



May 12, 2026

Consolidated Financial Results [Japan GAAP]

for the fiscal Year Ended March 31, 2026

Company Name: **Idemitsu Kosan Co.,Ltd.** (URL <https://www.idemitsu.com/en/index.html>)

Company Code: 5019, Shares listed on: Tokyo Stock Exchange

Name of Representative: Sakai Noriaki, Representative Director & Chief Executive Officer

Contact Person: Sasaki Shinko, General Manager, Investor Relations Office, Finance Department

Telephone: +81-3-3213-9307

Scheduled date of ordinary general meeting of shareholders: June 24, 2026

Scheduled date of commencement of dividend payments: June 3, 2026

Scheduled date of filing of Securities Report: June 17, 2026

Supplemental materials for the financial results: Yes

Financial results presentation: Yes (for institutional investors and analysts)

(Figures less than ¥1 million are rounded off)

1. Consolidated Financial Results for the fiscal year ended March 31, 2026

(1) Consolidated operating results

(Percentages represent changes from prior year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	¥million	%	¥million	%	¥million	%	¥million	%
For the fiscal year ended March 31, 2026	8,105,891	(11.8)	212,203	30.8	229,646	6.9	171,914	65.2
ended March 31, 2025	9,190,225	5.4	162,185	(53.2)	214,764	(44.3)	104,055	(54.5)

Notes: Comprehensive income March 31, 2026: ¥242,856 million 124.2% March 31, 2025: ¥108,319 million (61.5)%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	¥	¥	%	%	%
For the fiscal year ended March 31, 2026	140.38	—	9.4	4.5	2.6
ended March 31, 2025	77.83	—	5.9	4.4	1.8

Reference: Equity in earnings (losses) of nonconsolidated subsidiaries and affiliates

March 31, 2026: ¥2,456 million March 31, 2025: ¥22,604 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥million	¥million	%	¥
As of March 31, 2026	5,328,792	1,951,099	36.0	1,574.46
March 31, 2025	4,775,586	1,737,699	36.0	1,404.80

Reference: Total equity as of March 31, 2026: ¥1,918,125 million March 31, 2025: ¥1,720,368 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	¥million	¥million	¥million	¥million
For the fiscal year ended March 31, 2026	392,429	(291,632)	(104,926)	157,088
ended March 31, 2025	476,742	(118,514)	(343,450)	164,251

2. Dividends

	Cash dividends per share					Total dividend amount	Payout ratio (Consolidated)	Dividends on equity ratio (Consolidated)
	As of Jun.30	As of Sep.30	As of Dec.31	As of Mar.31	Total			
For the fiscal year ended March 31, 2025	¥ —	¥ 18.00	¥ —	¥ 18.00	¥ 36.00	¥million 46,122	% 46.3	% 2.6
ended March 31, 2026	—	18.00	—	18.00	36.00	44,084	25.6	2.4
ending March 31, 2027 (Forecast)	—	18.00	—	18.00	36.00		58.5	

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2027

(Percentages represent changes from prior year)

	Income before tax excluding financial costs (*2) (excluding effect of inventory valuation)		Net income attributable to owners of the parent (excluding effect of inventory valuation)		Net income attributable to owners of the parent		Basic net income per share
	¥million	%	¥million	%	¥million	%	¥
Fiscal year ending March 31, 2027(*1)	140,000	—	90,000	—	75,000	—	62.00

Note 1: As the Idemitsu Group will voluntarily adopt IFRS from the first quarter of the fiscal year ending March 31, 2027, the forecast of consolidated financial results above has been prepared in accordance with IFRS. Therefore, no comparison with the consolidated financial results for the fiscal year ended March 31, 2026, which were prepared under Japan GAAP, is presented.

2: Income before tax excluding financial costs corresponds to a measure equivalent to operating income under Japan GAAP, mainly adjusted by adding or deducting equity in earnings or loss of nonconsolidated subsidiaries and affiliates, dividend income, gain or loss on foreign exchange arising from operating activities, and extraordinary income or loss.

* Notes

(1) Changes of material consolidated subsidiaries during the fiscal year: Yes

Newly consolidated companies: 1 (Fuji Oil Company.,Ltd.)

(2) Changes in accounting policies, accounting estimates and restatement

a) Changes in accounting policies arising from revision of accounting standards: **None**

b) Changes arising from other factors: **None**

c) Changes in accounting estimates: **None**

d) Restatement: **None**

(3) Number of shares issued (common stock)

a) Number of shares issued (including treasury stock)

As of March 31, 2026: 1,288,747,390 As of March 31, 2025: 1,358,078,690

b) Number of shares of treasury stock

As of March 31, 2026: 70,475,150 As of March 31, 2025: 133,441,710

c) Weighted average number of shares outstanding during the period

For the fiscal year ended March 31, 2026: 1,224,619,256

For the fiscal year ended March 31, 2025: 1,336,912,916

(Reference)

1. Nonconsolidated Financial Results for the fiscal year ended March 31, 2026

(1) Nonconsolidated operating results

(Percentages represent changes from prior year)

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
For the fiscal year ended March 31, 2026	5,812,726	(11.7)	95,147	193.1	194,973	108.3	143,434	395.0
ended March 31, 2025	6,580,518	(1.0)	32,465	(80.3)	93,612	(54.8)	28,975	(74.2)

	Net income per share	Diluted net income per share
	¥	¥
For the fiscal year ended March 31, 2026	117.32	—
ended March 31, 2025	21.67	—

(2) Nonconsolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	¥million	¥million	%	¥
March 31, 2026	3,903,485	1,076,737	27.6	883.82
March 31, 2025	3,788,358	981,426	25.9	801.40

Reference: Total equity as of March 31, 2026: ¥1,076,737 million March 31, 2025: ¥981,426 million

(Reason for variance in nonconsolidated financial results compared to the results in the previous fiscal year)

The Idemitsu Group conducts its business primarily through Idemitsu Kosan Co.,Ltd. Therefore, the reason for variance in its nonconsolidated financial results to the results in the previous fiscal year is almost identical to the reason for variance in the consolidated financial results. Therefore, please refer to page 2 “1. Overview of Operating Results and Others (1) Overview of Operating Results” of the Appendix.

* This report is out of the scope of audit performed by certificated public accountants or audit firms.

* The financial forecasts in this document are based on information currently available and certain assumptions deemed reasonable. Actual operating results may differ from these forecasts due to various factors. Additionally, for the assumptions used for the forecasts of the financial results, please refer to page 5 “Forecasts of consolidated financial results for the fiscal year ending March 31, 2027” of the Appendix.

Contents of the Appendix

1. Overview of Operating Results and Others	2
(1) Overview of Operating Results for the fiscal year ended March 31, 2026.....	2
(2) Overview of Financial Position for the fiscal year ended March 31, 2026.....	5
(3) Basic Policy on Distribution of Profits/Dividends for the fiscal year ended March 31, 2026 and the fiscal year ending March 31, 2027	7
2. Principal Policy for Selecting Financial Reporting Framework	7
3. Consolidated Financial Statements and Major Notes	8
(1) Consolidated Balance Sheets.....	8
(2) Consolidated Statements of Income and Comprehensive Income.....	10
1) Consolidated Statements of Income.....	10
2) Consolidated Statements of Comprehensive Income.....	11
(3) Consolidated Statements of Changes in Net Assets.....	12
(4) Consolidated Statements of Cash Flows	14
(5) Notes on the Consolidated Financial Statements.....	16
1) Notes on Going Concern Assumption.....	16
2) Notes on Changes in Scope of Consolidation or Scope of Application of the Equity Method.....	16
3) Notes on the Consolidated Segment Information.....	16
4) Per Share Information.....	21
5) Notes on Business Combination.....	21

[Appendix]

1. Overview of Operating Results and Others

(1) Overview of Operating Results for the fiscal year ended March 31, 2026

1) General economic conditions and environment surrounding the Idemitsu Group

During the current fiscal year, the Japanese economy was on a moderate recovery trend, supported by improvements in employment and income conditions. Meanwhile, close attention must continue to be paid to developments in U.S. trade policy and foreign exchange rates, and the worsening situation in Iran and the blockade of the Strait of Hormuz in the Middle East have led to instability in crude oil prices and energy demand. As a result, the business environment surrounding corporate activities remains uncertain.

Domestic sales of petroleum products continued to trend downward gradually, driven by structural changes such as a decline in the number of passenger cars in use, improvements in fuel efficiency, and greater efficiency in logistics.

Crude oil prices fell due to concerns about economic deterioration, mainly following the announcement of tariffs by the United States in early April 2025, as well as the perception of oversupply after OPEC Plus announced production increases. However, prices began to rise in June due to geopolitical risks stemming from the situation in Iran and Israel, and the tightening of U.S. sanctions against Russia. From the end of February 2026, they rose sharply over a short period due to the worsening situation in Iran and the blockade of the Strait of Hormuz. As a result, the average Dubai crude oil price fell by \$6.7/bbl to \$71.8/bbl.

As for the dollar-to-yen exchange rate, the yen had strengthened due to economic deterioration following the announcement of tariffs by the United States, as well as speculation that the U.S. government may let the dollar fall. Since then, however, the yen has repeatedly risen and fallen, affected by the U.S. government's tariff negotiations and geopolitical risks stemming from the situation in Iran and Israel. Since the inauguration of the Takaichi administration, the yen has depreciated due to proactive fiscal policy and monetary easing, and the worsening situation in Iran has further weakened the yen. Consequently, the average exchange rate against the dollar decreased by ¥1.9/\$ from the previous fiscal year to ¥150.7/\$.

2) Operating results for the fiscal year ended March 31, 2026

The Idemitsu Group's net sales for fiscal year ended March 31, 2026 were ¥8,105.9 billion, down 11.8% year on year, mainly due to falling crude oil prices in the petroleum segment.

Cost of sales was ¥7,351.4 billion, down 13.5% year on year. Selling, general, and administrative expenses totaled ¥542.3 billion, up 2.9% year on year.

Operating income was ¥212.2 billion, up 30.8% year on year, mainly because the positive time lag effects from the sharp rise in crude oil prices in the petroleum segment outweighed the impact of the decline in coal market conditions in the resources segment.

Non-operating income was ¥17.4 billion, down 66.8% year on year, mainly due to a decrease in equity in earnings of nonconsolidated subsidiaries and affiliates. Consequently, ordinary income was ¥229.6 billion, up 6.9% year on year.

Net extraordinary loss was ¥7.5 billion, an increase of ¥48.9 billion year on year, mainly due to impairment losses on tangible fixed assets, despite gains on bargain purchase and other gains.

Income tax expenses, which consist of income taxes-current and income taxes-deferred, amounted to ¥57.0 billion, up 1.2% year on year. Consequently, net loss attributable to noncontrolling interests was ¥6.8 billion, a decrease of 4.8 billion year on year.

As a result, net income attributable to owners of the parent was ¥171.9 billion, up 65.2% year on year.

Net sales by segment

(Unit: ¥Billion)

Segment	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change (Decrease)	
			Amount	%
Petroleum	7,696.4	6,793.4	(903.0)	(11.7)%
Basic chemicals	587.2	491.4	(95.8)	(16.3)%
Functional materials	503.4	503.2	(0.2)	(0.0)%
Power and renewable energy	127.6	98.2	(29.4)	(23.0)%
Resources	265.2	203.5	(61.7)	(23.3)%
Others	10.5	16.3	+5.8	+55.7%
Total	9,190.2	8,105.9	(1,084.3)	(11.8)%

Segment income (loss) by segment

(Unit: ¥Billion)

Segment	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change (Decrease)	
			Amount	%
Petroleum	122.1	177.7	+55.6	+45.5%
<i>: excluding effect of inventory valuation</i>	<i>152.0</i>	<i>207.1</i>	<i>+55.1</i>	<i>+36.3%</i>
Basic chemicals	(8.0)	(6.8)	+1.1	—
Functional materials	28.2	33.4	+5.2	+18.5%
Power and renewable energy	(12.3)	(1.8)	+10.5	—
Resources	77.4	33.1	(44.2)	(57.2)%
Others	1.2	0.9	(0.2)	(20.0)%
Reconciliation	(23.8)	(21.8)	+2.0	—
Total	184.8	214.7	+29.9	+16.2%
<i>: excluding effect of inventory valuation</i>	<i>214.7</i>	<i>244.1</i>	<i>+29.4</i>	<i>+13.7%</i>

Note: Segment income (loss) is the total of operating income (loss) and equity in earnings (losses) of nonconsolidated subsidiaries and affiliates.

[Petroleum segment]

Net sales in the petroleum segment were ¥6,793.4 billion, down 11.7% year on year, mainly due to a decline in crude oil prices. Segment income was ¥177.7 billion, up 45.5% year on year, mainly due to positive time lag effects from the rise in crude oil prices following the blockade of the Strait of Hormuz despite increased expenses such as large-scale periodic repairs.

[Basic chemicals segment]

Net sales in the basic chemicals segment were ¥491.4 billion, down 16.3% year on year, and segment loss was ¥6.8 billion, an increase of ¥1.1 billion year on year, mainly due to low product margins despite positive time lag effects caused by the sharp rise in naphtha prices in March.

[Functional materials segment]

Net sales in the functional materials segment were ¥503.2 billion, down 0.0% year on year, and segment income was ¥33.4 billion, up 18.5% year on year, mainly due to strong overseas sales of lubricants business and the contributions from new consolidated subsidiaries in the agri life business.

[Power and renewable energy segment]

Net sales in the power and renewable energy segment were ¥98.2 billion, down 23.0% year on year, with segment loss of ¥1.8 billion, an increase of ¥10.5 billion year on year, mainly due to improved earnings following the resolution of the power plant issues in the previous year and a reduction in depreciation expenses resulting from impairment losses on biomass power generation facilities.

[Resources segment]

(Oil/natural gas exploration and production and geothermal energy business)

Net sales in the oil/natural gas exploration and production and geothermal energy business were ¥38.8 billion, down 4.0% year on year, with segment income of ¥14.0 billion, down 24.8% year on year, mainly due to a decrease in production volume and a decline in crude oil prices.

(Coal business and others)

Net sales in the coal business and others were ¥164.7 billion, down 26.8% year on year, and segment income was ¥19.1 billion, down 67.5% year on year, mainly due to price factors associated with a decline in the coal market.

As a result of the above, total net sales of the resources segment were ¥203.5 billion, down 23.3% year on year, and segment income was ¥33.1 billion, down 57.2% year on year.

(Other segments)

Net sales in other segment were ¥16.3 billion, up 55.7% year on year, and segment income was ¥0.9 billion, down 20.0% year on year.

3) Forecasts of consolidated financial results for the fiscal year ending March 31, 2027

As the Idemitsu Group will voluntarily adopt International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2027, the consolidated earnings forecast for the next fiscal year has been prepared in accordance with IFRS. Regarding the forecasts of consolidated financial results for the fiscal year ending March 31, 2027, the Company expects income before tax excluding financial costs (excluding effect of inventory valuation) of ¥140.0 billion, net income attributable to owners of the parent (excluding effect of inventory valuation) of ¥90.0 billion and net income attributable to owners of the parent of ¥75.0 billion.

The above forecasts of consolidated financial results for the fiscal year ending March 31, 2027, are based on the assumptions below:

Dubai Crude Oil Price: US\$81.3/bbl

Foreign Exchange Rate: ¥151.3/US\$

The above forecasts for the fiscal year ending March 31, 2027 are based on information available as of the date of publication of this document. The actual operating results may differ from the forecasts due to various factors in the future.

(2) Overview of Financial Position for the fiscal year ended March 31, 2026

1) Analysis of financial position

Summarized Consolidated Balance Sheets

	(Unit: ¥Billion)		
	As of March 31, 2025	As of March 31, 2026	Change
Current assets	2,649.9	2,965.7	+315.8
Fixed assets	2,125.7	2,363.1	+237.4
Total assets	4,775.6	5,328.8	+553.2
Current liabilities	2,097.4	2,351.4	+254.0
Long-term liabilities	940.5	1,026.3	+85.8
Total liabilities	3,037.9	3,377.7	+339.8
Total net assets	1,737.7	1,951.1	+213.4
Total liabilities and net assets	4,775.6	5,328.8	+553.2

a) Total assets

Total assets increased by ¥553.2 billion from the end of the previous fiscal year to ¥5,328.8 billion, mainly due to the inclusion of Fuji Oil Co.,Ltd. in the scope of consolidation.

b) Total liabilities

Total liabilities as of March 31, 2026, were ¥3,377.7 billion, an increase of ¥339.8 billion from the end of the previous fiscal year, mainly due to the inclusion of Fuji Oil Co.,Ltd. in the scope of consolidation and an increase in interest-bearing debt.

c) Total net assets

Total net assets as of March 31, 2026, were ¥1,951.1 billion, an increase of ¥213.4

billion from the end of the previous fiscal year, mainly due to net income attributable to owners of the parent and an increase in foreign currency translation adjustments, despite dividend payments.

As a result, the equity ratio stood at 36.0% as of March 31, 2026, down 0.0 point compared with the end of the previous fiscal year of 36.0%. The Net D/E ratio as of March 31, 2026, was 0.6 (end of the previous fiscal year: 0.6).

2) Analysis of cash flows

Summarized Consolidated Statements of Cash Flows

	(Unit: ¥Billion)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities	476.7	392.4
Cash flows from investing activities	(118.5)	(291.6)
Cash flows from financing activities	(343.5)	(104.9)
Effect of exchange rate change on cash and cash equivalents	1.8	7.4
Net increase (decrease) in cash and cash equivalents	16.6	3.3
Cash and cash equivalents at the beginning of period	136.9	164.3
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	0.2	2.8
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	10.6	(13.3)
Cash and cash equivalents at the end of period	164.3	157.1

Cash and cash equivalents as of March 31, 2026, were ¥157.1 billion, a decrease of ¥7.2 billion compared with the end of the previous fiscal year. Major factors for this decrease are as follows:

a) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥392.4 billion, as factors increasing funds, such as income before taxes, depreciation and amortization, as well as decreases in accounts receivable and inventories, exceeded factors decreasing funds, such as decreases in notes and accounts payable, trade, and accounts payable, other.

b) Cash flows from investing activities

Net cash used in investing activities amounted to ¥291.6 billion, mainly due to the acquisition of tangible fixed assets through investments for the maintenance and replacement of refinery facilities.

c) Cash flows from financing activities

Net cash used in financing activities amounted to ¥104.9 billion, mainly due to the repayment of interest-bearing debt and dividend payments.

(3) Basic Policy on Distribution of Profits/Dividends for the fiscal year ended March 31, 2026 and the fiscal year ending March 31, 2027

With respect to the year-end dividends for the fiscal year ended March 31, 2026, the Company has decided to pay ¥18 per share. The annual dividend is expected to be ¥36 per share. With the understanding that shareholder returns are positioned as a key management priority, based on the policy shown in the “Announcement on the Medium-term Management Plan (FY2026-2030) and Voluntary Adoption of IFRS” which was published on May 12, 2026, the Company will maintain a total payout ratio of 50% or more of net income attributable to owners of the parent (excluding effect of inventory valuation) for the fiscal years from 2026 through 2030 as shareholder returns, and will introduce a progressive dividend policy with the annual dividend of ¥36 per share for fiscal year ended March 2026 as the minimum level, thereby achieving more stable shareholder returns.

2. Principal Policy for Selecting Financial Reporting Framework

The Idemitsu Group will voluntarily adopt International Financial Reporting Standards (IFRS) for its consolidated financial statements from the first quarter of the fiscal year ending March 2027, replacing Japanese GAAP.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Unit: ¥Million)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets:		
Cash and deposits	165,762	212,306
Notes and accounts receivable, trade	817,349	841,806
Inventories	1,266,953	1,375,562
Accounts receivable, other	298,776	342,029
Other	104,644	197,527
Less: Allowance for doubtful accounts	(3,628)	(3,558)
Total current assets	2,649,858	2,965,674
Fixed assets:		
Property, plant and equipment:		
Buildings and structures, net	237,092	248,270
Machinery, equipment and vehicles, net	258,139	321,455
Land	736,655	772,076
Construction in progress	55,220	82,915
Other, net	86,916	98,796
Total property, plant and equipment	1,374,024	1,523,513
Intangible fixed assets:		
Goodwill	124,348	129,776
Other	130,231	130,422
Total intangible fixed assets	254,580	260,199
Investments and other assets:		
Investment securities	305,764	339,979
Long-term loans receivable	56,490	97,839
Assets for employees' retirement benefits	75,182	90,328
Deferred tax assets	15,946	17,592
Other	97,869	91,916
Less: Allowance for doubtful accounts	(54,130)	(58,251)
Total investments and other assets	497,122	579,404
Total fixed assets	2,125,727	2,363,117
Total assets	4,775,586	5,328,792

(Unit: ¥Million)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities:		
Notes and accounts payable, trade	824,413	852,648
Short-term loans payable	479,642	503,466
Commercial paper	166,853	244,726
Current portion of bonds payable	30,000	20,000
Accounts payable, other	426,313	433,703
Income taxes payable	9,793	48,650
Provision for bonuses	16,706	17,387
Other	143,684	230,827
Total current liabilities	2,097,407	2,351,410
Long-term liabilities:		
Bonds payable	110,000	100,000
Long-term loans payable	409,879	494,087
Deferred tax liabilities	53,175	58,273
Deferred tax liability related to land revaluation	92,878	95,058
Liability for employees' retirement benefits	49,064	49,443
Reserve for repair work	91,117	104,409
Provision for losses related to contracts	10,106	—
Asset retirement obligations	40,013	44,550
Other	84,242	80,458
Total long-term liabilities	940,478	1,026,281
Total liabilities	3,037,886	3,377,692
Net assets		
Shareholders' equity:		
Common stock	168,351	168,351
Capital surplus	354,693	278,253
Retained earnings	1,111,225	1,248,391
Treasury stock	(139,690)	(68,785)
Total shareholders' equity	1,494,580	1,626,211
Accumulated other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	4,184	5,755
Deferred gains (losses) on hedging activities, net	(1,014)	1,473
Surplus from land revaluation	137,848	136,390
Foreign currency translation adjustments	51,873	108,311
Defined retirement benefit plans	32,896	39,982
Total accumulated other comprehensive income	225,788	291,914
Noncontrolling interests	17,330	32,974
Total net assets	1,737,699	1,951,099
Total liabilities and net assets	4,775,586	5,328,792

(2) Consolidated Statements of Income and Comprehensive Income

1) Consolidated Statements of Income

(Unit: ¥Million)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	9,190,225	8,105,891
Cost of sales	8,500,812	7,351,406
Gross profit	689,412	754,484
Selling, general and administrative expenses	527,226	542,280
Operating income	162,185	212,203
Non-operating income:		
Interest income	17,085	18,637
Equity in earnings of nonconsolidated subsidiaries and affiliates, net	22,604	2,456
Dividend income	4,922	3,851
Gain on foreign exchange, net	20,120	8,761
Other	8,014	11,202
Total non-operating income	72,747	44,910
Non-operating expenses:		
Interest expense	16,731	18,089
Other	3,436	9,378
Total non-operating expenses	20,167	27,467
Ordinary income	214,764	229,646
Extraordinary income:		
Gain on sales of fixed assets	7,664	3,051
Gain on sales of investment securities	70	2,603
Gain on reversal of loss on valuation of shares of subsidiaries and affiliates	3,239	—
Gain on step acquisition	—	8,148
Gain on bargain purchase	—	8,428
Other	2,119	5,297
Total extraordinary income	13,094	27,529
Extraordinary loss:		
Impairment loss on fixed assets	27,219	18,095
Loss on sales of fixed assets	3,464	137
Loss on disposals of fixed assets	10,292	11,465
Provision of allowance for doubtful accounts	12,870	—
Provision for losses related to contracts	10,328	—
Other	5,321	5,341
Total extraordinary loss	69,498	35,039
Income before income taxes	158,361	222,136
Income taxes-current	51,234	66,244
Income taxes-deferred	5,114	(9,209)
Total income taxes	56,349	57,035
Net income	102,011	165,100
Net loss attributable to noncontrolling interests	(2,043)	(6,814)
Net income attributable to owners of the parent	104,055	171,914

2) Consolidated Statements of Comprehensive Income

(Unit: ¥Million)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income	102,011	165,100
Other comprehensive income:		
Unrealized gains (losses) on available-for-sale securities	(2,055)	1,950
Deferred gains (losses) on hedging activities, net	1,996	3,250
Surplus from land revaluation	(10,915)	(449)
Foreign currency translation adjustments	7,008	59,732
Defined retirement benefit plans	6,977	7,232
Share of other comprehensive income in equity method subsidiaries and affiliates	3,295	6,039
Total other comprehensive income	6,307	77,755
Comprehensive income	108,319	242,856
Comprehensive income attributable to:		
Owners of the parent	110,281	248,786
Noncontrolling interests	(1,962)	(5,930)

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2025

(Unit: ¥Million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	168,351	390,341	1,037,716	(11,006)	1,585,403
Changes of items during the period:					
Dividends from surplus			(46,140)		(46,140)
Net income attributable to owners of the parent			104,055		104,055
Change of fiscal term of consolidated subsidiaries			13,159		13,159
Change in scope of consolidation			(4,084)		(4,084)
Acquisitions of treasury stock				(165,320)	(165,320)
Disposals of treasury stock		0		136	136
Cancellation of treasury shares		(36,499)		36,499	—
Change in ownership interest of parent due to transactions with non-controlling interests		851			851
Adjustment due to sales and revaluation of land			6,519		6,519
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(35,648)	73,509	(128,683)	(90,822)
Balance at the end of current period	168,351	354,693	1,111,225	(139,690)	1,494,580

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains (losses) on available -for-sale securities	Deferred gains (losses) on hedging activities, net	Surplus from land revaluation	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	5,918	(4,255)	155,282	31,652	25,895	214,492	12,636	1,812,531
Changes of items during the period:								
Dividends from surplus								(46,140)
Net income attributable to owners of the parent								104,055
Change of fiscal term of consolidated subsidiaries								13,159
Change in scope of consolidation								(4,084)
Acquisitions of treasury stock								(165,320)
Disposals of treasury stock								136
Cancellation of treasury shares								—
Change in ownership interest of parent due to transactions with non-controlling interests								851
Adjustment due to sales and revaluation of land			(6,519)			(6,519)		—
Net changes of items other than shareholders' equity	(1,734)	3,240	(10,915)	20,221	7,001	17,814	4,694	22,509
Total changes of items during the period	(1,734)	3,240	(17,434)	20,221	7,001	11,295	4,694	(74,832)
Balance at the end of current period	4,184	(1,014)	137,848	51,873	32,896	225,788	17,330	1,737,699

For the fiscal year ended March 31, 2026

(Unit: ¥Million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	168,351	354,693	1,111,225	(139,690)	1,494,580
Changes of items during the period:					
Dividends from surplus			(44,199)		(44,199)
Net income attributable to owners of the parent			171,914		171,914
Change of fiscal term of consolidated subsidiaries			929		929
Change in scope of consolidation			7,511		7,511
Acquisitions of treasury stock				(2,309)	(2,309)
Disposals of treasury stock		(0)		0	0
Cancellation of treasury shares		(73,215)		73,215	—
Change in ownership interest of parent due to transactions with non-controlling interests		(3,224)			(3,224)
Adjustment due to sales and revaluation of land			1,008		1,008
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(76,440)	137,165	70,905	131,631
Balance at the end of current period	168,351	278,253	1,248,391	(68,785)	1,626,211

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedging activities, net	Surplus from land revaluation	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	4,184	(1,014)	137,848	51,873	32,896	225,788	17,330	1,737,699
Changes of items during the period:								
Dividends from surplus								(44,199)
Net income attributable to owners of the parent								171,914
Change of fiscal term of consolidated subsidiaries								929
Change in scope of consolidation								7,511
Acquisitions of treasury stock								(2,309)
Disposals of treasury stock								0
Cancellation of treasury shares								—
Change in ownership interest of parent due to transactions with non-controlling interests								(3,224)
Adjustment due to sales and revaluation of land			(1,008)			(1,008)		—
Net changes of items other than shareholders' equity	1,571	2,488	(449)	56,437	7,085	67,134	15,643	82,777
Total changes of items during the period	1,571	2,488	(1,457)	56,437	7,085	66,125	15,643	213,400
Balance at the end of current period	5,755	1,473	136,390	108,311	39,982	291,914	32,974	1,951,099

(4) Consolidated Statements of Cash Flows

(Unit: ¥Million)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities:		
Income before income taxes	158,361	222,136
Depreciation and amortization	95,659	95,966
Impairment loss on fixed assets	27,219	18,095
Gain on bargain purchase	—	(8,428)
Amortization of goodwill	9,415	9,015
Gain on step acquisition	—	(8,148)
Increase (decrease) in liability for employees' retirement benefits	(16,249)	(16,456)
Increase (decrease) in reserve for repair work	9,119	4,931
Increase (decrease) in allowance for doubtful accounts	15,229	3,603
Increase (decrease) in provision for losses related to contracts	10,328	(999)
Interest and dividend income	(22,007)	(22,489)
Interest expense	16,731	18,089
Equity in (earnings) losses of nonconsolidated subsidiaries and affiliates, net	(22,604)	(2,456)
Loss (gain) on sales of fixed assets, net	(4,200)	(2,914)
Loss (gain) on sale of investment securities	(70)	(2,175)
Loss on valuation of shares of subsidiaries and affiliates	804	0
Gain on reversal of loss on valuation of shares of subsidiaries and affiliates	(3,239)	—
(Increase) decrease in notes and accounts receivable, trade	148,469	112,558
(Increase) decrease in inventories	134,470	44,003
(Increase) decrease in accounts receivable, other	14,234	(31,333)
Increase (decrease) in notes and accounts payable, trade	(21,581)	(33,585)
Increase (decrease) in accounts payable, other	(71,868)	(47,610)
Other, net	81,054	58,347
Subtotal	559,275	410,149
Interest and dividends received	29,150	34,677
Interest paid	(17,489)	(18,291)
Income taxes paid	(94,193)	(34,107)
Net cash provided by (used in) operating activities	476,742	392,429

(Unit: ¥Million)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities:		
Purchases of tangible fixed assets	(86,552)	(154,867)
Proceeds from sales of tangible fixed assets	27,148	5,701
Purchases of intangible fixed assets	(8,670)	(11,999)
Acquisitions of investment securities	(29,657)	(16,377)
Proceeds from sales of investment securities	214	5,255
Disbursements for long-term loans	(19,463)	(36,257)
Proceeds from collection of long-term loans receivable	7,316	501
(Increase) decrease in short-term loans receivable, net	9,378	(3,293)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(13,603)	(26,282)
(Increase) decrease in time deposits	788	(44,551)
Other, net	(5,411)	(9,461)
Net cash provided by (used in) investing activities	(118,514)	(291,632)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable, net	11,200	(146,690)
Increase (decrease) in commercial paper, net	(59,118)	77,873
Proceeds from long-term loans payable	21,470	121,500
Repayments of long-term loans payable	(93,671)	(93,766)
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	(10,000)	(30,000)
Purchases of treasury stock	(165,320)	(2,309)
Proceeds from disposals of treasury stock	136	0
Cash dividends paid	(46,140)	(44,199)
Proceeds from share issuance to non-controlling shareholders	7,108	15,907
Cash dividends paid to noncontrolling interests	(895)	(1,980)
Payments from changes in ownership interests in subsidiaries that do not result in scope of consolidation	—	(6,015)
Other, net	(8,220)	(5,244)
Net cash provided by (used in) financing activities	(343,450)	(104,926)
Effect of exchange rate change on cash and cash equivalents	1,841	7,443
Net increase (decrease) in cash and cash equivalents	16,619	3,313
Cash and cash equivalents at the beginning of period	136,900	164,251
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	152	2,842
Increase (decrease) in cash and cash equivalents resulting from change of fiscal year-end of subsidiaries	10,579	(13,318)
Cash and cash equivalents at the end of period	164,251	157,088

(5) Notes on the Consolidated Financial Statements

1) Notes on Going Concern Assumption

None

2) Notes on Changes in Scope of Consolidation or Scope of Application of the Equity Method
(Significant Changes in Scope of Consolidation)

During the fiscal year ended March 31, 2026, the Company included Fuji Oil Company, Ltd., which had been an equity-method affiliate, in the scope of consolidation due to the additional acquisition of the shares of Fuji Oil Company, Ltd.

(Significant Change in Scope of Application of the Equity Method)

During the fiscal year ended March 31, 2026, the Company excluded Fuji Oil Company, Ltd. from the scope of application of the equity method, because the Company acquired the shares of Fuji Oil Company, Ltd. additionally and included in the scope of consolidation.

(Changes in Fiscal Year-end of Consolidated Subsidiaries)

Previously, the financial statements of consolidated subsidiaries with a closing date of December 31 were used as of that date, while necessary adjustments for consolidation have been made for significant transactions that occurred between that date and the consolidated closing date. However, in order to ensure more appropriate disclosure of consolidated financial statements, beginning with the current fiscal year, the Company changed its method of consolidation on the financial statements for some consolidated subsidiaries (46 companies including Idemitsu Apollo Corporation) by changing their closing date to March 31 or by making provisional settlement of accounts as of March 31.

The consolidated subsidiaries' income or loss for the period from January 1, 2025 to March 31, 2025 has been adjusted as an increase in retained earnings of ¥929 million.

3) Notes on the Consolidated Segment Information

Segment Information

1. Description of reportable segments

The Company's business segments cover the Group's business units for which separate financial information is available on the business units for the whole Group and for which the Company's Board of Directors carries out a periodic review in order to determine the allocation of management resources and to evaluate their operating performance.

Taking into consideration the nature of the products and the business standing within the Group, the Company aggregates these business segments into the following five reportable segments. In addition, other business segments are summarized under Others.

Major businesses in each segment are shown in the following table.

Reportable segment	Major businesses
Petroleum	Production, sales, import/export, trading, etc. of refined petroleum products
Basic chemicals	Production, sales, etc. of olefin/aroma products
Functional materials	Lubricants, performance chemicals, electronic materials, functional paving materials, agricultural biotechnology products business, etc.
Power and renewable energy	Power generation (thermal power, solar power, wind power, etc.), sales of electricity and solar business, etc.
Resources	Exploration, development, production and sales of crude oil, natural gas and other energy resources such as coals

2. Methods of measurement for the amounts of sales, income, assets and other items for each reportable segment

The accounting method used for reported business segments complies with accounting policy that has been adopted in preparing the consolidated financial statements. The Company accounts for inter-segment sales and transfers as if the sales and transfers were made to third parties.

3. Information about sales, income, assets and other items by reportable segment

For the fiscal year ended March 31, 2025

(Unit: ¥Million)

	Reportable segment						Others (*1)	Total	Reconciliation (*2, 3, 5, 6)	Consolidated (*4)
	Petroleum	Basic chemicals	Functional materials	Power and renewable energy	Resources	Total				
Net sales:										
Net sales to outside customers	7,696,391	587,195	503,366	127,573	265,246	9,179,772	10,452	9,190,225	—	9,190,225
Inter-segment	23,568	47,805	27,003	3,841	1	102,220	7,911	110,132	(110,132)	—
Total	7,719,959	635,000	530,369	131,415	265,248	9,281,993	18,364	9,300,357	(110,132)	9,190,225
Operating income (loss)	108,368	(9,993)	27,950	(11,336)	68,393	183,381	1,153	184,535	(22,349)	162,185
Equity in earnings (losses) of nonconsolidated subsidiaries and affiliates	13,747	2,008	284	(936)	8,961	24,065	—	24,065	(1,460)	22,604
Segment income (loss)	122,115	(7,984)	28,234	(12,273)	77,355	207,447	1,153	208,600	(23,810)	184,790
Segment assets	3,184,944	342,125	391,695	237,814	287,556	4,444,136	18,825	4,462,962	312,623	4,775,586
Other items:										
Depreciation and amortization	52,380	7,215	10,048	6,279	9,797	85,720	227	85,948	9,711	95,659
Amortization of goodwill	7,266	5	—	2,142	—	9,415	—	9,415	—	9,415
Impairment loss on fixed assets	5,143	1,278	9,421	11,375	—	27,219	—	27,219	—	27,219
Investment in equity method nonconsolidated subsidiaries and affiliates	100,819	38,561	7,925	14,742	60,468	222,517	—	222,517	20,311	242,829
Unamortized balance of goodwill	91,750	40	2,562	29,995	—	124,348	—	124,348	—	124,348
Increase of property, plant, equipment and intangible fixed assets	41,574	10,747	10,149	13,476	13,473	89,422	302	89,724	21,638	111,362

Notes:

1. The segment “Others” refers to the total of other business segments that are not included in the reportable segments, including insurance businesses and intra-group service businesses.
2. The amount of reconciliation for the operating income (loss) mainly represents research and development costs, which do not belong to reportable segments.
3. The amount of reconciliation for equity in earnings (losses) of nonconsolidated subsidiaries and affiliates and that for investment in equity method nonconsolidated subsidiaries and affiliates mainly represents those related to equity method nonconsolidated subsidiaries and affiliates, which do not belong to reportable segments.
4. The segment income (loss) of the reportable segments is reconciled to the total of operating income and equity in earnings (losses) of nonconsolidated subsidiaries and affiliates in the consolidated statement of income.
5. The amount of reconciliation for the segment assets represents elimination among the reportable segments and the amount of Company assets that are not allocated to reportable segments.
6. The amounts of reconciliation for “Depreciation and amortization” and “Increase of property, plant, equipment and intangible fixed assets” mainly represent depreciation and increases in fixed assets for research and development that do not belong to the reportable segments.

For the fiscal year ended March 31, 2026

(Unit: ¥Million)

	Reportable segment						Others (*1)	Total	Reconciliation (*2, 3, 5, 6,7)	Consolidated (*4)
	Petroleum	Basic chemicals	Functional materials	Power and renewable energy	Resources	Total				
Net sales:										
Net sales to outside customers	6,793,416	491,365	503,156	98,178	203,500	8,089,617	16,273	8,105,891	—	8,105,891
Inter-segment	13,858	9,325	23,728	2,400	—	49,311	7,848	57,160	(57,160)	—
Total	6,807,275	500,691	526,884	100,578	203,500	8,138,929	24,122	8,163,052	(57,160)	8,105,891
Operating income (loss)	175,049	(7,310)	34,780	(1,907)	29,170	229,782	922	230,705	(18,501)	212,203
Equity in earnings (losses) of nonconsolidated subsidiaries and Affiliates	2,629	463	(1,335)	96	3,935	5,790	—	5,790	(3,333)	2,456
Segment income (loss)	177,678	(6,847)	33,445	(1,810)	33,106	235,572	922	236,495	(21,834)	214,660
Segment assets	3,649,172	349,541	385,246	253,619	318,015	4,955,595	72,365	5,027,961	300,831	5,328,792
Other items:										
Depreciation and amortization	53,788	6,902	10,120	5,097	9,824	85,733	230	85,963	10,002	95,966
Amortization of goodwill	6,867	5	—	2,142	—	9,015	—	9,015	—	9,015
Impairment loss on fixed assets	3,692	871	3,324	9,791	204	17,884	—	17,884	210	18,095
Investment in equity method nonconsolidated subsidiaries and affiliates	125,174	37,224	7,956	11,609	66,024	247,990	—	247,990	18,567	266,557
Unamortized balance of goodwill	85,054	34	9,978	27,852	6,856	129,776	—	129,776	—	129,776
Increase of property, plant, equipment and intangible fixed assets	58,465	11,923	8,084	33,872	15,385	127,730	658	128,388	37,294	165,683

Notes:

1. The segment “Others” refers to the total of other business segments that are not included in the reportable segments, including insurance businesses and intra-group service businesses.
2. The amount of reconciliation for the operating income (loss) mainly represents research and development costs, which do not belong to reportable segments.
3. The amount of reconciliation for equity in earnings (losses) of nonconsolidated subsidiaries and affiliates and that for investment in equity method nonconsolidated subsidiaries and affiliates mainly represents those related to equity method nonconsolidated subsidiaries and affiliates, which do not belong to reportable segments.
4. The segment income (loss) of the reportable segments is reconciled to the total of operating income and equity in earnings (losses) of nonconsolidated subsidiaries and affiliates in the consolidated statement of income.
5. The amount of reconciliation for the segment assets represents elimination among the reportable segments and the amount of Company assets that are not allocated to reportable segments.
6. The amounts of reconciliation for “Depreciation and amortization” and “Increase of property, plant, equipment and intangible fixed assets” mainly represent depreciation and increases in fixed assets for research and development that do not belong to the reportable segments.
7. The amounts of reconciliation for “Impairment loss on fixed assets” represents the amount of corporate assets that are not allocated to reportable segments.

Related Information

For the fiscal year ended March 31, 2025

(a) Information about each product and service

Since “Segment Information” includes similar information, descriptions have been omitted.

(b) Geographic segment information

(1) Sales

(Unit: ¥Million)

Japan	Asia and Oceania	North America	Other regions	Total
6,552,146	1,704,383	842,172	91,522	9,190,225

(Notes)

1. Areas are segmented based on their geographical proximity.

2. The principal areas included in each region are as follows:

Asia and Oceania : Singapore, Australia, China, Hong Kong, South Korea, etc.

North America : USA and Canada

Other regions : Germany, etc.

(2) Property, plant and equipment

(Unit: ¥Million)

Japan	Asia and Oceania	North America	Other regions	Total
1,149,364	105,396	119,108	154	1,374,024

(Notes)

1. Areas are segmented based on their geographical proximity.

2. The principal areas included in each region are as follows:

Asia and Oceania : Australia, China, Indonesia, Malaysia, etc.

North America : USA

Others : Germany, etc.

(3) Principal customer information

Among net sales to outside customers, no customer accounted for 10% or more of net sales in the consolidated statements of income, therefore, descriptions have been omitted.

For the fiscal year ended March 31, 2026

(a) Information about each product and service

Since “Segment Information” includes similar information, descriptions have been omitted.

(b) Geographic segment information

(1) Sales

(Unit: ¥Million)

Japan	Singapore	Asia and Oceania	North America	Other regions	Total
5,557,247	827,000	896,614	711,667	113,361	8,105,891

(Notes)

1. Areas are segmented based on their geographical proximity.

2. The principal areas included in each region are as follows:

Asia and Oceania : Australia, China, Hong Kong, South Korea, etc.

North America : USA and Canada

Other regions : Germany, etc.

(2) Property, plant and equipment

(Unit: ¥Million)

Japan	Asia and Oceania	North America	Other regions	Total
1,254,645	130,865	137,894	107	1,523,513

(Notes)

1. Areas are segmented based on their geographical proximity.
2. The principal areas included in each region are as follows:
Asia and Oceania : Australia, China, Indonesia, Malaysia, Thailand, etc.
North America : USA
Others : Germany, etc.

(3) Principal customer information

Among the net sales to outside customers, no customer accounted for 10% or more of net sales in the consolidated statements of income, therefore, descriptions have been omitted.

Information Regarding Impairment Loss on Fixed Assets by Reportable Segment

For the fiscal year ended March 31, 2025

The Company recorded impairment losses of ¥5,143 million on domestic plant piping facilities, etc. in the petroleum segment, ¥1,278 million on overseas plant facilities, etc. in the basic chemicals segment, ¥9,421 million on overseas lubricants plant facilities and functional chemicals facilities in the functional materials segment, and ¥11,375 million on biomass-related facilities, etc. in the power and renewable energy segment.

For the fiscal year ended March 31, 2026

The Company recorded impairment losses of ¥3,692 million on domestic plant piping facilities, etc. in the petroleum segment, ¥3,324 million on overseas functional chemical facilities, etc. in the functional materials segment, and ¥9,791 million on biomass-related facilities, etc. in the power and renewable energy segment.

Information Regarding Amortization and Unamortized Balances of Goodwill by Reportable Segment

For the fiscal year ended March 31, 2025

Since “Segment Information” includes similar information, descriptions have been omitted.

For the fiscal year ended March 31, 2026

Since “Segment Information” includes similar information, descriptions have been omitted.

Information Regarding Negative Goodwill Gain by Reportable Segment

For the fiscal year ended March 31, 2025

No negative goodwill was recognized during the period.

For the fiscal year ended March 31, 2026

In the petroleum segment, the Company recognized a gain on bargain purchase as a results of the acquisition of shares in Fuji Oil Co.,Ltd. and making it a consolidated subsidiary. The amount of the gain on bargain purchase recorded in connection with this event was ¥492 million.

In the resources segment, the Company recognized a gain on bargain purchase due to the acquisition of an additional interest in the Boggabri coal mine in Australia by Idemitsu Australia PTY LTD, our consolidated subsidiary. The amount of the gain on bargain

purchase recorded in connection with this event was ¥7,936 million.

Note that these gains on bargain purchase are included in extraordinary income and are therefore not included in segment income (loss) above.

4) Per Share Information

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	¥1,404.80	¥1,574.46
Net income per share	¥77.83	¥140.38

(*) 1. Diluted net income per share for the fiscal year is not presented, as there were no dilutive shares in the previous consolidated fiscal year and no dilutive shares with dilutive effect in current consolidated fiscal year.

2. In calculating net assets per share, the shares held by The Master Trust Bank of Japan, Ltd. as the trust property for the Company's stock compensation plan (3,124 thousand treasury shares for the current fiscal year and 3,124 thousand treasury shares for the previous fiscal year) are included in the number of treasury stock that is to be deducted from the number of the Company's issued shares at the end of the respective fiscal years. Also, in calculating net income per share, the shares held by The Master Trust Bank of Japan, Ltd. as the trust property for the Company's stock compensation plan (3,124 thousand treasury shares for the current fiscal year and 3,124 thousand treasury shares for the previous fiscal year) are included in the number of treasury stock that is to be deducted from the average number of the Company's issued shares during the respective fiscal years.

3. The basis for calculating net income per share is as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income attributable to owners of the parent (¥million)	104,055	171,914
Amount not attributable to common stock (¥million)	—	—
Net income attributable to common stock (¥million)	104,055	171,914
Weighted-average common shares outstanding during the period (thousands of shares)	1,336,912	1,224,619
Overview of dilutive shares not included in the calculation of diluted net income per share without dilutive effect.	—	The First Share Acquisition Right (one unit), issued as a means of adjusting the number of shares to be acquired in the accelerated share repurchase, expired on March 16, 2026 due to the expiration of the exercise period.

5) Notes on the Business Combination

(Business combination through acquisition)

On November 5, 2025, the Company acquired 40,915,958 shares of common stock of Fuji Oil Co.,Ltd., which was the Company's an equity-method affiliate, through a tender offer. As a result, our ratio of voting rights to Fuji Oil Co.,Ltd. reached 75.03% and Fuji Oil Co., Ltd. became a consolidated subsidiary as of the same day.

Subsequently, the Company acquired additional shares of Fuji Oil Co.,Ltd. on February 27 and March 6, 2026 and the ratio of voting rights at the end of the consolidated fiscal year under review was 92.49%.

a) Outline of the business combination

1. Name and business description of the acquiree

Name of the acquiree: Fuji Oil Company.,Ltd.

Business description: Import of crude oil, refinement of petroleum, manufacture and sales of petrochemical products

2. Primary reasons for the business combination

The Idemitsu Group and the Fuji Oil Group believe that, by engaging in business activities under the same business enterprise and the same management strategy after privatizing Fuji Oil, both companies will be able to realize a more in-depth collaboration system, make decision-making more flexible and expedited, and compared to the case where the Fuji Oil is made an equity-method affiliate, further develop their fuel oil businesses, through pursuing further synergies as described below.

- i. Optimizing petroleum products production system
- ii. Developing a stable energy supply foundation with a long-term perspective
- iii. Strengthening cost competitiveness by mutual utilization and centralization of functions and infrastructure of both companies
- iv. Developing a low-carbon energy supply system

3. Date of the business combination

November 5, 2025

4. Legal form of the business combination

Purchase of shares for cash

5. Company name after the business combination

There is no change.

6. Percentage of voting equity interests acquired

Voting rights held immediately before the business combination: 22.06%

Voting rights after the tender offer: 75.03%

Voting rights after the additional acquisition of shares: 92.49%

The company treated these series of share acquisitions as a single transaction.

7. Primary rationale for determining the acquirer

The Company acquired shares in exchange for cash.

b) Period of the acquiree's performance included in the consolidated financial statements

From November 5, 2025 to December 31, 2025

As Fuji Oil Company.,Ltd. had been an equity method affiliate of the Company, the portion of Fuji Oil Company.,Ltd.'s operating results attributable to the Company for the period from April 1, 2025 to November 4, 2025 has been recorded as equity in earnings (losses) of nonconsolidated subsidiaries and affiliates.

c) Acquisition cost of the acquiree and breakdown by type of consideration

(Unit: ¥Million)

Consideration transferred:	Fair value at the acquisition date of the equity interests held immediately before the business combination	8,177
Cash consideration for the additional acquisition of shares		26,185
Acquisition cost		34,362

- d) Major acquisition related costs and amounts
 Advisory fees and others ¥698 million
- e) Difference between the acquisition cost of the acquiree and the aggregate acquisition costs for the transactions leading to the acquisition
 Gains on step acquisition ¥1,157 million
- f) Amount of gain on bargain purchase and reason for its recognition
1. Amount of gain on bargain purchase
 ¥492 million
 While provisional accounting was applied in the third quarter of the current fiscal year, the allocation of acquisition costs was finalized as of the end of the fiscal year.
 2. Reason for the recognition of gain on bargain purchase
 As the fair value of the net assets as of the business combination date exceeded the acquisition cost, the difference has been recognized as gain on bargain purchase.
- g) Amounts and major components of assets acquired and liabilities assumed as of the business combination date
- | | |
|-----------------------|------------------|
| Current assets | ¥243,649 million |
| Fixed assets | ¥105,445 million |
| Total assets | ¥349,095 million |
| Current liabilities | ¥282,206 million |
| Long-term liabilities | ¥29,211 million |
| Total liabilities | ¥311,417 million |