

This document provides a summary of the question and answer sessions at the Financial Results briefing held on May 14, 2025.

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1. Does the U.S. administration's mutual tariff (the so-called 'Trump tariff') have an impact on business performance?
 - A. Our group does not engage in businesses related to imports and exports, so the direct impact expected to be insignificant. There are 3 indirect impacts.

First, from a macroeconomic perspective, the decline in the U.S., the global economy, and the Japanese economy may affect the products we handle.

Second, from a micro perspective, biocide products in the chemical products business, polishing business for components of the semiconductor manufacturing equipment, the Company may be affected by the production adjustments of business partners and changes in the supply chain.

Third, in the petroleum business, demand may also change due to price fluctuations. If the Trump administration's target of a weaker crude oil and the U.S. dollar were to materialize, there could be a decline in prices and our sales volume could increase. In addition, if oil prices increase, demand may be supported by ongoing subsidy policy or the elimination of the petroleum coal tax.

In any event, the direction of the Trump administration is still unclear, so we will be careful in gathering information and responding appropriately as a company.
2. In the new medium-term management plan, the company has announced a standard of "accelerating investment." Please tell us the specific investment details and investment decision criteria.
 - A. Increasing corporate value by investing in growth areas is a top management priority.

Of the 1.6 billion yen invested in Fiscal Year 2024, there is an investment in avatarin Inc.. This is an initiative to reform SS's business format using customer service robotics with AI.

Next, in order to expand our market area in Saga prefecture, we acquired a company called Imari Gas. In addition, we are acquiring goodwill to expand the number of LP gases retailed.

For Fiscal Year 2025, we will utilize M&A in all of our petroleum, chemical products, natural gas and new businesses. We will also continue to acquire retail goodwill for LP gases.

Regarding new capital investment, we will construct a new factory at SAN-AI RIKEN for projects other than the second oil storage base at Haneda Airport. We will increase our chemical manufacturing capacity to expand the range of functional chemicals and meet the demand for contract manufacturing of agrochemicals. With regard to the construction of a new plant for SAN-AI OBBLI TECH, we anticipate an increase in demand for polishing components for semiconductor production equipment and will capture demand.

We are responsible for the stable supply to our customers and the adjustment of supply and demand with regard to capital investment for renewal, which is one of our strengths.

Therefore, we will continue to renew and improve our current quality assets.

With regard to specific investment criteria, we will advance the sophistication of investment decisions so that appropriate judgments can be made after considering quantitative effects such as IRR exceeding WACC standard and synergies among businesses as qualitative effects.

3. What is your policy for returning profits to shareholders in the future?

A. We will enhance corporate value by strengthening existing businesses and investing in new businesses.

Our basic policy on shareholder returns is to provide stable returns, and we will steadily implement the targets set in the medium-term management plan.

4. There was an impairment loss in SAN-AI OBBLI GAS-BANSHU, but I would like you to specifically explain the factors behind this.

A. We experienced an unexpected departure from an apartment complex that is a customer in SAN-AI OBBLI GAS BANSHU. An impairment loss of 1.283 billion yen was recorded due to a significant downward revision to the initial forecast of revenue.

We have set LP gas business as a growing business in our group. We will keep this situation in mind and strive to expand our customers while paying due attention to risks and returns.

5. In the year ended March 31, 2025, what were the factors behind the decline in profits in the aviation-related business and the outlook for the future?

A. During the 3-year period from Fiscal Year 2020 to Fiscal Year 2022, the aviation-related business was sluggish due to the Corona disaster. In order to recover this lost profit, the unit price of our aviation fuel handling fees in Fiscal Year 2023 exceeded significantly. As a result, although profits increased significantly in Fiscal Year 2023, in Fiscal Year 2024 the aviation demand returned to normal, and unit prices returned to normal. Accordingly, there was a significant year-on-year decline in profits in Fiscal Year 2024.

For Fiscal Year 2025, we do not expect the current strong demand in the airline industry, such as inbound tourism, to wane, and we expect profit to increase.

6. How will a decline in crude oil prices and fluctuations in foreign exchange rates affect your performance?

A. The sales volume has been sluggish due to reluctance to buy and other factors, as prices have remained high from current exchange rates and other factors. In terms of profits, Kygnus Oil and Tokyo Oil Terminal, which have inventories, are greatly affected by fluctuations in crude oil and exchange rates. However, we believe that this is a short-term one and will converge to a certain level in the long term.

7. In LP Gas business, the Company's policy is to aggressively acquire goodwill, but what is the progress made?

A. The acquisition of LP Gas retail goodwill increased significantly in Fiscal Year 2024 compared to the prior year.

In LP gas business, there is a shortage of successors, and there is a need to invest in safety. As a result, the business environment is moving in a harsh direction. It is highly likely that the refund of owners will increase in the future. Accordingly, we will continue to collect and analyze information and work to expand our market area.

In addition to expanding sales of LP gases, we will also expand our activities as a life service partner that supports customers' lives. Specifically, we will expand cleaning service business and renovation service business. In addition to these revenue increases, we will also take steps to boost profitability through cost reductions through the streamlining of our bases and distribution network.