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Notice of the 95th Annual General Meeting of Shareholders

The logo for Obbli, featuring the word "Obbli" in a bold, blue, sans-serif font. The letter "i" at the end has a small orange dot above it.

SAN-AI OBBLI CO., LTD.

Stock code: 8097

Contents

- 1.Date and time: Thursday, June 25, 2026 10 a.m.
2.Place: 10th floor, Company Conference Room, Otemachi Place East Tower
2-3-2 Otemachi, Chiyoda-ku, Tokyo, Japan

3.Matters for resolution

- Proposal No. 1 Appropriation of Surplus
Proposal No. 2 Election of Three Directors
Proposal No. 3 Revision of the Amount of Remuneration for Outside Directors

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To our shareholders:

Hiroshi Hayata
Representative Director, President
SAN-AI OBBLI CO., LTD.
(Location of the Main Office)
5-22-5 Higashioi, Shinagawa-ku, Tokyo, Japan
(Head Office)
2-3-2 Otemachi, Chiyoda-ku, Tokyo, Japan

Notice of the 95th Annual General Meeting of Shareholders

You will be notified of the 95th Annual General Meeting of Shareholders of SAN-AI OBBLI CO., LTD. (the “Company”), which will be held as indicated below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on the Company’s website. Please access the following website to view the information.

The Company website:

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

(From the above website, select “IR Information.”)

In addition to the Company’s website, the matters subject to measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the information as explained below.

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website by using the internet address shown above, enter “SAN-AI OBBLI” in “Issue name (company name)” or the Company’s securities code “8097” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you do not attend the meeting in person, you may exercise your voting rights via the internet or in writing (by mail). Please review the Reference Documents for the General Meeting of Shareholders before exercising your voting rights by 5.40 p.m. on Wednesday, June 24, 2026 (JST).

- 1. Date and Time:** Thursday, June 25, 2026, at 10:00 a.m. (JST)
- 2. Venue:** 10th floor, Company Conference Room, Otemachi Place East Tower
2-3-2 Otemachi, Chiyoda-ku, Tokyo, Japan

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 95th fiscal year (from April 1, 2025 to March 31, 2026), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 95th fiscal year (from April 1, 2025 to March 31, 2026)

Matters to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Three Directors
Proposal No. 3: Revision of the Amount of Remuneration for Outside Directors

4. Guidance on Exercising Voting Rights, etc.

Please refer to the “Guidance on Exercising Voting Rights, etc.” on page 3 and the “Guidance on Exercising Voting Rights via the Internet, etc.” on page 4.

5. Matters Concerning Request for Delivery of Paper-Based Documents

We will send paper-based documents that contain the matters subject to measures for electronic provision to shareholders who have requested delivery of paper-based documents. However, pursuant to the relevant laws and regulations and the provisions of the Company’s Articles of Incorporation, “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are not included in these documents.

Accordingly, these documents consist of part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members and the Financial Auditor in preparing the Audit Reports.

- When attending the meeting in person, please hand in the enclosed voting form at the reception desk.
- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s website and the TSE website.

Guidance on Exercising Voting Rights, etc.

You can exercise your voting rights in the following three ways.

Attending the Meeting

Please hand in the enclosed voting form at the reception desk (name seals are not required).

Date and Time: Thursday, June 25, 2026, at 10:00 a.m. (JST)

Venue: 10th floor, Company Conference Room, Otemachi Place East Tower,
2-3-2 Otemachi, Chiyoda-ku, Tokyo, Japan

Voting in Writing (by Mail)

Please indicate your approval or disapproval of each proposal on the voting form and post it.

Voting deadline: To be received no later than 5:40 p.m., Wednesday, June 24, 2026

Voting via the Internet, etc.

Follow the instructions on the next page to indicate your approval or disapproval of each proposal.

Voting deadline: To be submitted no later than 5:40 p.m., Wednesday, June 24, 2026

Guidance for Filling in the Voting Form

Please indicate your approval or disapproval to each proposal.

Proposals No. 1 and 3

- If you approve:
Mark a ○ in the box marked “賛”
- If you disapprove:
Mark a ○ in the box marked “否”

Proposal No. 2

- If you approve all candidates:
Mark a ○ in the box marked “賛”
- If you disapprove all candidates:
Mark a ○ in the box marked “否”
- If you selectively veto certain candidates:
Mark a ○ in the box marked “賛” and write the number of each candidate you choose to veto.

- * If you exercise your voting rights via the internet, etc. more than once, the last exercise shall be treated as valid.
- * If you exercise your voting rights both in writing (by postal mail) and via the internet etc., only the vote placed via the internet, etc. shall be deemed to be valid.

Guidance on Exercising Voting Rights via the Internet, etc.

Scanning the QR Code “Smart Vote”

You can simply log in to the voting website without entering your voting code and password.

- (i) Please scan the QR Code printed on the lower right-hand side of the voting form.
 - * “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
 - * “Smart Vote” is a registered trademark of Japan Stockholders Data Service Company, Limited.
- (ii) Next, follow the instructions on the screen to indicate your approval or disapproval of each proposal.

Please note that exercising voting rights by using “Smart Vote” method is available only once.

If you need to change your votes after exercising your voting rights, please log in to the voting website for PC by using your voting code and password printed on the voting form, and exercise your voting rights again.

- * If you rescan the QR Code, you can access the voting website for PC.

Entering Voting Code and Password

Voting website: <https://www.web54.net> (in Japanese)

- (i) Access the voting website.
 - Click “Next.”
- (ii) Enter the “voting rights exercise code” which is provided on your voting form.
 - Enter the “voting rights exercise code.”
 - Click “Login.”
- (iii) Enter the “password” which is provided on your voting form.
 - Enter the “password.”
 - Enter the new password that you will actually use.
 - Click “Register.”
- (iv) Next, follow the instructions on the screen to indicate your approval or disapproval of each proposal.

In case you need instructions for how to operate your personal computer or smartphone in order to exercise your voting rights via the internet, please contact:

Sumitomo Mitsui Trust Bank, Limited Stock Transfer Web Support Phone No.

Toll-free (within Japan): 0120-652-031 (9:00 a.m. to 9:00 p.m.) (JST)

You may use the Electronic Voting Platform for Institutional Investors operated by ICJ Inc., as a method of exercising your voting rights.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividends

Under our medium-term management plan covering the period from Fiscal Year 2024 to Fiscal Year 2026, the Company will strive to increase shareholder value and implement capital policies in accordance with our financial condition and earnings trends. For the 3-year period of the current medium-term management plan, we will aim for a minimum annual dividend per share of 100 yen and a total return ratio of 100%.

Based on this, we intend to pay an ordinary dividend of 50 yen per share for the 95th fiscal year-end.

Type of dividend property

Cash

Allotment of dividend property and total amount to be paid

¥50 per common share of the Company (ordinary dividend)

Total amount: ¥3,094,120,650

Since the Company has already paid an interim dividend of ¥50 (ordinary dividend) during the fiscal year ended March 31, 2026, the annual dividend will be ¥100 per share (ordinary dividend).


Effective date of dividends of surplus


June 26, 2026


Proposal No. 2: Election of Three Directors

Director Fuminori Hasegawa will resign at the conclusion of this meeting. The Company intends to request the election of one director as a replacement, and the addition of two outside directors to strengthen our management structure and corporate governance, for a total of three directors (including two outside directors). The term of office of the newly elected directors shall be conterminous with the remaining term of office of other directors presently in office, in accordance with the Articles of Incorporation.

The candidates for Directors are as follows.

Candidate No.	Name (date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of Shares of the Company's shares owned
1	 Akira Sudo (February 6, 1968) New elected	Mar. 1991 Joined the Company Apr. 2018 General Manager, Facilities Operation and Maintenance Department, Haneda Branch (currently Aviation Business Division) Oct. 2020 General Manager, Business Department, Haneda Branch Apr. 2021 Executive Officer (current position) General Manager, Airport Business Planning Office, Haneda Branch Apr. 2022 In charge of Aviation Business Division (current position) General Manager of Aviation Business Division (current position) Representative Director, President of SAN-AI AVIATION SERVICE CO., LTD. (current position) Representative Director, President of KOBE AIRPORT FUELING FACILITY CO., LTD. (current position) [Significant concurrent positions outside the Company] Representative Director, President of SAN-AI AVIATION SERVICE CO., LTD. Representative Director, President of KOBE AIRPORT FUELING FACILITY CO., LTD.	8,815 shares
[Reasons for nomination as candidate for Director] Mr. Sudo currently serves as Executive Officer in charge of the Aviation Business Division and has contributed to the development of our business. He possesses extensive experience and broad knowledge in aviation-related businesses. Therefore, the Company deems that he is suitable as Director and proposes his election.			

Candidate No.	Name (date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of Shares of the Company's shares owned
2	 <p data-bbox="300 499 499 555">Hayao Hora (November 1, 1947)</p> <p data-bbox="331 584 467 667">New election Outside Independent</p>	<p data-bbox="520 248 1214 304">Jul. 1971 Joined the Ministry of Transport (now the Ministry of Land, Infrastructure, Transport and Tourism)</p> <p data-bbox="520 304 1214 360">Jul. 2001 Director-General, Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p data-bbox="520 360 1214 394">Aug. 2002 Director-General, Civil Aviation Bureau</p> <p data-bbox="520 394 1214 427">Jul. 2003 Vice-Minister for Transport and International Affairs</p> <p data-bbox="520 427 1214 461">Oct. 2007 Full-time Advisor of All Nippon Airways Co., Ltd.</p> <p data-bbox="520 461 1214 517">Jun. 2011 Representative Director, Executive Vice President and Executive Officer</p> <p data-bbox="520 517 1214 551">Apr. 2014 Full-time Advisor of ANA HOLDINGS INC.</p> <p data-bbox="520 551 1214 584">Jul. 2018 Advisor of Skymark Airlines Inc.</p> <p data-bbox="520 584 1214 640">Dec. 2018 Outside Corporate Audit & Supervisory Board Member of Paraca Inc.</p> <p data-bbox="520 640 1214 696">Feb. 2020 Representative Director, President and Chief Executive Officer of Skymark Airlines Inc.</p> <p data-bbox="520 696 1214 730">Jun. 2024 Representative Director, Chairman of the Board</p> <p data-bbox="520 730 1214 763">Jun. 2025 Senior Advisor (current position)</p> <p data-bbox="520 763 1214 842">[Significant concurrent positions outside the Company] Outside Corporate Audit & Supervisory Board Member of Paraca Inc.</p>	0 shares
<p data-bbox="272 853 1433 887">[Reasons for nomination as candidate for outside Director, and overview of expected role]</p> <p data-bbox="272 887 1433 1099">Mr. Hora has been involved in the transportation and traffic fields for many years at the Ministry of Land, Infrastructure, Transport and Tourism, including Director-General of the Road Transport Bureau, Director-General of the Civil Aviation Bureau, and Vice-Minister for Transport and International Affairs. He has also cultivated extensive knowledge and experience through his role as Representative Director, President and Chief Executive Officer of Skymark Airlines Inc. The Company expects that he utilizes his extensive knowledge and experience to appropriately contribute to the decision-making of the Board of Directors and to supervise the execution of duties by Director. Therefore, the Company deems that he is suitable as outside Director and proposes his election.</p>			

Candidate No.	Name (date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of Shares of the Company's shares owned
3	 Ryoichi Yamamoto (March 27, 1951) New election Outside Independent	Apr. 1973 Joined Daimaru, Inc. Feb. 1993 General Manager, Sales Planning Department, Osaka Umeda Store Feb. 2001 Administrative Officer, General Manager of Sales Reform Promotion Office, Head Office Department Store Business Division and General Manager of Sales Planning Office May 2003 Representative Director, President and Chief Operating Officer Sep. 2007 Director of J. FRONT RETAILING Co., Ltd. Director, Matsuzakaya Co. Ltd. Mar.2010 Representative Director, President of Daimaru Matsuzakaya Department Stores Co., Ltd. Apr. 2013 Representative Director, President of J. FRONT RETAILING Co., Ltd. May 2017 Director, President and Representative Executive Officer May 2020 Director, Chairman of the Board Jun. 2021 Outside Director, Daido Steel Co., Ltd. (scheduled to retire in June 2026) Outside Director, NORITAKE CO., LIMITED May 2024 Adviser, J. FRONT RETAILING Co., Ltd. Jun. 2025 Special Adviser (current position)	0 shares
[Reasons for nomination as candidate for outside Director, and overview of expected role] Mr. Yamamoto has been involved in corporate management for many years including serving as Representative Director, President of J. FRONT RETAILING Co., Ltd. and possesses the high level of insight and extensive experience cultivated through these roles. The Company expects that he utilizes his extensive knowledge and experience to appropriately contribute to the decision-making of the Board of Directors and to supervise the execution of duties by Director. Therefore, the Company deems that he is suitable as outside Director and proposes his election.			

- Notes:
- There is no special interest between any of the above candidates and the Company.
 - Matters related to candidates for outside Directors are as follows:
 - Hayao Hora and Ryoichi Yamamoto are candidates for outside Directors.
 - If the election of Hayao Hora and Ryoichi Yamamoto is approved, the Company plans to enter into limited liability agreement with them, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act and the Company's Articles of Incorporation. The outline of the agreement is to limit liability for compensation of damages incurred due to negligence of duties provided for under Article 423, paragraph (1) of the Companies Act to the amount of ¥3 million, or the minimum liability amount provided for under Article 425, paragraph (1) of the Companies Act, whichever is higher.
 - If the election of Hayao Hora and Ryoichi Yamamoto is approved, the Company plans to submit notification to the Tokyo Stock Exchange that they are designated as independent officers as provided for by the aforementioned exchange.
 - The Company has entered into directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This policy covers damages arising from liability borne by the insured, which includes Directors of the Company, in the course of the execution of their duties or claims pertaining to the pursuit of such liability. However, there are certain grounds for exemptions, such as no coverage provided for damages arising from actions that are done with the acknowledgement that such actions are in violation of laws and regulations. If all of the candidates are elected and assume office as Director, they will be the insured in this policy. Furthermore, the Company plans to renew the insurance policy with the same terms and conditions during their term of office.

(Reference) Skill Matrix of Directors and Audit & Supervisory Board Members

The Company's Board of Directors comprises the number of Directors in accordance with business strategies, taking into consideration the balance between knowledge, experience and skills of the Board of Directors as a whole. Listed in the skill matrix below are the knowledge, experience, skills, etc. if Proposal No.2 is approved as proposed.

Name	Position	Corporate Management	Legal and Risk Management	Finance, Accounting and Money	Industry Knowledge	Sales and Marketing	Personnel, Labor and Human Resource Development	ESG
Jun Kaneda	Representative Director, Chairman of the Board	●	●		●	●		●
Hiroshi Hayata	Representative Director, President and Executive Officer	●	●		●	●		●
Takashi Sato	Director, Managing Executive Officer		●	●	●	●	●	●
Kohichiro Ishii	Director, Executive Officer	●			●	●		●
Akira Sudo	Director, Executive Officer	●			●			●
Keiko Unotoro	Outside Director		●		●			●
Yoji Ninomiya	Outside Director	●	●	●				●
Hayao Hora	Outside Director	●	●		●			●
Ryoichi Yamamoto	Outside Director	●				●		●
Junichi Matsumura	Full-time Audit & Supervisory Board Member	●	●		●			
Atsushi Ohi	Full-time Audit & Supervisory Board Member		●		●			
Hidetoshi Watanabe	Outside Audit & Supervisory Board Member			●				
Fumihiko Kato	Outside Audit & Supervisory Board Member		●		●			
Sayaka Hieda	Outside Audit & Supervisory Board Member		●					

* The above listed contents do not indicate the full knowledge and experience that each person has.

(Reference) Independence Standards for Outside Officers

The Company deems outside officers to be independent when none of the following apply, either currently or for the past three years.

1. Individuals whose principal business partner is the Company or its subsidiary (refers to individuals who have received payment from the Company or its subsidiaries amounting to 2% or more of consolidated turnover in any of the past three business years of the relevant individual) or persons who execute the relevant business (“executives”)
2. Individuals whose principal business partner is the Company or its subsidiary (refers to individuals who have made payments to the Company or its subsidiaries amounting to 2% or more of consolidated net sales in any of the past three business years of the relevant individual) or persons who execute the relevant business (“executives”)
3. A principal lender to the Company or its subsidiaries (refers to a lender where the amount of borrowings from the relevant lender at the end of any of the past three business years exceeds 2% of total consolidated assets) or persons who execute the relevant business (“executives”)
4. Individuals who have received donations that exceed ¥10 million or 2% of the total income of the relevant person from the Company or its subsidiaries in any of the past three business years (where the entity that received the relevant donation is an organization, such as a corporation or a union, etc., refers to individuals who belong to the relevant organization)
5. Consultants, accounting experts or legal professionals who have received ¥10 million or more in cash or other assets from the Company or its subsidiaries in any of the past three business years, beyond remuneration as an officer (where the entity that acquired the relevant assets is an organization, such as a corporation or a union, etc., refers to individuals who belong to the relevant organization)
6. Main shareholders of the Company (refers to shareholders with 10% or more of voting rights) or persons who execute the relevant business (“executives”)
7. A relative within the second degree of kinship with persons who execute business (“executives”) of the Company or its subsidiaries (excluding persons who are unimportant)
8. A relative within the second degree of kinship with an outside Director of the Company (limited to determining independence of outside Audit & Supervisory Board Members)
9. A relative within the second degree of kinship with an individual to whom any of 1 through 6 above apply (excluding persons who are unimportant)

Proposal No. 3: Revision of the Amount of Remuneration for Outside Directors

The amount of remuneration for the Company's Directors was approved at the 89th Annual General Meeting of Shareholders held on June 26, 2020 and the 92nd Annual General Meeting of Shareholders held on June 28, 2023 to be within 340 million yen per year (including within 22 million yen per year for outside Directors), and this remains in effect today.

As the Company is proposing to increase the number of outside directors by two as described in Proposal No.2 to strengthen the management structure and corporate governance, the Company proposes to leave the amount of remuneration within 340 million yen per year and revise the remuneration for outside directors to within 29 million yen per year.

The above revision of director remuneration is in line with the "Policy on Determining the Content of Remuneration for Officers, etc." described in the business report, and in addition, based on the deliberations and report of the Nomination and Remuneration Advisory Committee, the Board of Directors has decided to submit this matter to this Annual General Meeting, and thus deems it to be appropriate.

Currently, there are 7 directors (including 2 outside directors), but if Proposal No.2 is approved as originally proposed, there will be 9 directors (including 4 outside directors).

1 Current status of Our Group

(1) Business Progress and Financial Results

During the fiscal year under review, the Japanese economy recovered moderately, with signs of recovery in personal consumption and capital investment. On the other hand, in addition to the continued weak yen and rising resource prices, there are concerns about geopolitical risks such as surging crude oil prices and supply shortages due to the prolonged situation in Iran, and the outlook remains uncertain.

In the business environment surrounding our group, although demand for aviation fuel remained strong, mainly for international flights, due to an increase in the number of foreign visitors to Japan, the market conditions for domestic petroleum products remained unstable due to the commencement of measures by the government to reduce the price of fuel oil on a straight-line basis and the abolition of the provisional tax rates for gasoline and diesel fuel taxes.

Our group entered the second stage of our mid-term business plan "Challenge 2030 for Challenging the Future," and has been moving forward with various initiatives, positioning the period from fiscal year 2024 to fiscal year 2026 as a period to steadily implement business strategies and accelerate growth-oriented investments.

In the fiscal year under review, our group's net sales decreased 6.5% year on year to 611,570 million yen due to a decline in sales volume of petroleum products. Operating profit increased 4.6% year on year to 12,356 million yen due to the revision of the unit price for aviation fuel handling fees in the Aviation-related Business. Ordinary profit increased 4.5% year on year to 13,442 million yen, and profit attributable to owners of the parent increased 6.2% year on year to 9,196 million yen.

The status of our group by business is as follows.

(Millions of yen)

	Petroleum-related businesses	Chemical Products-related business	Gas-related business	Aviation-related business	The Other businesses	Adjusted amount	Amount recorded consolidated financial statements
Net sales	516,413	12,775	58,468	16,748	7,166	-	611,570
Segment Profit	5,670	1,126	2,295	5,712	1,176	-2,538	13,442

(NOTE)Segment profit is adjusted with ordinary profit in the consolidated statements of income.

Petroleum-related business

Content of major business

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

Affiliated SS985 locations as of March 31, 2026

In the Petroleum-related business, while gasoline sales volume remained firm, kerosene, diesel fuel, heavy oil and other oil types trended downward, and overall petroleum products were down year on year. The situation by division is as follows.

In the petroleum retail division, although gasoline sales volume remained at the same level as the previous fiscal year, profit margins declined due to price competition, and profits were lower than the previous fiscal year. In the petroleum wholesale division, as expectations of lower prices spread in the petroleum market due to subsidy payments and the abolition of provisional tax rates for gasoline and diesel fuel taxes, the profitability of some transactions of Kygnus Sekiyu K.K. deteriorated, and profits were significantly lower than the previous fiscal year. In the Industrial fuel oil sales division, although sales volume was lower than the previous fiscal year, profits exceeded the previous fiscal year due to improved profit margins. In the Industrial lubricants sales division, although orders for gas engine maintenance for power generation and endoscopy inspections for wind power recovered in the second half, profits were lower than the previous fiscal year.

Consequently, net sales in the Petroleum-related business decreased 7.8% year on year to 516,413 million yen, and segment profit decreased 23.1% year on year to 5,670 million yen.

Chemical Products-related business

Content of major business

Chemical Products-related business manufactures and sells biocide products and commercial car wash products.

In addition, it sells petroleum-based solvents and tackifiers wholesale.

In the Chemical Products-related business, sales volume for all products remained largely unchanged from the previous fiscal year. Profit margins improved because of supply chain optimization, such as purchasing and inventory management. The situation by product is as follows.

In automotive-related products, both sales volume and profits of car wash products, the company's own products, exceeded the previous fiscal year. In biocide products, sales volume exceeded the previous fiscal year, but profits declined from the previous fiscal year. Sales volume and profits for petroleum-based solvents both remained at the same level as the previous fiscal year. In tackifier, sales volume and profits both declined from the previous fiscal year. Performance chemicals remained at the same level as the previous fiscal year.

Consequently, net sales in the Chemical Products-related Business increased by 0.8% year-on-year to 12,775 million yen, and segment profit decreased by 1.6% year-on-year to 1,126 million yen.

<LPG Sales business>

Content of major business

LPG Sales business sells residential and commercial LP gas and sells renovations and gas appliances mainly in the Kanto and Tokai areas, Chugoku and Kinki areas, and Kyushu areas.

127 thousand retail customers as of March 31, 2026

In LPG sales business, sales volume remained at the same level as the previous fiscal year, amid a general downward trend in demand due to the extremely hot summer and other factors. The status of each division is as follows.

In the retail division, although unit consumption declined, mainly in household use, profits rose from the previous fiscal year due to an increase in basic fee revenue resulting from an increase in retail customer numbers. In the wholesale business, profits decreased year-on-year due to the impact of inventory valuations.

In December 2025, the Company acquired all shares of Smart Solution Co., Ltd., a holding company of KUMAMOTO SEKIYU Co., Ltd., which engages in retail sales of LP gas and SS management in Kumamoto City, Kumamoto Prefecture and both companies joined consolidated subsidiaries. In addition, in March 2026, the two companies merged with KUMAMOTO SEKIYU Co., Ltd. as the surviving company.

< Natural Gas business >

Content of major business

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

In the natural gas sales business, sales volume in household use exceeded the previous fiscal year due to the participation of Imari Gas Co., Ltd. in our group. In the commercial and industrial sectors, although sales volume remained at the same level as the previous period, profits exceeded those of the previous period, partly due to sales of energy-efficient equipment.

Consequently, net sales in the Gas-related business decreased by 4.6% year-on-year to 58,468 million yen due to a decline in LP gas sales prices. Segment profit increased by 8.7% year-on-year to 2,295 million yen due to improved profit margins in LP gas sales business.

Aviation-related business

Content of major business

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

In the Aviation-related business, air travel demand was strong, mainly on international flights, due to an increase in foreign visitors to Japan and so on.

The volume of fuel handled at Haneda Airport on domestic flights recovered in summer demand, but was sluggish in the second half and slightly below the previous fiscal year. On international flights, demand was strong due to increased flights and new routes in line with inbound demand. As a result, the combined volume of fuel handled on domestic and international flights increased by about 2% year-on-year.

Consequently, net sales in the Aviation-related business increased by 16.1% year-on-year to 16,748 million yen due to revised unit prices for aviation fuel handling fees and increased aviation fuel handling volume, and segment profit increased by 55.7% year-on-year to 5,712 million yen.

The Other businesses

Content of major business

The Other businesses include cleaning and surface treatment for metal products, construction work and so on.

In the Other businesses segment, in the Clean Tech business, which handles cleaning and surface treatment of metal products and other products, there was a delay in demand recovery for precision cleaning treatment for semiconductor manufacturing equipment, but both sales and profits remained at the same level as the previous fiscal year. In the construction industry, orders remained solid, and sales and profits exceeded the previous fiscal year.

Consequently, net sales in the Other businesses increased by 24.7% year-on-year to 7,166 million yen due to increased orders in the construction industry, and segment profit increased by 36.1% year-on-year to 1,176 million yen.

(2) Capital investment

During the fiscal year under review, capital investment (including intangible assets) totaled 10.1 billion yen. Major investments include the expansion of aviation-fueling facilities, renovation of the training center, maintenance work at oil depots, and the upgrading of SS facilities.

(3) Financing Activities

No items to report.

(4) Status of transfer of business, absorption-type demerger or incorporation-type demerger

No items to report.

(5) Status of acquisition of business of other companies

No items to report.

(6) Status of succession of rights and obligations in relation to the business of another juridical person, etc. as a result of an absorption-type merger or absorption-type demerger

No items to report.

(7) Status of acquisition or disposition of shares and other shares of other companies or stock acquisition rights

On December 2, 2025, the Company acquired all shares of Smart Solution Co., Ltd., a holding company of KUMAMOTO SEKIYU Co., Ltd., which engages in retail sales of LP gas and SS management in Kumamoto City, Kumamoto Prefecture and both companies joined consolidated subsidiaries. In addition, on March 1, 2026, the two companies merged with KUMAMOTO SEKIYU Co., Ltd. as the surviving company.

(8) Issues to be addressed

The business environment for SAN-AI OBBLI Group continues to be uncertain, with domestic petroleum product market conditions fluctuating significantly due to soaring crude oil prices associated with the situation in Iran and emergency mitigation measures by the government. SAN-AI OBBLI Group aims to stabilize earnings from its core Petroleum-related businesses. At the same time, transforming the business to meet the needs of a low-carbon and circular society is our top management priority.

Under these circumstances, our group will promote "implement business strategies and acceleration of investment" toward our vision for Fiscal Year 2030 as the second stage of our medium-term management plan, "Challenge for the Transforming Future Challenge 2030," and accelerate our efforts to realize a new business portfolio.

[Progress toward Quantitative Targets of the Medium-Term Management Plan]

	FY 2024 Results	FY 2025 Results	FY 2024 - FY 2026 Targets
Ordinary profit	12,860 million yen	13,442 million yen	13 billion to 15 billion yen
ROE	7.5%	8.0%	8% or more
Total return ratio	118.3%	79.5% (*)	Aim at 100%
Annual dividend per share	100 yen	100 yen (*)	Lower limit of 100 yen

* The figures assume that the proposal "Appropriation of Surplus" in the first issue of the Annual General Meeting of Shareholders will be approved and passed as originally proposed.

[Issues to be Addressed by Each Business]

Issues to be addressed by each business are as follows.

①Petroleum-related businesses

Petroleum-related business is positioned as a transformation business. We will promote the efficiency of SS operations through digitalization, such as the use of the smartphone app "Mantan," and strive to transform into a new growth business utilizing the network of approximately 1,000 affiliated service stations nationwide.

In FY 2026, the petroleum market continues to be uncertain due to soaring crude oil prices associated with the situation in Iran and the resumption of subsidies. In the wholesale division, we will work to stabilize earnings while strengthening the competitiveness of directly managed service stations.

②Chemical Products-related business

Chemical Products-related business is positioned as a growth business. We have been working to improve profit margins through inventory optimization, with a business policy of further expanding performance chemicals area and increasing profits by strengthening the supply chain.

In FY 2026, there are concerns about the impact on business performance due to naphtha shortages caused by tensions in the Iran situation, but we will make every effort to ensure stable supply to customers. And we will work to expand our business foundation through research and development of new products and construction of new factories.

③Gas-related business

Gas-related business is positioned as a growth business. In LPG sales business, we will expand the number of retail customers, and in the natural gas sales business, we will strive to increase sales volume through proposal-based sales.

<LPG sales Business>

Our Group has LPG business bases mainly in the Kanto, Tokai, Kinki, Chugoku, and Kyushu areas, and conducts wholesale (excluding Kinki) and retail sales operations in each area. In the LPG sales business, we have been expanding our customer base through wholesale transactions and increasing the number of retail customers through M&A, including acquisition of goodwill.

In FY 2026, we will work to ensure a stable supply of LPG and build a business foundation that is not affected by market conditions through improved business efficiency and profitability in each area after M&A. In addition, we will work to acquire lifetime customers by expanding new businesses such as house cleaning.

<Natural Gas Business>

Our Group has a competitive sales area in the Kyushu region, supplying natural gas through the Saga Natural Gas Pipeline and city gas through SAGA GAS CO., LTD. In addition, we have been actively promoting proposal-based sales of LNG satellites and on-site energy services to expand sales volume throughout the country.

In FY 2026, we will actively promote proposal-based sales that combine renewable energy such as solar power generation with natural gas sales.

④Aviation-related business

Our Group is responsible for the operation and refueling of aviation refueling facilities in Japan, mainly at Haneda Airport. We have positioned the aviation-related business as our core business and will strive to achieve stable operations and expand the scope of operations. The volume of aviation fuel handled at domestic airports, including Haneda Airport, where our group is involved, has been solid, mainly on international routes, and we have been preparing for the expansion of the refueling business with stable supply as the top priority.

In FY 2026, we will further promote digitalization and secure and develop personnel to expand refueling facilities, including the construction of the second fuel storage facility at Haneda Airport.

⑤ Clean Tech Business

The Clean Tech Business is included in the Other Business Segment and is positioned as a growth business that will become the next pillar.

In FY 2026, demand is expected to recover in the semiconductor manufacturing equipment cleaning business. We will develop a system to meet customers' requests for increased production, while also actively working on developing our own technology for high-quality cleaning.

⑥ Others, Initiatives to Expand Business Domains

In addition to the above, we have been promoting the development of DX human resources and operational efficiency for two years from FY 2024 toward the transformation of our business portfolio, and we will continue these activities going forward. We are also actively pursuing business alliances and M&A to expand business domains.

[Effects of the Iran Situation]

Crude oil prices surged after Israel and the United States launched attacks on Iran in February 2026. Furthermore, reports of the blockade of the Strait of Hormuz have caused global concerns about oil supply, and the situation is changing daily.

In the short term, we expect stable supply in Petroleum-related and Gas-related businesses. However, in Aviation-related business, some flights to the Middle East have been suspended, and in our Chemical-related business, naphtha shortages have become serious, affecting shipments of some products. However, at this time, we expect the impact on the overall performance of the SAN-AI OBBLI Group to be limited.

If the situation becomes prolonged, petroleum supply to Japan decreases, and the economy stagnates on a wide scale, it may affect the business results of our entire Group.

[Capital policy in the medium-term management plan]

Our basic policy is to enhance shareholder value by evolving into a business portfolio that responds to a low-carbon, recycling-oriented society and by continuing to achieve sustainable growth. We have set ROE (return on equity) and a total return ratio as key management indicators for and have announced targets in our medium-term management plan.

In promoting our medium-term management plan, we strive to allocate management resources appropriately, for example, by making investment decisions using WACC (weighted average cost of capital) and IRR (internal rate of return) as indicators of the cost of capital. In addition, we will strive to maintain a PBR (price-to-book-value ratio) of at least 1.0 by implementing growth/capital policies and appropriate shareholder returns.

[Strategies and targets related to climate change]

① Implementation and strategy of analysis

We recognize that climate change is a priority issue for our group as handling energy. We analyze the impact of climate change on the Group's business activities, and disclose it in 4 categories: governance, strategy, risk management, indicators and targets, which are recommended items for disclosure by TCFD (Task Force on Climate-related Financial Disclosures).

② Indicators and targets

In our group, electricity consumption, offices and SS accounts for more than half of CO₂ emissions, and we have been progressively promoting the introduction of electricity derived from renewable energy.

In FY 2026, we will strive to reduce CO₂ in line with our business model. For example, we will install solar power generation systems and energy-saving equipment at our Group-wide business sites, and make delivery of LPG more efficient.

Our target is to reduce CO2 emissions by 30% by FY 2030 and carbon neutral by FY 2050, standard to Fiscal Year 2019. CO2 emissions are the sum of Scope1 and Scope2.

Scope1: Direct GHG Emissions by Businesses themselves

Scope2: Indirect emissions from the use of electricity, heat/steam supplied by other companies

	Indicators FY 2019 Results	FY 2024 Results	FY 2025 Results	Target	
				FY 2030	FY 2050
Scope1 • Scope2 Total	17,761t-CO2	14,940t-CO2	14,232t-CO2	Δ30%	Carbon Neutral

[Human capital and diversity]

① Basic policy of human capital management

We consider human resources to be the greatest management capital, and it maximizes corporate value and perpetual development. Our group will continue to be a partner that supports people's daily lives and industry, by human resources based on honest and reliable employees.

② Measures based on the medium-term management plan

Our Group aims to evolve into a business portfolio that responds to a low-carbon, recycling-oriented society by FY 2030, and is working to strengthen human capital with a focus on growth businesses and foundation businesses. In the medium-term management plan for FY 2024 to FY 2026, we will continue to implement strategic personnel measures under the slogan, "Building a Human Resource Base to Realize the Evolution of Our Business Portfolio."

1. Optimize human resources portfolio
2. Promoting the active participation of diverse human resources
3. Creation of comfortable working conditions

③ Indicators and Targets

The Group will develop individual skills by training and education systems based on our policy. In addition, we aim to create an organization in which people of various attributes can play an active role, such as by increasing the percentage of mid-career recruitment and female recruitment, and actively promoting them to management positions.

The indicators and targets for securing the human capital and diversity of our group are as follows.

	Indicators FY 2022 Results	FY 2025 Results	FY 2026 Targets
Education costs per employee	101 thousand yen	100 thousand yen	120 thousand yen
Mid-career recruitment as a percentage of recruitment	63.2%	71.0%	- (*)
Percentage of female employees among new graduates	10.3%	29.0%	30% or more
Ratio of females in managerial positions	4.9%	5.8%	6% or more

* The percentage of career recruitment will remain at the same level.

Our group will continue to grow based on our management philosophy of "SAN-AI Spirit" that has been passed down since our founding and our corporate brand of "Obbli" .

We look forward to your continued support.

(9) Summary of financial status and profit of the present and the previous three fiscal years

Classification		92 nd fiscal year ended March 31, 2023	93 rd fiscal year ended March 31, 2024	94 th fiscal year ended March 31, 2025	95 th fiscal year ended March 31, 2026
Net sales	(Millions of yen)	647,833	659,588	654,404	611,570
Ordinary profit	(Millions of yen)	16,038	17,741	12,860	13,442
Profit attributable to owners of parent	(Millions of yen)	10,901	11,217	8,656	9,196
Basic earnings per share	(Yen)	160.20	171.15	136.93	147.69
Total assets	(Millions of yen)	201,244	218,607	207,110	212,048
Net assets	(Millions of yen)	117,424	123,829	120,023	122,709

(NOTE) Profit per share is calculated based on the average number of shares outstanding during the period after deducting treasury shares held, and "Accounting standard for profit per share" (Board of concerns)

Accounting standards No. 2 and the implementation guidance on accounting standard for profit per share (ASBJ Guidance No. 4) are applied.

(10) Status of significant parent company and subsidiaries

① Status of the parent company

Not applicable.

② Status of significant subsidiaries

Company name	Share capital (Millions of yen)	Our investment ratio (%)	Content of major business
Kygnus Sekiyu K.K.	2,000	80.00	Sales of petroleum and petrochemical products
SAN-AI RETAIL SERVICE CO., LTD.	100	100.00	Retail sales of petroleum products, etc.
SAN-AI OBBLI HIGASHINIHON CO., LTD.	10	100.00	Wholesale and retail sales of petroleum products, etc.
SAN-AI OBBLI HOKURIKU, CO., LTD.	20	100.00	Wholesale and retail sales of petroleum products, etc.
SAN-AI RIKEN CO., LTD.	10	100.00	Manufacture and sale of chemical products
SAN-AI OBBLIGAS HIGASHINIHON CO., LTD.	80	100.00	Wholesale and retail sales of LPG, etc.
SAN-AI OBBLIGAS BANSHU CO., LTD.	49	100.00	Retail sales of LPG, designing and construct on
SAN-AI OBBLIGAS NISHINIHON CO., LTD.	100	100.00	Wholesale and retail sales of LPG, etc.
SAN-AI OBBLIGAS SANSHIN CO., LTD.	30	100.00	Retail sales of LPG, design and constructing
KUMAMOTO SEKIYU Co., Ltd.	10	100.00	Wholesale and retail sales of LP gas, wholesale and retail sales of petroleum products
SAGA GAS CO., LTD.	700	78.57	Sales of city gas business
Imari Gas Co., Ltd.	25	100.00	Sales of city gas and retail sales of LPG, etc.
SAN-AI OBBLITECH CO., LTD.	200	100.00	Surface treatment of metal products, Construction design and

(NOTE) 1. On October 1, 2025, SAN-AI OBBLI GAS KYUSHU CO., LTD. merged with SAN-AI OBBLI GAS CHUGOKU CO., LTD. and changed its company name to SAN-AI OBBLI GAS NISHINIHON CO., LTD.

2. On December 2, 2025, the Company acquired all shares of Smart Solution Co., Ltd., a holding company of KUMAMOTO SEKIYU Co., Ltd., which engages in retail sales of LP gas and SS management in Kumamoto City, Kumamoto Prefecture and both companies joined consolidated subsidiaries. In addition, on March 1, 2026, the two companies merged with KUMAMOTO SEKIYU Co., Ltd. as the surviving company.

(11) Major Businesses (As of March 31, 2026)

Business	Description of business
Petroleum-related businesses	Sales, storage, and shipment of petroleum products such as gasoline, kerosene, diesel oil, and heavy oil
Chemical Products-related business	Manufacture and sale of chemical products
Gas-related business	Sales of LP gas, sales of natural gas, sales of city gas, and sales of gas appliances
Aviation-related business	Storage and refueling of aviation fuel
The Other businesses	Surface treatment of metal products, contracted construction of facilities attached to buildings, real estate leasing, etc.

(12) Major Sales Offices and Plants (As of March 31, 2026)

① The Company

Head Office	Chiyoda-ku, Tokyo (registered head office location Shinagawa-ku, Tokyo)
Business Divisions	Petroleum Division (Tokyo), Energy Solutions Division (Tokyo), Chemical products Division (Tokyo), LPG Division (Tokyo) and Aviation Division (Tokyo)
Business Sites	<p><Petroleum wholesale branch> Tohoku Branch (Aomori), Kanto Branch (Saitama), Tokyo Branch (Tokyo), Chubu Branch (Aichi), Kinki/Chugoku Branch (Osaka), Shikoku Branch (Kochi), Kyushu Branch (Fukuoka)</p> <p><Lubricants sales branch and Engineering branch > Higashinohon Lubricants Sales Branch (Tokyo), Nishinohon Lubricants Sales Branch (Osaka), Engineering Branch (Tokyo)</p> <p><Chemicals Sales Branches and Research Laboratories> Higashinohon Chemical products 1st Sales Branch (Tokyo), Higashinohon Chemical products 2nd Sales Branch (Tokyo), Chubu Chemical products Sales Branch (Aichi), Nishinohon Chemical products Sales Branch (Osaka), Auto Chemicals Sales Branch (Tokyo), and Research Laboratories (Kanagawa)</p> <p><Natural Gas & Industrial Energy Sales Branch> Tokyo Sales Branch (Tokyo), Osaka Sales Branch (Osaka), Fukuoka Sales Branch (Saga prefecture)</p>

② Subsidiaries

Head Office	Kygnus Sekiyu K.K. (Tokyo), SAN-AI RETAIL SERVICE CO., LTD. (Tokyo), SAN-AI OBBLI HIGASHINIHON CO., LTD. (Aomori), SAN-AI OBBLI HOKURIKU, CO., LTD. (Ishikawa), SAN-AI RIKEN CO., LTD. (Ibaraki), SAN-AI OBBLI GAS HIGASHINIHON CO., LTD. (Tokyo), SAN-AI OBBLI GAS BANSHU CO., LTD. (Hyogo), SAN-AI OBBLIGAS NISHINIHON CO., LTD. (Fukuoka), SAN-AI OBBLIGAS SANSHIN CO., LTD. (Saga), KUMAMOTO SEKiyu Co., Ltd.(Kumamoto), SAGA GAS CO., LTD. (Saga), Imari Gas Co., Ltd. (Saga), SAN-AI OBBLITECH CO., LTD. (Tokyo)
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(13) Status of Employees (As of March 31, 2026)

① Status of employees of our group

Business	Number of uses	
Petroleum-related businesses	545	(1,024)
Chemical products-related business	89	(18)
Gas-related business	659	(194)
Aviation-related business	441	(42)
The Other businesses	116	(25)
Corporate Division	64	(19)
Total	1,914	(1,322)

(NOTE)1. The number of employees is the number of employed people. The number of temporary employees is shown in parentheses with the average number of non-employees for the fiscal year under review.

2. The number of uses listed as corporate (common) belongs to administrative divisions that cannot be classified into specific segments.

② Status of employees of the Company

Number of uses	Change from the end of the previous fiscal year	Average age	Average years of service
388 employees	Increase by 3	39.9 years old	In 15.0 years

(NOTE) Employees include 2 temporary transferees and do not include temporary transferees, temporary employees, full-time non-regular employees, part-time non-regular employees, full-time advisors, and part-time advisors.

(14) Status of major borrowers (as of March 31, 2026)

Borrower	Borrowings (Millions of yen)
The Shoko Chukin Bank, Ltd.	812
THE BANK OF SAGA LTD.	602
Norinchukin Bank	400
Saga Shinkin Bank	265

(15) Other important matters related to the current status of the corporate group

No items to report.

2 Current status of the company

(1) Matters Relating to the Company's Shares (As of March 31, 2026)

- ① Total Number of Authorized Shares 277,870,000 shares
- ② Total number of shares issued 61,882,413 shares(excluding treasury shares of 1,117,587 shares)
- ③ Number of Shareholders 9,616 employees
- ④ 10 major shareholders

Name of Shareholder	Number of shares held (thousands)	Shareholding ratio (%)
Ichimura Foundation for New Technology	8,282	13.38
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,860	12.70
The Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Limited re-entrusted portion, Ricoh Retirement Benefit Trust Account)	5,800	9.37
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	4,152	6.71
The Custody Bank of Japan, Ltd. (Trust Account)	2,532	4.09
HIKARI TSUSHIN, INC. as the General Partner of HIKARI TSUSHIN K.K. Investment Business Limited Partnership	2,018	3.26
Ricoh Company, Ltd.	1,113	1.80
SAN-AI OBBLI employee stock ownership plan	1,077	1.74
ENEOS Holdings, Inc.	967	1.56
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust, The Saga Bank Account, re-trustee: Custody Bank of Japan, Ltd.	960	1.55

(NOTE)The shareholding ratio is calculated excluding treasury stock.

⑤ Status of shares issued to company officers as compensation for execution of duties during the current fiscal year

On June 26, 2025, the Board of Directors resolved to dispose of treasury shares as restricted shares remuneration. Therefore, 4,461 shares to 4 directors (excluding the Chairman of the Board and outside directors) on July 24 of the same year, concurrently serving as a director and 2,788 shares of treasury shares were disposed of by 4 executive officers.

⑥ Other Significant Matters Concerning the Shares

1. In accordance with a resolution approved at a meeting of the Board of Directors held on February 10, 2026, the Company acquired 446,100 shares of its own shares in a market transaction for an aggregate purchase price of 1,099,859,000 yen.
2. In accordance with a resolution approved at a meeting of the Board of Directors held on February 10, 2026, the Company cancelled 3,000,000 shares of its treasury shares as of February 27, 2026.

(2) Matters relating to stock acquisition rights of the Company Not applicable.

(3) Matter related to the director of the company

① Names of Directors and Audit & Supervisory Board Members (As of March 31, 2026)

Position	Name	In charge of	Status of important concurrent positions
Representative Director Chairman of the Board	Jun Kanada		
Representative Director President and Executive Officer	Hiroshi Hayata		
Director Senior Managing Executive Officer	Fuminori Hasegawa	Corporate Planning Department Information Systems Department Sustainability Promotion Department	
Director Executive Officer	Takashi Sato	General Affairs Department General Accounting Department Legal Affairs & Credit Department General Manager of General Accounting Department	
Director Executive Officer	Kohichiro Ishii	LPG Division General Manager of LPG Division	
Director	Keiko Unotoro		
Director	Yoji Ninomiya		Representative Director and President, THE SAGA KYOEI BANK, LTD.
Audit & Supervisory Board Member	Junichi Matsumura		
Audit & Supervisory Board Member	Atsushi Ohi		
Audit & Supervisory Board Member	Hidetoshi Watanabe		Certified Public Accountant Outside Director, Business Brain Showa-Ota Co., Inc.
Audit & Supervisory Board Member	Fumihiko Kato		
Audit & Supervisory Board Member	Sayaka Hieda		Attorney Outside Audit & Supervisory Board Member, Tokyo Tatemono Co., Ltd. Outside Audit & Supervisory Board Member, Institution for a Global Society Corporation

(NOTE) 1. Hisayasu Suzuki resigned as a director at the conclusion of the 94th Annual General Meeting of Shareholders held on June 26, 2025.

2. The 2 directors, Keiko Unotoro and Yoji Ninomiya are outside directors.
3. The name of Sayaka Hieda on his family register is Sayaka Kimura.
4. The 3 Audit & Supervisory Board members, Hidetoshi Watanabe, Fumihiko Kato and Sayaka Hieda, are outside Audit & Supervisory Board members.
5. Audit & Supervisory Board member Hidetoshi Watanabe qualifies as a certified public accountant and has considerable knowledge of finance and accounting.
6. We have designated 2 directors, Keiko Unotoro and Yoji Ninomiya, and 3 Audit & Supervisory Board Member, Hidetoshi Watanabe, Fumihiko Kato and Sayaka Hieda, as independent officers under the provisions of the Tokyo Stock Exchange, and have notified this exchange.
7. We have entered into liability insurance contracts with insurance companies for officers, etc. as set forth in Article 430-3, Paragraph 1 of the Companies Act. The scope of the insured under the applicable insurance contract is that of directors, auditors, and executive officers, and the insured does not bear any insurance premiums. The insured shall assume responsibility for the performance of their duties or indemnify the insured against any damage that may arise from receiving a claim pertaining to the pursuance of such liability under the applicable insurance contract. Provided, however,

that in order to ensure that the appropriateness of the performance of duties by the insured is not impaired, there are certain exemption grounds, such as the insured being unable to compensate for damages arising from an act committed while recognizing that the act constitutes a violation of laws and regulations.

8. Effective April 1, 2026, the Company changed the "position" and the "responsible person" of the director as follows:

Name	Before change	After change
Fuminori Hasegawa	Director Senior Managing Executive Officer In charge of Corporate Planning Department Information Systems Department Sustainability Promotion Department	Director
Takashi Sato	Director Executive Officer In charge of General Affairs Department, General Accounting Department and Legal Affairs Credit Department General Manager of General Accounting Department	Director Managing Executive Officer In charge of General Affairs Department, Corporate Communication & IR Department, General Accounting Department and Legal Affairs Credit Department General Manager of General Accounting Department

② Remuneration for Directors and Audit & Supervisory Board members

1. Policy, etc. for Determining the Contents of Remuneration for Officers

At a meeting of the Board of Directors held on May 14, 2020, companies resolved to adopt a policy for determining the details of remuneration, etc. for individual directors. The Nomination and Compensation Advisory Committee, which is composed of a majority of independent outside directors and Audit & Supervisory Board members, reports in advance on the content of resolutions at the Board of Directors.

In addition, the Board of Directors has confirmed that the method of determining the content of remuneration, etc. and the content of remuneration, etc. determined for individual directors in the current fiscal year are consistent with the decision policy decided by the Board of Directors, and that the reports from the Nomination and Compensation Advisory Committee are respected. The Board of Directors has determined that remuneration, etc., is in line with this decision policy.

Details of the decision-making policy concerning the individual remuneration, etc. of directors are as follows.

a. Basic policy for executive compensation

- Compensation is linked to business performance and medium-to long-term corporate value, and is a compensation system that shares value with shareholders.
- Compensation levels are set at levels that enable the Group to secure and retain human resources that are essential for sustainable growth.
- Compensation is determined through an objective, transparent, and appropriate process.

b. Remuneration system for directors

Executive remuneration consists of base remuneration, which is a fixed remuneration, performance-linked remuneration as a short-term incentive remuneration, and stock-based remuneration (restricted stock remuneration) as a medium-to long-term incentive remuneration. The level of total remuneration is set based on our comparison with concerns of the same size and our business environment.

Type	Item	Content
Fixed remuneration	Basic remuneration	Basic remuneration is paid monthly according to the level of responsibility.
Variable remuneration	Performance-linked remuneration (Short-term)	For performance-linked remuneration (short-term), consolidated ordinary profit for each fiscal year in the medium-term management plan (budget) is set as a performance target business in order to raise awareness of the improvement of company performance for each fiscal year. The performance-linked coefficient (50% to 150%) is determined based on the degree of achievement, which is then multiplied by the performance-linked remuneration base amount for each position to determine the amount to be paid at a certain time each year.
	Stock-based remuneration (Medium-to long-term)	Stock-based remuneration (medium-to long-term) is restricted stock awards from the perspective of sharing value with shareholders and providing incentives to increase corporate value and share price over the medium-to long-term. The awards are paid at a fixed time each year in accordance with the monetary equivalent determined for each position. The transfer restriction period shall be 30 years from the date of issuance of shares or the period from the date of resignation of Directors and Executives. The Company has established provisions that allow for malus (forfeiture during the restricted period) and clawback (refund after cancellation of the transfer restriction) in the event of significant fraudulent accounting or significant loss. The table below shows the percentage of remuneration paid for each job function

(Figures in parentheses are composition ratio)

Classification of Officers	Basic remuneration	Incentive remuneration	Stock-based remuneration
Representative Director Chairman of the Board	○ (100%)	-	-
Executive Directors Executive Officers	○ (80%)	○ (15%)	○ (5%)
Outside Directors	○ (100%)	-	-

c. Method of Determination of Remuneration for Officers

The Board of Directors determines the remuneration system, remuneration levels, and performance-linked targets based on the deliberations and reports of the Nomination and Compensation Advisory Committee.

B. Total amount of remuneration, etc. for the current fiscal year

Classification	Total amount of remuneration (10 thousand yen)	Total remuneration by type (10 thousand yen)			Number of officers
		Basic remuneration	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Director (Outside)	24,286 (1,350)	21,326 (1,350)	2,160 (-)	799 (-)	8 (3)
Audit & Supervisory Board Member (Outside)	6,951 (1,800)	6,951 (1,800)	- (-)	- (-)	5 (3)
Total (Outside)	31,238 (3,150)	28,278 (3,150)	2,160 (-)	799 (-)	13 (6)

- (NOTE)
- The number officers includes 1 outside director who retired during the fiscal year.
 - Performance indicators related to performance-linked remuneration, etc. are consolidated ordinary profit, and their actual results are 13,442 million yen. In addition, the reasons for selecting this index and the calculation methods are as described in "1.b. : Remuneration system for directors."
 - The content of non-monetary compensation, etc. is our shares, and the terms, etc. at the time of allotment are as described in "1.b. : Remuneration system for directors." In addition, the status of grants in the current fiscal year is as described in "2. (1)⑤ Status of shares issued to company officers as compensation for execution of duties during the current fiscal year."
 - At the 89th Annual General Meeting of Shareholders held on June 26, 2020, the amount of remuneration for directors was resolved to be no more than 340 million yen per year (including no more than 14.4 million yen per year for outside directors). At the conclusion of the Annual General Meeting of Shareholders, the number of directors was 7 (including 3 outside directors). In addition, at the 89th Annual General Meeting of Shareholders held on June 26, 2020, it was resolved that the amount of monetary compensation claims to be paid to directors (excluding outside directors) for the grant of restricted stock, not exceeding 12 million yen per annum, and the maximum number of shares of our common stock to be issued or disposed of by such claims, not exceeding 40 thousand shares per annum. At the conclusion of the Annual General Meeting of Shareholders, the number of target directors was 4 (including no outside directors). At the 92nd Annual General Meeting of Shareholders held on June 28, 2023, it was resolved that the amount of remuneration for directors should be kept within 340 million yen per year, and that the amount of remuneration for outside directors should be kept within 22 million yen per year. At the conclusion of the Annual General Meeting of Shareholders, there were 8 directors (including 3 outside directors).
 - At the 89th Annual General Meeting of Shareholders held on June 26, 2020, the amount of remuneration for Audit & Supervisory Board Members was resolved to be no more than 80 million yen per year (including no more than 14.4 million yen per year for Outside Audit & Supervisory Board Members). At the conclusion of the Annual General Meeting of Shareholders, the number of Audit & Supervisory Board Members was 5 (including 3 outside Audit & Supervisory Board Members). At the 92nd Annual General Meeting of Shareholders held on June 28, 2023, it was resolved that the amount of remuneration for Audit & Supervisory Board Members should be kept within 80 million yen and that the amount of remuneration for Outside Audit & Supervisory Board Members should be kept within 22 million yen per year. At the conclusion of the Annual General Meeting of Shareholders, the number of Audit & Supervisory Board Members was 5 (including 3 outside Audit & Supervisory Board Members).
 - The amount of performance-linked remuneration, etc. is the amount recorded in the provision for bonuses to directors and other officers in the current fiscal year.

③ Information on Outside Officers

A. Significant concurrent holding of positions by other corporations, etc. and the relationship between the Company and such other corporations, etc.

Position	Name	Status of important concurrent positions	Relationship between concurrent positions and us
Director	Yoji Ninomiya	Representative Director and President of SAGA KYOEI BANK, LTD.	There are transactions between our subsidiary SAGA GAS CO., LTD. and THE SAGA KYOEI BANK, LTD. The amount of borrowings from the bank was less than 0.1% of the Company's total consolidated assets at the end of the fiscal year under review, and the Company has determined that there will be no impact on the independence of outside directors.
Audit & Supervisory Board Member	Hidetoshi Watanabe	Outside Director, Business Brain Showa-Ota Inc.	There is no special relationship.
Audit & Supervisory Board Member	Hieda Sayaka	Outside Audit & Supervisory Board Member of Tokyo Tatemono Co., Ltd. Outside Audit & Supervisory Board Member of Institution for a Global Society Corporation	There is no special relationship.

B. Major activities during the year

Position	Name	Attendance, Statement Status, and Outline of the duties performed with respect to the expected roles of outside directors
Director	Keiko Unotoro	<p>She attended all 9 meetings of the Board of Directors held during the fiscal year under review, and all 8 meetings of the Nomination and Remuneration Advisory Committee.</p> <p>Based on her abundant experience and deep insight mainly in the field of economic law, the Board of Directors appropriately fulfills the role of decision-making by the Board of Directors and oversight of the execution of duties by directors, including providing useful advice and proposals for deliberation of agenda items as appropriate. In addition, as a member of the Nomination and Remuneration Advisory Committee, the committee, which was held in the fiscal year under review, is responsible for supervising the decision-making process for our executive candidates and executive remuneration from an objective and neutral standpoint.</p>
Director	Yoji Ninomiya	<p>He attended all 9 meetings of the Board of Directors held during the fiscal year under review, and all 8 meetings of the Nomination and Remuneration Advisory Committee.</p> <p>Based on his abundant experience and deep insight mainly in financial institutions, the Board of Directors appropriately fulfills the role of decision-making by the Board of Directors and oversight of the execution of duties by directors, including providing useful advice and suggestions as appropriate for deliberation of agenda items. In addition, as a member of the Nomination and Remuneration Advisory Committee, the committee, which was held in the fiscal year under review, is responsible for supervising the decision-making process for our executive candidates and executive remuneration from an objective and neutral standpoint.</p>
Audit & Supervisory Board Member	Hidetoshi Watanabe	<p>He attended all 9 meetings of the Board of Directors held during the fiscal, and all 9 meetings of the Auditors & Supervisory Board held during the fiscal year under review.</p> <p>Based on his abundant experience as a certified public accountant and his specialized insight in corporate finance and accounting, the Board of Directors and the Auditors & Supervisory Board provide useful advice and recommendations for deliberation of agenda items as appropriate.</p>
Audit & Supervisory Board Member	Fumihiko Kato	<p>He attended all 9 meetings of the Board of Directors held during the fiscal year under review, all 9 meetings of the Auditors & Supervisory Board. He also attended all 6 meetings of the Nomination and Remuneration Advisory Committee after assuming his position on June 26, 2025.</p> <p>Based on his abundant experience and deep insight mainly into the fields of resources and energy, the Board of Directors and the Auditors & Supervisory Board of the Company provide useful advice and recommendations for deliberation of agenda items as appropriate.</p>
Audit & Supervisory Board Member	Sayaka Hieda	<p>She attended all 9 meetings of the Board of Directors held during the fiscal, and all 9 meetings of the Auditors & Supervisory Board held during the fiscal year under review.</p> <p>Based on her abundant experience as an attorney and her specialized insight into corporate legal affairs, the Board of Directors and the Auditors & Supervisory Board provide useful advice and recommendations for deliberation of agenda items as appropriate.</p>

(c). Summary of the contents of the agreement for limitation of liability

In accordance with the Articles of Incorporation, companies have concluded limited liability agreements with Outside Director Keiko Unotoro and Yoji Ninomiya, and Outside Audit & Supervisory Board Member Hidetoshi Watanabe, Fumihiko Kato and Sayayaka Hieda. A summary of the content of this contract is as follows.

In the event Director or Audit & Supervisory Board Member becomes liable for damages due to a failure to fulfill the duty set forth in Article 423(1) of the Companies Act, the liability shall be limited to either 3 million yen or the minimum liability amount set forth in Article 425(1) of the Companies Act, whichever is higher.

(4) Status of Accounting Auditors

① Names of Accounting Auditors

KPMG AZSA LLC.

② Amount of remuneration, etc. of the accounting auditor for the current fiscal year

A. Remuneration, etc. for the accounting auditor for the current fiscal year	58 million yen
B. Total amount of money and other property benefits payable by the Company and its subsidiaries	76 million yen

(NOTE) In the audit agreement between us and the accounting auditor, the audit fees for the audit pursuant to the Companies Act and the audit pursuant to the Financial Instruments and Exchange Act are not separately classified, and practically it can't be classified. Therefore, the total amount of these fees is shown in the amount of the accounting auditor's fees, etc. for the current fiscal year.

③ Reasons for the Consent of the Audit & Supervisory Board to the Compensation, etc. of the Accounting Auditor

The Audit & Supervisory Board closely examines the content of the accounting auditor's audit plan, the status of the execution of the audit, and the basis for calculating the estimates that form the basis for the remuneration, and compares them with past remuneration results. As a result, the Audit & Supervisory Board consents regarding the amount of the remuneration, etc. of the accounting auditor in accordance with Article 399(1) of the Companies Act.

④ Content of non-audit services

No items to report.

⑤ Policy for the Determination of the Dismissal or Non-Reelection of the Accounting Auditor

The Audit & Supervisory Board shall be dismissed with the consent of all corporate auditors in the event that the accounting auditor is deemed to fall under any of the items of Article 340(1) of the Company Act. In addition, in the event it is deemed difficult for the fiscal auditor to properly perform his/her duties due to a violation of laws and regulations by the accounting auditor or the occurrence of reasons that harm the suitability and independence of the accounting auditor, the policy shall be to submit a proposal for the dismissal or non-reappointment of the accounting auditor to the general meeting of shareholders.

(5) Summary of the System to Ensure the Appropriateness of Business Operations

The Board of Directors decided to establish a system to ensure the appropriateness of our operations based on the Companies Act and the enforcement regulations of the Companies Act as follows.

① System to ensure that Directors and employees perform their business execution in compliance with laws and regulations the Articles of Incorporation

- A. In order to ensure that Directors, Executive Officers and employees perform their business execution in compliance with laws and regulations and the Articles of Incorporation, the Company and the subsidiaries have established the "Ethical Charter of the SAN-AI OBBLI Group" to ensure and promote awareness of corporate ethics by holding monthly meetings of the "Compliance committee" in principle. In addition, the Company formulated the "Guidelines for the Protection of Whistleblowers", and established appropriate handling systems, such as organizational or personal contact points for reporting or consulting on violations of laws and regulations, both inside and outside the company, in order to strengthen compliance management by detecting and rectifying improper acts at an early stage.
- B. The Company has established Audit & Internal Control Department under the control of the President. Audit & Internal Control Department conducts periodic internal audits of accounting and operation. In order to ensure the reliability of financial reporting, the Audit & Internal Control Department evaluate the design and the operational status. Audit & Internal Control Department exchanges information with the independent auditor as needed, and also attends audits by the independent auditor.

②Matters related to the storage and administrative of information pertaining to the execution of duties by Directors

- A. The Company stores information pertaining to the execution of duties by Directors and Executive Officers in writing or electromagnetic records in accordance with the Document Regulations and the Information Control Regulations, and manage appropriately.
- B. The Compliance committee researches and deliberates on important matters related to the protection of personal information, such as the Personal Information Protection Promotion Plan. In addition, the Company is handling and management of personal information shall be ensured, through management, education and audit of personal information in accordance with the Regulations Governing the Management of Personal Information.

③Regulations and systems for managing the risk of loss

- A. The Company has established the Risk Management Regulations, and SAN-AI Obbli Group Sustainability Committee examine specific countermeasures and preventive measures. The committee regularly reports on the deliberations and activities to the Board of Directors. In addition, in the event of a crisis that has a significant impact on our management, the President will establish a Crisis Management HQ (headed by Director President) to respond to the crisis.
- B. The Company has established internal rules concerning transaction authority, financial authority, credit management, etc., to ensure prompt sales activities and clarify responsibilities, and the safety of transactions.
- (c). The Risk Management committee investigates and deliberates on the development of a safety control system for accidents, incidents, and natural disasters.
- (d). The Company and the subsidiaries consider protecting the environment and ensuring safety to be important issues for corporate management as a concern that handles hazardous materials. The Risk Management committee investigates and deliberates important issues related to the environment and safety in the business activities. In addition, the Company and the subsidiaries established the basic philosophy and action guidelines for the environment and safety in our Environmental Safety Management Regulations. The Company and the subsidiaries ensure the protection of the environment and safety, and ensure appropriate responses in the event of an accident or disaster. At the same time, the Company and the subsidiaries prevent accidents and disasters through the planning and implementation of audits and education.
- E. The Quality Assurance committee deliberates all products manufactured by the Company to prevent claims for damage and claims arising from defects in products.

④System to ensure the efficient the execution of duties by Directors

- A. The Company holds the Executive Committee weekly as the decision-making body for important business execution matters related to the Company and its subsidiaries, and ensures efficiency of the execution of duties by Directors and Executive Officers.
- B. The company deliberates concerning basic matters such as management policies and policies, the Company and its subsidiaries' budgets, monthly financial results, and the progress thereof, as well as important matters affecting once a month at the Executive Committee.

⑤System to ensure the appropriateness of operations in the corporate group consisting of the Company and the subsidiaries

- A. The Company established the "SAN-AI OBBLI Group Company Operational Management Regulations" as the basic principles for the management necessary for the execution of business, and the Company and the subsidiaries established reporting standards for matters related to the execution of duties at subsidiaries, in order to clarify the roles and responsibilities of each company and promote organizational management.
- B. Audit & Internal Control Department of the Company and Audit Department of the subsidiaries regularly conduct internal audits on a regular basis. In addition, the Audit&Internal Control Department exchanges

information with the accounting auditors as needed, and attends audits by the accounting auditors to ensure the appropriateness of operations in the corporate group consisting.

⑥ Matters related to the system concerning the employees in the event that Audit & Supervisory Board Members request the employees to assist and the independence of the employees from Directors and ensure the effectiveness of instructions to the employees

- A. The Company establishes Audit & Supervisory Board Office. In addition, Assign employees to assist auditors when Audit & Supervisory Board Members requested by them. The employees assist the Audit & Supervisory Board Members in the performance of their duties under the direction of the Audit & Supervisory Board Members and not be directed by the Director President. The performance appraisal of the employees to assist auditors is conducted by Audit & Supervisory Board Members.

⑦ System for reporting to Audit & Supervisory Board Members by Directors and employees, and system for reporting to Audit & Supervisory Board Members of the parent company by Directors, Audit & Supervisory Board Members and employees of subsidiaries, and system for ensuring that reporting persons do not receive unfavorable treatment due to such reporting

- A. In addition to attending the Board of Directors and other important meetings, Audit & Supervisory Board Members hear the status of the execution of their duties from Directors and Executive Officers, inspect important approval documents, and investigate the status of operations and assets at the Head Office and major business sites in cooperation with Audit & Internal Control Department and the Internal Audit Division from time to time. In addition, Audit & Supervisory Board Members, determined by the Audit & Supervisory Board attend the Executive Committee, which meets on a regular weekly basis.
- B. Audit & Supervisory Board Members communicate and exchange information with Directors and Audit & Supervisory Board Members of the subsidiaries, etc., seek business reports, and investigate the status of their operations and assets.

⑧ Policies for the other system to ensure that audits by the auditors are conducted effectively, and for the treatment of expenses incurred in the execution of duties by the corporate auditors.

- A. In the event Audit & Supervisory Board deems it necessary, Audit & Supervisory Board have Directors, Executive Officers, employees, and the accounting auditors attend meetings of the Board of Corporate Auditors and provide them with an opportunity to report or express their views.
- B. The Company ensures that Audit & Supervisory Board Members appropriately dispose of expenses incurred in cases where Audit & Supervisory Board Members deem it necessary based on their own judgment, such as emergency audit expenses and conflict of interest transactions, and in cases where outside experts, such as lawyers, are employed.

⑨ System to Eliminate Antisocial Forces

- A. Based on the "Ethics Charter of SAN-AI OBBLI Group", the Company does not have any contact with anti-social forces that pose a threat to the order and security of the civic community, and acts in a resolute manner.

(6) Summary of the Status of Operation of the System to Ensure the Appropriateness of Business Operations

① Compliance System

The Company disseminated the "Ethical Charter of the SAN-AI OBBLI Group" and held the "Compliance Committee" 12 times to ensure compliance with laws, regulations, and internal rules, as well as to raise awareness of corporate ethics. The committee conducted surveys concerned with compliance issues examined by the committee, and distributed internal news and provided education through e-learning. In addition, through the Whistleblower Counseling Service, based on "the Guidelines for the Protection of Whistleblowers", the Company strove to detect and correct violations of laws and regulations as well as improper acts at an early stage.

It also conducted voluntary audits on the handling of personal information and discussed updating the personal information management ledger. This fiscal year, the Company has established the SAN-AI OBBLI Group Human Rights Policy and the SAN-AI OBBLI Group Basic Policy on Customer Harassment.

② Risk Management System

The Company held SAN-AI OBBLI Group Sustainability Committee 4 times to identify and review risk items that could have a significant impact on the Group's management, and to consider specific countermeasures and preventive measures. The results of deliberations by the committee were reported to the Board of Directors on a quarterly basis.

The activities of committees affiliated with SAN-AI OBBLI Group Sustainability Committee other than the Compliance Committee are as follows.

- A. The Company held "The Risk Management Committee" 5 times to report accidents and to review preventive measures. At the same time, each business site reviewed its BCP in preparation for natural disasters and other events. On September 1st, we designated the SAN-AI OBBLI Group Disaster Prevention Day and conducted crisis response drills at each site. In addition, we confirmed the performance of operations by qualified personnel in accordance with laws and regulations at sites handling hazardous materials. We also reported on the implementation status of environmental and safety audits, matters pointed out, and the status of corrections, and deliberated on environmental protection and safety assurance.
- B. The Company held "The Quality Assurance Committee" 9 times to prevent claims and complaints arising from product defects by conducting preliminary examinations of all products manufactured that require new products or changes in prescriptions.

③ Subsidiaries management system

The Company have established the "Rules for the Operation and Management of SAN-AI OBBLI Group Companies" and have approved decisions on important business execution at subsidiaries. In addition, the SAN-AI OBBLI Group's whistle-blowing consultation desk was used to ensure early detection and correction of legal violations and fraud.

④ Internal Control System for Audits and Financial Reporting

Audit & Internal Control Department and the Audit Department of subsidiaries conducted internal audits in cooperation with each other. Issues pointed out in internal audits and the status of their corrections are reported to the Executive Committee, the Board of Directors, and the Audit & Supervisory Board for sharing. The Internal Control Committee also meets 6 times to confirm the design and investment of the SAN-AI OBBLI Group's internal control over financial reporting.

(7) Basic Policy on the Control of a Stock Company

① Content of the basic policy

As a listed company, our shares are allowed to be traded freely by shareholders and investors, and even if there is a large-scale tender offer for our shares or an action like this, we do not reject it in general, and we believe that it should be judged by the free will of our shareholders finally.

However, there are many large-scale purchases that do not contribute to the corporate value of the target company and the common interests of shareholders, such as those that, in view of their purpose, result in a clear infringement of corporate value and the common interests of shareholders; those that are in fact likely to force shareholders to sell their shares; those that do not provide sufficient time and information for the target company's board of directors and shareholders to consider the terms of the purchase, or for the target company's board of directors to propose alternatives; and those that require the target company and its affiliates to purchase shares at a high price.

We believe that those who control our financial and business policy decisions must fully understand our corporate philosophy, the various sources of corporate value, and the relationship of trust with the stakeholders that support us, and thereby secure and improve our corporate value and, in turn, the common interests of our shareholders over the medium to long term.

Accordingly, we believe that those who engage in such inappropriate large-scale tender offers or similar actions that could undermine our corporate value and, in turn, the common interests of our stockholders, are inappropriate as those who control our financial and business policy decisions, and that it is necessary to secure our corporate value and, in the common interests of our stockholders by providing necessary and substantial countermeasures against such persons' large-scale tender offers for our shares.

② Initiatives to Realize the Basic Policy

We are working on various measures based on the Medium-Term Management Plan to improve our corporate value and the common interests of our shareholders from a medium-to long-term perspective. The summary is as described in the Issues to be addressed.

③ Judgment of Board of Directors regarding initiatives to realize the basic policy

The Board of Directors believes that the initiatives to realize the basic policy are in line with this basic policy and contribute to the common interests of our shareholders. The Company also believes that such initiatives are not intended to preserve the position of the Company's executives.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

Account title	95 th As of March 31, 2026	Account title	95 th As of March 31, 2026
Assets		Liabilities	
Current assets	100,974	Current liabilities	73,109
Cash and deposits	48,728	Notes and accounts payable-trade	46,511
Notes and accounts receivable - trade, and contract assets	40,444	Short-term borrowings	650
Securities	1,000	Current portion of long-term borrowings	638
Merchandise and finished goods	9,623	Lease liabilities	535
Work in process	26	Income taxes payable	3,026
Raw materials and supplies	160	Provision for bonuses	1,891
Other	1,185	Provision for bonuses for directors (and other officers)	84
Allowance for doubtful accounts	-193	Provision for warranties for completed construction	0
Non-current assets	111,074	Asset Retirement Obligation	40
Property, plant and equipment	57,933	Other	19,730
Buildings and structures	22,353	Non-current liabilities	16,230
Machinery, equipment and vehicles	8,309	Long-term borrowings	1,628
Land	18,925	Lease liabilities	1,422
Leased assets	1,755	Deferred tax liabilities	4,015
Construction in progress	5,626	Deferred tax liabilities for land revaluation	658
Other	963	Provision for retirement benefits for directors (and other officers)	185
Intangible assets	7,294	Provision for special repairs	279
Goodwill	2,169	Retirement benefit liability	245
Customer-related intangible assets	167	Asset retirement obligations	966
Software in progress	2,084	Other	6,828
Other	2,872	Total liabilities	89,339
Investments and other assets	45,846	Net assets	
Investment securities	14,539	Shareholders' equity	112,081
Long-term loans receivable	66	Share capital	10,127
Deferred tax assets	670	Capital surplus	2,530
Retirement benefit asset	4,945	Retained earnings	101,592
Guarantee deposits	25,165	Treasury shares	-2,169
Other	1,111	Accumulated other comprehensive income	3,854
Allowance for doubtful accounts	-653	Valuation difference on available-for-sale securities	4,447
Total assets	212,048	Revaluation reserve for land	-757
		Remeasurements of defined benefit plans	164
		Non-controlling interests	6,773
		Total net assets	122,709
		Total liabilities and net assets	212,048

Consolidated Statements of Income

(Millions of yen)

Account title	95th From April 1, 2025 to March 31, 2026	
Net sales		
Net sales of goods	607,021	
Net sales of completed construction contracts	4,549	611,570
Cost of sales		
Cost of goods sold	548,119	
Cost applicable to construction revenue	3,993	552,112
Gross profit		59,458
Selling, general and administrative expenses		47,101
Operating profit		12,356
Non-operating income		
Interest income	263	
Dividend income	486	
Purchase discounts	332	
Light oil delivery tax grant	142	
Other	328	1,554
Non-operating expenses		
Interest expenses	119	
Sales discount	228	
Commissions expenses	47	
Other	72	468
Ordinary profit		13,442
Extraordinary income		
Gain on sale of non-current assets	15	
Gain on sale of investment securities	1,704	1,719
Extraordinary losses		
Loss on sale and retirement of non-current assets	199	
Impairment losses	529	
Loss on sale of investment securities	314	1,043
Profit before income taxes		14,118
Income taxes – current	4,671	
Income taxes – deferred	-164	4,507
Net profit		9,610
Profit attributable to non-controlling shareholders		414
Profit attributable to owners of parent		9,196

Consolidated Statement of Change in Equity

From April 1, 2025 to March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,127	2,534	103,985	-6,555	110,092
Changes during period					
Dividends of surplus			-3,116		-3,116
Dividends from retained earnings (interim dividends)			-3,116		-3,116
Reversal of revaluation reserve for land			114		114
Profit attributable to owners of parent			9,196		9,196
Purchase of treasury shares				-1,100	-1,100
Disposal of treasury shares		0		12	12
Cancellation of treasury shares		-3	-5,471	5,474	-
Purchase of shares of consolidated subsidiaries		-1			-1
Net changes in items other than shareholders' equity					-
Total changes during period	-	-4	-2,392	4,386	1,989
Balance at end of period	10,127	2,530	101,592	-2,169	112,081

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,514	-642	-426	3,445	6,485	120,023
Changes during period						
Dividends of surplus				-		-3,116
Dividends from retained earnings (interim dividends)				-		-3,166
Reversal of revaluation reserve for land		-114		-114		-
Profit attributable to owners of parent				-		9,196
Purchase of treasury shares				-		-1,100
Disposal of treasury shares				-		12
Cancellation of treasury shares				-		-
Purchase of shares of consolidated subsidiaries				-	-4	-5
Net changes in items other than shareholders' equity	-66		590	523	292	815
Total changes during period	-66	-114	590	408	287	2,685
Balance at end of period	4,447	-757	164	3,854	6,773	122,709

Financial Statements

Balance Sheet

(Millions of yen)

Account	95th As of March 31, 2026
Assets	
Current assets	72,106
Cash and deposits	44,098
Notes receivable - trade	474
Accounts receivable - trade	13,484
Securities	1,000
Merchandise and finished goods	2,030
Raw materials and supplies	21
Advance payments to suppliers	26
Prepaid expenses	262
Short-term loans receivable	10,413
Other	381
Allowance for doubtful accounts	-86
Non-current assets	66,107
Property, plant and equipment	32,629
Buildings	5,259
Structures	9,293
Machinery and equipment	5,353
Vehicles	62
Tools, furniture and fixtures	341
Land	7,707
Leased assets	711
Construction in progress	3,899
Intangible assets	2,171
Leasehold interests in land	6
Trademark right	2
Software	1,980
Other	182
Investments and other assets	31,306
Investment securities	11,630
Shares of subsidiaries and associates	15,257
Investments in capital	2
Long-term loans receivable from employees	5
Long-term loans receivable from subsidiaries and associates	1,594
Long-term prepaid expenses	2
Prepaid pension costs	2,060
Guarantee deposits	529
Other	276
Allowance for doubtful accounts	-52
Total assets	138,213

Account	95th As of March 31, 2026
Liabilities	
Current liabilities	45,979
Accounts payable - trade	10,431
Short-term borrowings	26,190
Current portion of long-term borrowings	400
Lease liabilities	207
Accounts payable - other	294
Accrued expenses	728
Income taxes payable	1,753
Contract liabilities	2,090
Deposits received	622
Unearned revenue	0
Provision for bonuses	528
Provision for bonuses for directors (and other officers)	35
Asset retirement obligations	40
Accounts payable - facilities	2,459
Suspense receipt	195
Non-current liabilities	6,699
Lease liabilities	572
Deferred tax liabilities	1,948
Deferred tax liabilities for land revaluation	754
Asset retirement obligations	149
Guarantee deposits received	3,162
Other	112
Total liabilities	52,679
Net assets	
Shareholders' equity	81,811
Share capital	10,127
Capital surplus	2,531
Legal capital surplus	2,531
Retained earnings	71,322
Other retained earnings	
Reserve for tax purpose depreciation entry of land	33
Reserve for tax purpose reduction entry of depreciable assets	301
Reserve for tax purpose reduction entry of land	97
General reserve	21,000
Retained earnings brought forward	49,889
Treasury shares	-2,169
Valuation and translation adjustments	3,722
Valuation difference on available-for-sale securities	4,070
Revaluation reserve for land	-347
Total net assets	85,534
Total liabilities and net assets	138,213

Statement of Profit

(Millions of yen)

Account title	95 th From April 1, 2025 to March 31, 2026	
Net sales		
Net sales on goods	249,826	
Revenue from air fuel transactions	11,372	
Other income	1,351	262,549
Cost of sales		
Cost of goods sold		240,083
Gross profit		22,466
Selling, general and administrative expenses		16,216
Operating profit		6,250
Non-operating income		
Interest income	161	
Interest on securities	13	
Dividend income	3,124	
Purchase discounts	311	
Reversal of allowance for doubtful accounts	0	
Miscellaneous income	572	4,184
Non-operating expenses		
Interest expense	189	
Sales discount	121	
Commissions expenses	47	
Miscellaneous losses	33	392
Ordinary profit		10,043
Extraordinary income		
Gain on sales of non-current assets	2	
Gain on sales of investment securities	1,704	1,706
Extraordinary losses		
Loss on sale and retirement of non-current assets	146	
Impairment losses	37	
Loss on valuation of investment securities	299	483
Income taxes		11,265
Income taxes - current	2,759	
Income taxes - deferred	-117	2,642
Net profit		8,623

Statement of Changes in Equity

From April 1, 2025 to March 31, 2026

(Millions of yen)

	Shareholders' equity											
	Share capital	Capital surplus			Retained earnings						Treasury shares	Total shareholders' equity
		Legal capital surplus	Other Capital surplus	Total Capital surplus	Other retained earnings					Total retained earnings		
					Reserve for land depreciation	Reserve for reduction entry of depreciable assets	Reserve for reduction entry of land	General reserve	Retained earnings brought forward			
Balance at beginning of period	10,127	2,531	3	2,534	39	358	97	21,000	52,791	74,287	-6,555	80,394
Changes during period												
Dividends of surplus				-					-3,116	-3,116		-3,116
Dividends from retained earnings (interim dividends)				-					-3,116	-3,116		-3,116
Reversal of revaluation reserve for land				-					114	114		114
Reversal of reserve for depreciation entry of land				-	-6				6	-		-
Reversal of reserve for reduction entry of depreciable assets				-		-56			56	-		-
Net profit				-					8,623	8,623		8,623
Purchase of treasury shares				-							-1,100	-1,100
Disposal of treasury shares			0	0							12	12
Cancellation of treasury shares			-3	-3					-5,471	-5,471	5,474	-
Net changes in items other than shareholders' equity				-					-	-		-
Total changes during period	-	-	-3	-3	-6	-56	-	-	-2,902	-2,965	4,386	1,417
Balance at end of period	10,127	2,531	-	2,531	33	301	97	21,000	49,889	71,322	-2,169	81,811

	Valuation and translation adjustments			Total net assets
	Net unrealized gains on securities	Revaluation reserve for land	Total valuation and translation adjustment	
Balance at beginning of period	4,376	-232	4,144	84,538
Changes during period				
Dividends of surplus			-	-3,116
Dividends from retained earnings (interim dividends)			-	-3,116
Reversal of revaluation reserve for land		-114	-114	-
Reversal of reserve for depreciation entry of land			-	-
Reversal of reserve for reduction entry of depreciable assets			-	-1,100
Net profit			-	12
Purchase of treasury shares			-	-
Disposal of treasury shares		-306	-306	-306
Cancellation of treasury shares		-306	-421	996
Net changes in items other than shareholders' equity		4,070	3,722	85,534

TOPICS 1	KUMAMOTO SEKIYU Co. Ltd joined Our Group
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In December 2025, SAN-AI OBBLI CO., LTD. acquired all of the shares of Smart Solution Co., Ltd., a holding company of KUMAMOTO SEKIYU Co., Ltd., which engages in retail sales of LP gas and SS management in Kumamoto City. The two companies joined the Group.

Kumamoto Petroleum Co., Ltd. is a company that has contributed to the development of local communities, primarily through its LP gas business and petroleum business, under the banner of "Communication with Customers." We will continue to provide energy supply closely connected to local communities.

TOPICS 2	Renewal of training center
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SAN-AI OBBLI CO., LTD. positions human resources as an important management resource and has completely renovated its in-house training center with the aim of strengthening investment in human capital. This facility, which emphasizes large capacity, energy conservation, and consideration for diversity, has been renamed "Obbli Base Atami" and will be utilized as a human resource development base for the entire Group.

Promotion of health management

SAN-AI OBBLI CO., LTD. has been certified as a "Health and Productivity Management Outstanding Organization 2026 (Large Enterprise Category) White 500." This marks the 10th consecutive year of certification, and the 7th time to be recognized among the top 500 companies. With the President serving as the Chief Health Promotion Officer, Health Promotion Officers are appointed in each department and Group company. The Health Promotion Office, occupational physicians, public health nurses, and the health insurance association work together to promote health and productivity management with the aim of improving employees' physical and mental health and creating a comfortable work environment.