



SUSTAINABILITY REPORT 2025



Contents

Introduction

Message from the Chairman of the Board.....02

Value Creation to Date.....03

Commitment from Top Management.....05

Overview of Value Creation

The Process of Creating Value.....07

INPUT

Six Kinds of Capital.....09

BUSINESS ACTIVITIES

Strategy – Second Medium-term Management Plan....11

Materialities.....13

OUTPUT

Business Overview.....15

OUTCOME

Creating Value for Stakeholders

Vision for 2030.....17

Special Feature

SAN-AI OBBLI Group Human Capital Management

A round-table discussion for mid-career and young employees.....19

Sustainability Activities

Materialities 01

Response to Climate Change.....25

Materialities 02

Stable Energy Supply29

Materialities 03

Diversity and Inclusion.....31

Materialities 04

Corporate Governance.....35

Highlights of FY2024 Activities.....41

Data

Data Highlights (Consolidated).....43

Editorial Policy

The purpose of this report is to inform stakeholders of the SAN-AI OBBLI Group’s sustainability-related initiatives in FY2024 in an easy-to-understand manner.

Scope of Report

This report covers the activities of the SAN-AI OBBLI Group as a whole and Group companies, with a focus on SAN-AI OBBLI CO., LTD.

Reporting Period

This report covers FY2024 (April 1, 2024–March 31, 2025) but also includes some events in FY2025 before its publication.

Date Issued

October 2025 (Next issue scheduled for October 2026)

Disclaimer

This report includes forward-looking statements. These statements are based on information available at the time of writing; actual results may differ.

Referenced Guidelines

- Environmental Reporting Guidelines (2018 Edition), Ministry of the Environment, Japan
- ISO 26000: 2010 Guidance on Social Responsibility
- The United Nations Sustainable Development Goals (SDGs)

Message from the Chairman of the Board



Co-creating a sustainable future based on the SAN-AI spirit of “Love People, Love Your Country, and Love Your Work” and human capital management

The environment surrounding the Group is constantly changing. The shifts in trade and energy policies under the second Trump administration in the United States, which was re-elected in 2025, are expected to have a broad impact on the global economy and may bring changes to energy markets and carbon neutrality policies. Meanwhile, the growing geopolitical risks associated with the conflicts in Ukraine and the Middle East are also raising the importance of energy security.

In such times, it is only through the “power of people” that we can separate and solve complex, intertwined issues and drive social change. At the SAN-AI OBBLI Group, we are firmly committed to promoting human capital management, which is at the core of the Second Medium-term Management Plan currently underway. We regard human resources as the Group’s greatest management capital. We foster a challenging corporate culture that drives transformation through enhanced internal training and the promotion of diversity and inclusion. This enables us to solve social issue, maximize corporate value, and achieve sustainable growth.

Throughout its history, the Group has conducted business on the foundation of our management philosophy, the SAN-AI spirit of “Love People, Love Your Country, and Love Your Work.” In times of rapid change, this spirit remains a compass for the unwavering future. We will continue to move forward as a partner that supports people’s daily lives and industries. We sincerely request your continued support and guidance.

Jun Kaneda
Chairman of the Board



The corporate philosophy of founder Kiyoshi Ichimura

- Respect every individual with whom we interact with, and develop fair relationships with everyone.
- Contribute to building a better society through corporate activities.
- Take pride in our work, and act autonomously and creatively.

Value Creation to Date

Since being established in 1952, SAN-AI OBBLI CO., LTD. has expanded its business domains to cover Aviation Fuel Service, Petroleum Products Sales, which includes gasoline, LP Gas Sales, which includes household LP gas, Manufacture and Sale of Chemical Products, which includes preservative and anti-mold agents, and Natural Gas Sales, which includes the city gas. On this page, we look back on our history of providing value since our establishment, based on the SAN-AI spirit of Three Loves: “Love People (consumers, business partners, and shareholders), Love Your Country (local communities, and the environment), and Love Your Work (employees),” together with some key events.

*1 System that pumps aviation fuel to the aircraft through an underground pipeline

*2 Service Stations

*3 Acronym for Sustainable Aviation Fuel, jet fuel produced from sustainable sources with low CO₂ emissions from production and collection of raw materials to combustion



Realized refueling with the first hydrant system*¹ in Japan. Contributed to development of aircraft refueling business.

1955

Started out in 1952 as SAN-AI OIL based on the SAN-AI Spirit

Founder Kiyoshi Ichimura was early to recognize the importance of petroleum in Japan, and he established SAN-AI OIL CO., LTD. with the primary business objective of selling petroleum products. Opened the Haneda Office after being designated as a refueling agent and distributor by airlines that had commenced independent operations at Haneda Airport. Began aircraft refueling business.



People Country Work

Other major topics

- 2002 Introduced corporate brand “Obbli”
- 2008 Acquired all shares of Kokusai Yuhka Co., Ltd. (currently SAN-AI RETAIL SERVICE CO., LTD.)
- 2019 Moved Head Office to Otemachi
- 2022 70th anniversary of the Company's establishment
- 2022 Changed trade name (SAN-AI OBBLI CO., LTD.)

三愛設備株式会社

Established SAN-AI FACILITIES CO., LTD. (currently SAN-AI OBBLITECH CO., LTD.), a general contractor for building construction, to meet construction demand and strengthen sales systems.

1978



As a chemical manufacturer, jointly developed “SAN-AI Super Foam,” an odorless, non-toxic foam fire extinguishing agent, with the Chemical Research Institute of Tokyo Fire Department. It accounts for a large share of the Japanese market.

1969



Established Training Center in Atami as project to mark the 35th anniversary of the Company's establishment. Created a source of corporate vitality through human resources development.

1990



Completed Kawasaki Gas Terminal. Started operation as a major hub in the Kanto region.

1983

1970

1960

1960



With rising demand for LP gas, constructed Japan's first refrigerated LP gas storage tank boasting 100-ton storage capacity. Contributed to industrial development as a pioneer of LP gas storage using large-scale refrigerated tanks.



1959

Embarked on SS*² business and opened first full-scale service station. Supported development of a motorized society.



Acquired all the shares of Kygnus Sekiyu K.K. Stabilized procurement and enhanced the sales network.

2004



Opened self-service stations in regions around Japan with deregulation of SS*² industry. Supported infrastructure in daily life of local residents with establishment of on-site vehicle inspection centers and other facilities.

2001



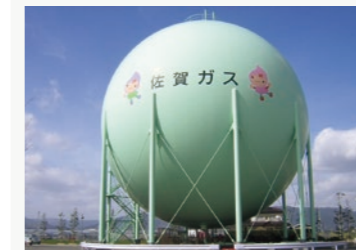
Tokyo Oil Terminal began operations. Enhanced trading company functions to meet diversifying customer needs.

1998



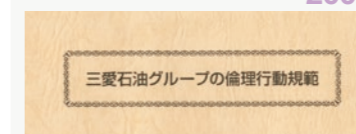
Held the first “Management Forum” for dialogue between employees and management. It has been held continuously each year up until the present day.

2000



Established SAGA-GAS CO., LTD. Subsequently, built natural gas pipeline and commenced supply of city gas, supporting lifeline infrastructure.

2002



Established the Code of Ethical Conduct (currently the Charter of Ethical Conduct) based on the SAN-AI spirit to clearly state the conduct and basic principles that each and every individual who works at the Group must observe.

2002



Signed Cooperative Forest Partners Agreement with the Kochi Prefectural Government and Motoyama Town in Kochi Prefecture. Started active community relationships.

2008



Began electricity sales business using solar power generation systems.

2013

Obbli

人的資本経営に関する基本的な考え方
2024年3月18日

Established Basic Approach on Human Capital Management with human capital regarded as the greatest management capital.

2024



Began low CO₂-emissions SAF*³ reception and refueling. Cooperated in fuel receiving, quality control, and aircraft refueling.

2020



Established a Basic Policy on Health. Obtained recognition as “White 500” Organization under Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category) for the first time.

2017



Held a forum for female employees based on the theme “Enabling women to be themselves at work.”

Introduction

Overview of Value Creation

Special Feature

Sustainability Activities

Data



Evolving Our Business Portfolio to Achieve Our Vision for FY2030

Hiroshi Hayata

Representative Director,
President and Executive Officer

Executing Our Business Strategies for a Decarbonized Society

The history of SAN-AI OBBLI began with the refueling business at Haneda Airport in 1952. We proceeded to expand our business into fields such as petroleum, LP gas, chemicals, natural gas, and lubricants to meet the demand that accompanied Japan's continued growth and development. At the core of the Company lies the timeless values of our founder, Kiyoshi Ichimura, expressed in the SAN-AI spirit of Three Loves: "Love People, Love Your Country, and Love Your Work." We firmly believe that it is our mission to address the challenges faced by people and society in every era and contribute to society through our business.

In a time when sustainability management is increasingly required, we will steadily implement our Medium-term Management Plan (FY2024–2026) "Challenge for the Transforming Future – Challenge 2030 –" launched in May 2024, and aim to achieve our vision for FY2030, which is evolving our business portfolio to adapt to a low-carbon, circular society. To accomplish this, we believe that it is essential

to generate further growth in each business and strengthen our management base.

Currently, the Petroleum Related Business is the Group's core business, accounting for about 50% of ordinary profit, while about 20% comes from aviation and the remaining 30% from gas, chemicals, and other businesses. With domestic demand for petroleum shrinking, we recognize that our greatest challenge is to transform this ratio. By strengthening existing areas while also creating new businesses, we will evolve our business portfolio to retain around 30% of ordinary profit from the Petroleum Related Business, while our other businesses comprise the remaining 70%.

Boldly Transforming the Business Portfolio through Proactive Investment in Growth Businesses

Under the Medium-term Management Plan, we intend to invest ¥60 billion from FY2024 to FY2026, with a total of ¥100 billion by FY2030. In the Petroleum Related Business, we will maintain and expand our sales outlets while promoting investment in

new business models to drive efforts toward business model transformation.

In the Aviation Related Business, which we regard as a foundation business, demand is expected to increase for inbound tourism and the travel sector. During the current Medium-term Management Plan period, therefore, we will invest ¥28 billion in constructing the second oil storage base, investing in fuel supply systems, and enhancing existing facilities to grow the business.

Our Gas Related Business, covering areas such as LP gas and natural gas, is positioned as a growth business. For LP gas, we are expanding our customer base by strengthening the sales capabilities of our sales subsidiaries, increasing market share with existing clients, pursuing M&A deals, and acquiring retail business rights. Meanwhile, natural gas plays an important role in the transition to a carbon-free society, and we are pursuing further demand growth by targeting potential customer needs through proposal-type sales centered on OES*¹ and capital investment plans aimed at business expansion in the Kyushu area.

We also regard the Chemical Products Related Business and Cleantech Business as growth businesses, and we will make new capital investments in each. In the Chemical Products Related Business, we are strengthening the supply chain and boosting in-house products and contract manufacturing through the expansion of the Group's manufacturing facilities. We aim to expand the Cleantech Business by constructing new factories and developing new technologies amid recovering demand for semiconductor manufacturing equipment, and expectations for further growth moving forward.

*1 An acronym of on-site energy services

Taking Challenges with New Businesses that will Support Revenue in the Next Generation

To evolve our business portfolio, we must begin by steadily expanding into areas related to our current business fields. In the Chemical Products Related Business, we have already started developing new products that leverage the Group's external expertise. We have also established a new engineering branch within the Lubricants Department to develop services for wind power plants. In LP Gas Sales, we are also leveraging customer interactions to explore new business models, such as house cleaning services.

Regarding new businesses, we have invested in "avatarin," which is developing AI-based customer services that provide remote customer support. Considering market needs and future potential, we are examining investments and M&A deals, even in new fields where we have traditionally been cautious. In doing so, we intend to identify businesses that will become pillars of revenue for the next generation and actively take on challenges to capture business opportunities.

Reinforcing Our Management Base by Practicing Sustainability Management

The practice of sustainability management that we have established to accelerate our business strategy supports the

bold evolution of our business portfolio. We believe that it is crucial to pursue human capital management, promote DX, and contribute to a low-carbon, circular society.

In pursuing human capital management, we need personnel who are unafraid of change, can think independently, communicate, and engage in discussions. To cultivate such talent, we provide employees with experiences that enhance their creativity and expand their perspectives through exchange programs with overseas business partners and domestic study programs. We recognize that human resource development is the source of our competitiveness. We operate a training center and have expanded our education and training systems to ensure that employees receive all the necessary training. We believe that further enhancing the abilities of each employee through human resource development will lead to the maximization of corporate value and enable us to achieve an ordinary profit of ¥20 billion by 2030.

We established the DX Promotion Committee in July 2024 and launched three subcommittees—the Management DX and Corporate DX Subcommittee, the Business DX Subcommittee, and the DX Talent Subcommittee—to promote DX. The DX Promotion Committee has developed a roadmap to FY2026 and is working to achieve tangible results with the goals of accelerating management judgment and decision-making, streamlining and upgrading operations, reforming marketing through use of data, and developing human resources to promote Group DX.

In terms of contributing to a low-carbon, circular society, the Group has set a target to reduce CO₂ emissions by 30% by FY2030 compared to FY2019. Each department has created and is implementing a CO₂ reduction roadmap. We disclose these initiatives based on the TCFD*² recommendations.

As an energy provider, we recognize that it is crucial to promote these initiatives to address changes in the business environment, including climate change. In April 2025, we also established the Group's new Human Rights Policy, Sustainable Supply Chain Policy, and Basic Policy on Customer Harassment to strengthen our systems for advancing sustainability management. Moving forward, we will continue to devote our energies to the development of a sustainable society, guided by our management philosophy, the SAN-AI spirit. We look forward to your continued support and guidance in these endeavors.

*2 Task Force on Climate-Related Financial Disclosures



The Process of Creating Value

This page illustrates how the Group carries out its business activities to solve social issues and how we evolve as we create value for our stakeholders.

Through this value creation process, the Group aims to be “a partner that supports people’s daily lives and industries” and to convert the outcome into the different kinds of capital that we can then accumulate.





Six Kinds of Capital

Six kinds of capital support Group management and serve as the source of value creation: financial, production, intellectual, human, social, and natural. We use each kind of capital as input and utilize the output and outcomes they produce to further accumulate and strengthen the six kinds of capital.



*Figures are as of March 31, 2025, unless otherwise noted.

Financial Capital



A business can invest for sustainable corporate growth if it has a sound financial foundation. Under our Second Medium-term Management Plan, the Group has set a target of ¥100 billion in business investment through FY2030. We will invest aggressively in our business to support the Group's value creation.

Consolidated net sales	¥654.4 billion	(FY2024)
Operating profit	¥11.8 billion	(FY2024)
Ordinary profit	¥12.8 billion	(FY2024)
ROE	7.5%	(FY2024)
Equity ratio	54.8%	(FY2024)

Production Capital



Since our founding in 1952, SAN-AI OBBLI CO., LTD. has expanded its business domains to cover Aviation Fuel Service, Petroleum Products Sales, LP Gas Sales, Chemical Products Sales, and Natural Gas Sales, which includes city gas. We will use our nationwide network of local bases efficiently to ensure a stable supply.

Major Oil Terminals	4 locations	Service Stations	981 locations nationwide
LP Gas Filling Stations	11 locations	Aviation Fuel Service Operations	27 locations nationwide
Chemical products production plants (factories)	1 location (SAN-AI RIKEN CO., LTD.)	Total length of natural gas pipeline network	479.9 km

Intellectual Capital



At a time when intangible capital such as intellectual property and technological capabilities is becoming increasingly important, it is critical to maximize intellectual capital throughout the Group. In addition, strengthening intellectual capital will increase and develop the business pillars that will support the Group in the future. We will continue to promote the creation and strengthening of new intellectual capital in each of our businesses.

Efficient refueling of aircraft with hydrant systems	
Advancing security using an LPWA system in retail LP gas sales	
Borescope survey technology for wind power plants	
Metal surface treatment technology in the Cleantech Business	8 patents

Human Capital



We published our Basic Approach on Human Capital Management in March 2024. The Group regards human resources as its greatest management capital, and we believe that enhancing the capabilities of our human resources will help maximize corporate value and maintain perpetual development. We are also working to increase employee engagement by optimizing our human resources portfolio, creating a comfortable work environment, and encouraging participation from a diverse range of human resources.

Number of employees (consolidated)	1,841
Education expenses per employee	¥97,000 (FY2024)
Ratio of mid-career hires to total recruitment	73% (FY2024)
Ratio of women in new graduate recruitment	15.9% (FY2024)

Social Capital



To enhance corporate value, a business must build good relationships with various stakeholders, including customers, employees, local communities, shareholders, investors, and business partners. We will strive to enhance our corporate value through active and constructive dialogue with internal and external stakeholders.

Established	73 years ago (established in 1952)
Number of SAN-AI OBBLI Group companies (consolidated subsidiaries)	23
Sales support for distributors (oil and LP gas)	677 companies (385 petroleum; 292 gas)
Number of LP gas retail customer outlets	122,000
Number of social contribution activities in communities around our sites	76

Natural Capital



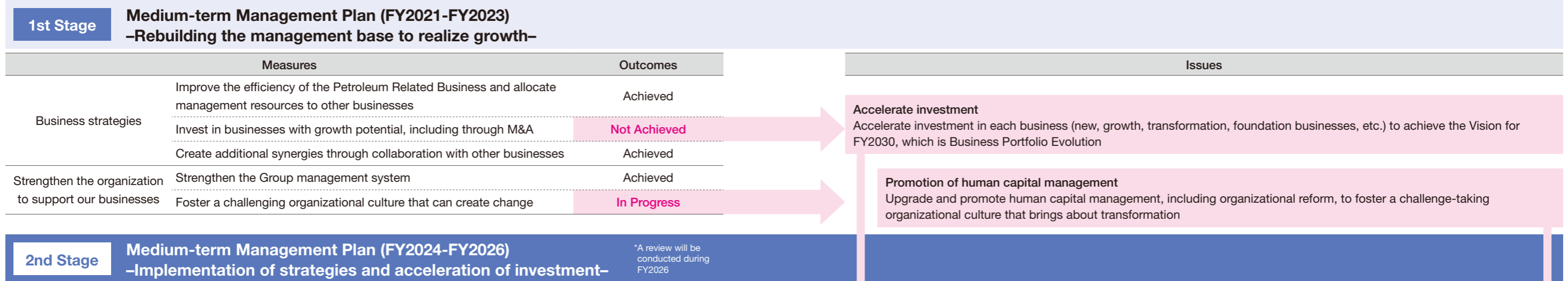
The Group's business depends on natural resources and energy. As a company supplying energy, it is our duty to pursue the efficient use of resources and energy and work to curb environmental impacts.

CO ₂ emissions (Scope 1 and Scope 2)	14,940 t	(FY2024)
Water usage	257,000 m ³	(FY2024)
Amount of waste disposed	3,317 t	(FY2024)
Amount of green power purchased	2,839,000 kWh	(FY2024)
Solar power plants	4 locations	

BUSINESS ACTIVITIES

Strategy — Second Medium-term Management Plan

The SAN-AI OBBLI Group has a vision of “evolving our business portfolio to be adapted to a low-carbon, circular society” by FY2030. To this end, the Group will promote “implementation of strategies and acceleration of investment” as the second stage of our medium-term management plan “Challenge for the Transforming Future 2030,” and we will accelerate our efforts to realize a new business portfolio.



Business strategies

- 1. Invest capital and human resources in businesses with growth potential**
 - ▶ **Aviation Related**
We will meet rising demand with safety and reliability as our priority
 - ▶ **Gas Related**
(LP gas) 170,000 LP gas retail outlets (Natural gas) Expand our customer base by accelerating capital investment and practicing proposal-type sales
 - ▶ **Chemical Products Related**
Accelerate investment in the entire supply chain
 - ▶ **Other (Cleantech Business)**
Expand semiconductor manufacturing equipment cleaning and develop new technologies and chemicals
- 2. Maintain the profitability of Petroleum Related Business and transform its business model**
 - ▶ **Petroleum Related**
Expand and maintain sales bases and explore new business categories
- 3. Enter green energy and environmentally friendly businesses**
 - ▶ **Other (new businesses)**
Expand existing domains and accelerate investment in new ones

Financial targets	Target (FY2026)	FY2024 Results
Consolidated ordinary profit	¥13.0 – 15.0 billion	¥12.8 billion
Consolidated ROE	8% or more	7.5%

Practicing Sustainability Management

- 4. Reinforce management base to accelerate business**
 - ▶ **Human capital management**
Build a base of human capital that can enable our business portfolio to evolve
 - ▶ **Promotion of DX**
Innovate management and business by digitalizing and utilizing data
 - ▶ **Contribution to a low-carbon, circular society**
Realize a roadmap to carbon neutrality
- 5. Strengthen investment management framework and enhance shareholder returns**
 - ▶ Invest in growth businesses with an awareness of WACC (weighted average cost of capital)
 - ▶ Aim for a minimum annual dividend of 100 yen/ share and a total return ratio of 100% by practicing both a policy of dividends commensurate with profits and a flexible capital policy

Shareholder returns	Target (FY2026)	FY2024 Results
Annual dividends per share	Lower limit of ¥100 over three years from FY2024 to FY2026	¥100
Total return ratio	Aim for 100% over three years from FY2024 to FY2026	118.3%

Accelerate investment					
Company-wide investment plan (FY2024-2026)					
Capital investment	¥45.0 billion in total	Business investment	¥15.0 billion	Total investment	¥60.0 billion
Maintaining & updating	¥15.0 billion	New & expanding	¥30.0 billion	Expand domains, including peripheral businesses	
					FY2024 investment results ¥7.9 billion
Promotion of human capital management					
Optimizing the human resources portfolio Build a human resources creation cycle to realize a business portfolio for the future and evolve our human resources portfolio					
Recruitment Recruitment of diverse human resources, including new graduate and mid-career recruitment					
Training and education Establishment and promotion of career path programs, promotion of recurrent education and reskilling					
Personnel allocation Upgrading of human resource management through acquisition and utilization of human resources data Active allocation of personnel to growth areas					
Promotion of active participation by diverse human resources					
Senior employees Restructuring of systems for senior employees					
Women and people with disabilities Establishment of systems for active participation by women and people with disabilities					
Job changers Introduction of alumni system* * Re-employment of employees who have previously resigned from the company					
Creation of a comfortable working environment					
Promotion of work style reform					
Promotion of health and productivity management (Certified Health & Productivity Management Outstanding Organizations Recognition Program White 500)					
Enhancement of employee benefit and welfare programs					
Open corporate culture					
Improving engagement					
Non-financial targets	Target (FY2026)	FY2024 Results	FY2023 Results	FY2022 Results	FY2021 Results
Education expenses per employee	Accelerate human resource development and take the challenge of transformation ¥120,000	¥97,000	¥90,000	¥101,000	¥68,000
Ratio of mid-career hires to total recruitment	Secure highly specialized human resources and take on challenges in new fields Same level (average for last 3 years: 59.6%)	73%	70.8%	63.2%	20%
Ratio of women in new graduate recruitment	Use diversity to promote business transformation 30% or more	15.9%	32.6%	10.3%	21.8%
Ratio of female managers	Promote women's participation 6% or more	6.4%	5.1%	4.9%	4.3%

BUSINESS ACTIVITIES

Materialities

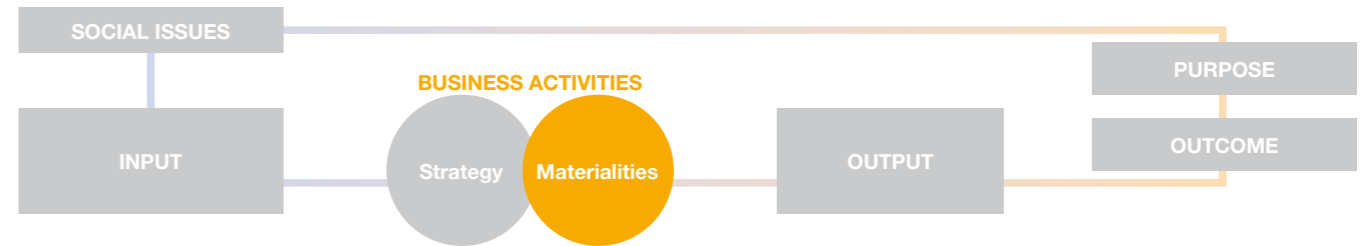
As environmental and social issues have become more serious on a global scale, the SAN-AI OBBLI Group formulated its Basic Policy for Sustainability in December 2021, stating that it will further deepen and develop sustainability initiatives. The Group will proactively respond to the issues facing society by utilizing its management resources and business characteristics.

Materiality Identification

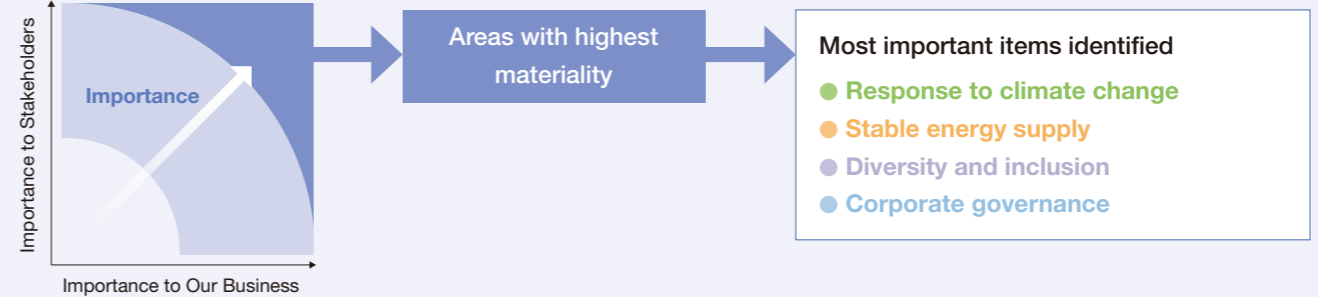
There are many social issues in modern society, but it is impossible to tackle them all. Therefore, we have sorted out the relationship between the Group's business activities and social issues and identified priority issues (materiality). In addition, the following table shows which SDGs targets the identified issues fall under, along with examples of main initiatives.



Materiality Identification Process

- 1 Issue Extraction**
Identification of social issues with reference to GRI, TCFD recommendations, SDGs, ISO 26000, etc.
- 2 Priority Setting**
Priority setting based on two evaluation axes: stakeholders and our business
- 3 Materiality Identification**
Confirmation by the Sustainability Committee of four particularly important themes and approval by the Board of Directors



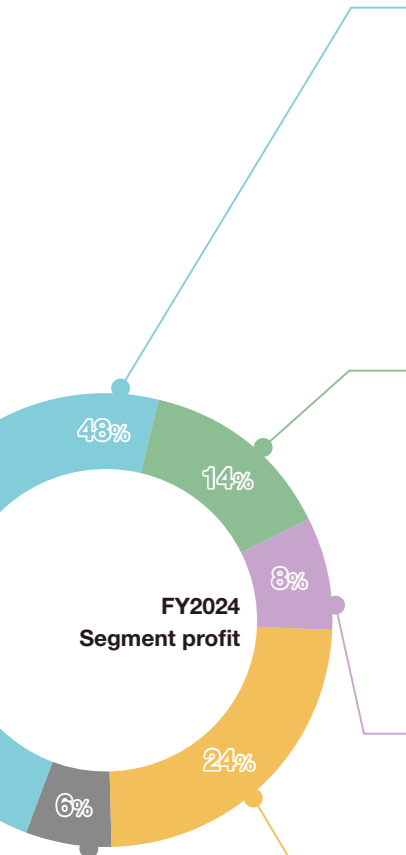
Materiality Map of SAN-AI OBBLI Group



Materialities	Overview	Main Initiatives	Results (FY2024)	SDG Targets
Response to Climate Change Initiatives to realize a carbon-neutral society 	As the duty of a company responsible for supplying energy, we will pursue the efficient use of resources and energy and work to curb our environmental burden in order to leave the global environment in a healthy state for future generations.	<ul style="list-style-type: none">● Shifting to a new service station business model● Support for electric vehicles, etc.● Developing hydrogen fuel infrastructure● Developing on-site energy services (OES) using natural gas● Sale of carbon offset products such as green LPG● Information disclosure based on TCFD recommendations● Reducing Group greenhouse gas emissions● Expanding sale of biodegradable plastic● Purifying wastewater from car wash machines● Concluding the agreement for the Misato Decarbonization Vision● Installing solar power generation systems  SAN-AI OBBLITECH CO., LTD. was involved in the construction of this hydrogen station. ©Iwatani Cosmo Hydrogen Station LLC	<ul style="list-style-type: none">● Construction of hydrogen stations (SAN-AI OBBLITECH CO., LTD.): 13 (cumulative)● Co-Gen Prize 2024 Chairman's Award (Energy Solution Division)● Initiatives to reduce GHG emissions: 2,821 t reduction vs. FY2019 benchmark● Comprehensive collaboration agreement with Miyaki Town (SAN-AI OBBLI GAS SANSHIN CO., LTD. and two other companies)● Carbon-neutral LPG supply agreement with Kamimine Town (SAN-AI OBBLI GAS SANSHIN CO., LTD.)	<ul style="list-style-type: none">7 AFFORDABLE AND CLEAN ENERGY Increasing substantially the share of renewable energy in the global energy mix13 CLIMATE ACTION Integrating climate change measures into strategies and planning14 LIFE BELOW WATER Preventing all kinds of marine pollution
Stable Energy Supply Aspiring to be a partner that supports people's daily lives and industries 	We contribute to the development of society as a partner that supports people's daily lives and industries by supplying energy safely and stably. As a company that handles hazardous materials, we will strive to strengthen our crisis management and business continuity plans.	<ul style="list-style-type: none">● Strengthening procurement channels● Enhancing service station emergency facilities● Safe operation of hazardous material facilities and inheritance of technology● Promoting DX (establishing DX Promotion Committee)● Business succession from distributors (securing energy access in relevant areas)● Alternative use of oil terminals● Emergency response at hazardous material facilities● Implementing environmental safety audits● Constructing second oil storage base at Haneda Airport and securing aviation human resources  Aviation fuel storage tank	<ul style="list-style-type: none">● Improving operational efficiency by promoting DX: 3,484 hours reduced● Implementing environmental safety audits: 234 locations● Occupational accident risk survey by Sampo Risk Management Inc.: 13 locations● Constructing second oil storage base at Haneda Airport: scheduled for completion in 2028 (Aviation Division)● Establishment of new Supply Chain Management Section to strengthen procurement (Chemical Products Division)● Fortification of Kygnus Sekiyu K.K. oil terminals	<ul style="list-style-type: none">7 AFFORDABLE AND CLEAN ENERGY Ensuring universal access to affordable and reliable modern energy services11 SUSTAINABLE CITIES AND COMMUNITIES Holistic disaster risk management17 PARTNERSHIPS FOR THE GOALS Encouraging and promoting effective partnerships based on diverse experiences and resource strategies
Diversity and Inclusion Securing and developing human resources 	We will work on human resource development, promotion of diversity, and health management in order to harmonize the development of the Group with the happiness of individual employees. We will create new value for society by creating innovation based on diverse values.	<ul style="list-style-type: none">● Promotion of diversity● Responding to Women's Participation Promotion Act● Employment of people with disabilities● Improvement of the work-life balance support system● Encouragement of flexible work styles● Enhancement of human resource development and training● Initiatives to improve engagement● Thanks Points, mutual praise, and visualization● Promotion of health management● Promotion of human capital management● Promotion of human rights  An internal training session	<ul style="list-style-type: none">● Holding "Obbli Awards 2024" as a measure to increase engagement● Recognition as a "White 500" Organization under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)● Publication of the SAN-AI OBBLI Group Basic Approach on Human Capital Management● Establishment of the SAN-AI OBBLI Group Human Rights Policy● Establishment of the SAN-AI OBBLI Group Basic Policy on Customer Harassment	<ul style="list-style-type: none">5 GENDER EQUALITY Ensuring women's effective participation at all levels of decision-making8 DECENT WORK AND ECONOMIC GROWTH Human resource development to support innovation3 GOOD HEALTH AND WELL-BEING Ensuring healthy lives and promoting well-being for all at all ages
Corporate Governance Gaining stakeholder trust by ensuring management efficiency and transparency 	We will strive to improve the efficiency and transparency of management and be committed to compliance-oriented management. Also, we will establish a highly effective corporate governance system and ensure the appropriateness of business operations by operating the system with multiple layers.	<ul style="list-style-type: none">● Strengthening of internal control● Strengthening of governance through outside directors● Securing decision-making and transparency● Promoting compliance-oriented management● Regular reporting of sustainability initiatives● Disclosing "analysis of current situation to enhance corporate value" and the Medium-term Management Plan● Information disclosure based on TCFD recommendations  A meeting of the Compliance Committee	<ul style="list-style-type: none">● Outside directors: 5 (as of October 2025)● Internal Control Committee meetings: 4 times/year● Internal audits conducted: 184 business sites● Establishment of the SAN-AI OBBLI Group Sustainable Supply Chain Policy (April 2025)● Compliance Committee meetings: 12 times/year● Periodic publication of Sustainability Reports● Results briefing session via remote streaming● Information disclosure based on TCFD recommendations	<ul style="list-style-type: none">12 RESPONSIBLE CONSUMPTION AND PRODUCTION Reporting on corporate sustainability initiatives17 PARTNERSHIPS FOR THE GOALS Strengthening of partnerships with stakeholders possessing expertise and knowledge

OUTPUT Business Overview

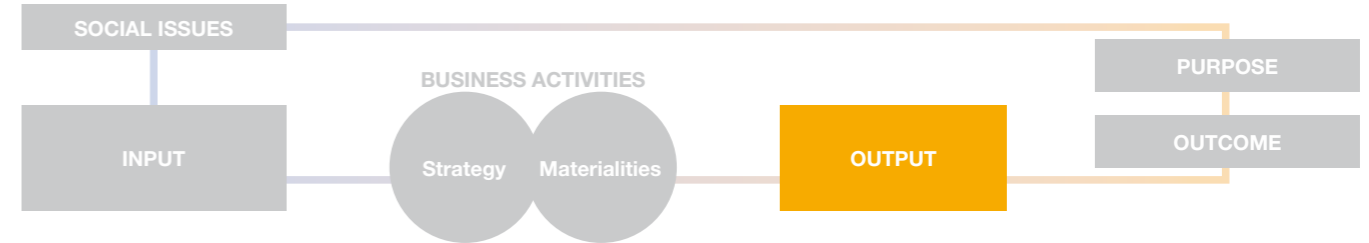
In addition to our four core businesses, we maximize synergies with our Group companies to provide products and services that meet a wide range of customer needs.



Petroleum Related Business

Petroleum Products Sales

We supply petroleum products nationwide by selling wholesale to distributors, selling industrial fuels and lubricants to customers, and retail sales at service stations.

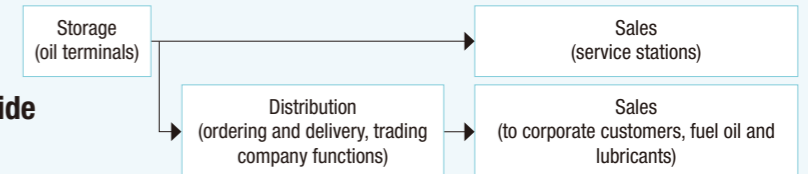


Major Oil Terminals

4 locations

Service Stations

981 locations nationwide



Gas Related Business

LP Gas Sales

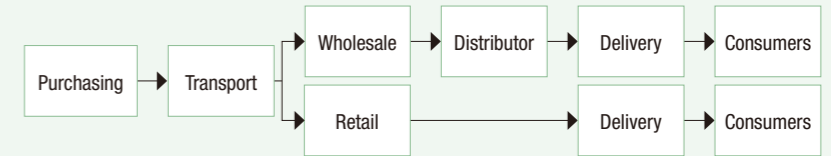
We sell LP gas for residential and commercial use, general high-pressure gases for industrial use, deodorizing gas for aerosols, specialty gases, and autogas.

LP Gas Filling Stations (including aerosols)

11 locations

Distributors

292 across Japan



Natural Gas Sales

We propose energy and cost reducing integrated energy supply systems to factories and other facilities nationwide for selling natural gas. Additionally, Saga-Gas Co., Ltd. supplies city gas to residential households.

Total length of natural gas pipeline network

479.9 km

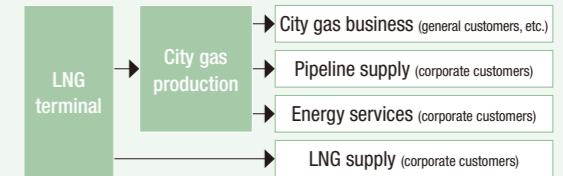
SAN-AI OBBLI CO., LTD.: 46.1 km
SAGA-GAS CO., LTD.: 349.1 km
Imari Gas Co., Ltd.: 84.7 km

Number of large-volume gas supplies by SAN-AI OBBLI CO., LTD.

31

CO₂ reduction in FY2024 (by switching fuel to natural gas)

Approx. 45,884 t



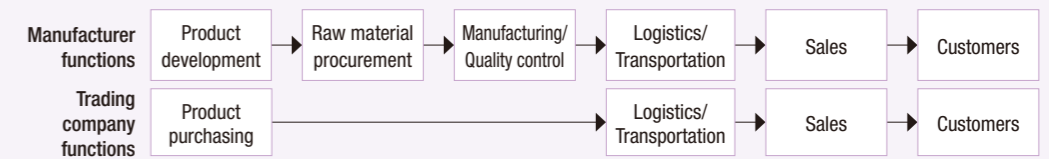
Chemical Products Related Business

Manufacture and Sales of Chemical Products

We develop, manufacture, and sell industrial preservative and anti-mold agents, automotive chemical products, and more, and as a trading company we sell chemical products that meet the needs of our customers.

Products manufactured and sold

Approx. 700



Aviation Related Business

Aviation Fuel Service

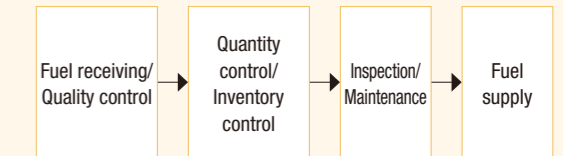
In addition to aviation fuel handling operations using a hydrant system (a fueling system using underground pipelines) at Haneda Airport, we also provide fueling services and manage fueling facilities at various airports.

SAN-AI OBBLI Group's Aviation Fuel Service Operations

27 locations nationwide

Number of flights fueled by SAN-AI OBBLI CO., LTD. at Haneda Airport

Approx. 355 flights/day



Other Businesses

In addition to the Construction Business and Cleantech Business, we operate solar power plants on idle land.

Number of SAN-AI OBBLI CO., LTD. solar power plants

4 locations

Cleantech Business metal surface treatment technology

8 patents

Value creation: sources and strengths

Technological Capabilities

We have expertise in the design and operation of aircraft fueling facilities (hydrant systems), and our research laboratory develops chemical products. In addition, SAN-AI OBBLITECH CO., LTD. has established a reputation for its metal surface treatment technology.

Reliability

We have a proven track record in the safe operation of high-pressure gas facilities, oil depots, and other hazardous materials facilities, including the management of natural gas pipelines in the city gas business. On the retail side, we offer customers reliability and service that adheres to high safety standards.

Solution Proposals

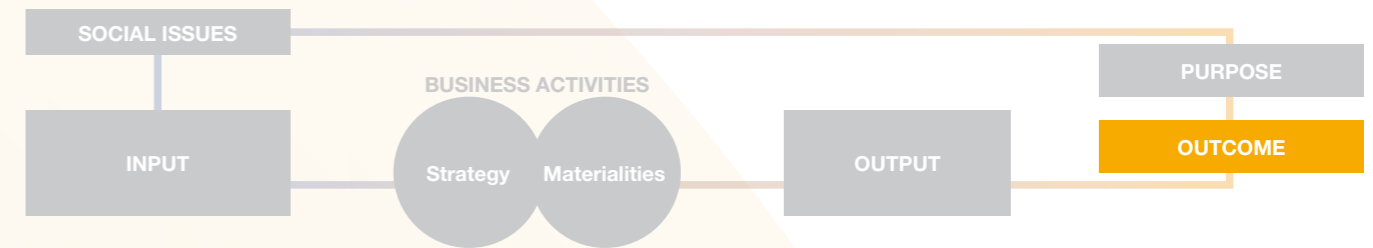
As an independent trading company not controlled by capital ties to a larger group, we are our customers' one-stop shop for ideal products and services. In addition, the Group has a retail business that shares its sales expertise with distributors and helps them strengthen their sales capabilities.

Customer Base

We build long-term partnerships with distributors in the petroleum and LP gas businesses and provide services to large-scale customers in the chemicals, lubricants, and natural gas businesses.

Creating Value for Stakeholders

The SAN-AI OBBLI Group engages in dialogue with a wide range of stakeholders and works toward providing new value.



Vision for 2030

Evolving our business portfolio to be adapted to a low-carbon, circular society

Under our First Medium-term Management Plan, we addressed the theme of “rebuilding the management base to realize growth” in order to realize our Vision for FY2030, which is evolving our business portfolio to be adapted to a low-carbon, circular society.

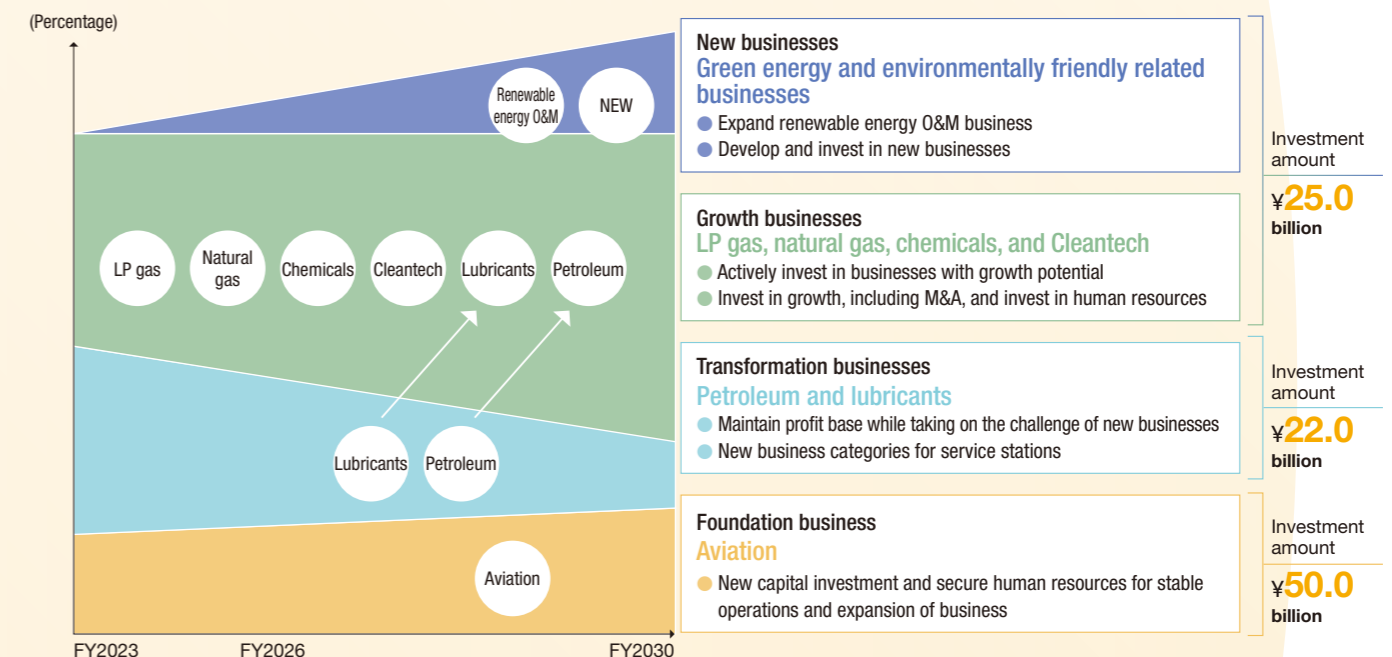
We will work toward realizing the Vision through the expansion of growth businesses and new business domains by pushing forward with the implementation of strategies and the acceleration of investment, which is the basic policy of our Second Medium-term Management Plan.

2024-2026 Second Medium-term Management Plan Implementation of strategies and acceleration of investment

2021-2023 First Medium-term Management Plan Rebuilding the management base to realize growth

Target Business Portfolio

We will aim to solve the four sustainability-related materialities (important issues) we have identified by implementing our business strategies and practicing sustainability management to realize the vision of evolving our business portfolio to be adapted to a low-carbon, circular society by FY2030.





Special Feature

SAN-AI OBBLI Group Human Capital Management

A round-table discussion for mid-career and young employees

Creating a Workplace that Supports Both Employee Growth and Corporate Development through Diverse Systems and Initiatives

In March 2024, the SAN-AI OBBLI Group announced its Basic Approach on Human Capital Management, underscoring its view that human resources are the Group's greatest management capital. In this discussion, five mid-career and younger employees exchanged candid views on human capital management initiatives the company should prioritize as it works to develop its business portfolio from the medium- to long-term perspective.

Masayo Hara

East Japan District Office
Lubricants Sales
Department,
Energy Solution Division

Joined in 2024
(Photo: far left)

Junichiro Takahashi

Chemical Products Department,
Chemical Products Division

Joined in 2011
(Photo: second from the left)

Keisuke Kojima

(Moderator)

Manager,
Human Resources Section,
Human Resources Department

Joined in 2005
(Photo: center)

Yuki Yato

Manager,
Sales Management Section,
Energy Solution Division

Joined in 2005
(Photo: second from the right)

Seiji Araki

Manager, System Section,
Facility Operation & Maintenance
Department,
Aviation Division

Joined the company in 2021 after working
in infrastructure construction and software
development at an electronics
manufacturer
(Photo: far right)

Views on Promoting Women's Active Engagement

**The ideal workplace environment is one in
which everyone can work flexibly, regardless of
age or gender**

Kojima: SAN-AI OBBLI has identified "Diversity and Inclusion" as one of its materialities (priority issues) for sustainability. In the Human Resources Department, we're pursuing a variety of initiatives in hopes of enriching the daily lives of our employees.

To begin with, let us focus on promoting women's active engagement. Ms. Yato, as a female manager, what are your thoughts on this issue?

Yato: The idea that female managers are unusual is not as

common as it once was. One reason may be that our programs have been improved to ensure women's careers are not interrupted by child-raising. Up to now, these programs have focused mainly on supporting women's work/life balance, but going forward, I believe it'll be necessary to develop initiatives that allow all employees, regardless of gender, to continue working even while facing such personal challenges as caring for aging parents.

Hara: I agree. Given the nature of our industry, our company used to have few women in sales. Because of this, I feel that a physically demanding workstyle still lingers in some workplaces. In such an environment, I sometimes find it a challenge to maintain a good work/life balance.

Yato: As Ms. Hara just pointed out, there may still be a mindset in our company that places value on working single-mindedly without hesitating to put in long overtime hours.

Takahashi: In the Chemical Products Department, a female member of our sales staff took childcare leave. It was the first case for us, and we were unsure of how to support her while she worked shorter hours before and after the leave. However, we put our heads together to figure out how best to manage our work, and now things are running very smoothly. Everyone has turning points in life, so I'm glad that she was able to continue working without leaving the company.

Araki: In the Aviation Division where I engage in refueling operations, we have rotating shifts that include early

morning and late-night duties. Regardless of gender, some employees may find the work physically demanding. To ensure stable operations despite the labor shortage issue, it's important to establish support systems and create a workplace environment where both men and women alike can continue working without any concerns.

Kojima: If, for example, we can reduce physical burdens by improving our facilities and task assignments, it would probably enable not only female employees but all employees to perform at a higher level. I believe another important approach is to improve operations and efficiency by promoting digital transformation (DX), etc. Toward this end, our company has established a DX Promotion Committee, which is already pursuing a range of initiatives.



Views on Mid-Career Recruitment

The recruitment of broad-minded human resources brings new value to the workplace

Kojima: We're placing greater emphasis on mid-career recruitment as a way to address labor shortages and promote diversity. Until recently, our company had rarely recruited mid-career professionals, but we've stepped up our efforts over the past several years and, as a result, we now have about 60 such employees, which is roughly 13% of our workforce. Mr. Araki, you joined our company as a mid-career hire. What was it about our company that appealed to you?

Araki: When the company was first introduced to me, I had never heard of it before, so my initial thought was to decline (laughs). However, I was attracted by the opportunity to take on work that can only be experienced here. I felt that SAN-AI OBBLI's strength lies in the operation of the hydrant refueling system at Haneda Airport and the refueling of aircraft, and I thought this was something I would find rewarding.

Takahashi: The number of mid-career employees has increased in our workplace, with many playing active roles in the field. They possess specialized knowledge, advanced skills, and perspectives that differ from our own, which often lead to new awareness and insights. There was a time when a mid-career colleague clearly pointed out, "This doesn't seem right," regarding something that I myself had long doubted. With that, I was finally able to put a finger on what had been bothering me. At the same time, there are also cases where mid-career employees express high regard for our

company's distinctive culture and atmosphere.

Views on the Career Path Program

To develop our business portfolio, the younger generation needs be given opportunities to broaden their careers

Kojima: While advancing mid-career recruitment on one hand, our company is also promoting the Career Path Program as an initiative to develop our business portfolio in response to the shift toward a carbon-neutral, circular society. Under this program, employees gain experience in three different departments within their first 10 years after joining the company, and based on their aptitude and preferences, they are then assigned to positions where they can make the most of their strengths.

Araki: Is the aim of the Career Path Program to foster generalists rather than specialists?

Kojima: No, the purpose isn't to develop generalists, but rather to develop employees who can be flexibly assigned to the necessary positions to continue our business even if our business portfolio changes over the next decade, or when launching new businesses.

Takahashi: At other chemical product manufacturers, job rotations are relatively common, but this probably works because the products they handle are similar and employees have similar backgrounds. In a company like ours, where businesses span such diverse fields as oil, gas, and aviation, a rotation system might be more challenging.

Hara: Immediately after joining this company, I was



assigned to a service station in Hokkaido under the Petroleum Department, and later I was transferred to the Lubricants Department. The work and culture were completely different, but experiencing the two made me realize the importance of inheriting the technical skills and ways of thinking from current employees. From a medium- to long-term perspective, I think it's essential for our employees to gain experience in different departments while they are still young.

Kojima: Up to now, our company has had employees acquire specialized knowledge and expertise and play active roles within their respective divisions. There are strategic advantages to this approach, but at the same time, it has limited the flexible transfer of employees when personnel imbalances and vacancies arose. From the perspective of what might be called a "personnel BCP (business continuity plan)," such an approach is nonsense and does not align with sustainable corporate management. That's why we want our younger employees to take the initiative in experiencing completely different fields and tasks to expand their potential. Although it might be temporarily disadvantageous for the company to train employees only to see them transferred to other departments, in the medium to long term, this would enable the right people to be placed in the right positions, ensure flexible workforce mobility, and further develop our human capital portfolio.

Views on Open and Selective Training

Career advancement can be achieved through a corporate culture that fosters on-the-job personnel development and voluntary learning programs

Takahashi: Our company offers open and selective training programs, but I recently attended an external training program on management strategies. To be honest, I felt a bit anxious at first, since some participants were from well-known companies, but I was able to take part in the discussions on equal footing and gained a sense of accomplishment. At the end, each participant gave a presentation on a business model for a management strategy, and I received a mid-level rating for mine, which was enough to give me confidence.

Kojima: I also attended training programs with participants from other companies when I worked in the Aviation Division. What I felt then was that I had acquired the advanced knowledge and skills through my daily responsibilities and training. The term "human capital management" didn't yet exist at that time, but I realized that SAN-AI OBBLI has always placed importance on developing its people through employee training programs.

Araki: Based on my experience working at several different companies, what impressed me after joining SAN-AI OBBLI was how proficient the younger employees are in giving presentations, participating in group discussions, and creating proposals, even with relatively limited work experience. I realized then how effective the company's training is.





Hara: Right after the company entrance ceremony, we attended a five-day, four-night training program for new employees. I still vividly remember how we were taught in detail not only the general basics of working adults, but also the mindset, skills, and actions expected of SAN-AI OBBLI employees.

Kojima: SAN-AI OBBLI's new employee training program is quite unique in that it is held in study camp-style, organized and led by employees serving as trainers. The trainers themselves play a central role in planning and running the entire program, including deciding on the content. Serving as a trainer provides valuable experience to younger employees, so Ms. Hara, I hope you'll consider becoming a trainer yourself.

Keys to Developing the Younger Generation

Management is encouraged to believe in the potential of the younger generation and support them so they can work with confidence

Yato: In October 2022, I was assigned as a manager. Frankly, I felt overwhelmed at first, because I moved into a management position without having the basic knowledge needed to manage a Section. I enjoy the work itself, since it's something we build together as a team. For anyone stepping into a managerial position, however, I think there should be a framework where they can receive practical guidance from seasoned employees.

Kojima: Yes, I think everyone feels anxious at first. Ms. Yato, what kind of support framework for managers do you think is needed?

Yato: From the perspective of promoting the active participation of our senior employees as well, I'd like to see practical training programs that draw on their long experience, as well as education that is truly useful for those in managerial positions.

Kojima: That's a very good point. Mr. Araki, you became a managerial personnel in May 2025. Are there any particular things you keep in mind?

Araki: I try to make speedy decisions, have solid reasoning behind those decisions, and have confidence in them. I was promoted to a management position only about four years after joining the company mid-career, so I haven't yet fully absorbed all of SAN-AI OBBLI's customs and culture. Whenever there's something I don't understand, I make it a point to openly seek advice from my superiors, senior colleagues, and even junior colleagues.

Kojima: As a manager, I place importance on building strong relationships of trust with my team members and delegating authority to them with full confidence. The only condition I set is for them to report, communicate, and consult with me appropriately. I basically trust them to handle everything else on their own initiative. Whatever happens, I take the responsibility (laughs). Of course, I provide follow-up and support through close communication, but I believe each member would take greater initiative if I avoid giving overly detailed instructions.

Hara: For someone like me, who has only been with the company for a short time, I often encounter situations where I don't know how to begin. However, once I become more capable in my work, I think I will be more motivated to find solutions on my own if I'm gradually entrusted with the necessary authority. I will also acquire the skills needed to be immediately effective in the workplace.

Takahashi: I remember when I was young and had just begun my second year with the company, my superior told me, "Takahashi, you can do this. Give it a try. I'll take responsibility." With that, I began to take charge of major projects, including new ones, and gained confidence in my work.

Initiatives to Strengthen Engagement

Maintaining communication with employees working hard in the field is essential to human capital management

Kojima: Thank you, everyone, for sharing your views and requests regarding our company's human resources

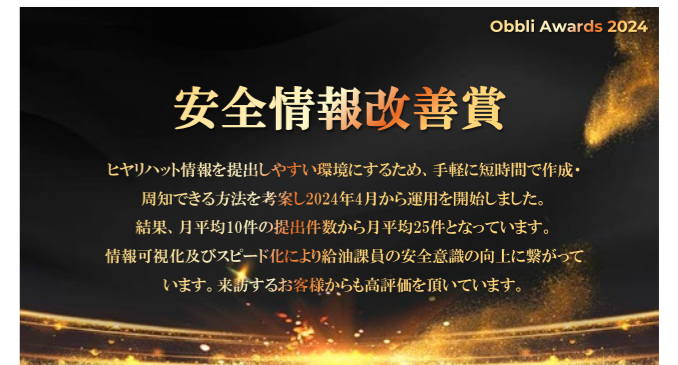
strategy. I believe the labor shortage issue must be addressed not only through recruitment activities, but also through efforts to strengthen employee engagement. With this in mind, in 2024 we held an employee-participatory awards ceremony called Obbli Awards*.

Takahashi: I think it's a wonderful new initiative that we didn't have before.

Araki: Employees in the Fueling Service Section of the Aviation Division were awarded for a system they devised to visualize and promptly share near-miss incidents that occur in the field. It was an important job to help raise safety awareness among the staff, but since it doesn't translate directly into business results, I think being recognized for their daily efforts has given them a strong sense of pride in their work.

Hara: At the site of a client shipbuilding company that I was previously in charge of, team achievements were posted on the wall with photos and shared throughout the workplace each month. The achievements were often minor details, such as the neatness of a welding seam, but the practice created a cheerful, positive atmosphere. I think it would be interesting if we could introduce something like that casually at our sites, as well.

Kojima: Even in the Human Resources Department, we rarely have the opportunity to exchange views with employees from such a variety of departments and



Reference: Obbli Awards for Aviation Division

generations. Today's discussion has reminded me of the importance of dialogue. Both the management and our department are constantly considering how to create a better working environment for all employees. It may be difficult to implement measures that satisfy everyone and deliver immediate results, but I hope we can continue to have dialogues like this so we can work together to develop even more effective initiatives.

* An employee-participatory awards ceremony in which each executive in charge selects recipients from their own perspective, recognizing values of not only business performance but also employees' Efforts, Challenges, and Contributions in both qualitative and quantitative terms.





01 Response to Climate Change

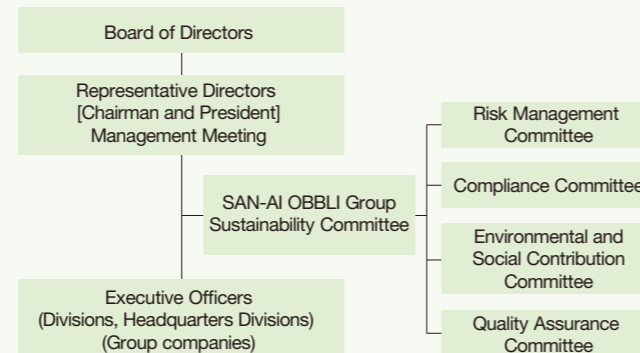
Initiatives to realize a carbon-neutral society

Information Disclosure Based on TCFD Recommendations

We have analyzed the impact of climate change on the Group's finances and disclosed information in line with the TCFD recommendations. The main items are as follows.

Governance

The SAN-AI OBBLI Group Sustainability Committee deliberates on the extraction and evaluation of risks and opportunities related to climate change and reports the results of the deliberations to the Board of Directors. The Board of Directors manages and supervises the report based on its contents.



Strategy

The various problems caused by climate change present risks and opportunities to our business. We analyze these under two scenarios, a 4°C and 2°C temperature increase, and incorporate them into our strategy.

Prerequisites

- Estimated period: 2030-2040
- Scope: Entire SAN-AI OBBLI Group
- Adoption scenario: Intergovernmental Panel on Climate Change (IPCC) Working Group I Contribution to the Sixth Assessment Report

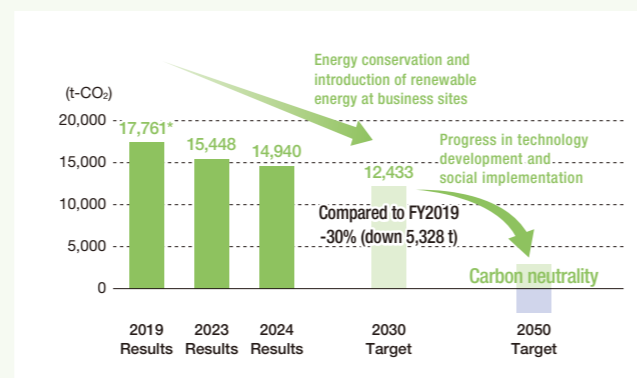
Risk Management

The Sustainability Promotion Department and the Corporate Planning Department serve as the secretariat for the Group's risks and opportunities related to climate change. The Sustainability Committee evaluates these risks and opportunities and reviews their impact and countermeasures in the PDCA cycle at least once a year.

Indicators and Goals

Based on FY2019, the SAN-AI OBBLI Group aims to reduce CO₂ emissions by 30% by FY2030 and achieve carbon neutrality by FY2050. The CO₂ emissions that we track are the sum of Scope 1 and Scope 2.

Results from the benchmark year of FY2019 have been revised since the previous year's announcement due to changes in consolidated subsidiaries via acquisitions, etc.



* We have added our FY2024 results to the TCFD indicators and targets published on our website as of October 31, 2025.

Scenario Analysis

4°C scenario

Type	Impact	Risks	Impact level	Period of occurrence	Response strategy
Physical	Chronic	Rising temperatures due to changing weather patterns	Major	Long term	● Alternative uses of oil terminals ● Measures against storm surges (raised) ● Enhanced drainage functions
Transition	Legal regulations	Stricter regulations on gasoline-powered vehicles	Major	Short term	● Shift of transformation businesses (petroleum) to low cost structures ● Reallocation of management resource
	Market	Rising penetration rate of electric vehicles (EVs)	Major	Short to medium term	● Continuing support for gasoline vehicles and support for EVs, etc.

2°C scenario

Type	Impact	Risks	Impact level	Period of occurrence	Response strategy
Transition	Legal regulations	Stricter regulations on gasoline-powered vehicles	Major	Medium term	● Transition to new business categories for service stations
	Market	Rising penetration rate of EVs and hydrogen vehicles	Major	Short to medium term	● Expanding investment in growth businesses ● Transitioning to new business categories for service stations, including support for EVs

4°C scenario

Type	Impact	Opportunities	Impact level	Period of occurrence	Response strategy
Increasing resource efficiency	Penetration of renewable energy	● Increasing business opportunities with expansion in the operation & maintenance sector for renewable energy	Medium	Medium term	● Investment in companies engaged in operation & maintenance for wind power, etc.
Products and services	Rising demand at chemical manufacturers in the sanitation sector due to spread of infectious diseases	● Acquisition of chemical manufacturers in the sanitation sector	Medium	Short to medium term	● Acquisition of chemical manufacturer

2°C scenario

Type	Impact	Opportunities	Impact level	Period of occurrence	Response strategy
Products and services	Construction of hydrogen stations	● Increasing construction of hydrogen stations in the engineering sector	Major	Medium term	● Construction of Hydrogen Station
	Spread of hydrogen vehicles	● Shift to operation of hydrogen stations	Major	Medium term	● Operation of hydrogen stations

Common to 4°C and 2°C scenarios

Type	Impact	Opportunities	Impact level	Period of occurrence	Response strategy
Energy sources	Establishment of methanation technology ^{*1}	● Switch from natural gas to synthetic methane and proceeding with establishment of technology for manufacturing synthetic methane	Medium	Long term	● Securing new suppliers and buyers
	Establishment of propanation technology ^{*2}	● Switch to synthetic propane gas and proceeding with establishment of manufacturing technology	Medium	Long term	● Switchover to sale of green LP gas
	Establishment of e-fuel technology	● Switch from fossil fuels and proceeding with establishment of manufacturing technology for synthetic fuels	Major	Long term	● Securing new suppliers and buyers

^{*1} It is a technology that causes a reaction between hydrogen (H₂) and carbon dioxide (CO₂) to synthesize methane (CH₄). It is receiving attention as a technology for decarbonization of gas.

^{*2} It is a technology that causes a reaction between hydrogen and carbon dioxide in a similar way to methanation to synthesize propane (C₃H₈). The technology has yet to be established.

SAN-AI OBBLI Forest Hands-on Environmental Training

Sustainability Promotion Department

The SAN-AI OBBLI Group strives to protect the natural environment and supports reforestation projects as the responsibility of a company that handles fossil fuels. We have held Hands-on Environmental Training at SAN-AI OBBLI Forest since 2008. At these events, group employees have the opportunity to join a forest thinning operation and deepen their interactions with local people. In FY2024, 37 people from our Group companies participated.

The Signing of Cooperative Forest Partners Agreement with the Kochi Prefectural Government, Motoyama Town in Kochi Prefecture, and Motoyama Town Forest Union

- Since 2008 (18th year)
- People with forest thinning experience: 487 people
- Partner forests: 232.08 ha
- CO₂ absorbed by forests regenerated through thinning: 5,450 tons (cumulative)



Carbon-Neutral LPG Supply Agreement with Kamimine Town

SAN-AI OBBLI GAS SANSHIN CO., LTD.

On September 5, 2024, SAN-AI OBBLI GAS SANSHIN CO., LTD. signed an agreement to supply carbon-neutral LP gas (CN-LPG) to Kamimine Town in Miyaki District, Saga Prefecture. The town is currently redeveloping its central district through Tsubaki Town Development Project LLC. SAN-AI OBBLI GAS SANSHIN CO., LTD. first introduced CN-LPG at Roadside Station Kamimine in April 2025. We also plan to introduce CN-LPG to housing built to promote permanent residence and educational facilities in redeveloping areas.



The Yoshino River Basin Collaborative River Development Partnership Agreement

Sustainability Promotion Department

In April 2024, SAN-AI OBBLI CO., LTD. signed the Yoshino River Basin Collaborative River Development Partnership Agreement with Kochi Prefecture, the Reihoku Regional Community Activity Center Liaison Council, and four Reihoku region municipalities (Motoyama Town, Otoyo Town, Tosa Town, and Okawa Village). Through this partnership, we are supporting activities by people in Motoyama Town and other parts of the Yoshino River basin to create a rich and beautiful river.

In addition, elementary school students from the Reihoku region held a drawing contest with the clear waters of the Yoshino River basin as its theme. Also, our Group employees and local children held an event to release about 1,000 red-spotted masu salmon into the river.



Installing Agricultural Solar Power Generation Systems

Kygnus Sekiyu K.K.

To meet the needs of a low-carbon, circular society, Kygnus Sekiyu K.K. installed and began operating agricultural solar power generation systems in Yaita City, Tochigi Prefecture in March 2025 and Shimotsuke City, Tochigi Prefecture in August 2025. The project seeks to use farmland more effectively and promote the use of renewable energy by installing solar power generation systems on farmland so it can produce crops and energy at the same time. In addition, solar power generation on farmland provides a new source of income, which could support farmers and revitalize the local economy.



Agricultural solar power plant in Yaita City, Tochigi Prefecture

Signing the Comprehensive Collaboration Agreement with Miyaki Town

SAN-AI OBBLI GAS SANSHIN CO., LTD., SAN-AI OBBLI GAS KYUSHU CO., LTD., SAN-AI OBBLI GAS SERVICE KYUSHU CO., LTD.

SAN-AI OBBLI GAS SANSHIN CO., LTD., SAN-AI OBBLI GAS KYUSHU CO., LTD.* and SAN-AI OBBLI GAS SERVICE KYUSHU CO., LTD. signed a comprehensive collaboration agreement with Miyaki Town in Miyaki District, Saga Prefecture on December 25, 2024. The agreement aims to help create a sustainable environment, ensure that elderly residents are looked after, and facilitate safety and security for people. Its main initiatives are as follows.

[Main points of collaboration]

- (1) Environmental protection
 - Cooperate on environmental projects (tree planting events, etc.)
- (2) Welfare of persons with disabilities
 - Help secure stable lifestyles and employment for persons with disabilities
- (3) Looking after the elderly, etc.
 - Look after the elderly, etc., for example having meter readers visit residents
- (4) Disaster prevention
 - Designate a medical community center as a priority location for LPG deliveries during disasters
- (5) Recognition of achievements of founder Kiyoshi Ichimura
 - Spread the word about the achievements of Kiyoshi Ichimura, an honorary citizen of Miyaki Town



* SAN-AI OBBLI GAS KYUSHU CO., LTD. merged with SAN-AI OBBLI GAS CHUGOKU CO., LTD. in October 2025 to form SAN-AI OBBLI GAS NISHINIHON CO., LTD.

Air Quality Conscious SS (e→AS) Certification

SAN-AI RETAIL SERVICE CO., LTD.

SAN-AI RETAIL SERVICE CO., LTD. has been promoting the introduction of a vapor recovery system to reduce emissions of volatile organic compounds (VOCs) that occur when unloading gasoline from tanker trucks. These efforts have earned the Company certification by the Ministry of the Environment and the Agency for Natural Resources and Energy for their Air Quality Conscious SS (e→AS)*1. As VOCs are chemical substances that can also cause issues such as photochemical smog, we aim to reduce the atmospheric emissions and environmental impact of VOCs.

Eight service stations certified as Air Quality SS

OS*2 Seki, OS Geino, OS Kameyama, OS Green Line Hakonomori, OS Jiromaru, OS Mizumaki, OS Tsukuba Hojo, OS Bando Kadoyama

*1 A program in which the Ministry of the Environment and the Agency for Natural Resources and Energy give the designation Air Quality Conscious SS (e→AS) to gas stations that take steps to protect air quality by reducing gas evaporating from fuel.

*2 Abbreviation for Obbli Station



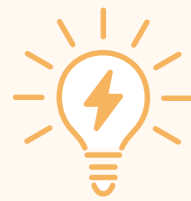
Co-Gene Prize 2024 Chairman's Award

Energy Solution Division

SAN-AI OBBLI CO., LTD. earned the Chairman's Award, the highest prize, in the Industry category at Co-Gene Prize 2024*. The host organization, the Advanced Cogeneration and Energy Utilization Center (Cogeneration Foundation: Chairman Takao Kashiwagi), awarded the prize for "Pursuing the Value of Cogeneration in Greenhouse Gas Emission Reduction Activities: An Example of Improvement at Ajinomoto's Kyushu Plant (Saga City, Saga Prefecture)." SAN-AI OBBLI CO., LTD. will contribute to the reduction of customers' greenhouse gas emissions and environmental impacts through the advanced use of natural gas energy.

* The Co-Gene Prize was established in 2012 by the Cogeneration Foundation to honor cogeneration systems that excel in terms of novelty, leadership, new technology, energy conservation, and the like. The purpose is to help society recognize the usefulness of cogeneration and to promote superior cogeneration systems.





02 Stable Energy Supply

Aspiring to be a partner that supports people's daily lives and industries

Signed "Memorandum of Understanding on Strengthening the Fire Fighting and Disaster Prevention System in the Tokyo International Airport Area"

Aviation Division

On March 4, 2025, the Aviation Division signed a "Memorandum of Understanding on Strengthening the Fire Fighting and Disaster Prevention System in the Tokyo International Airport Area" with the Tokyo Airport Office, East Japan Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism, and the Tokyo Fire Department to strengthen fire fighting and disaster prevention around the Tokyo International Airport area. The three major actions to be taken are listed below.

- (1) Joint firefighting and rescue training for the three parties
- (2) Participation in liaison meetings and other activities related to strengthening the joint firefighting and disaster prevention systems of the three parties, and strengthening firefighting and disaster prevention systems in the Tokyo International Airport area
- (3) The Company will provide disaster prevention materials and equipment when such support is requested in the event of a disaster, etc.



BCP Training

SAN-AI OBBLI GAS KYUSHU CO., LTD., SAN-AI OBBLI GAS SERVICE KYUSHU CO., LTD.

The Group has formulated a business continuity plan (BCP) that anticipates all types of risks, including major earthquakes and other natural disasters, the spread of emerging infectious diseases, and business interruptions caused by cyberattacks. SAN-AI OBBLI GAS KYUSHU CO., LTD.* and SAN-AI OBBLI GAS SERVICE KYUSHU CO., LTD. conducted a joint BCP training on October 18, 2024, assuming an earthquake of intensity 6+ with its epicenter off the coast of Sasebo. To enhance BCP effectiveness, the plan is reviewed every year, and response training in line with the plan is conducted.

* SAN-AI OBBLI GAS KYUSHU CO., LTD. merged with SAN-AI OBBLI GAS CHUGOKU CO., LTD. in October 2025 to form SAN-AI OBBLI GAS NISHINIHON CO., LTD.



FY2024 Comprehensive Disaster Training

Aviation Division

On March 7, 2025, the Aviation Division held the FY2024 Comprehensive Disaster Training* at its aviation fuel oil storage base. The division conducts annual training with the cooperation of the Civil Aviation Bureau and the Kamata Fire Station of the Tokyo Fire Department to confirm the operational procedures of the local disaster control office in the event of a disaster and to strengthen cooperation with related organizations. Approximately 100 people participated, including employees of the Aviation Division of SAN-AI OBBLI CO., LTD. and related parties.

* The scenario for the training was that an earthquake had occurred directly beneath Tokyo, with its epicenter in the southern part of the city center and at a seismic intensity of 6+ (on the Japanese scale) at Tokyo International Airport. The earthquake caused aviation fuel to leak from an outdoor tank within the oil storage base, causing a fire. One worker was injured, and there was one injured or sick person who was unconscious.



Oil Terminal Emergency Response Training

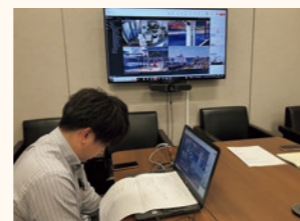
Kygnus Sekiyu K.K.

On October 30, 2024, Kygnus Sekiyu K.K. conducted crisis response training at its Kanazawa Oil Terminal in Ishikawa Prefecture. Safe operations are required at all times, as a fire or leak at an oil terminal would produce a tremendous amount of damage.

The purpose of this training was to make participants consider disaster prevention measures and to support the oil terminal by promptly setting up a response headquarters as well as quickly and efficiently collecting information on any damage to the terminal using various systems such as web conferencing and surveillance cameras. After the training, the oil terminal and the response headquarters shared information on improvements that needed to be made, which made them more capable of responding in the event of an emergency. For FY2025, we are planning a crisis response training in November at the Takasago Oil Terminal in Hyogo Prefecture.



Spraying foam onto gasoline



Kygnus Sekiyu response headquarters

Environmental Safety Audit

Sustainability Promotion Department

The Group owns many facilities that handle hazardous materials, including service stations, LP gas filling stations, and chemical research laboratories. As such, we conduct our own annual environmental and safety audits using voluntary standards that are stricter than legally required and we also operate a PDCA cycle.

	FY2022	FY2023	FY2024
No. of offices audited	249	242	234
No. of issues	113	183	34*
No. of corrections made	113	183	34

* Since FY2024, excludes the number of issues found under self-inspection items.



Increasing Reserve Generators at Oil Storage Bases

Aviation Division

To prepare for the risk of power outages due to natural disasters or other causes, the Aviation Division reinforced its power supply system by adding backup generators at the aviation fuel oil storage base. Previously, two aviation fuel dispensing pumps could be operated during power outages. After the addition, up to seven pumps can be operated, enabling refueling of more aircraft even during power outages. We will continue to develop aircraft fueling facilities to meet the rapidly increasing demand for aviation fuel.



A newly added backup generator

Occupational Accident Risk Survey

Sustainability Promotion Department

The Risk Management Committee had Sampo Risk Management Inc. conduct a survey from FY2023 to FY2024 in order to effectively identify occupational accident risks in the Group from a third-party perspective.

The survey was divided into two categories: the "occupational accident risk survey" for eight high-risk sites and "safety patrol support" for five relatively low-risk sites. The surveyors who visited the sites identified latent risks and proposed specific risk reduction measures.

Recognizing that occupational accidents are a serious human rights risk, we will strive to create very safe work environments.

Example of latent risk

Manual winch for operating oil containment booms (rotating body)

Tokyo Oil Terminal

● Before improvement

A manual winch wire winder, which is located on a pier and used to lower oil containment booms, did not have a protective cover, creating a risk of an accident due to fingers getting caught.



● After improvement

Since the existing product had no protective cover or similar accessory, a special protective cover was made and installed.



The report from Sampo Risk Management Inc.



03 Diversity and inclusion

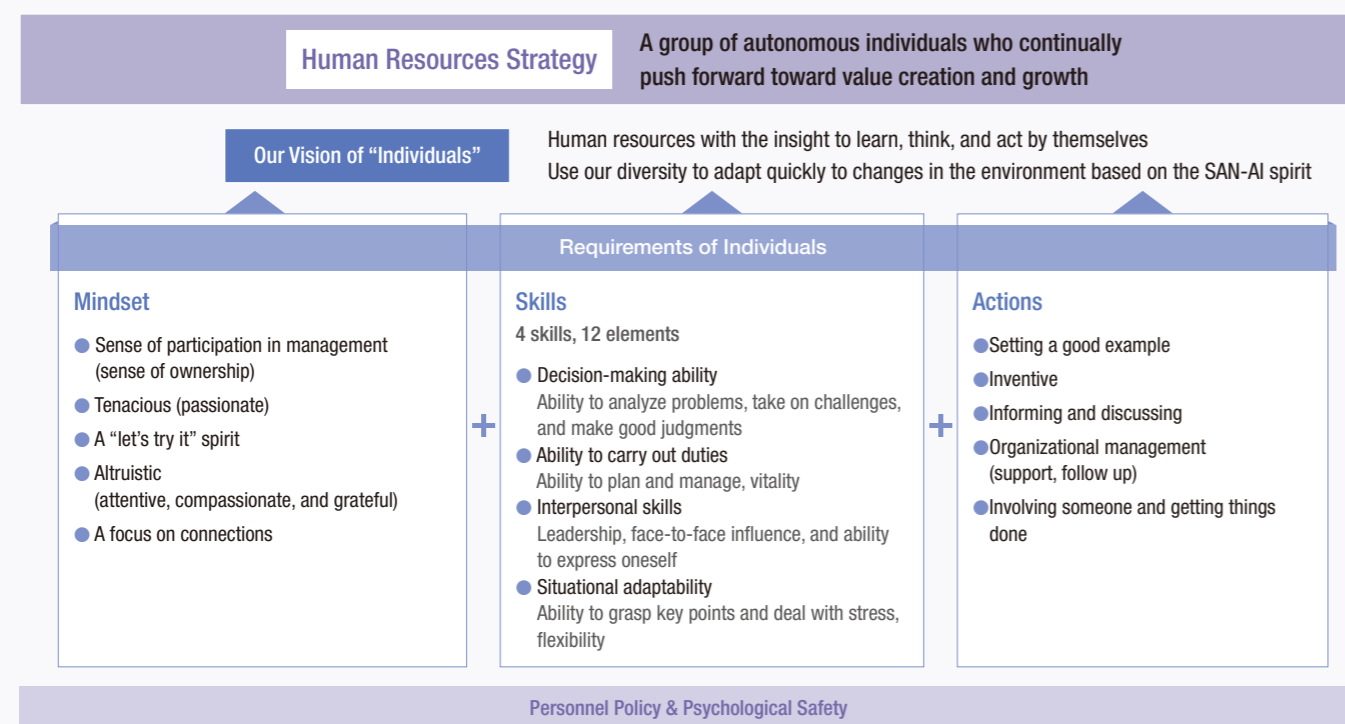
Securing and developing human resources

Overall Human Resources Strategy

In order to respond to changes in the business environment, maximize corporate value, and maintain perpetual development, it is essential to increase each and every employee's motivation and willingness to contribute. To this end, we will implement various measures and work to improve employee engagement.

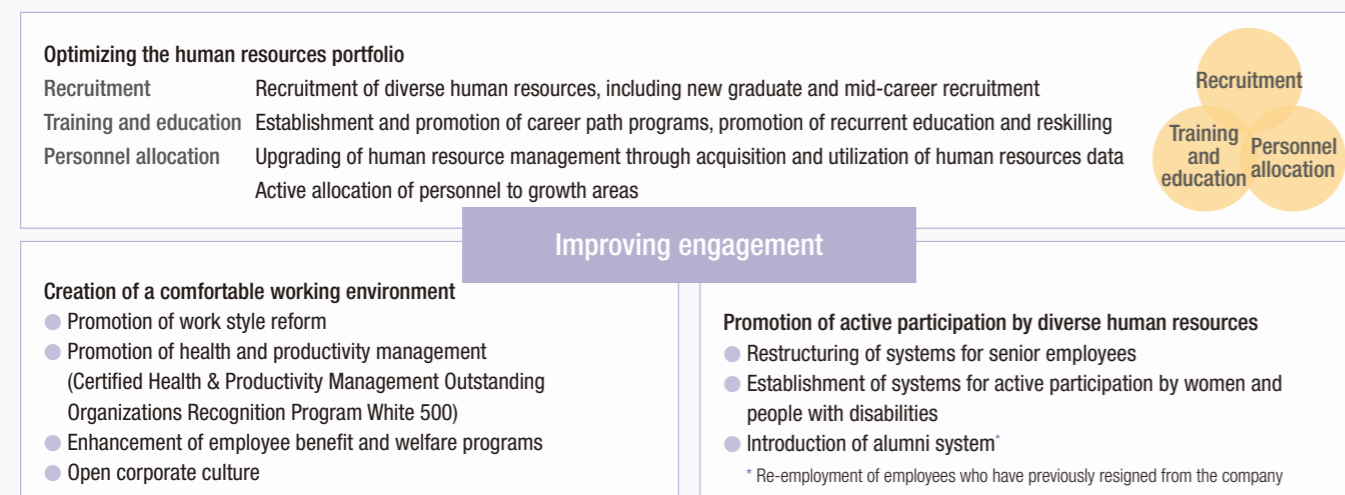
A Human Resources Strategy to Support Management

In March 2024, the SAN-AI OBBLI Group published its "Basic Approach on Human Capital Management." We will pursue a human resources strategy that responds to transformations in our business model.



Main Measures Related to Human Resources Strategy

In keeping with the Basic Approach on Human Capital Management, we are working to build a foundation of human resources to enable our business portfolio's evolution under the Second Medium-term Management Plan.



Training System to Realize Long-term Vision

Human Resources Department

Based on its corporate philosophy of the SAN-AI spirit, SAN-AI OBBLI CO., LTD. aims to foster human resources with the insight to learn, think, and act by themselves, and it has established a wide range of training systems to support the growth of its employees.

FY2024 Training System Diagram

Stratified training			Selective training for skill development and skill improvements			Corporate-supported educational program	Self-development
Managers	● Assessor development training	Mid-career hire training	Managers	● Next-generation executive development training	DX training	Graduate school program for working professionals/MBA	E-learning Distance learning
Training based on position	● Basic management training ● Pre-management training ● Leadership training		General employees	● Cross-company seminar ● Presentation skills improvement training ● Trainer development training ● On-the-job leadership training ● Financial analysis training ● Debt management training ● Safe driving training			
New Employees to 3rd Year	● 3rd year employee training ● 2nd year employee training ● New employee follow-up training ● New employee training						

Obbli Awards 2024

SAN-AI OBBLI CO., LTD. held the employee recognition program Obbli Awards 2024 to increase engagement by focusing on values other than business performance in addition to praising efforts, challenges, and contributions in both qualitative and quantitative terms. Factors considered included evaluations that are satisfying to employees, recognition of achievements, and a culture of challenge-taking.

During this first-time event, 10 employees from the various divisions were honored by the executive in charge, and employees then selected one MVP from among them. The event also honored two employees who had won a large number of votes or points under the Share Obbli peer bonus system.

The award ceremony offered a friendly atmosphere and a standing buffet party, which deepened communication among employees. We will continue efforts like this to increase employee engagement.



Managers Meetings

With the increasing importance of human capital management, we held a Managers Meeting to re-acknowledge the role required of managers. At this event, an outside lecturer gave a training for evaluators. The purpose was to help participants adjust their perspective as evaluators and improve their management skills through the act of evaluation. After the training, the Human Resources Department shared human resources data to explain the current state of and issues in labor management, business management for health, and human capital management.



Health and Productivity Management

Health and Productivity Management Strategy Map

Human Resources Department

SAN-AI OBBLI CO., LTD. hopes to solve management issues related to increasing productivity and securing and developing human resources through health and productivity management. We have established a health and productivity management strategy map in order to address the areas of improving the physical wellbeing of employees, reducing absenteeism and presenteeism, and improving work engagement.

Management issues	Outcomes of our investment in health						
	Final target indicator	Indicators for the status of health investment measures Physical health improvement targets: Targets of Health Japan 21, third term (2024-2032)			FY2024 initiatives	2023 results	2024 results
Increase productivity	Reduce absenteeism	Physical health	Diet	Target percentage of employees with appropriate weight (BMI 18.5 to less than 25): 66%	<ul style="list-style-type: none">● Health checks● Active health guidance for employees with BMI 30 or greater● Recommendation for participation in specific health guidance● HANDSOMING physique management seminar● Health events	63.0%	62.5%
			Exercise	Target percentage of employees with exercise habits (at least 2 days a week for at least 30 minutes): 40%	<ul style="list-style-type: none">● Preparation to implement walking app	36.7%	38.5%
			Sleep	Target percentage of employees who get adequately restful sleep: 80%	<ul style="list-style-type: none">● Sleep apnea testing and follow-up● Seminar for managers: "Mental Health Care & Sleep" seminar for managers	71.3%	71.0%
			Alcohol use	Target percentage of employees with daily pure alcohol intake of 40 g or more for men and 20 g or more for women: 10%	<ul style="list-style-type: none">● New employee training	17.0%	14.4%
			Smoking cessation	Target smoking rate: 12%	<ul style="list-style-type: none">● Message from the President (encouraging smoking cessation)● Publicizing World No Tobacco Day, no smoking at work● Individual follow up with smokers; circulation of non-smoking awareness questionnaire● Publicizing of the health insurance association's smoking cessation gum assistance	24.7%	26.7%
Secure and develop human resources	Reduce presenteeism	Improve work engagement	Dental & oral care	Target percentage of employees who had a dental exam in the past year: 95%	<ul style="list-style-type: none">● Message from the President (encouraging dental exams)● "Dental Exam" health event	Started tracking in FY2024	59.0%
	Comfortable working environment		Stress	Target stress check implementation rate: 100% Target high-stress rate: 10% or lower	<ul style="list-style-type: none">● Implementation, analysis, and follow up of stress checks● E-learning: "Change the Way You See Things" and "What to Do If You Notice Anything Unusual About Another Member"● Mental health education for new managers● Seminar for managers: "Mental Health Care & Sleep" seminar for managers	97.4% 13.0%	98.0% 8.6%
			Leave	Target rate of taking paid leave: 70%	<ul style="list-style-type: none">● Use of target sheet to manage rate of taking paid leave● Encouragement for employees to take paid leave using in-house bulletin boards● Establishment of recommended days for paid leave	66.5%	68.4%
			Men's and women's health	A comfortable work environment for both men and women	<ul style="list-style-type: none">● Seminar for managers: "Common Workplace Health Problems and What to Do About Them"● E-learning: "Achieving a Society Where Anyone Can Work Comfortably"● Employee questionnaire on health, questionnaire on family care● Family care and parental leave seminar, harassment seminar	Training on child care, family care, and menopause, presented during Managers Meetings	As planned
			Employee turnover	Lowering employee turnover rate	<ul style="list-style-type: none">● Follow up of employees on leave by industrial physicians and public health nurses● Interview-type support for employees with mental health issues● Health checks for employees who do more than 45 hours of overtime a month	5.1%	4.8%

* Targets and results are figures for SAN-AI OBBLI CO., LTD. on a non-consolidated basis

Recognition as “White 500” Organization under 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)

Human Resources Department

SAN-AI OBBLI CO., LTD. has been recognized as a “White 500” organization as selected by the Ministry of Economy, Trade and Industry and other organizations under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category). In addition, Kygnus Sekiyu K.K. was newly certified in the Small and Medium-Sized Enterprise Category, bringing the total number of Group companies certified in that category to seven.

The president is the chief health promotion officer, while other health promotion officers are appointed in each department and group company. The Health Promotion Office, industrial physicians, public health nurses, and the health insurance association work together to promote health management with the aim of improving employees’ physical and mental health and working comfort.



Enhancement of Child Care Leave and Family Care Leave Systems

Human Resources Department

As part of our efforts to realize a work-life balance, SAN-AI OBBLI CO., LTD. strives to create a working environment where employees can easily balance child care or family care with work. On March 7, 2025, the Allowance & Welfare Section of the Human Resources Department held an online seminar with 47 participants aimed at providing an overview of the child care and family care leave systems, laws revised in April 2025, and an understanding of harassment related to child care and family care. Our child care leave system exceeds the legally mandated standards. Our employees are actively balancing child care and work by taking advantage of our shortened working hours system.

Child care leave and shortened working hours system for employees providing child care	A leave system that allows employees to take leave until the child reaches a maximum age of three years A system that allows employees to reduce their working hours by two hours per day until their children graduate from elementary school
Family care leave and shortened working hours system for employees providing family care	A leave system that allows employees to take up to 93 days of leave per year when a family member requires nursing care A system that allows employees to reduce their working hours by two hours per day

Initiatives for Human Rights

Human Rights Policy Established

Sustainability Promotion Department

In April 2025, we established the SAN-AI OBBLI Group Human Rights Policy to support international norms on human rights and reduce human rights risks in our supply chain. To establish the policy, experts in the field conducted a human rights risk assessment that also looked at our business partners. The assessment determined that the Group faces the main human rights risks listed below. The Group assigns departments to respond to risks and will conduct initiatives to promote human rights.

Human Rights Risk Assessment

Severity	Likelihood		
	Low	Medium	High
High		● Occupational health and safety	
Medium		● Gender equality ● Harassment ● Leaks of personal information	● Long working hours
Low		● Discrimination based on nationality ● Other forms of discrimination ● Human rights violations in the supply chain ● Human rights violations in advertising representation ● Freedom of association	

Main Risks and Departments in Charge of Responses

Sustainability Committee	Oversight of compliance with human rights policy
Risk Management Committee	Occupational health and safety management for the entire Group
Compliance Committee	Human rights education (harassment), personal information protection, human rights remedies
Human Resources Department	Long working hours, gender equality
Audit / Internal Control Department	Oversight of working hours management at Group companies

Comment from Someone who Took Child Care Leave

Naoki Chiba, SAN-AI OBBLI CO., LTD.

When our twins were born (we already had one other child), I took one and a half months of child care leave, including leave for fathers of newborns. I was anxious about being away from work, but I feel that this experience has strengthened my bond with my family and that child care has helped me to grow as a person. Most of all, I am grateful for the understanding and warm support I received at work and to my supervisor for his follow-up, for example by making adjustments to my job.



* This leave of absence can be taken in two installments for up to four weeks (28 days) within eight weeks after childbirth. This is a separate system from child care leave up to the age of one year.

Establishment of the SAN-AI OBBLI Group Basic Policy on Customer Harassment

Sustainability Promotion Department

Providing safe, reliable, and high-quality services to our customers requires creating a good working environment for Group employees. We established the SAN-AI OBBLI Group Basic Policy on Customer Harassment to protect employees from disruptive behavior on the part of customers. This could include assault, threats, abusive language, and unreasonable demands. The Group takes a firm stance against customer harassment and will work to prevent it so that our working environment enables employees to work with peace of mind.





04 Corporate Governance

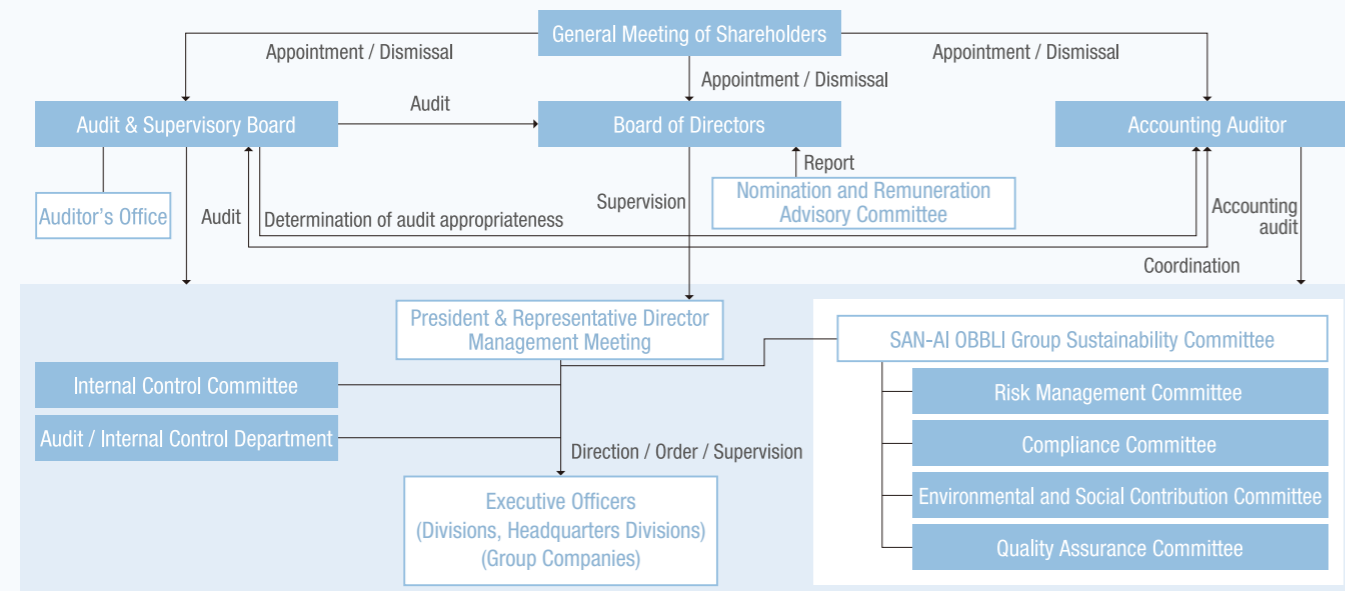
Gaining stakeholder trust by ensuring management efficiency and transparency

Basic Stance

By promoting the efforts listed on the right, the Group has systems in place for transparent, fair, swift, and resolute decision-making, and aims for stable growth and a solid management foundation, thereby affirming its commitment to compliance-based management.

- 1 Ensuring shareholder rights and equality
- 2 Appropriate collaboration with stakeholders other than shareholders
- 3 Ensuring appropriate information disclosure and transparency
- 4 Appropriate fulfillment of the responsibilities of the Board of Directors, etc.
- 5 Constructive dialogue with shareholders

Corporate Governance System (as of March 31, 2025)



Structure of Corporate Governance

Conferencing body	Purpose
Board of Directors	Consisting of eight directors (including three independent outside directors), the Board of Directors* makes decisions on the Company's management policies and other important business matters in accordance with laws, the Articles of Incorporation, internal regulations, and the like and supervises the execution of duties by the directors.
Audit & Supervisory Board	Consisting of five Audit & Supervisory Board members (including three independent outside Audit & Supervisory Board members), the Audit & Supervisory Board* audits the execution of duties by directors.
Nomination and Remuneration Advisory Committee	A majority of the Nomination and Remuneration Advisory Committee members are independent outside directors. As a voluntary advisory body to the Board of Directors, the Committee deliberates and makes decisions on the nomination, remuneration, etc., of directors and executive officers and reports to the Board of Directors. This enhances objectivity and transparency in the decision-making process regarding the nomination, remuneration, etc., of directors and executive officers.
Management Meeting	Consisting of full-time directors and executive officers appointed by the president, the Management Meeting meets on a regular weekly basis to make decisions on important business execution matters that concern the Company and Group companies. This promotes swift and efficient execution of business. Full-time Audit & Supervisory Board members attend every meeting to ensure management transparency.
Internal Control Committee	The Internal Control Committee discusses and deliberates matters related to plans to establish and evaluate Group internal controls, the evaluation of those internal controls, identification and improvement of deficiencies including material deficiencies that need to be disclosed, and internal control reports on financial reporting.
SAN-AI OBBLI Group Sustainability Committee	The SAN-AI OBBLI Group Sustainability Committee manages risks by considering specific measures to address risks, preventative measures, etc. It also oversees the activities of the Risk Management Committee, Compliance Committee, Environmental and Social Contribution Committee, and Quality Assurance Committee, which are under the auspices of the Sustainability Committee.

*As of March 31, 2025

History of Reform

- 2017.2 Conducted first evaluation of effectiveness of Board of Directors
- 2019.6 Appointed first female (outside) director
- 2020.4 Established Nomination and Remuneration Advisory Committee
- 2020.6 More than one-third of directors are independent outside directors
Faster business execution with introduction of executive officer system
- 2021.8 Started external disclosure of Medium-term Management Plan
- 2021.12 Established Basic Policy for Sustainability and Policy for Ensuring Diversity in conjunction with the revision of Japan's Corporate Governance Code
- 2022.11 Identified important issues (materialities) related to sustainability, adopted the TCFD recommendations, and disclosed information based on them
- 2023.11 Disclosed analysis of current situation to enhance corporate value
- 2024.5 Published the Second Medium-term Management Plan and promoted shareholder dialogue and communication
- 2024.6 Appointed first female (outside) Audit & Supervisory Board member

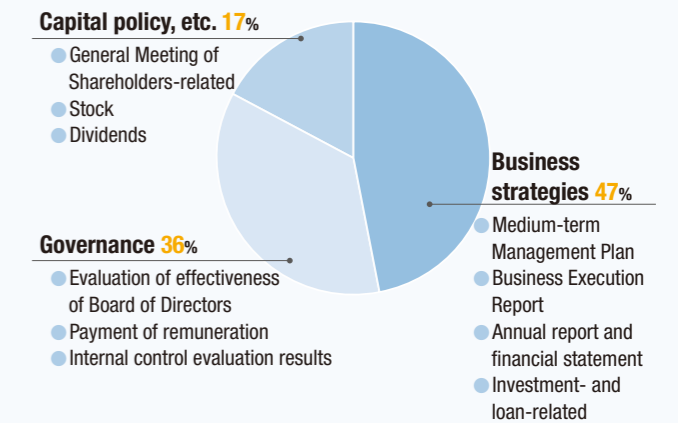
Important Meetings Held in FY2024

Board of Directors	9
Audit & Supervisory Board	10
Nomination and Remuneration Advisory Committee	4
Management Meeting	43
Internal Control Committee	5
SAN-AI OBBLI Group Sustainability Committee	4
Risk Management Committee	5
Compliance Committee	12
Environmental and Social Contribution Committee	4
Quality Assurance Committee	9

Strengthening of Board of Directors Monitoring Function

In order to facilitate swift management decision-making, the Board of Directors is composed of a small number of members. In order to strengthen the supervisory function of management, at least one-third of the directors are independent outside directors with no conflicts of interest.

Details of Board of Directors Meeting Deliberation Items in FY2024



Outside Directors and Outside Auditors

Outside directors utilize their diverse knowledge and experience to express their opinions on the execution of business operations and are involved in important decision-making processes. In addition, outside Audit & Supervisory Board members assess the execution status of the duties of directors and investigate the legality of accounting audits and the status of their assets from a fair standpoint. All outside directors and Audit & Supervisory Board members are designated as independent directors and Audit & Supervisory Board members pursuant to the regulations of the Tokyo Stock Exchange.

Evaluation of Effectiveness of Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors with the goal of improving its functioning and enhancing corporate value.

Evaluation Method

We used a questionnaire from an external organization to ensure objectivity and anonymity. After this, the Board of Directors discussed the results of the survey.

Issues and Looking Ahead

One opinion we heard is that there needs to be a deeper discussion on the composition of the Board of Directors. Another indicated that there should be more support for acquiring knowledge about the nature of our business and corporate governance. We accept these as issues we need to work on going forward. The Company's Board of Directors will work to resolve these issues and further improve the effectiveness of the Board of Directors.

Officer Remuneration System

Basic Policy

- Remuneration is linked to business performance and medium- to long-term corporate value, and the remuneration system is designed to share value with shareholders.
- The level of remuneration is designed to attract and retain the human resources that are essential for sustainable growth.
- Remuneration is objective, transparent, and determined by an appropriate process.

Officer Remuneration System

Remuneration for officers consists of a fixed base remuneration, performance-linked remuneration as a short-term incentive, and stock remuneration (restricted stock compensation) as a medium- to long-term incentive.

The stock remuneration system was introduced in 2020 with the idea of sharing value with shareholders and giving incentives for increasing medium- to long-term corporate value and share prices. This kind of remuneration is given in the form of restricted stock remuneration. It is paid at a certain time each year based on a monetary amount determined for each position.

Ratios of Components of Remuneration

Position	Base remuneration	Performance-linked remuneration	Stock remuneration
Chairman of the Board	100%	—	—
Executive Officer	80%	15%	5%
Outside Director	100%	—	—


Skill Matrix of Directors and Audit & Supervisory Board Members

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	●	●		●	●		●
Fuminori Hasegawa	Director, Senior Managing Executive Officer	●	●	●	●		●	●
Takashi Satoh	Directors Executive Officer		●	●	●	●	●	●
Kohichiroh Ishii	Directors Executive Officer	●			●	●		●
Keiko Unotoro	Outside Director		●		●			
Yoji Ninomiya	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.

Company Officers (as of October 1, 2025)


Directors




Jun Kaneda
Representative Director,
Chairman of the Board




Hiroshi Hayata
Representative Director,
President and Executive
Officer




Fuminori Hasegawa
Director, Senior Managing
Executive Officer
In charge of Corporate Planning
Department, Information
Technologies Department, and
Sustainability Promotion Department




Takashi Satoh
Director, Executive Officer
In charge of General Affairs
Department, General Accounting
Department, and Legal & Credit
Department



Kohichiroh Ishii
Director, Executive Officer
In charge of LPG Division



Keiko Unotoro
Outside Director



Yoji Ninomiya
Outside Director

Audit & Supervisory Board Members



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

Executive Officer



Akira Sudoh
Executive Officer
In charge of Aviation Division



Shinichi Nagamatsu
Executive Officer
In charge of Energy Solutions
Division and Chemical Products
Division



Yuko Nishio
Executive Officer
In charge of Human Resources
Department

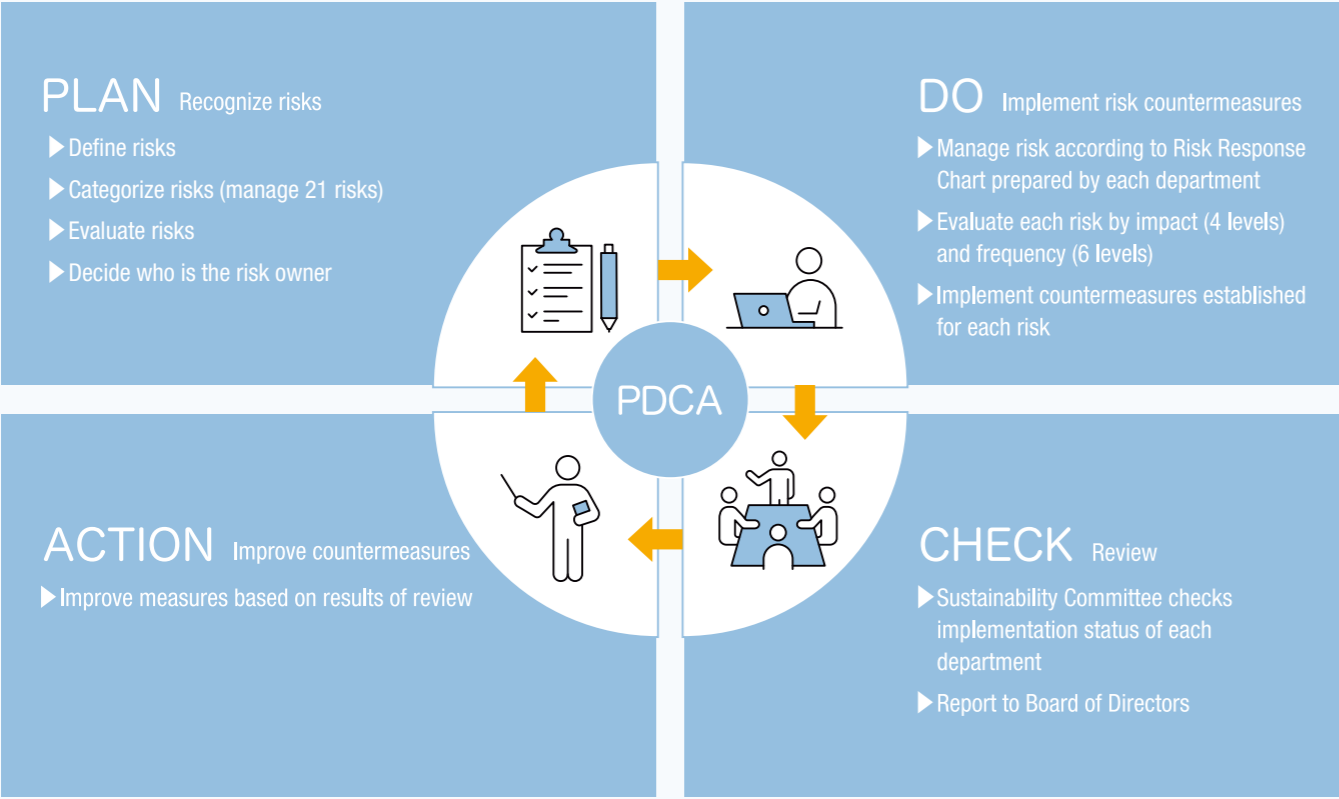


Masaya Murakami
Executive Officer
In charge of Petroleum Division

Risk Management

The Group established its Risk Management Regulations to give us a central overview in identifying various risks and preventing them from happening. When risks do occur, we strive to minimize damage and preserve the corporate value of the Group by responding promptly and appropriately.

Corporate Risk Management Process



Risk Selection

The SAN-AI OBBLI Group Sustainability Committee selects risks that may have a significant impact on our business and considers countermeasures and preventive measures. The following were determined to be our main risks based on the information available to the Company as of June 2025.

Main risks	Main countermeasures and preventative measures
Changes in market environment	M&A targeting businesses with growth potential, creation of new businesses
Large-scale pandemics	BCP, prevention of employee infections
Disasters, etc.	BCP, fortification of oil terminals, taking out general insurance
Investment, etc.	Periodic verification of variances from investment plans
Information security risks	Proper maintenance and operation of systems, enhanced security, taking out cyber insurance
Product quality and safety risks	Prior deliberation by the Quality Assurance Committee
Securities held	Verification of effectiveness from both qualitative and economic rationality perspectives
Geopolitical risks	Multiple supply chains, keeping liquidity on hand
Legal and regulatory	Gathering information on business-related laws and regulations, raising awareness of corporate ethics, internal reporting system
Personal information risks	Employee training, development of personal information management systems, self-audits

Compliance



We will promote measures to further strengthen compliance

Fuminori Hasegawa
Director, Senior Managing Executive Officer
Chair of Compliance Committee

In FY2024, SAN-AI OBBLI CO., LTD. held compliance discussions for all employees. These were meant to remind participants of the importance of compliance and deepen their understanding of it. Compliance discussions are a way to increase sensitivity to compliance and prevent misconduct and harassment by allowing members of each organization to freely and openly discuss the distinctive compliance risks that are likely to occur in their organization, compliance risks common to the entire Company, and what we need to do to prevent them. We will extend this initiative to Group companies in the future to raise and strengthen compliance awareness throughout the Group.

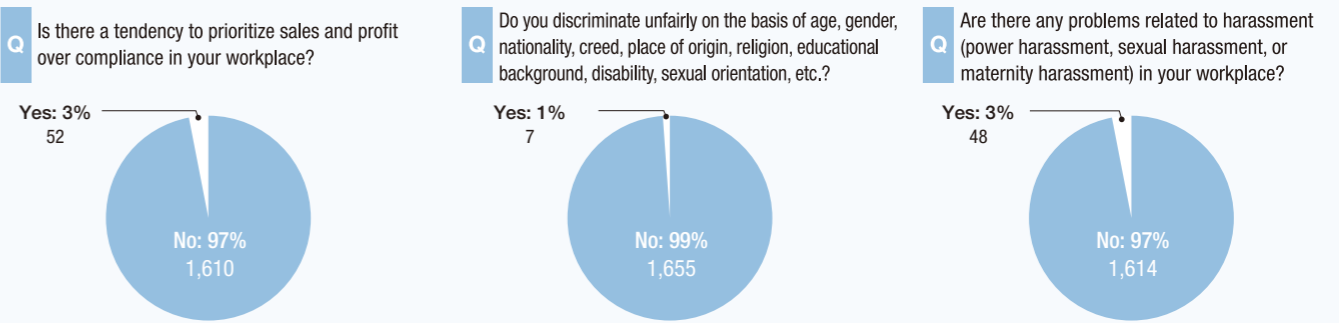


Compliance discussion in the Chemical Products Division

A compliance violation can instantly shatter the trust that a company has built up over many years. It is a true example of the saying “It takes 20 years to build a reputation and five minutes to ruin it.” The Group will continue to promote efforts to strengthen compliance and remain a trusted corporate group, in keeping with the SAN-AI OBBLI Group Charter of Ethical Conduct.

Compliance Awareness and Conduct Survey

The Compliance Awareness and Conduct Survey is conducted annually throughout the Group as an opportunity to compare the Charter of Ethical Conduct with one’s own conduct. Compliance officers use the candid opinions about their organizations and work environments in the survey results to address various issues. The main results of the survey conducted in FY2024 are as follows (1,662 respondents).



“Pledge” on Ethics

The SAN-AI OBBLI Group designated June 8 as Ethics Day, and officers and all employees make a pledge to the Representative Director to engage in their day-to-day work with integrity and a sense of ethics in accordance with the Charter of Ethical Conduct.

Whistleblowing and Consultation Helpdesk

To strengthen compliance management, we have established a whistleblowing and consultation helpdesk, and we work to detect and correct misconduct and other irregularities at an early stage.

Usage of the Whistleblowing and Consultation Helpdesk

FY2022	8
FY2023	4
FY2024	12

Highlights of FY2024 Activities

In addition to initiatives for materiality (important issues), the SAN-AI OBBLI Group promotes CSR activities in its relationships with local communities and stakeholders.

Sky Friend Association of Haneda

► Aviation Division

Seeking to foster the next generation of workers, the Aviation Division conducted a tour of aircraft fueling facilities for Sky Friend Association of Haneda.* In the FY2024 event, 30 individuals participated, including Sky Friend Association members and their parents. Various programs happened that day, including a tour of the aircraft fueling facilities and the experience of putting a refueling vehicle in place to fuel aircraft.

* Sky Friend Association is a youth organization that aims to deepen knowledge of aviation and space through basic aviation and space studies, tours of new aircraft and aviation safety facilities, and hands-on flying. It seeks also to develop youths in mind and body to work in aviation and other important careers.



Youth experience setting a refueling vehicle in place

Furugi de Vaccine Magokoro Project (Vaccines with Used Clothes)

► Sustainability Promotion Department

The Group participates in the Furugi de Vaccine Magokoro Project (Vaccines with Used Clothes) to give our employees an easy way to contribute to society. The project sends clothing that people no longer need to developing countries like Cambodia for reuse there. We also donate to the Japan Committee, Vaccines for the World's Children (JCV) to cover a portion of the cost of purchasing collection bags. In FY2024, enough vaccine for 215 people was donated to developing countries.



SAN-AI OBBLI GAS SANSHIN CO., LTD.
Furugi de Vaccine Magokoro Project booth at the event

Receiving the Dark Blue Ribbon Medal Award for Donating to the Scholarship Foundation for Traffic Accident Orphans

► Sustainability Promotion Department

The nature of the Group's business is closely connected to the motorized society, and people living in local communities are important stakeholders. SAN-AI OBBLI CO., LTD. began making donations to the Scholarship Foundation for Traffic Accident Orphans in FY2022, and it received the dark blue ribbon medal award in FY2024.

The Scholarship Foundation for Traffic Accident Orphans provides support for children whose parents or guardians have been killed or suffered severe residual disabilities due to traffic accidents, making it difficult for them to attend school for financial reasons. Going forward, we will continue contributing to maintaining educational opportunities for children and nurturing the next generation.



HANDSOMING Health Reform Seminar

► Human Resources Department

On October 15, 2024, we held the HANDSOMING Health Reform Seminar* for physique management to raise employees' health awareness. On the day of the event, 32 employees took part to learn basic approaches to physique management. The good health of our employees is the source of our corporate activities, and we will continue working to promote employee health.



*A logic-based method to change how people think and help them get into a healthy physique without needing to endure too much hardship.

The Third Sustainability Forum

► Sustainability Promotion Department

The Sustainability Promotion Department held its third sustainability forum on November 13, 2024. Takehiko Mizukami of SharedValue Consulting LLC gave the day's keynote lecture, entitled "Business and Human Rights: Why and How Do Companies Need to Address Human Rights?" and participants did group work related to this theme.

During group work, participants exchanged opinions on human rights risks that may exist at their own company or at their business partners. Later, everyone made a "My Declaration of Human Rights" to show their determination to care first of all for the human rights of those close to them.

* "My Declaration of Human Rights," an initiative of the Ministry of Justice and the National Human Rights Commission, aims to realize a society in which everyone respects human rights. It seeks to achieve this by asking companies, organizations, and individuals to declare that they will take action to respect human rights.



Office Neighborhood Cleanup

► Osaka Office of SAN-AI OBBLI CO., LTD.

On May 1, 2025, 21 members from different district offices gathered at the Osaka Office (Toyonaka City, Osaka Prefecture), divided into three teams, and cleaned up the area around the office. We will continue to use this type of activity to raise awareness that we are members of the community.



Recycling of Empty Disposable Contact Lenses Cases

► Sustainability Promotion Department

The SAN-AI OBBLI Group has worked on the Eyecity Eco Project, collecting and recycling empty disposable contact lens cases, since 2019. By recycling the lens cases that are collected, the project helps conserve the environment, supports the independence and employment of persons with disabilities, and raises donations to the Japan Eye Bank Association.



Volume collected so far
71 kg*
(about 71,000 cases)

* Collection results as of July 31, 2025

Data Highlights (Consolidated)

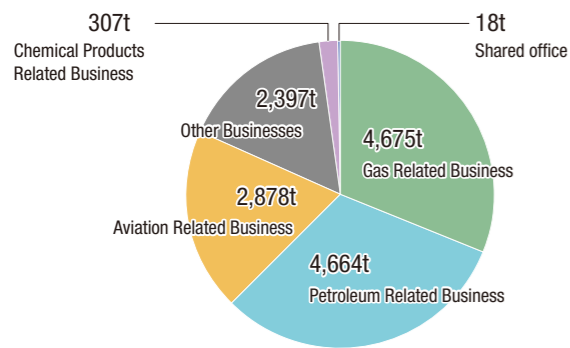
Environmental Impact Data

Greenhouse gas (GHG) emissions

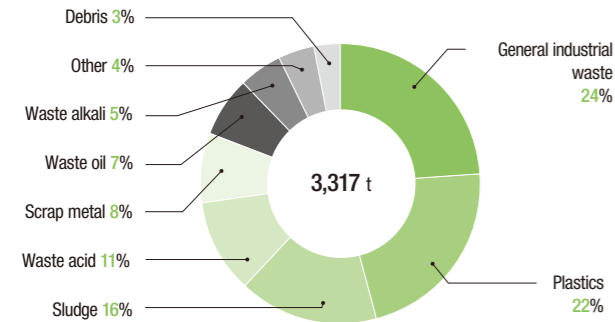
GHG emissions	FY2022		FY2023		FY2024	
	Activity level	CO ₂ emissions (t-CO ₂)	Activity level	CO ₂ emissions (t-CO ₂)	Activity level	CO ₂ emissions (t-CO ₂)
Scope 1						
Gasoline (kl)	676	1,571	675	1,546	635	1,455
Diesel (kl)	1,396	3,610	1,437	3,726	1,472	3,816
Kerosene (kl)	180	450	121	303	89	222
LPG (t)	239	718	201	599	241	714
City gas (1,000 m³)	206	464	246	569	277	640
City gas pipeline supply (1,000 m³)	—	—	82,422	22	83,108	22
Other (kl)	336	880	338	903	349	930
Scope 1 total	—	7,694	—	7,666	—	7,798
Scope 2						
Power (1,000 kWh)	18,735	8,217	17,186	7,782	17,130	7,142
Green power total (1,000 kWh)	810	0	2,108	0	2,839	0
(Green power) (1,000 kWh)	(262)	0	(471)	0	(760)	0
(Non-fossil certified power) (1,000 kWh)	(515)	0	(1,549)	0	(1,975)	0
(Company-owned solar power generation) (1,000 kWh)	(33)	0	(88)	0	(103)	0
Heat and steam (GJ)	1,177	0	1,096	0	1,107	0
Scope 2 total	—	8,217	—	7,782	—	7,142
Total CO ₂ emissions (Scope 1 + 2)		15,911		15,448		14,940

(Note) 1. Amounts are rounded to the nearest whole number.
2. "Other" in Scope 1 refers to the Kawasaki Energy Center's in-house use (crude oil equivalent).
3. CO₂ emissions are calculated using the "List of Calculation Methods and Emission Factors in the Calculation, Reporting, and Publication System," and electricity is calculated using the "Emission Factors by Electric Utility (Ministry of the Environment and Ministry of Economy, Trade and Industry)" for FY2024.
4. In accordance with the Act on Promotion of Global Warming Countermeasures, emissions (methane) associated with the supply of city gas have been calculated and the results converted into CO₂ and added since FY2023.

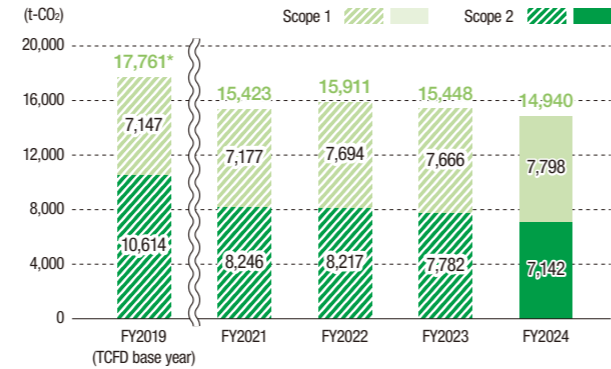
GHG emissions by segment (FY2024)



Details of waste (FY2024)



Trend in GHG emissions



* Results from the benchmark year of FY2019 have been revised since the previous year's announcement due to changes in consolidated subsidiaries as a result of acquisitions and the like.

Annual water usage and copy paper usage

	Water usage (1,000 m³)	Copy paper usage (t)
FY2022	289	46
FY2023	299	48
FY2024	257	45

Human Resources-related Data

Human resources data

		FY2022			FY2023			FY2024		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees	(people)	1,573	227	1,800	1,577	237	1,814	1,585	256	1,841
Average age	(years)	40.9	40.5	40.9	43.7	42.7	43.5	43.4	43.4	43.4
Average years of employment	(years)	13.9	11.6	13.6	14.7	11.3	14.3	14.5	11.5	14.1
Resignees who requested resignation	(people)	101	24	125	83	18	101	86	13	99
Turnover rate	(%)	6.0	9.8	6.4	5.0	7.1	5.3	5.2	4.9	5.1
Retirement age retirees	(people)	25	5	30	24	6	30	40	5	45
Re-employed retirement age employees	(people)	19	4	23	20	3	23	31	4	35
Re-employed non-regular employees (total)	(people)	87	12	99	78	12	90	114	14	128

New graduate recruitment	(people)	35	4	39	29	14	43	37	7	44
Mid-career recruitment	(people)	54	13	67	84	20	104	91	28	119
Total	(people)	89	17	106	113	34	147	128	35	163
Paid leave acquisition rate	(%)	—			59.9			64.7		

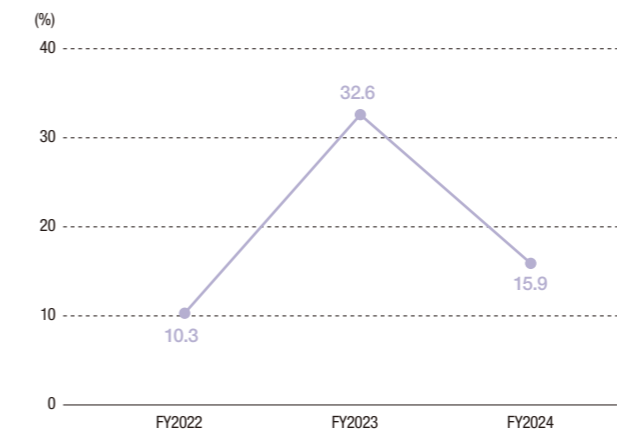
	FY2022	FY2023	FY2024
Education expenses per employee (thousands of yen)	101	90	97
Ratio of mid-career hires to total recruitment (%)	63.2	70.8	73.0
Ratio of women in new graduate recruitment (%)	10.3	32.6	15.9
Ratio of female managers (%)	4.9	5.1	6.4

Status of Group employees (as of Monday, March 31, 2025)

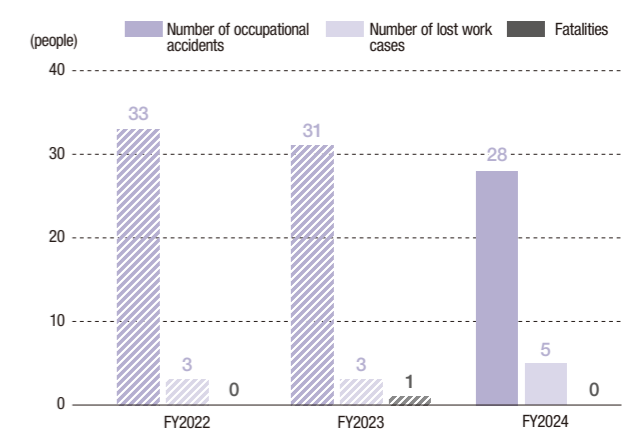
	Petroleum Related Business	Chemical Products Related Business	Gas Related Business	Aviation Related Business	Other Businesses	Company-wide (shared)	Total
Employees (people)	564 (1,021)	86 (14)	590 (132)	431 (39)	108 (41)	62 (23)	1,841 (1,270)

(Note) 1. The number of employees is the number of full-time employees, and the number of temporary employees in parentheses is the average number of employees for the fiscal year under review.
2. The number of employees indicated for company-wide (shared) refers to those who belong to administrative departments that cannot be classified into specific segments.

Ratio of women in new graduate recruitment



Trend in number of occupational accidents

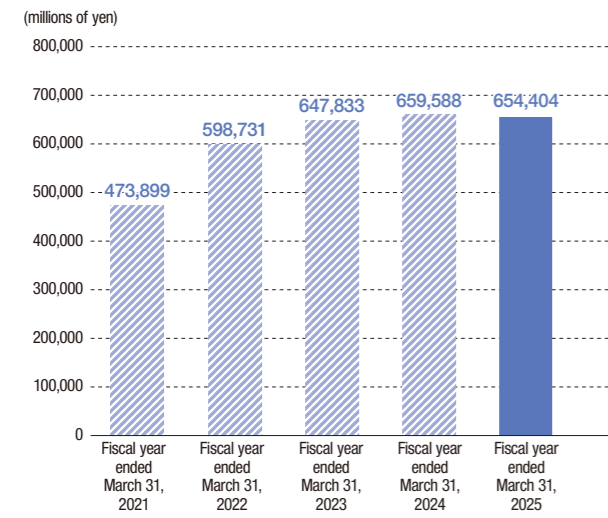


(Note) 1. Definition of occupational accident: A work-related accident that occurs while a worker is performing his or her job and which is caused by work, including work-related injuries, diseases, and deaths
2. Definition of number of lost work cases: The number of occupational accidents with four or more days of absence from work

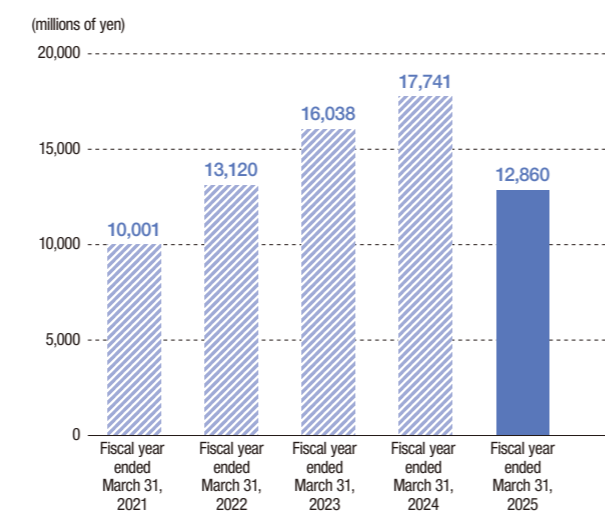
Data Highlights

Financial Reporting

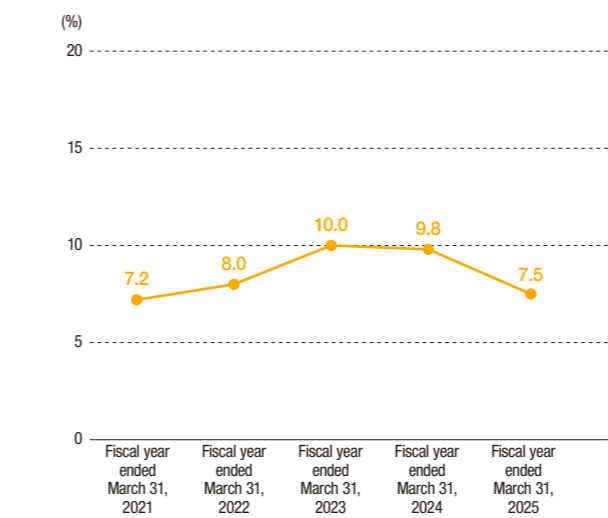
Net sales



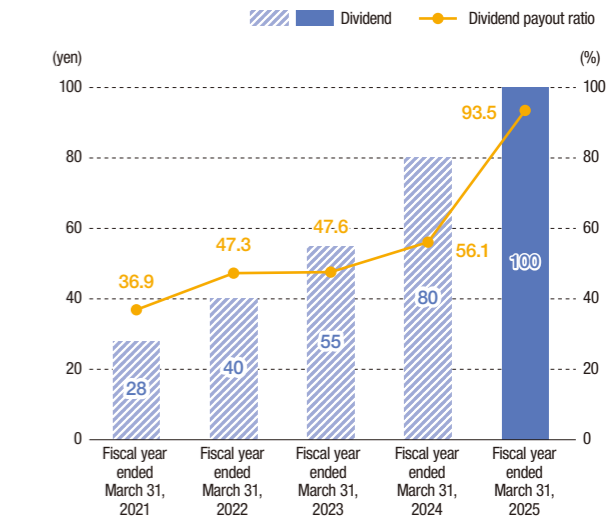
Ordinary profit



Return on equity (ROE)

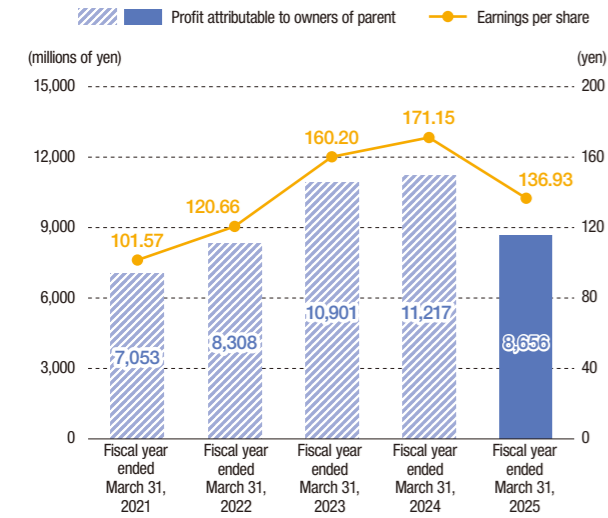


Dividend / Dividend payout ratio

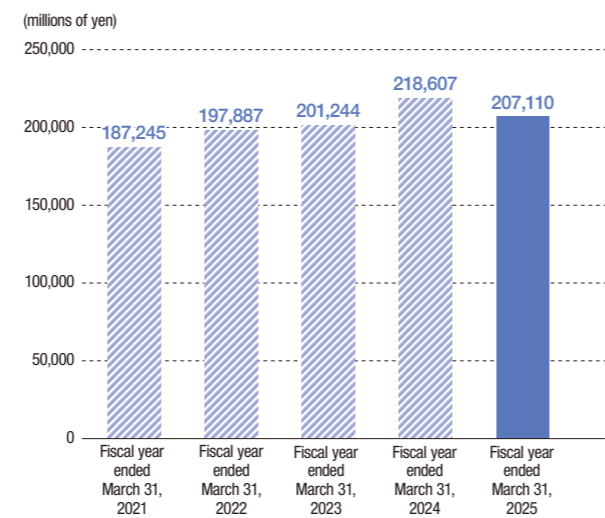


(Note) The dividend for the fiscal year ended March 31, 2022, included a 3-yen commemorative dividend for the 70th anniversary of the Company's establishment.

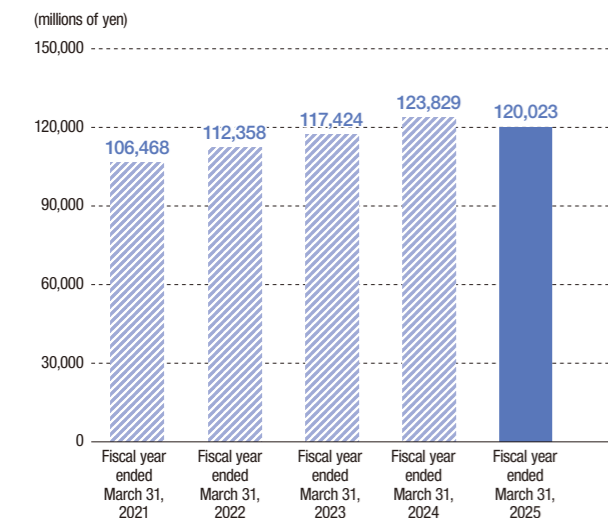
Profit attributable to owners of parent / Earnings per share



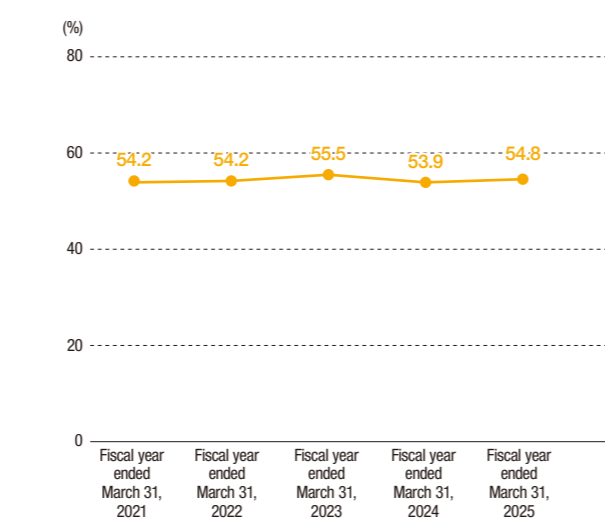
Total assets



Net assets



Equity ratio



Business results by segment

		(millions of yen)		
		Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Petroleum Related Business	Net sales	554,745	566,011	560,251
	Segment profit	9,587	8,348	7,377
Chemical Products Related Business	Net sales	12,210	12,098	12,671
	Segment profit	1,138	964	1,144
Gas Related Business	Net sales	61,015	56,134	61,303
	Segment profit	2,197	1,735	2,110
Aviation Related Business	Net sales	13,491	19,320	14,430
	Segment profit	3,766	8,756	3,669
Other Businesses	Net sales	6,370	6,024	5,746
	Segment profit	1,152	729	864
Total	Net sales	647,833	659,588	654,404
	Segment profit	17,841	20,534	15,167
Adjusted amount	Net sales	—	—	—
	Segment profit	(1,803)	(2,792)	(2,306)
Amount recorded in consolidated financial statements	Net sales	647,833	659,588	654,404
	Segment profit	16,038	17,741	12,860

(Note) Segment profit is adjusted with ordinary profit in consolidated income statements.



Cover Story

The SAN-AI OBBLI Group manages its human capital in keeping with the SAN-AI spirit of “Love People, Love Your Country, and Love Your Work.”

By respecting each other and taking pride in pursuing new endeavors, our diverse personnel are creating new value for society.

This is what our cover illustration means to us.

Overview of SAN-AI OBBLI CO., LTD. (as of March 31, 2025)

Representative	Representative Director, Chairman of the Board:
Directors	Jun Kaneda
	Representative Director, President and Executive Officer:
	Hiroshi Hayata
Established	June 9, 1952
Capital	10,127 million yen
Employees	385
Main Office	5-22-5 Higashioi, Shinagawa-ku, Tokyo 140-8539 Japan
Head Office	2-3-2 Otemachi, Chiyoda-ku, Tokyo 100-8154 Japan
Stock Listing	Tokyo Stock Exchange Prime market

List of SAN-AI OBBLI Group Companies (Consolidated) (as of Wednesday, October 1, 2025)

SAN-AI OBBLI CO., LTD.

Petroleum Product Sales and Ordering Business

Kygnus Sekiyu K.K.
Kygnus Kosan K.K.
SAN-AI RETAIL SERVICE CO., LTD.
SAN-AI OBBLI EAST JAPAN CO., LTD.
SAN-AI OBBLI HOKURIKU CO., LTD.
SAN-AI OBBLI CUSTOMER SERVICE CO., LTD.

LP Gas Sales and Distribution Business

SAN-AI OBBLI GAS HIGASHINIHON CO., LTD.
SAN-AI OBBLI GAS BANSHU CO., LTD.
SAN-AI OBBLI GAS NISHINIHON CO., LTD.
SAN-AI OBBLI GAS SANSHIN CO., LTD.
Kygnus Ekika Gas K.K.
SAN-AI OBBLI GAS SERVICE CHUGOKU CO., LTD.
SAN-AI OBBLI GAS SERVICE KYUSHU CO., LTD.
SAN-AI OBBLI LPG TRANSPORT CO., LTD.

Manufacture and Sales of Chemical Products

SAN-AI RIKEN CO., LTD.

Aviation Fuel Service

SAN-AI AVIATION SERVICE CO., LTD.
KOBE AIRPORT FUEL FACILITIES Inc.
KAFCO CO., LTD.

City Gas Business

SAGA-GAS CO., LTD.
Imari Gas Co., Ltd.

Construction Business

SAN-AI OBBLITECH CO., LTD.

Insurance Agency

T&P CO., LTD.



Inquiry

Sustainability Promotion Department, SAN-AI OBBLI CO., LTD.

2-3-2 Otemachi, Chiyoda-ku, Tokyo 100-8154 Japan

Phone: +81-3-6880-3812 Fax: +81-3-6880-3033



Website

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