal year ended March 31, 2025, the Company reviewed the method of classifying its reportable segments for the purpose of establishing an efficient management structure, and changed the classification of certain investments accounted for by the equity method that were previously included in the Home-Life Division and the Car-Life Division to the Industrial Business Division.

Due to this change in segments, segment information for the previous fiscal year has been reclassified based on the classification of reportable segments after the change.



(2) Information on Reportable Segments

The accounting method for the reportable segments is generally the same as the method described in Note 3, “Material Accounting Policies.”

For the fiscal year ended March 31, 2024

	Reportable segments					(Millions of yen)	
	Home-Life	Car-Life	Industrial Business	Power & Utility	Total	Adjustment	Consolidated
Revenue							
Revenue from external customers	76,695	621,546	144,654	120,407	963,302	–	963,302
Intersegment revenue	697	14,629	4,856	338	20,520	(20,520)	–
Total revenue	77,392	636,175	149,510	120,745	983,822	(20,520)	963,302
Gross profit	18,049	52,915	11,264	6,384	88,612	–	88,612
Selling, general and administrative expenses	(16,230)	(41,337)	(6,262)	(6,321)	(70,150)	(77)	(70,227)
Gain (loss) from tangible assets, intangible assets and goodwill	57	674	(133)	4,074	4,672	(37)	4,635
Other profit (loss)	(393)	250	177	494	528	39	567
Profit from operating activities	1,483	12,502	5,046	4,631	23,662	(75)	23,587
Financial income and costs	11	(337)	19	(456)	(763)	(82)	(845)
Share of profit of investments accounted for by the equity method	1,256	(51)	497	243	1,945	–	1,945
Profit before tax	2,750	12,114	5,562	4,418	24,844	(157)	24,687
Net profit attributable to Itochu Enex’s shareholders	1,485	6,353	3,929	2,250	14,017	(130)	13,887
Other items							
Depreciation and amortization	(3,629)	(7,682)	(2,370)	(5,284)	(18,965)	(1,685)	(20,650)
Impairment loss	(202)	(627)	–	(769)	(1,598)	–	(1,598)
Total assets	69,262	174,402	62,655	84,284	390,603	53,701	444,304
Investments accounted for by the equity method	22,362	2,115	3,713	5,856	34,046	–	34,046
Capital expenditures	3,643	1,847	2,524	2,753	10,767	3,600	14,367
Increase in right-of-use assets	1,626	5,626	1,217	878	9,347	4,466	13,813

(Note) Intersegment transactions have been decided by reference to the market price.

The adjustment of negative ¥130 million to net profit attributable to Itochu Enex’s shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥53,701 million to total assets represents corporate assets not allocated to reportable segments.

For the fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments					Adjustment	Consolidated
	Home-Life	Car-Life	Industrial Business	Power & Utility	Total		
Revenue							
Revenue from external customers	82,336	629,976	134,567	77,602	924,481	–	924,481
Intersegment revenue	1,020	2,346	8,628	16	12,010	(12,010)	–
Total revenue	83,356	632,322	143,195	77,618	936,491	(12,010)	924,481
Gross profit	18,782	51,530	13,360	10,751	94,423	–	94,423
Selling, general and administrative expenses	(16,298)	(41,912)	(6,511)	(6,238)	(70,959)	312	(70,647)
Loss from tangible assets, intangible assets and goodwill	(113)	(265)	(272)	(112)	(762)	(120)	(882)
Other profit	157	2,116	315	1,412	4,000	2	4,002
Profit from operating activities	2,528	11,469	6,892	5,813	26,702	194	26,896
Financial income and costs	(15)	(275)	(19)	9	(300)	(202)	(502)
Share of profit (loss) of investments accounted for by the equity method	1,802	116	473	(228)	2,163	(384)	1,779
Profit before tax	4,315	11,310	7,346	5,594	28,565	(392)	28,173
Net profit attributable to Itochu Enex's shareholders	2,931	6,068	5,151	3,376	17,526	(424)	17,102
Other items							
Depreciation and amortization	(4,031)	(8,015)	(2,291)	(5,290)	(19,627)	(1,927)	(21,554)
Impairment loss	(202)	(209)	(148)	–	(559)	(112)	(671)
Total assets	70,932	174,391	61,944	84,463	391,730	50,420	442,150
Investments accounted for by the equity method	23,372	2,066	3,780	5,511	34,729	9,043	43,772
Capital expenditures	3,257	3,738	2,091	4,127	13,213	3,084	16,297
Increase in right-of-use assets	1,424	5,639	868	784	8,715	372	9,087

(Note) Intersegment transactions have been decided by reference to the market price.

The adjustment of negative ¥424 million to net profit attributable to Itochu Enex's shareholders represents corporate profit (loss) not allocated to reportable segments.

The adjustment of ¥50,420 million to total assets represents corporate assets not allocated to reportable segments.

(3) Products and Services Information

This information is omitted because the classification of products and services is the same as the classification of reportable segments.

(4) Geographic Information

This information is omitted because revenue from external customers in Japan accounts for a large percentage of the revenue recorded in the consolidated statement of comprehensive income for the fiscal years ended March 31, 2024 and 2025.

(5) Major Customers Information

This information is omitted because there is no major external customer from which revenue accounts for 10% or more of the revenue recorded in the consolidated statement of comprehensive income for the fiscal years ended March 31, 2024 and 2025.

## 7. Business Combinations

For the fiscal year ended March 31, 2024

There were no significant business combinations.

For the fiscal year ended March 31, 2025

There were no significant business combinations.

## 8. Loss of Control of Subsidiaries

For the fiscal year ended March 31, 2024

There was no significant loss of control.

For the fiscal year ended March 31, 2025

There was no significant loss of control.

## 9. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2024 and 2025 were composed of cash and deposits.

## 10. Trade Receivables

The components of trade receivables are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Trade receivables		
Trade accounts receivable	111,546	111,230
Trade notes receivable	6,883	5,845
Loss allowance	(69)	(75)
Total	118,360	117,000

## 11. Securities and Other Financial Assets

The components of other current financial assets are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Other current financial assets		
Other accounts receivable	11,007	10,782
Short-term derivative assets	461	570
Deposits paid	20,000	20,000
Other	4,351	4,089
Total	35,819	35,441

The components of other investments are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Other investments		
FVTPL financial assets	92	101
FVTOCI financial assets	4,895	6,497
Total	4,987	6,598

The components of non-current financial assets other than investments are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Non-current financial assets other than investments		
Non-current loans receivable	451	363
Non-current lease receivables	2,435	2,549
Guarantee deposits	5,206	5,461
Other	766	1,252
Loss allowance	(268)	(243)
Total	8,590	9,382

## 12. Inventories

The components of inventories are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Merchandise and finished goods	28,350	31,181
Raw materials	158	115
Total	28,508	31,296

For the fiscal year ended March 31, 2025, the amount of inventories expensed as cost of sales was ¥786,576 million, compared with ¥835,713 million for the fiscal year ended March 31, 2024.

For the fiscal year ended March 31, 2025, the amount of inventories written down to net realizable value was ¥50 million, compared with ¥67 million for the fiscal year ended March 31, 2024. These amounts written down are included in cost of sales in the consolidated statement of comprehensive income.

The carrying amount of inventories recorded at fair value, less cost to sell, on a recurring basis as of March 31, 2024 and 2025 was ¥1,611 million and ¥3,338 million, respectively. The fair value is measured based on the amount obtained from a pricing service agency that was principally evaluated by the market approach and classified as Level 2.

## 13. Investments Accounted for by the Equity Method

In the Group, all investments in associates and joint ventures are accounted for by the equity method. There is no investment in associates and joint ventures for which stock quotations have been published.

### (1) Investments in Associates and Joint Ventures

Total carrying amounts of investments in associates and joint ventures in the consolidated statement of financial position as of March 31, 2024 and 2025 are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Associates	13,263	13,879
Joint ventures	20,783	29,893
Total	34,046	43,772

(2) Breakdown of Comprehensive Income from Associates and Joint Ventures

For investments in associates and joint ventures, the amounts of corresponding share of comprehensive income recorded in the fiscal years ended March 31, 2024 and 2025 are shown below:

A. Profit or Loss

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Associates	1,136	1,473
Joint ventures	809	306
Total	1,945	1,779

B. Other Comprehensive Income (Loss)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Associates	323	(152)
Joint ventures	367	236
Total	690	84

C. Total Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Associates	1,459	1,321
Joint ventures	1,176	542
Total	2,635	1,863

(3) Major Associates and Joint Ventures

Details of major associates and joint ventures are as follows:

As of March 31, 2024

	Name	Major business	Location	Percentage of equity held (%)
Joint venture	ENEARC Co., Ltd.	Sale of LPG products	Chiyoda-ku, Tokyo	50.0

As of March 31, 2025

	Name	Major business	Location	Percentage of equity held (%)
Joint venture	ENEARC Co., Ltd.	Sale of LPG products	Chiyoda-ku, Tokyo	50.0

(4) Summarized Financial Information of Major Associates and Joint Ventures

Summarized financial information of major associates and joint ventures accounted for by the equity method is shown below:

ENEARC Co., Ltd.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Current assets	16,438	16,718
Non-current assets	28,166	28,158
Current liabilities	14,850	15,158
Non-current liabilities	5,636	4,749
Equity	24,119	24,969

Cash and cash equivalents included in the current assets above as of March 31, 2024 and 2025 are ¥1,487 million and ¥1,250 million, respectively. Financial liabilities (excluding trade and other payables, and provisions) included in current liabilities as of March 31, 2024 and 2025 are ¥5,713 million and ¥5,071 million, respectively, and financial liabilities (excluding trade and other payables, and provisions) included in non-current liabilities as of March 31, 2024 and 2025 are ¥3,109 million and ¥2,285 million, respectively.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	56,312	60,488
Depreciation and amortization	(3,273)	(3,499)
Financial income	52	36
Financial costs	(23)	(45)
Income tax expense	1,159	1,244
Net profit	1,632	1,902
Other comprehensive income	396	220
Comprehensive income	2,028	2,122
Dividends received by the Group	(553)	(524)

(5) Reconciliation between Carrying Amounts and Summarized Financial Information of Major Associates and Joint Ventures

ENEARC Co., Ltd.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets	24,119	24,969
The Group's share of net assets	12,036	12,484
Goodwill and consolidation adjustments	2,220	2,220
Carrying amounts of the Group's equity interest in ENEARC Co., Ltd.	14,256	14,704

#### 14. Property, Plant and Equipment

Changes in acquisition cost, accumulated depreciation, and accumulated impairment loss of property, plant and equipment are shown below:

[Acquisition Cost]

(Millions of yen)

	Land	Buildings and structures	Machinery, equipment and vehicles	Vessels	Other	Construction in progress	Total
As of April 1, 2023	51,894	75,621	94,562	5,351	15,892	1,361	244,681
Acquisition	586	5,132	5,460	–	1,945	1,399	14,522
Reclassification	–	359	705	–	153	(1,217)	–
Decrease due to disposal and change in the scope of consolidation	(1,235)	(3,019)	(25,044)	(377)	(540)	–	(30,215)
Other	199	6,440	(1,256)	604	(51)	(209)	5,727
As of March 31, 2024	51,444	84,533	74,427	5,578	17,399	1,334	234,715
Acquisition	2,022	3,467	4,426	13	1,936	4,099	15,963
Reclassification	1	700	333	–	178	(1,212)	–
Decrease due to disposal and change in the scope of consolidation	(3,459)	(3,762)	(1,999)	(334)	(976)	(4)	(10,534)
Other	1,501	2,856	2,107	374	(1,422)	(85)	5,331
As of March 31, 2025	51,509	87,794	79,294	5,631	17,115	4,132	245,475

[Accumulated Depreciation and Accumulated Impairment Loss]

(Millions of yen)

	Land	Buildings and structures	Machinery, equipment and vehicles	Vessels	Other	Construction in progress	Total
As of April 1, 2023	(10,125)	(32,664)	(38,291)	(4,009)	(9,672)	–	(94,761)
Depreciation	(2,622)	(6,753)	(5,365)	(882)	(1,728)	–	(17,350)
Impairment loss	(60)	(132)	(783)	–	(33)	–	(1,008)
Decrease due to disposal and change in the scope of consolidation	171	1,549	5,696	392	501	–	8,309
Other	210	134	179	(1)	48	–	570
As of March 31, 2024	(12,426)	(37,866)	(38,564)	(4,500)	(10,884)	–	(104,240)
Depreciation	(2,626)	(7,078)	(5,626)	(733)	(1,871)	–	(17,934)
Impairment loss	(28)	(108)	(44)	–	(143)	(24)	(347)
Decrease due to disposal and change in the scope of consolidation	2,036	2,453	1,912	334	870	–	7,605
Other	(171)	(410)	(855)	(60)	708	–	(788)
As of March 31, 2025	(13,215)	(43,009)	(43,177)	(4,959)	(11,320)	(24)	(115,704)

[Carrying Amount]

(Millions of yen)

	Land	Buildings and structures	Machinery, equipment and vehicles	Vessels	Other	Construction in progress	Total
As of March 31, 2024	39,018	46,667	35,863	1,078	6,515	1,334	130,475
As of March 31, 2025	38,294	44,785	36,117	672	5,795	4,108	129,771

The depreciation expense of property, plant and equipment is included in cost of sales and selling, general and administrative expenses in the consolidated statement of comprehensive income. Expenditures related to property, plant and equipment under construction are presented as construction in progress in the above table. There were no borrowing costs capitalized in the fiscal years ended March 31, 2024 and 2025. For the commitments for acquisition of property, plant and equipment, please refer to Note 40, “Commitments.”



## 15. Investment Property

Changes in acquisition cost, accumulated depreciation, and accumulated impairment loss of investment property are shown below:

[Acquisition Cost]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance at the beginning of the year	26,958	26,849
Acquisition	826	1,353
Expenditure after acquisition	–	–
Reclassification	39	969
Disposal	(973)	(725)
Other	(0)	(23)
Balance at the end of the year	26,849	28,423

[Accumulated Depreciation and Accumulated Impairment Loss]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance at the beginning of the year	(14,226)	(14,225)
Depreciation	(692)	(819)
Impairment loss	(423)	(253)
Reclassification	639	(214)
Disposal	476	695
Other	0	(105)
Balance at the end of the year	(14,225)	(14,921)

The rental income from investment property for the fiscal year ended March 31, 2025 was ¥2,165 million, compared with ¥2,306 million for the fiscal year ended March 31, 2024, which was included in revenue in the consolidated statement of comprehensive income. The direct operating expenses incurred incidental to rental income were ¥1,469 million, compared with ¥1,302 million for the fiscal year ended March 31, 2024, which were included in cost of sales in the consolidated statement of comprehensive income.

[Carrying Amount and Fair Value]

(Millions of yen)

	Carrying amount	Fair value
As of March 31, 2024	12,624	13,430
As of March 31, 2025	13,502	14,565

The Group has rental facilities for selling petroleum products, such as gas stations, and rental storage facilities for petroleum products throughout Japan.

Fair value of the above investment property is categorized into Level 3. The fair value is calculated based on the amount measured using the sales comparison method and the discounted cash flow method, taking into account the market conditions adjustment, area-specific value, and other factors computed by the Group.

## 16. Goodwill and Intangible Assets

Changes in acquisition cost, accumulated amortization, and accumulated impairment loss of goodwill and intangible assets are shown below:

[Acquisition Cost]

(Millions of yen)

	Goodwill	Relationships with customers	Brand and relationships with suppliers	Other	Total
As of April 1, 2023	521	13,329	11,069	7,769	32,688
Acquisition	—	1,268	—	3,708	4,976
Decrease due to disposal and change in the scope of consolidation	—	(83)	—	(595)	(678)
Other	—	119	—	(535)	(416)
As of March 31, 2024	521	14,633	11,069	10,347	36,570
Acquisition	—	942	—	2,713	3,655
Decrease due to disposal and change in the scope of consolidation	—	(167)	—	(620)	(787)
Other	—	(1,375)	—	(153)	(1,528)
As of March 31, 2025	521	14,033	11,069	12,287	37,910

[Accumulated Amortization and Accumulated Impairment Loss]

(Millions of yen)

	Goodwill	Relationships with customers	Brand and relationships with suppliers	Other	Total
As of April 1, 2023	—	(6,910)	(2,445)	(2,575)	(11,930)
Amortization	—	(1,230)	(277)	(1,101)	(2,608)
Impairment loss	—	(143)	—	(1)	(144)
Decrease due to disposal and change in the scope of consolidation	—	65	—	569	634
Other	—	171	—	60	231
As of March 31, 2024	—	(8,047)	(2,722)	(3,048)	(13,817)
Amortization	—	(1,025)	(276)	(1,500)	(2,801)
Impairment loss	—	(68)	—	(2)	(70)
Decrease due to disposal and change in the scope of consolidation	—	159	—	614	773
Other	—	1,062	—	168	1,230
As of March 31, 2025	—	(7,919)	(2,998)	(3,768)	(14,685)

[Carrying Amount]

(Millions of yen)

	Goodwill	Relationships with customers	Brand and relationships with suppliers	Other	Total
As of March 31, 2024	521	6,586	8,347	7,299	22,753
As of March 31, 2025	521	6,114	8,071	8,519	23,225

The amortization expense of intangible assets is included in cost of sales and selling, general and administrative expenses in the consolidated statement of comprehensive income.

Of the above intangible assets, significant assets are relationships with customers recognized in the business combination with TOKYO TOSHI SERVICE COMPANY (as of March 31, 2024: ¥2,410 million, and March 31, 2025: ¥2,291 million) and brand and relationships with suppliers recognized in the business combination with Osaka Car Life Group Co., Ltd. (as of March 31, 2024: ¥8,348 million, and March 31, 2025: ¥8,071 million). The remaining amortization period of these intangible assets as of March 31, 2024 and 2025, is 20 years and 19 years, respectively, for relationships with customers, and 30 years and 29 years, respectively, for brand and relationships with suppliers.

#### Impairment Test for Goodwill

In performing an impairment test for goodwill, the Group allocates goodwill to the LPG sales business and others and calculates the recoverable amount of the LPG sales business, which is a cash-generating unit, based on value in use.

The Group calculates value in use by discounting estimated future cash flows based on the latest business plan approved by the Board of Directors to the present value.

The Group uses a pre-tax discount rate reflecting the current market valuation of the time value of money, risks inherent in the asset, and other factors as the discount rate (as of March 31, 2024: 6.9%, and March 31, 2025: 7.8%).

The Group considers that significant impairment is unlikely to arise in the cash-generating unit even if the discount rate used in the above impairment test changes within a reasonably predictable range.

## 17. Leases

### (1) Lessee

The Group uses leases to rent real estate, primarily the headquarters office, Car-Life Stations (service stations), oil, gas and asphalt storage bases, gas and heat supply facilities, power generation facilities, and automobile sales outlets.

Gains and losses related to right-of-use assets (excluding investment property) are shown below.

Information about investment property is presented in Note 15, "Investment Property."

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Depreciation of right-of-use assets		
With land as the underlying asset	2,635	2,626
With buildings and structures as the underlying assets	5,044	5,292
With machinery, equipment and vehicles as the underlying assets	675	797
With vessels as the underlying asset	720	660
With other property, plant and equipment as the underlying asset	190	212
Total depreciation	9,264	9,587
Interest expense on lease liabilities	310	358
Expense relating to short-term leases	1,026	1,177
Expense relating to leases of low-value assets	457	418

The breakdown of carrying amounts of right-of-use assets (excluding investment property) is shown below:

(Millions of yen)

	Land	Buildings and structures	Machinery, equipment and vehicles	Vessels	Other	Total
As of March 31, 2024	24,828	22,800	1,453	579	1,132	50,792
As of March 31, 2025	24,140	21,075	1,629	233	1,087	48,164

The increases in right-of-use assets (excluding investment property) were ¥13,813 million and ¥9,087 million, for the fiscal years ended March 31, 2024 and 2025, respectively.

Total cash outflows for leases were ¥11,130 million and ¥11,225 million, for the fiscal years ended March 31, 2024 and 2025, respectively.

The breakdown by payment year of future lease payments based on lease contracts with the Group is shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Not later than 1 year	10,257	10,245
Later than 1 year and not later than 5 years	24,631	23,970
Later than 5 years	25,118	22,830
Total	60,006	57,045

In the Group, lease terms are negotiated individually, and contractual terms vary widely. Extension options and termination options in the Group are included mainly in real estate leases, and the Group uses these options as necessary in utilizing lease contracts in its business operations.

(2) Lessor

The Group uses finance leases primarily for subleasing real estate and other properties.

Gross investment in finance leases and net investment in leases, and their adjusted amounts are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Gross investment in leases		
Not later than 1 year	849	974
Later than 1 year and not later than 2 years	559	621
Later than 2 years and not later than 3 years	551	565
Later than 3 years and not later than 4 years	496	514
Later than 4 years and not later than 5 years	462	510
Later than 5 years	1,250	1,335
Total	4,167	4,519
Unearned finance income	993	1,197
Unguaranteed residual value	—	—
Net investment in leases	3,174	3,322

Finance income on net investment in finance leases is shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Finance income on net investment in finance leases	104	106

The Group uses operating leases primarily for rental of real estate and other properties.

The breakdown of future lease payments on operating leases by year is shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Not later than 1 year	1,670	1,719
Later than 1 year and not later than 2 years	907	963
Later than 2 years and not later than 3 years	669	824
Later than 3 years and not later than 4 years	605	784
Later than 4 years and not later than 5 years	575	661
Later than 5 years	1,547	1,678
Total	5,973	6,629

Operating lease income is shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating lease income	2,306	2,165

The Group receives security deposits to reduce risks related to the rights held by lenders on the underlying assets.

## 18. Deferred Taxes and Income Taxes

### (1) Deferred Taxes

The tax effects of major temporary differences, unused tax loss carryforwards and deferred tax credits that give rise to deferred tax assets and deferred tax liabilities as of March 31, 2024 and March 31, 2025 are as follows

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets:		
Non-current assets	5,557	5,647
Allowance for doubtful accounts	83	55
Securities	17	17
Post-employment benefits	4,037	4,180
Tax loss carryforwards	167	140
Leases	16,198	16,529
Other	9,114	9,700
Total deferred tax assets	35,173	36,268
Deferred tax liabilities:		
Non-current assets	(4,978)	(5,164)
Securities	(135)	(135)
Leases	(15,311)	(15,728)
Other	(2,648)	(2,670)
Total deferred tax liabilities	(23,072)	(23,697)

Of the above changes in deferred tax assets and deferred tax liabilities between March 31, 2024 and March 31, 2025, those recognized in other are mainly related to asset retirement obligations.

Changes in deferred tax assets and deferred tax liabilities for the fiscal year ended March 31, 2024 and fiscal year ended March 31, 2025 are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Deferred tax assets (Assets), net		
Balance at the beginning of the year	8,595	12,101
Deferred tax expense	3,824	74
Deferred tax relating to each item of other comprehensive income		
FVTOCI financial assets	(217)	507
Remeasurement of net defined benefit liability	(44)	(80)
Cash flow hedges	(88)	—
Investments accounted for by the equity method	31	(31)
Balance at the end of the year	12,101	12,571

Deferred tax assets and liabilities in the consolidated statement of financial position are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets	12,979	13,512
Deferred tax liabilities	878	941

In recognizing deferred tax assets, the Group assesses recoverability, taking into account expected future taxable profits and tax planning. As a result of the assessment of recoverability, deferred tax assets have not been recognized for some deductible temporary differences and unused tax loss carryforwards.

Deductible temporary differences and unused tax loss carryforwards for which no deferred tax asset is recognized are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Deductible temporary differences	4,030	4,031
Unused tax loss carryforwards	642	3
Total	4,672	4,034

The amounts of unused tax loss carryforwards for which no deferred tax asset is recognized by expiration are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
First year	–	–
Second year	–	–
Third year	22	–
Fourth year	54	–
Fifth year or later	566	3
Total	642	3

## (2) Income Tax Expense

Current tax expense and the components of deferred tax expense are shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Current tax expense	(11,507)	(8,002)
Deferred tax expense		
Recognition and reversal of temporary differences	3,824	74
Total deferred tax expense	3,824	74
Income tax expense	(7,683)	(7,928)

The Company is subject principally to corporate income taxes, inhabitant taxes, and business taxes. The effective statutory tax rates based on these taxes were 30.6% for the fiscal year ended March 31, 2024, and 30.6% for the fiscal year ended March 31, 2025. However, foreign subsidiaries are subject to income taxes and other taxes in their respective locations.

The reconciliation between the effective statutory tax rate and the effective tax rate for income tax expenses recognized in the consolidated statement of comprehensive income is shown below:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Effective statutory tax rate	30.6 %	30.6 %
Effect of expenses not deductible permanently	1.4	1.3
Other	(0.9)	(3.8)
Effective income tax rate after application of tax-effect accounting	31.1	28.1

## 19. Bonds, Borrowings and Other Financial Liabilities

The components of bonds, borrowings and other financial liabilities are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025	Average interest rate (%) (Note)	Repayment date
Short-term borrowings	1,174	1,481	4.086	—
Lease liabilities (current)	9,477	9,678	0.655	—
Non-current borrowings (excluding current portion)	1,000	1,000	0.488	April 2026–August 2027
Lease liabilities (non-current)	47,292	44,495	0.655	April 2026–June 2054
Total	58,943	56,654	—	—
Current liabilities	10,651	11,159		
Non-current liabilities	48,292	45,495		
Total	58,943	56,654		

(Note) The average interest rate is based on each agreed-upon interest rate or weighted-average interest rate for the closing balance.

## 20. Trade Payables

The components of trade payables are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Trade accounts payable	118,959	111,654
Notes payable	328	319
Other payables	5,775	5,450
Total	125,062	117,423



## 21. Other Financial Liabilities

The components of other current financial liabilities are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Other payables (Non-operating)	4,348	3,834
Deposits received	2,167	1,676
Short-term derivative liabilities	309	496
Other	148	33
Total	6,972	6,039

The components of other non-current financial liabilities are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Non-current other payables (Non-operating)	—	—
Guarantee deposits received	15,564	15,636
Long-term derivative liabilities	—	—
Total	15,564	15,636

## 22. Other Current Liabilities

The components of other current liabilities are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Short-term obligations on employee benefits	9,282	8,610
Current provisions (Note)	31	53
Accrued expenses	1,791	1,470
Other	1,863	2,211
Total	12,967	12,344

(Note) For details of current provisions, please refer to Note 23, “Provisions.”

## 23. Provisions

The components of changes in provisions are shown below:

(Millions of yen)

	Provision for asset retirement obligations	Other	Total
As of April 1, 2023	5,288	245	5,533
Increase during the year	220	—	220
Amount used during the year (utilization)	(100)	—	(100)
Increase due to passage of time	204	—	204
Other	(852)	(110)	(962)
As of March 31, 2024	4,760	135	4,895
Increase during the year	213	—	213
Amount used during the year (utilization)	(438)	—	(438)
Increase due to passage of time	60	—	60
Other	(321)	(135)	(456)
As of March 31, 2025	4,274	—	4,274

The components of provisions by current and non-current classification are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Current liabilities (Note)	31	53
Non-current liabilities	4,864	4,221
Total	4,895	4,274

(Note) Provisions classified into current liabilities are included in other current liabilities.

Provision for asset retirement obligations mostly relates to restoration obligations for rental offices, buildings, and stores and removal of harmful materials related to non-current assets. An outflow of economic benefits in the future is expected principally in a period after one year from the end of each fiscal year, but the timing may be affected by a future business plan and other factors.

## 24. Employee Benefits

### (1) Post-Employment Benefits

#### A. Outline of Post-Employment Benefit Plans Adopted

The Company and some subsidiaries have defined benefit retirement plans, lump-sum retirement benefits, and defined contribution retirement pension plans, which cover almost all of their employees. The amount of pension benefits provided under defined benefit retirement plans is set based on service years of eligible employees. Extra retirement payments may be made upon an employee's normal retirement or termination before the prescribed retirement date.

Under defined contribution retirement plans, the responsibility of the Company and some subsidiaries is limited to making contributions at the amount specified in the rules on retirement allowance that has been established for each company.

Nissan Osaka Sales Co., Ltd., a subsidiary, has participated in "Zenkoku Nissan Jidosha Hambai Kigyo Pension Fund," which is a multi-employer plan. This plan differs from a single employer plan in the following respects:

- Assets contributed by the employer to the multi-employer plan may be used for benefits to employees of the other member employers. The amount of contributions is calculated by multiplying standard pay of plan members by a fixed rate.
- If some employers suspend contributions, other member employers may be required to make additional contributions for unfunded liabilities.
- If the multi-employer plan is wound up or a member employer withdraws from the multi-employer plan, the member employer may be required to make contributions for unfunded liabilities as special contributions in winding up or withdrawal contributions.

## B. Defined Benefit Retirement Plans

Changes in present value of defined benefit obligations are shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance at the beginning of the year	16,954	15,738
Service cost	653	621
Interest expense	168	188
Remeasurement		
Changes in demographic assumptions	(96)	12
Changes in financial assumptions	(304)	(802)
Other	(37)	32
Benefits paid	(1,600)	(1,094)
Past service cost	–	–
Balance at the end of the year	15,738	14,695

(Note) Service cost is recognized in profit or loss (cost of sales or selling, general and administrative expenses). Interests on net amount of present value of defined benefit obligations and fair value of plan assets are recognized in profit or loss (interest income or interest expense).

Changes in fair value of plan assets are shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance at the beginning of the year	9,401	10,282
Interest income	103	134
Remeasurement		
Return (loss) on plan assets	1,020	1,004
Contributions by the employer	167	169
Benefits paid	(409)	(397)
Balance at the end of the year	10,282	11,192

The Group plans to make contributions of ¥170 million in the fiscal year ending March 31, 2026.

The effect of change in the asset ceiling is shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance at the beginning of the year	(2,024)	(3,344)
Change in the effect of limiting a net defined benefit asset to the asset ceiling	(1,320)	(1,534)
Balance at the end of the year	(3,344)	(4,878)

The defined benefit obligations and assets recorded in the consolidated statement of financial position are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Non-current liabilities for employee benefits	9,479	8,947
Non-current assets for employee benefits	(679)	(566)
Net liabilities and assets	8,800	8,381

(Note) The non-current assets for employee benefits are included in other non-current assets in the consolidated statement of financial position.

The composition of the Group's plan assets by asset category as of March 31, 2024 and 2025 is shown below:

(Millions of yen)

	As of March 31, 2024		
	Level 1 (Active market)	Level 2 (No active market)	Total
Cash and cash equivalents	—	—	—
Stock trusts	—	1,893	1,893
Bond trusts	—	5,765	5,765
General accounts	—	—	—
Other	—	2,624	2,624
Total	—	10,282	10,282

(Millions of yen)

	As of March 31, 2025		
	Level 1 (Active market)	Level 2 (No active market)	Total
Cash and cash equivalents	—	—	—
Stock trusts	—	2,044	2,044
Bond trusts	—	6,123	6,123
General accounts	—	—	—
Other	—	3,025	3,025
Total	—	11,192	11,192

In managing plan assets, the Group aims to secure return on assets necessary to ensure payment of future pension benefits in the long term only with acceptable risks. To this end, the Group formulates the optimal portfolio in consideration of past performance in addition to projection of return on assets subject to investment, and manages investment performance based on this portfolio.

For assets categorized into Level 1 (there is an active market), fair value is estimated based on quoted prices in active markets. For assets categorized into Level 2 (there is no active market), which mainly consist of investment trusts in domestic and foreign stocks and bonds, fair value is estimated using valuations provided by the plan trustee. Additionally, Other includes funds of hedge funds and real estate investment trusts.

Information on maturity analysis of defined benefit obligations is as follows:

Defined benefit obligations are calculated by discounting the amount of benefits that are deemed to have been incurred to date, over the remaining service period up to the time of payment. Because the timing of payment affects the amounts of defined benefit obligations and service cost, IAS 19, "Employee Benefits" requires an entity to disclose information on the timing of incurrence of benefits. The Group believes that disclosure of weighted duration of defined benefit obligations that represents the average period taking into account benefit amount, timing, and discount is useful information to meet this

requirement. The Company's weighted duration of defined benefit obligations was 12 years in the fiscal year ended March 31, 2024, and 12 years in the fiscal year ended March 31, 2025.

The assumption of defined benefit obligations is shown below:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Discount rate	1.3–1.4%	2.0–2.1%

In the assumption of actuarial calculation described above, the calculation for defined benefit retirement plans is susceptible to the effects of the assumption of the discount rate. If the discount rate had changed by 0.25% as of March 31, 2025, the effect on defined benefit obligations would be ¥257 million, which was calculated supposing that only the discount rate changes without any change in actuarial assumptions other than the discount rate.

Since this calculation is an estimation based on the assumptions, the actual calculation may be affected by changes in other variables.

#### C. Defined Contribution Plans

Expenses related to contributions required for defined contribution pension plans were ¥687 million and ¥630 million for the fiscal years ended March 31, 2024 and 2025, respectively.

#### D. Extra Retirement Payments

The Company made extra retirement payments of ¥5 million and ¥38 million for the fiscal years ended March 31, 2024 and 2025, respectively.

#### (2) Employee Benefits Expense

Total employee benefits expense included in cost of sales and selling, general and administrative expenses in the consolidated statement of comprehensive income for the fiscal years ended March 31, 2024 and 2025 was ¥44,723 million and ¥45,202 million, respectively.

### 25. Common Stock, Capital Surplus, and Retained Earnings

#### (1) Common Stock

The number of shares authorized, the number of shares issued, and the number of shares of treasury stock of the Company are as follows.

All the shares issued by the Company are non-par value ordinary shares. All shares issued are fully paid.

(Shares)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Number of shares authorized	387,250,000	387,250,000
Number of shares issued		
Balance at the beginning of the year	116,881,106	116,881,106
Increase during the year	—	—
Balance at the end of the year	116,881,106	116,881,106
Number of shares of treasury stock		
Balance at the beginning of the year	4,025,827	3,997,287
Increase (decrease) during the year	(28,540)	105,504
Balance at the end of the year	3,997,287	4,102,791

(Note) The balance of the number of shares of treasury stock at the end of the fiscal years ended March 31, 2024 and 2025 includes 101,023 shares and 206,205 shares, respectively, of the Company owned by the stock distribution trust for directors.

(2) Capital Surplus and Retained Earnings

The Companies Act of Japan provides that upon payment of dividends of surplus, an amount equal to 10% of the reserves, which decrease due to the dividends paid, must be appropriated as capital reserve (in case of dividends of capital surplus) or as retained earnings reserve (in case of dividends of retained earnings) until the total aggregate amount of capital reserve and retained earnings reserve equals 25% of the common stock.

The Companies Act imposes a certain restriction on the amount available for distribution in association with dividends of surplus or acquisition of treasury stock. The amount available for distribution is determined based on retained earnings, among others, in the Company's separate financial statements calculated in accordance with Japanese Generally Accepted Accounting Principles. The Company's amount available for distribution was ¥79,533 million as of March 31, 2025 (however, this amount available for distribution may change due to subsequent acquisition of treasury stock and other factors).

Under the Companies Act, in addition to year-end dividends, dividends of surplus can be paid at any time during the fiscal year by resolution of the General Meeting of Shareholders. The Companies Act provides that companies meeting certain requirements (setup of Audit & Supervisory Board of corporate auditors and appointment of an accounting auditor in addition to the board of directors, and the term of office for directors limited to one year) may determine dividends of surplus (excluding dividends in kind) by resolution of the board of directors if the articles of incorporation specify so. The Companies Act also provides that companies with a board of directors may pay dividends of surplus (only cash dividends) by resolution of the board of directors only once during a business year, if the articles of incorporation specify so.

Moreover, companies are allowed to dispose of treasury stock by resolution of the board of directors, or acquire treasury stock if the articles of incorporation specify so. However, acquisition of treasury stock is limited to the extent the above amount is available for distribution.

## 26. Other Components of Equity and Other Comprehensive Income

### (1) Other Components of Equity

Changes in each item of other components of equity are shown below:

(Millions of yen)

Classification	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
FVTOCI financial assets		
Balance at the beginning of the year	285	1,076
Increase (decrease) during the year	726	(1,030)
Reclassification to retained earnings	65	(5)
Balance at the end of the year	1,076	41
Remeasurement of net defined benefit liability		
Balance at the beginning of the year	—	—
Increase during the year	99	191
Reclassification to retained earnings	(99)	(191)
Balance at the end of the year	—	—
Exchange differences on translating foreign operations		
Balance at the beginning of the year	287	604
Increase (decrease) during the year	317	(139)
Balance at the end of the year	604	465
Cash flow hedges		
Balance at the beginning of the year	(506)	(146)
Increase during the year	360	169
Balance at the end of the year	(146)	23
Other components of equity		
Balance at the beginning of the year	66	1,534
Increase (decrease) during the year	1,502	(809)
Reclassification to retained earnings	(34)	(196)
Balance at the end of the year	1,534	529

(2) Other Comprehensive Income

The details of each item of other comprehensive income and their related tax effects (including non-controlling interests) are shown below:

(Millions of yen)

Classification	Fiscal year ended March 31, 2024			Fiscal year ended March 31, 2025		
	Before tax effects	Tax effects	Net of tax effects	Before tax effects	Tax effects	Net of tax effects
FVTOCI financial assets						
Amount arising during the year	711	(217)	494	(1,624)	507	(1,117)
Increase (decrease) during the year	711	(217)	494	(1,624)	507	(1,117)
Remeasurement of net defined benefit liability						
Amount arising during the year	137	(44)	93	259	(80)	179
Increase (decrease) during the year	137	(44)	93	259	(80)	179
Exchange differences on translating foreign operations						
Amount arising during the year	19	–	19	33	–	33
Reclassification adjustments to profit	–	–	–	–	–	–
Increase during the year	19	–	19	33	–	33
Cash flow hedges						
Amount arising during the year	–	(88)	(88)	–	–	–
Reclassification adjustments to profit	289	–	289	–	–	–
Increase (decrease) during the year	289	(88)	201	–	–	–
Other comprehensive income of investments accounted for by the equity method						
Amount arising during the year	874	26	900	90	(31)	59
Reclassification adjustments to profit	(215)	5	(210)	25	–	25
Increase (decrease) during the year	659	31	690	115	(31)	84
Total other comprehensive income (loss)	1,815	(318)	1,497	(1,217)	396	(821)



## 27. Dividends

The Company pays an interim dividend and year-end dividend annually, with the former determined by the Board of Directors and the latter by the General Meeting of Shareholders.

Dividends paid for the fiscal years ended March 31, 2024 and 2025 are shown below:

For the fiscal year ended March 31, 2024

### (1) Dividends Paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 14, 2023	Ordinary shares	2,938	26	March 31, 2023	June 15, 2023
Board of Directors' meeting held on October 31, 2023	Ordinary shares	2,938	26	September 30, 2023	December 6, 2023

### (2) Dividends Whose Record Date Is in the Current Fiscal Year, but Whose Effective Date Falls in the Next Fiscal Year

Resolution	Class of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2024	Ordinary shares	3,164	Retained earnings	28	March 31, 2024	June 20, 2024

For the fiscal year ended March 31, 2025

### (1) Dividends Paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2024	Ordinary shares	3,164	28	March 31, 2024	June 20, 2024
Board of Directors' meeting held on October 31, 2024	Ordinary shares	3,164	28	September 30, 2024	December 6, 2024

### (2) Dividends Whose Record Date Is in the Current Fiscal Year, but Whose Effective Date Falls in the Next Fiscal Year

The following will be proposed at the 65th Ordinary General Meeting of Shareholders scheduled to be held on June 18, 2025.

Resolution	Class of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 18, 2025	Ordinary shares	3,841	Retained earnings	34	March 31, 2025	June 19, 2025

## 28. Financial Instruments

### (1) Capital Management

The Group conducts capital management to continue sustainable growth and maximize corporate value.

To achieve sustainable growth, the Group recognizes that it is essential to secure sufficient financing capacity to make agile investment in businesses when an opportunity for such investments for business growth (such as acquisition of external resources) arises in the future. Therefore, the Group aims to ensure financial health and flexibility for future investment in businesses and maintain the capital structure with balanced return and investment.

There is no significant capital restriction that applies to the Company (excluding general provisions of the Companies Act and other laws and regulations).

### (2) Financial Risk Management Policy

In the course of management activities, the Group is exposed to financial risks (such as credit risks, liquidity risks, currency risks, interest rate risks, and market price risks) and performs risk management in accordance with certain policies to avoid or reduce these risks.

In accordance with the Group's policy, its fund management is limited to short-term deposits, etc., and the Group depends on bank loans, among others, for raising funds. The Group utilizes derivatives for the purpose of hedging risks of changes in market conditions, and interest rate and exchange fluctuations, but does not enter into such transactions for speculative purposes.

### (3) Credit Risk Management

The Group grants credit to many customers in various trading transactions and bears credit risks.

In line with the rules on credit management, the Group manages due dates and balances of trade receivables and loans by business partner, and pursues early identification or reduction of uncollectible receivables due to deteriorated financial conditions. The Group is not overly exposed to credit risks by concentration on a specific counterparty.

In utilizing derivatives, the Group believes there to be few credit risks since the Group has transactions only with exchange members or banks with good credit standing.

When collateral held and other credit enhancements are not taken into account, the Group's maximum exposure to credit risks is the carrying amount after impairment of financial assets presented in the consolidated financial statements.

Collateral held as security is mainly real estate and business security deposits.

The carrying amounts of financial assets for which loss allowances are recognized are as follows:

(Millions of yen)					
	Measured at an amount equivalent to the 12-month expected credit losses	Measured at an amount equivalent to the lifetime expected credit losses			Total
		Financial assets that are not credit-impaired	Credit-impaired financial assets	Trade receivables, etc. (excluding credit-impaired receivables)	
As of March 31, 2024	65,774	296	588	101,433	168,091
As of March 31, 2025	67,472	292	470	98,445	166,679

The Group recognizes loss allowances after considering the recoverability of financial assets based on the counterparty's credit standing. Changes in loss allowances during the fiscal years ended March 31, 2024 and 2025 are as follows:

(Millions of yen)

	Measured at an amount equivalent to the 12-month expected credit losses	Measured at an amount equivalent to the lifetime expected credit losses			Total
		Financial assets that are not credit-impaired	Credit-impaired financial assets	Trade receivables, etc. (excluding credit-impaired receivables)	
As of April 1, 2023	19	103	214	42	378
Increase during the year	8	1	63	17	89
Decrease during the year (Utilization)	(3)	–	(48)	(7)	(58)
Decrease during the year (Reversal)	(6)	(5)	(52)	(9)	(72)
Other increase (decrease)	1	–	–	(1)	–
As of March 31, 2024	19	99	177	42	337
Increase during the year	5	–	20	11	36
Decrease during the year (Utilization)	(1)	(8)	(21)	(3)	(33)
Decrease during the year (Reversal)	(4)	(1)	(9)	(8)	(22)
Other increase (decrease)	2	–	–	(2)	–
As of March 31, 2025	21	90	167	40	318

In the fiscal year ended March 31, 2025, there were no significant changes in the carrying amounts of financial assets that would have a material impact on loss allowances.

#### (4) Liquidity Risk Management

The Group manages liquidity risks by formulating a funding plan based on the annual business plan, and by conducting periodic assessment and collection of information on situations of liquidity in hand and interest-bearing debts and timely monitoring of cash flows. Through these means, the Group strives to ensure agility in financing to respond to changes in the financial situation and reduce funding costs while diversifying funding sources and financing methods.

##### A. Non-Derivative Financial Liabilities

Carrying amounts of non-derivative financial liabilities by maturity are shown below:

As of March 31, 2024

(Millions of yen)

	Carrying amount	Contractual cash flows	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
Trade payables	125,062	125,062	125,062	–	–
Short-term bonds and borrowings					
Short-term borrowings	1,174	1,174	1,174	–	–
Non-current bonds and borrowings					
Non-current borrowings	1,000	1,000	–	1,000	–
Total	127,236	127,236	126,236	1,000	–

As of March 31, 2025

(Millions of yen)

	Carrying amount	Contractual cash flows	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years
Trade payables	117,423	117,423	117,423	–	–
Short-term bonds and borrowings					
Short-term borrowings	1,481	1,481	1,481	–	–
Non-current bonds and borrowings					
Non-current borrowings	1,000	1,000	–	1,000	–
Total	119,904	119,904	118,904	1,000	–

#### B. Derivative Financial Liabilities

The results of liquidity analysis of derivatives are shown below:

(Millions of yen)

	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
As of March 31, 2024				
Interest rate derivatives	–	–	–	–
Currency derivatives	21	–	–	21
Commodity derivatives	288	–	–	288
Total	309	–	–	309
As of March 31, 2025				
Interest rate derivatives	–	–	–	–
Currency derivatives	49	–	–	49
Commodity derivatives	447	–	–	447
Total	496	–	–	496

#### (5) Market Risk Management

The Group is exposed to market risks arising from fluctuations in foreign exchange rates, interest rates, commodity markets, and equity prices. As per its policy, the Group minimizes risks arising from fluctuations in foreign exchange rates, interest rates, and other factors by building a management structure through establishment of balance limits, and using various derivatives and others.

For execution and management of derivative transactions, in accordance with the internal rules that provide transaction authority, limit amounts, etc., departments engaged in such transactions rigorously manage and report on the transactions conducted according to their authority. In addition, a system of effective internal checking has been developed by setting up a transaction control department.

Market risks that the Group assumes are shown below:

- Currency risks
- Interest rate risks
- Commodity price risks
- Price risks of equity instruments

#### A. Currency Risk Management

Because the Group is engaged in import and export transactions, which are exposed to exchange fluctuation risks for transactions denominated in foreign currencies, the Group strives to reduce such exchange fluctuation risks through hedging transactions utilizing derivatives, including forward foreign exchange contracts.

The Group's exposure to currency risks (net amount) as of March 31, 2024 and 2025 is shown below:

	As of March 31, 2024	As of March 31, 2025
Short-term foreign exchange balance (Millions of yen)	113	83
[Thousands of U.S. dollars]	[749]	[557]
Long-term foreign exchange balance (Millions of yen)	—	—
[Thousands of U.S. dollars]	[—]	[—]

- (Notes)
1. The foreign exchange balance is the amount in foreign currencies for which exchange fluctuation risks are not hedged with forward foreign exchange contracts, etc., included in receivables and payables in foreign currencies in import and export transactions and firm commitments in foreign currencies. The foreign exchange balance that is due for settlement within one year is classified as short-term foreign exchange balance, while the foreign exchange balance that is due for settlement due after one year is classified as long-term foreign exchange balance, if any.
  2. Positive figures represent a receivable position, while negative figures (figures in parentheses), if any, represent a payable position.

#### Foreign Currency Sensitivity Analysis

Foreign currency sensitivity analysis shows the effect on profit before tax in the Group's consolidated statement of comprehensive income of 1% appreciation of the Japanese yen to the Company's short-term and long-term foreign exchange balances as of the end of each fiscal year. However, this analysis assumes that other variable factors (such as balances and interest rates) remain constant.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit before tax		
U.S. dollar	(1)	(1)

#### B. Interest Rate Risk Management

The Group is exposed to interest rate fluctuation risks in raising and managing funds accompanying investment activities and operating transactions. In addition, fixed-rate debt obligations are exposed to risks of fluctuations in fair value due to fluctuations in interest rates. The Group works to quantify interest rate risks to appropriately control volatility in profit or loss due to interest rate fluctuations. Specifically, the Group strives to reduce interest rate risks by conducting hedging transactions through interest rate swaps.

#### Interest Rate Sensitivity Analysis

The table below shows the effect on the Group's profit before tax of gains or losses arising from instruments affected by interest rate fluctuations, if the interest rate increases 1% in the fiscal years ended March 31, 2024 and 2025. This analysis is calculated by multiplying the net balance of floating-rate financial instruments held by the Group as of March 31, 2024 and 2025, by 1% with no future changes in the balances, effects of foreign exchange fluctuations, effect of diversified timing of rollover, and repricing of variable-rate borrowings taken into account. The analysis assumes that all other variables remain constant.

In calculation of sensitivity, interest-bearing debts with a variable interest condition, interest-bearing debts that have a fixed interest condition but actually have a variable interest condition through interest rate swaps, and cash and cash equivalents are deemed as instruments affected by interest rate fluctuations.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit before tax	(3)	(13)

### C. Commodity Price Risk Management

The Group principally deals with petroleum products and is exposed to commodity price risks arising from fluctuations in crude oil prices, quoted prices of petroleum products, and other prices. The Group strives to reduce commodity price risks using derivatives (such as commodity futures contracts and commodity swaps) as hedging instruments to commodity price risks caused by price fluctuation.

#### Commodity Price Sensitivity Analysis

The table below shows the Group's sensitivity analysis to fluctuations of quoted prices of crude oil and petroleum products.

The sensitivity analysis presents the effects on profit before tax in the consolidated statement of comprehensive income of a 1% increase in crude oil prices. This analysis assumes that other variable factors remain constant.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit before tax	88	131

### D. Management of Price Risks of Equity Instruments

The Group holds shares of third parties with which it has business relationships for the purpose of smoothly implementing its business strategy, and is exposed to risks of fluctuations in prices of equity instruments. The Group periodically assesses current market prices and financial conditions of issuers and continuously reviews its holding.

The Group has no equity instruments held for short-term trading purposes and does not actively trade these investments.

#### Sensitivity Analysis of Equity Instruments to Price Risks

The Group's sensitivity analysis of risks of fluctuations in prices of equity instruments is as follows. This analysis shows the effects on other comprehensive income (before tax effects) in the consolidated statement of comprehensive income of a 10% decrease in prices of listed stocks as of the end of each fiscal year. This analysis assumes that other variable factors remain constant.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Other comprehensive loss	(368)	(567)

## (6) Fair Value of Financial Instruments

### A. Method of Fair Value Measurement

Fair values of major financial assets and financial liabilities are determined as follows. In measurement of fair value of financial instruments, market prices are used when available. For financial instruments of which market prices are unavailable, the fair value is measured by discounting future cash flows or by other appropriate valuation methods.

#### Cash and cash equivalents

The carrying amount approximates fair value because the remaining period to maturity is short.

#### Trade receivables, trade payables, and other current financial assets (other receivables and deposits paid)

The carrying amount approximates fair value because it is settled in a short time.

#### Other current financial assets (securities) and other investments

The fair value of marketable securities is based on quoted prices on the stock exchange. The fair value of non-marketable securities is principally measured by the net asset approach, whereby the fair value is calculated by referring to the fair values of assets and liabilities held by the investee company.

Non-current financial assets other than investments (non-current loans receivable) and other current financial assets (current portion of non-current loans receivable)

The fair value of non-current loans receivable is measured by discounting future cash flows using interest rates offered for loans or credit with the same remaining maturities and the same terms to borrowers or customers with similar credit ratings.

Other current financial assets (derivatives), other current financial liabilities (derivatives), and other non-current financial liabilities (derivatives)

Level 1 and Level 2 derivatives are measured based on quoted market prices and on the prices provided by financial institutions with which the Group has business relationships. Level 3 derivatives are measured using the income approach and other approaches with unobservable inputs such as the estimated discount rate.

Bonds and borrowings

Except for cases where the carrying amount is virtually equal to the fair value, fair values of bonds and borrowings are measured by discounting future cash flows using interest rates offered for borrowings with the same remaining maturities and terms.

B. Financial Instruments Measured at Amortized Cost

Fair values of financial instruments measured at amortized cost are shown below:

(Millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at amortized cost: Non-current financial assets other than investments (non-current loans receivable) and other current financial assets (current portion of non-current loans receivable)	815	743	423	372
Financial liabilities measured at amortized cost: Bonds and borrowings	2,174	2,146	2,481	2,465

C. Hierarchy of Fair Value Measurement Recognized in the Consolidated Statement of Financial Position

IFRS 7, "Financial Instruments: Disclosure," requires an entity to classify fair value measurements using the fair value hierarchy reflecting materiality of inputs used for measurement of fair value.

The following shows levels in the fair value hierarchy:

Level 1—Quoted prices in active markets for identical assets or liabilities

Level 2—Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly

Level 3—Unobservable inputs for the asset or liability

The level in the fair value hierarchy used for fair value measurement is determined based on the lowest-level input that is significant to the fair value measurement.

Transfers between levels in the fair value hierarchy are recognized on the date on which an event or change in the situation resulting in the transfers arises.

Financial assets and financial liabilities recognized at fair value in the consolidated statement of financial position that are categorized into levels in the fair value hierarchy are shown below:

(Millions of yen)

	As of March 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Other investments				
FVTPL financial assets	—	—	92	92
FVTOCI financial assets	3,677	—	1,218	4,895
Other current financial assets (derivatives)				
Derivatives not designated as hedges	—	461	—	461
Total	3,677	461	1,310	5,448
Liabilities:				
Other current financial liabilities (derivatives)				
Derivatives not designated as hedges	—	309	—	309
Other non-current financial liabilities (derivatives)				
Derivatives designated as hedges	—	—	—	—
Total	—	309	—	309

(Millions of yen)

	As of March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Other investments				
FVTPL financial assets	—	—	101	101
FVTOCI financial assets	5,666	—	830	6,496
Other current financial assets (derivatives)				
Derivatives not designated as hedges	—	570	—	570
Total	5,666	570	931	7,167
Liabilities:				
Other current financial liabilities (derivatives)				
Derivatives not designated as hedges	—	496	—	496
Other non-current financial liabilities (derivatives)				
Derivatives designated as hedges	—	—	—	—
Total	—	496	—	496

There were no reclassifications between Level 1 and Level 2 in the fiscal years ended March 31, 2024 and 2025.



The components of changes in financial instruments categorized into Level 3 of fair value hierarchy are shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
	FVTPL	FVTOCI	FVTPL	FVTOCI
Balance at the beginning of the year	212	644	92	1,218
Total gains or losses (realized/unrealized)				
Other comprehensive income (loss)	–	70	–	(10)
Purchase	–	547	–	30
Sale	–	(43)	–	(104)
Transfer to Level 1 due to listing	–	–	–	(304)
Redemption/other	(120)	–	9	–
Balance at the end of the year	92	1,218	101	830

Gains or losses recognized in other comprehensive income in the consolidated statement of comprehensive income are presented as “FVTOCI financial assets.” There were no gains or losses recognized in profit.

For financial instruments categorized into Level 3, no significant increase or decrease in the fair value is expected if one or more of the unobservable inputs are changed to reasonably possible alternative assumptions.

(7) FVTOCI Financial Assets

The Group classifies all equity instruments other than those accounted for by the equity method as FVTOCI financial instruments. These equity instruments are held for the purpose of maintaining and strengthening business relationships with investees.

A. Fair Value of FVTOCI Financial Instruments

The fair values of major FVTOCI financial instruments are shown below:

As of March 31, 2024

(Millions of yen)

Stock	Amount
NICHIREKI CO., LTD.	1,228
INFRONEER Holdings Inc.	984
KOHNAN SHOJI CO., LTD.	474
Enex Infrastructure Investment Corporation	846
Machida Gas Co., Ltd.	117

As of March 31, 2025

(Millions of yen)

Stock	Amount
ENECHANGE Ltd.	2,131
NICHIREKI GROUP CO., LTD.	1,083
INFRONEER Holdings Inc.	823
Enex Infrastructure Investment Corporation	470
KOHNAN SHOJI CO., LTD.	403

(Note) NICHIREKI CO., LTD. changed its name to NICHIREKI GROUP CO., LTD. on October 1, 2024.

#### B. Derecognition of FVTOCI Financial Assets

Some FVTOCI financial assets were sold or disposed of due to review of business relationships with investees, etc. FVTOCI financial assets derecognized due to sale or disposal during the fiscal years ended March 31, 2024 and 2025 are shown below:

(Millions of yen)

Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Fair value at date of sale	Accumulated gains (losses)	Fair value at date of sale	Accumulated gains (losses)
565	(94)	124	(4)

Accumulated gains or losses (net of taxes) in other comprehensive income that were transferred to retained earnings as a result of the above are negative ¥65 million and ¥5 million for the fiscal years ended March 31, 2024 and 2025, respectively.

#### C. Dividends Received

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Investments derecognized during the year	—	—
Investments held at the end of the year	132	131
Total	132	131

#### (8) Derivatives and Hedges

##### Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in future cash flows arising in association with the forecasted transactions or already recognized assets or liabilities. Changes in fair value of derivatives designated as a cash flow hedge are recognized in other comprehensive income. This accounting treatment continues until changes in future cash flows arising in association with the unrecognized forecasted transactions or already recognized assets or liabilities that are designated as a hedged item are recognized in gains or losses. The ineffective portion of the hedge is recognized in profit or loss.

In accordance with its policy, the Group does not take a floating rate position to the extent possible for long-term funds raised to satisfy equity investment and other long-term fixed fund management. However, when funds are raised with floating interest rates, the Group enters into interest rate swaps to hedge the risks of fluctuations in cash flows arising from future changes in interest rates. The interest rate swaps are designated as cash flow hedges.

In applying hedge accounting, as a general rule, the Group tries to match notional amounts, periods (maturities) and fundamental figures of interest rates of hedging instruments and hedged items to maintain the effectiveness of hedging relationships over the hedge period. Hedge effectiveness also continues to be assessed after the application of hedge accounting. If an ineffective portion arises, the Group analyzes the cause for the ineffective portion. In the fiscal years ended March 31, 2024 and 2025, the amounts included in profit or loss in association with the ineffective portion of hedging and the portion excluded from the assessment of hedge effectiveness were not material.

There were no hedging instruments designated as hedges as of March 31, 2024 and 2025.

#### (9) Offsetting of Financial Assets and Financial Liabilities

Some financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position since the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

For financial assets and financial liabilities recognized for the same counterparties, the components of amounts offset and not offset in the consolidated statement of financial position by type of financial instruments as of March 31, 2024 and 2025 are shown below:

As of March 31, 2024

(Millions of yen)

	Total amount of financial assets	Total amount of financial liabilities offset	Net amount of financial assets presented in the consolidated statement of financial position	Amount of financial assets that do not meet requirements for offsetting	Amount of collateral received	Net amount
Financial assets:						
Trade receivables	3,661	3,021	640	—	—	640
Other current financial assets	235	78	157	—	—	157
Total	3,896	3,099	797	—	—	797

(Millions of yen)

	Total amount of financial liabilities	Total amount of financial assets offset	Net amount of financial liabilities presented in the consolidated statement of financial position	Amount of financial liabilities that do not meet requirements for offsetting	Amount of collateral provided	Net amount
Financial liabilities:						
Trade payables	3,311	3,021	290	—	—	290
Other current financial liabilities	78	78	—	—	—	—
Total	3,389	3,099	290	—	—	290

As of March 31, 2025

(Millions of yen)

	Total amount of financial assets	Total amount of financial liabilities offset	Net amount of financial assets presented in the consolidated statement of financial position	Amount of financial assets that do not meet requirements for offsetting	Amount of collateral received	Net amount
Financial assets:						
Trade receivables	2,029	1,834	195	—	—	195
Other current financial assets	24	—	23	—	—	23
Total	2,053	1,834	218	—	—	218

(Millions of yen)

	Total amount of financial liabilities	Total amount of financial assets offset	Net amount of financial liabilities presented in the consolidated statement of financial position	Amount of financial liabilities that do not meet requirements for offsetting	Amount of collateral provided	Net amount
Financial liabilities:						
Trade payables	2,198	1,834	363	—	—	363
Other current financial liabilities	36	—	36	—	—	36
Total	2,234	1,834	399	—	—	399

## 29. Revenue

### (1) Disaggregation of Revenue

The disaggregation of revenue recognized from contracts with external customers is as follows:

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments				Total
	Home-Life	Car-Life	Industrial Business	Power & Utility	
Revenue from sales of merchandise	75,081	591,200	140,494	116,399	923,174
Other	518	29,184	2,224	1,027	32,953
Revenue recognized from contracts with customers	75,599	620,384	142,718	117,426	956,127
Revenue recognized from other sources	1,096	1,162	1,936	2,981	7,175
Total	76,695	621,546	144,654	120,407	963,302

(Note) Revenue recognized from other sources includes lease income based on IFRS 16 and profit and loss on derivative transactions based on IFRS 9.

In addition, subsidies under the “Countermeasures to Mitigate Drastic Changes in Fuel Oil Prices,” a measure taken by the Japanese government under the “Comprehensive Emergency Measures to Address Soaring Crude Oil and Commodity Prices and Related Matters,” are included in Industrial Business Division. Moreover, subsidies under the “Countermeasures to Mitigate Drastic Changes in Electricity and Gas Prices,” and subsidies related to electricity saving program under the “Project for Measures to Promote Efficient Use of Electricity,” measures taken by the Japanese government under the “Comprehensive Economic Measures to Overcome Rising Prices and Realize Economic Revival,” are included in Power & Utility Division.

All of the subsidies are accounted for in accordance with IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance” and included in revenue in the consolidated statement of comprehensive income.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments				Total
	Home-Life	Car-Life	Industrial Business	Power & Utility	
Revenue from sales of merchandise	81,465	598,924	128,369	74,970	883,728
Other	433	30,002	2,371	1,728	34,534
Revenue recognized from contracts with customers	81,898	628,926	130,740	76,698	918,262
Revenue recognized from other sources	438	1,050	3,827	904	6,219
Total	82,336	629,976	134,567	77,602	924,481

(Note) Revenue recognized from other sources includes lease income based on IFRS 16 and profit and loss on derivative transactions based on IFRS 9.

In addition, subsidies under the “Countermeasures to Mitigate Drastic Changes in Fuel Oil Prices” implemented by the Japanese government are included in Industrial Business Division. Furthermore, subsidies under the “Electricity and Gas Price Burden Mitigation Project,” etc. implemented by the Japanese government are included in the Power & Utility Division.

All of the subsidies are accounted for in accordance with IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance” and included in revenue in the consolidated statement of comprehensive income.

(2) Contract Balances

The balances of receivables from contracts with customers, contract assets, and contract liabilities at the beginning and end of the period are as follows:

(Millions of yen)

	As of April 1, 2023	As of March 31, 2024	As of March 31, 2025
Receivables from contracts with customers	100,079	98,653	95,397
Contract assets	—	—	—
Contract liabilities	11,031	11,716	12,060

Contract liabilities are mainly related to advances received from customers. The amount of revenues recognized in the fiscal year ended March 31, 2024 that was included in the balance of contract liabilities at the beginning of the fiscal year is ¥11,031 million. The amount of revenues recognized in the fiscal year ended March 31, 2025 that was included in the balance of contract liabilities at the beginning of the fiscal year is ¥11,716 million. The decrease in the balance of contract liabilities in the fiscal years ended March 31, 2024 and 2025 was mainly due to satisfaction of performance obligations. The amount of revenue recognized in the fiscal years ended March 31, 2024 and 2025 from performance obligations satisfied (or partially satisfied) in past fiscal years was not material.

(3) Transaction Price Allocated to Remaining Performance Obligations

The Group has no individual transactions with contract terms in excess of one year. Therefore, the Group applies a practical expedient that provides an exemption from disclosure of information regarding remaining performance obligations. The Group's contracts with customers have no significant consideration that is not included in the transaction price.

(4) Assets Recognized from the Costs to Obtain or Fulfill Contracts with Customers

The Group has no assets recognized from the costs to obtain or fulfill contracts with customers. The Group applies a practical expedient that permits the incremental costs of obtaining a contract to be expensed as incurred if the amortization period of the asset would be one year or less.

### 30. Selling, General and Administrative Expenses

The components of selling, general and administrative expenses are shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Personnel expense	(35,487)	(35,705)
Rent expense	(2,604)	(1,980)
Depreciation and amortization	(11,802)	(12,893)
Commission fee	(8,691)	(8,855)
Traveling expense	(1,165)	(1,100)
Taxes and dues	(1,820)	(1,622)
Other	(8,658)	(8,492)
Total	(70,227)	(70,647)

### 31. Gain or Loss from Tangible Assets, Intangible Assets, and Goodwill

The components of gain or loss from tangible assets, intangible assets, and goodwill are shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Gain on sales	6,900	449
Loss on sales	(73)	(58)
Loss on disposal	(553)	(557)
Impairment loss	(1,598)	(671)
Other	(41)	(46)
Total	4,635	(882)

(Note) For impairment loss of non-current assets, please refer to Note 32, "Impairment Loss."

In the fiscal year ended March 31, 2024, a gain on sales of fixed assets of ¥5,019 million was recorded following the sale of a large-scale solar power plant (mega solar power plant) in the Power & Utility Division for ¥25,211 million. In the Car-Life Division, a gain on sales of fixed assets of ¥1,534 million was recorded following the sale of a former Car-Life Station site for ¥1,833 million.

### 32. Impairment Loss

The components of impairment loss are as follows:

Impairment loss was recognized in loss from tangible assets, intangible assets, and goodwill in the consolidated statement of comprehensive income.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Property, plant and equipment		
Buildings and structures	(132)	(108)
Machinery, equipment and vehicles	(783)	(44)
Land	(60)	(28)
Other	(33)	(167)
Subtotal	(1,008)	(347)
Intangible assets		
Customer relationships	(143)	(68)
Other	(1)	(2)
Subtotal	(144)	(70)
Investment property	(423)	(253)
Other	(23)	(1)
Total	(1,598)	(671)

For Group assets including property, plant and equipment, intangible assets, and investment property, a cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent.

The Group did not recognize individually material impairment losses in the fiscal years ended March 31, 2024 and 2025.

In the fiscal year ended March 31, 2024, the Group primarily recognized impairment losses on property, plant and equipment in the Car-Life Division and the Power & Utility Division after reducing carrying amount to recoverable amount for assets with reduced profitability resulting from factors including changes in the operating environment. The recoverable amount of property, plant and equipment in the Car-Life Division is measured at fair value less costs of disposal, while the recoverable amount of property, plant and equipment in the Power & Utilities Division is measured at value in use.

In the fiscal year ended March 31, 2025, the Group primarily recognized impairment losses on property, plant and equipment in the Home-Life Division and the Car-Life Division and on investment property in the Car-Life Division and Industrial Business Division

after reducing carrying amount to recoverable amount for assets with reduced profitability resulting from factors including changes in the operating environment. The recoverable amount of property, plant and equipment in the Home-Life Division and property, plant and equipment and investment property in the Industrial Business Division is measured at value in use, while the recoverable amount of property, plant and equipment and investment property in the Car-Life Division is measured at fair value less costs of disposal.

### 33. Other Profit or Loss

The components of other – net of other income and expenses are shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Insurance claim income	563	649
Commission fee	191	221
Foreign exchange gain (Note)	147	343
Other	630	3,190
Total income	1,531	4,403
Foreign exchange loss (Note)	–	(33)
Other	(964)	(368)
Total expenses	(964)	(401)
Total	567	4,002

(Note) Gain or loss on valuation of foreign currency derivatives is included in foreign exchange gain or loss. In addition to the above, in the fiscal years ended March 31, 2024 and 2025, net gain or loss on valuation of commodity-related derivatives was recognized at ¥962 million and negative ¥85 million, respectively, in revenue and cost of sales in the consolidated statement of comprehensive income.

### 34. Financial Income and Costs

The components of financial income and financial costs are shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Interest income		
Financial assets measured at amortized cost	63	94
Other	31	61
Subtotal	94	155
Dividends received		
FVTOCI financial assets	132	131
Subtotal	132	131
Interest expense		
Financial liabilities measured at amortized cost	(288)	(336)
Other	(403)	(461)
Subtotal	(691)	(797)
Other financial income (costs)		
FVTPL financial assets	–	9
FVTPL financial liabilities	(380)	–
Subtotal	(380)	9
Total	(845)	(502)

### 35. Earnings per Share

Basic earnings per share for the fiscal years ended March 31, 2024 and 2025 were calculated as follows:

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net profit attributable to Itochu Enex's shareholders (Millions of yen)	13,887	17,102
Weighted-average number of ordinary shares outstanding (Thousands of shares)	112,873	112,788
Basic earnings per share attributable to Itochu Enex's shareholders (Yen)	123.03	151.63

(Note) Diluted earnings per share attributable to Itochu Enex's shareholders are not presented because there were no potentially dilutive shares.

### 36. Cash Flow Information

Supplementary information about cash flows is shown below:

#### (1) Changes in Liabilities Arising from Financing Activities

Changes in liabilities arising from financing activities are shown below:

As of March 31, 2024

(Millions of yen)

	Short-term borrowings	Non-current borrowings (Note)	Lease liabilities (Note)	Liabilities held to hedge non-current borrowings
Balance as of April 1, 2023	2,456	11,671	57,678	289
Cash flows from financing activities	(1,354)	(10,670)	(10,820)	—
Foreign exchange translation differences	72	—	—	—
Change in fair value	—	—	—	—
Interest expense	—	—	—	—
Increase in new contracts	—	—	4,434	—
Other	—	—	5,477	(289)
Balance as of March 31, 2024	1,174	1,000	56,769	—

(Note) The amounts include current portion of non-current borrowings and current portion of lease liabilities.



As of March 31, 2025

(Millions of yen)

	Short-term borrowings	Non-current borrowings (Note)	Lease liabilities (Note)	Liabilities held to hedge non-current borrowings
Balance as of April 1, 2024	1,174	1,000	56,769	—
Cash flows from financing activities	308	—	(10,867)	—
Foreign exchange translation differences	(1)	—	—	—
Change in fair value	—	—	—	—
Interest expense	—	—	—	—
Increase in new contracts	—	—	4,957	—
Other	—	—	3,314	—
Balance as of March 31, 2025	1,481	1,000	54,173	—

(Note) The amounts include current portion of non-current borrowings and current portion of lease liabilities.

(2) Acquisition of Subsidiaries

There was no income or expenditure from the acquisition of subsidiaries in the fiscal years ended March 31, 2024 and 2025.

### 37. Non-Cash Transactions

Significant Non-Cash Transactions

The amount of assets acquired under leases is ¥13,813 million and ¥9,087 million for the fiscal years ended March 31, 2024 and 2025, respectively.

### 38. Related Parties

(1) Compensation for Key Management Personnel

Compensation for key management personnel of the Group is shown below:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Short-term compensation	489	461
Share-based payment	43	59
Total	532	520

(2) Transactions with the Parent, Associates, and Other Companies Owned by the Parent

Transactions with the parent, associates, and other companies owned by the parent and the balance of receivables from and payables to them are shown below:

For the fiscal year ended March 31, 2024

(Millions of yen)

Category	Name	Relationship with related party	Transaction amount	Unsettled balance
Associate	Oji Green Energy Tokushima Co., Ltd.	Guarantee on borrowings	4,405	–
Associate	JAPAN GAS ENERGY CORPORATION	Purchase of LPG products	759	2,630
Subsidiary of parent	ITOCHU Treasury Corporation	Cash transactions	20,000	20,000

For the fiscal year ended March 31, 2025

(Millions of yen)

Category	Name	Relationship with related party	Transaction amount	Unsettled balance
Associate	Oji Green Energy Tokushima Co., Ltd.	Guarantee on borrowings	4,062	–
Associate	JAPAN GAS ENERGY CORPORATION	Purchase of LPG products	932	2,652
Subsidiary of parent	ITOCHU Treasury Corporation	Cash transactions	–	20,000

(Note) For the fiscal years ended March 31, 2024 and 2025, the amounts of transactions, such as the gas product purchases from JAPAN GAS ENERGY CORPORATION, include the transactions in which the Group is involved as an agent. The Group presents the amount of transactions at a net amount.

### 39. Parent, Subsidiaries, and Associates

The Company's parent is ITOCHU Corporation, which is located in Japan.

The status of major subsidiaries as of March 31, 2025 is shown below:

In the fiscal year ended March 31, 2025, there were no individual subsidiaries with material non-controlling interests.

Company name	Location	Percentage of voting rights owned (%)
Home-Life Division		
ITOCHU ENEX HOME-LIFE CO., LTD.	Chuo-ku, Tokyo	100.0
ECORE CO., LTD.	Hakata-ku, Fukuoka City, Fukuoka	51.0
Car-Life Division		
ENEX FLEET CO., LTD.	Yodogawa-ku, Osaka City, Osaka	100.0
Osaka Car Life Group Co., Ltd.	Nishi-ku, Osaka City, Osaka	52.0
Nissan Osaka Sales Co., Ltd.	Nishi-ku, Osaka City, Osaka	52.0
KYUSHU ENERGY CO., LTD.	Oita City, Oita	75.0
Industrial Business Division		
Itochu Industrial Gas Co., Ltd.	Chiyoda-ku, Tokyo	100.0
Power & Utility Division		
ENEX LIFE SERVICE CO., LTD.	Chiyoda-ku, Tokyo	100.0
Enex Electric Power Co., Ltd.	Chiyoda-ku, Tokyo	100.0
Oji-Itochu Enex power retailing Co., Ltd.	Chiyoda-ku, Tokyo	60.0
TOKYO TOSHI SERVICE COMPANY	Chuo-ku, Tokyo	66.6
25 other companies		

### 40. Commitments

Contractual commitments for expenditures after the consolidated statement of financial position date are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Acquisition of property, plant and equipment	2,667	7,339
Acquisition of intangible assets	384	91
Total	3,051	7,430

#### 41. Contingent Liabilities

The Group provides various forms of guarantees for general business partners. When a guaranteed entity defaults, payment obligations are assumed by the Group. The Group's total amount and actual amount of guarantees provided for general business partners as of March 31, 2024 and 2025 are as follows:

The total amount of guarantees is the total amount of maximum payment limits under guarantee contracts with guaranteed entities and the maximum amount at which payment obligations may arise to the Group. The actual amount of guarantees is based on the total amount of debts recognized by guaranteed entities within the maximum payment limits, and is the amount that is deemed as the amount of actual risks taken after deduction of re-guarantees given by a third party to the Group, etc.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Financial guarantees		
Total amount of guarantees	6,208	6,173
Actual amount of guarantees	4,982	4,538
Guarantees for other transactions		
Total amount of guarantees	24	12
Actual amount of guarantees	13	9
Total		
Total amount of guarantees	6,232	6,185
Actual amount of guarantees	4,995	4,547

(Note) Financial guarantees include guarantees on loan receivables to associates. Guarantees for other transactions include guarantees on operating transactions and guarantees on the balance of leasing agreements.

For guarantees provided by the Group for general business partners, those with the longest guarantee period will expire on March 31, 2039.

Currently there is no litigation, arbitration, or other legal proceedings that may have a significant impact on the Group's financial position or operating results. However, the Group gives no guarantee that there is no possibility that such significant lawsuits or other legal proceedings may be filed with regard to the Group's operating activities in Japan and overseas in the future that may have a negative impact on the Group's financial position and operating results.

#### 42. Collateral

The components of assets pledged as collateral and their corresponding debts are shown below:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets pledged as collateral		
Cash and cash equivalents	588	—
Trade receivables	—	—
Other current assets	—	—
Investments accounted for by the equity method	3,385	3,500
Non-current financial assets other than investments	5,206	5,461
Property, plant and equipment	—	—
Intangible assets	—	—
Other non-current assets	—	—
Total	9,179	8,961
Corresponding debts		
Short-term bonds and borrowings	—	—
Non-current bonds and borrowings	—	—
Non-current lease liabilities	5,206	5,461
Total	5,206	5,461

(Note) Assets pledged as collateral other than the above include investments in subsidiaries that have been eliminated in consolidation.

#### 43. Material Subsequent Events

No items to report.