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Fuji Oil Company, Ltd.
Full-Year Financial Results Briefing for FY2024

Shigeto Yamamoto, Representing Director, President

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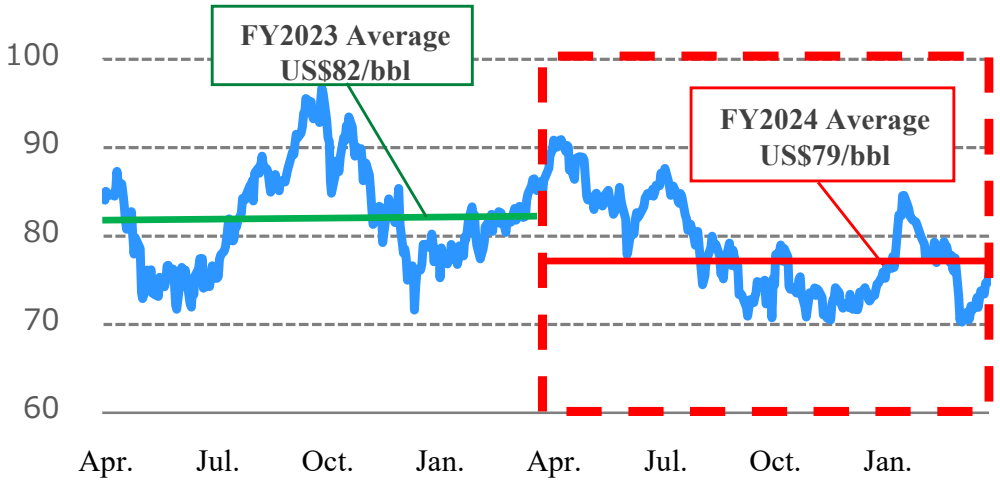
Overview of Business Activities in FY2024

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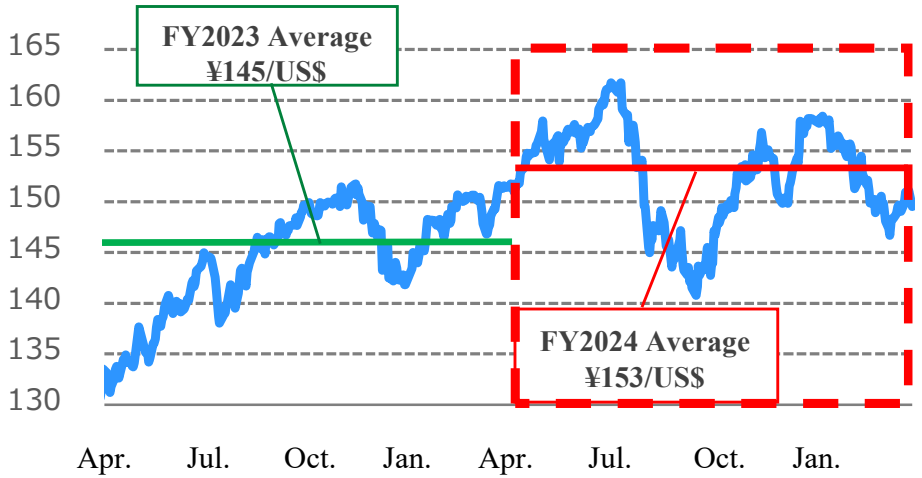
Overview of Business Activities in FY2024

Business environment (Dubai crude oil price and exchange rate)

Dubai crude oil price



Exchange rate (TTM)



Utilization rate trends at Sodegaura Refinery

FY	FY2019 (Minor periodic SDM)	FY2020 (COVID-19 pandemic)	FY2021 (Large-scale periodic SDM)	FY2022	FY2023 (Minor periodic SDM)	**FY2024**	**FY2025 (Large-scale periodic SDM)**
Crude distillation unit utilization rate (%)	85.4	81.2	75.4	92.2	83.5	**94.5**	**74.3**

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Review of Third Medium-Term Business Plan

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Review of Third Medium-Term Business Plan

Profit plan (consolidated)

(Unit: billion yen)	Actual results 2021	2022	2023	2024	Medium-Term Business Plan (MTP) 2024
Operating profit	16.2	5.0	16.1	(5.5)	10.0
(excluding effect of inventory valuation)	(2.5)	4.3	6.5	3.1	10.0
Ordinary profit	16.0	4.7	18.7	(3.8)	8.5
(excluding effect of inventory valuation)	(2.7)	4.0	9.0	4.8	8.5
Profit	15.2	3.5	15.5	(5.7)	7.5

- From FY2021 to FY2023, profits at all levels progressed steadily, supported by stable high utilization rates and rising crude oil prices.
- In FY2023, despite being a year of minor periodic SDM, the Company **secured profit levels close to the MTP targets**, excluding the effect of inventory valuation.
- In FY2024, however, **due to the cost of sales pushed up by the effect of inventory valuation, inflation-driven cost hikes, and weaker international product market conditions compared to past fiscal years, both nominal and real profits fell short of the MTP targets**.

Financial targets (consolidated)

	Actual results 2021	2022	2023	2024	Target 2024
ROE	27%	5%	20%	(7)%	10% or more

- In FY2023, ROE significantly exceeded the target. However, **in FY2024, which was the target year, profit was (5.7) billion yen due to the effect of inventory valuation, etc., resulting in performance falling short of the target**.

	Actual results 2021	2022	2023	2024	Target 2024
Net D/E ratio *After adjustments for fluctuations in short-term funds due to changes in crude oil prices	1.7 times	1.6 times	1.2 times	0.8 times	1.5 times or less

- Against the FY2024 target of 1.5 times or less, both the reduction of interest-bearing debt and the increase in consolidated net assets contributed, **leading to an actual result of 0.8 times in FY2024, significantly outperforming the target**.

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Review of Third Medium-Term Business Plan

Financial plan (consolidated, cumulative FY2021-FY2024)

(Unit: billion yen)	FY2021		FY2022		FY2023		FY2024		4-year cumulative	
	MTP	Results	MTP	Results	MTP	Results	MTP	Results	MTP	Results
Cash inflow	9.2	22.2	12.7	11.2	10.9	23.2	14.9	1.5	48.0	58.3
Profit after income taxes	1.7	15.2	5.0	3.5	3.0	15.5	7.5	(5.7)	17.2	28.5
Depreciation	7.5	7.0	7.7	7.6	7.9	7.7	7.4	7.2	30.8	29.7
Cash outflow (capex)	(12.6)	(12.3)	(3.0)	(1.7)	(5.4)	(5.3)	(1.8)	(5.0)	(23.0)	(24.4)
Free cash flow	(3.3)	9.9	9.7	9.5	5.4	17.9	13.0	(3.5)	25.0	33.8

- Cash inflows increased significantly due to higher profit before income taxes. Capital expenditures and depreciation progressed largely as planned, as a result of rigorous screening of investment projects. Consequently, **4-year cumulative free cash flow reached 33.8 billion yen (achievement rate: 135%), exceeding the target set in the MTP**.

Environmental targets

(Unit: kL-coe/year)	Actual results (cumulative)				Forecast	Target
	2021	2022	2023	2024	2025	2025
Energy conservation	5,608	9,829	13,335	17,421	20,692	15,000

(Unit: ten thousand t)	Actual results				Target
	2021	2022	2023	2024	2030
CO2 emission (Scope 1+2)	135	166	148	157	136

- The MTP target was achieved as of the FY2024 actual results.
- With the implementation of investment projects during large-scale periodic SDM in FY2025, **the cumulative energy conservation volume is expected to reach 20,692 kL-coe/year**.

- In pursuit of the FY2030 target, in addition to steadily advancing energy-saving investments and activities, further CO2 reduction measures, such as fuel conversion through the use of ammonia as fuel, will continue to be considered.

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Review of Third Medium-Term Business Plan

Postponement of the formulation of Fourth Medium-Term Business Plan

- **The Third Medium-Term Business Plan, which covered the four fiscal years from 2021 to 2024, was concluded in the fiscal year ended March 31, 2025.**

- **The Company is in the process of formulating the next Medium-Term Business Plan with the aim of announcing it as early as possible, while carefully assessing the impact and developments of factors that have a significant bearing on our profitability and future strategies. These include changes in the external environment such as trends in crude oil prices and exchange rate, and rising prices; the resulting increase in fixed and variable costs including periodic SDM expenses; the extension of periodic SDM periods; the pass-through of increased costs to prices; and the deepening of collaboration through the capital and business alliance with Idemitsu Kosan Co., Ltd.**

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Shareholder Returns

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Shareholder Returns

Basic policy for shareholder returns

Endeavor to maintain stable dividend payments to its shareholders while taking into consideration the Company's financial results, cash position, etc., as well as necessary internal reserves for medium- and long-term business development

- **In the fiscal year under review, although the Company recorded the first deficit in five fiscal years, it achieved a profit excluding the effect of inventory valuation for the third consecutive fiscal years.**
- **The year-end dividend for FY2024 will remain unchanged from the previous forecast at 12 yen per share.**
- **As for the dividend for the next fiscal year, although the financial results are expected to be challenging, the Company plans to pay a dividend of 12 yen per share, the same amount as the previous fiscal year, based on its stable dividend policy.**

Dividend trends

FY	FY2020	FY2021	FY2022	FY2023	**FY2024**	**FY2025 (Forecast)**
Dividend per share (Yen)	10	10	10	15 (including 3 as commemorative dividend)	**12**	**12**

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Full-Year Financial Results for FY2024

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Petroleum Product Sales Volume / Crude Oil Processing Volume

(Unit: thousand kL)	FY2024 Full-year	Figures announced in February	Compared to previous forecast (%)	FY2023 Full-year	Compared to previous fiscal year (%)
Gasoline	2,481	2,495	99%	2,243	111%
Naphtha	432	413	105%	376	115%
Kerosene	353	281	125%	227	155%
Jet fuel	984	1,087	91%	1,035	95%
Gas oil	2,037	2,009	101%	1,646	124%
Fuel oil A	202	233	87%	258	78%
Fuel oil C	502	484	104%	399	126%
Benzene	120	121	99%	101	119%
Xylene	339	343	99%	306	111%
Petroleum pitch	320	326	98%	303	105%
Others	510	564	90%	393	130%
Total	8,279	8,354	99%	7,287	114%
Crude oil processing volume	7,839	7,965	98%	6,949	113%
Utilization rate	94.5%	96.0%		83.5%	

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Overview of Full-Year Consolidated Financial Results for FY2024

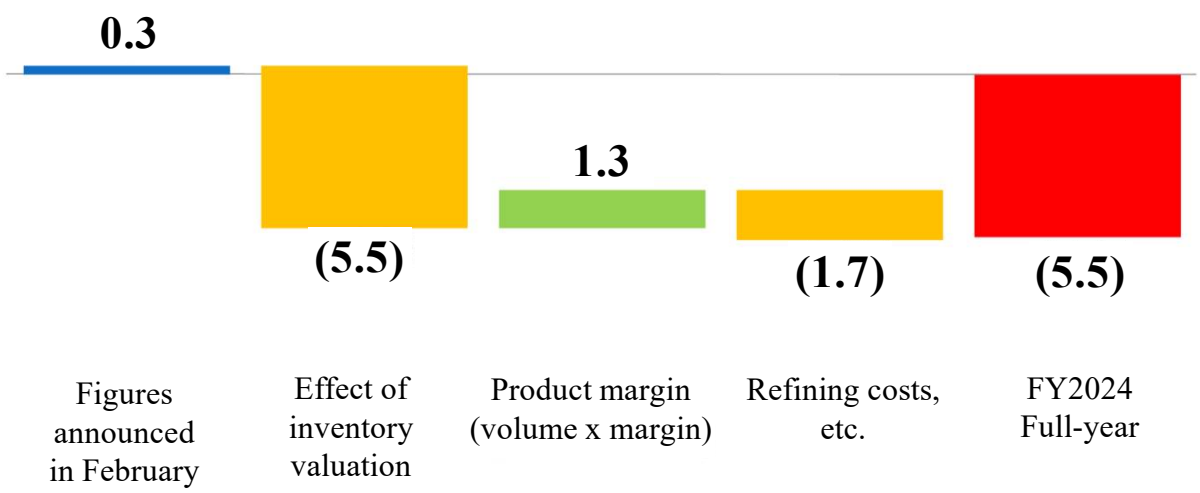
	FY2024 Full-year	Figures announced in February	Changes		(Reference) FY2023 Full-year	Changes
Crude oil price (US$/bbl)	79	78	+1	+1%	82	-4
Exchange rate (¥/US$)	153	152	+1	+0%	145	+8
(Unit: billion yen)						
Net sales	840.1	859.6	-19.4	-2%	723.7	+116.4
Operating profit	(5.5)	0.3	-5.8	— %	16.1	-21.7
Ordinary profit	(3.8)	1.6	-5.4	— %	18.7	-22.6
Profit attributable to owners of parent	(5.7)	(0.7)	-5.0	— %	15.5	-21.2
Effect of inventory valuation	(8.7)	(3.1)	-5.6	— %	9.6	-18.3
Operating profit excluding effect of inventory valuation	3.1	3.4	-0.2	-7%	6.5	-3.3
Ordinary profit excluding effect of inventory valuation	4.8	4.7	+0.1	+3%	9.0	-4.2
(Reference)						
Depreciation	7.2	7.4	-0.1	-2%	7.7	-0.4
Capital expenditure	5.0	5.8	-0.7	-13%	5.3	-0.2

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Full-Year Operating Profit Variance for FY2024

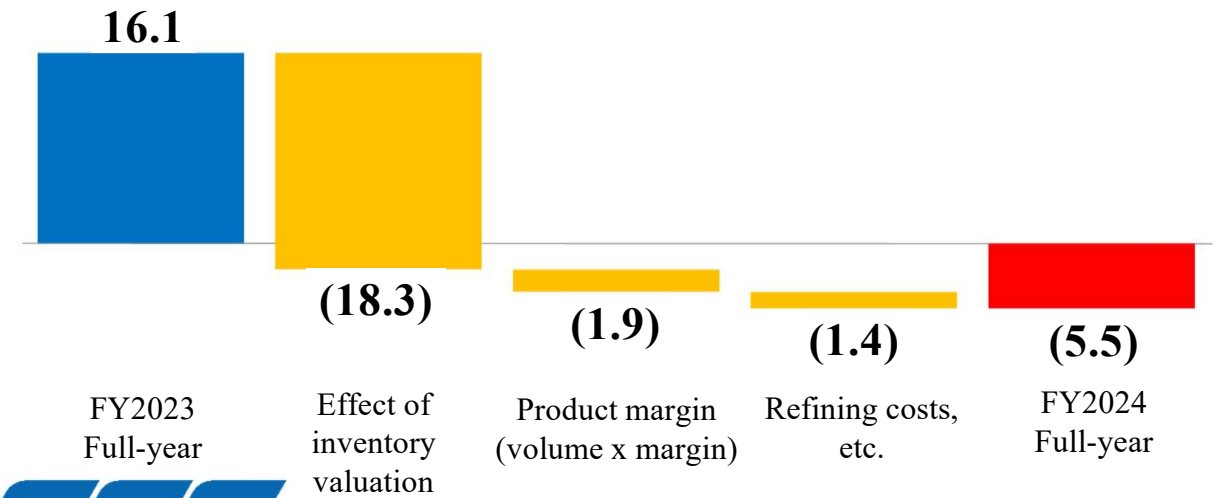
Compared to previous forecast

(Unit: billion yen)



- Effect of inventory valuation:
  Due to a sharp decline in crude oil prices and the yen appreciation since March, the upward impact on cost of sales increased compared to the previous forecast, resulting in a **negative impact on profit**.
- Product margin:
  Domestic petroleum product market conditions remained firm, resulting in a **positive impact on profit**.
- Refining costs, etc.:
  Although there was a profit-increasing factor from partially unspent refining costs, etc., an increase in in-house fuel loss outweighed it, resulting in a **negative impact on profit**.

[Reference] Compared to previous fiscal year



- Effect of inventory valuation:
  Factors that had reduced cost of sales in the previous fiscal year turned into cost-increasing factors in the fiscal year under review, resulting in a **negative impact on profit**.
- Product margin:
  Although sales volume increased due to the absence of minor periodic SDM, continued weakness in overseas product markets and chemical product markets led to a **negative impact on profit**.
- Refining costs, etc.:
  In addition to higher repair expenses due to an increase in provision for repairs, a rise in in-house fuel loss associated with increased crude oil processing volume led to a **negative impact on profit**.

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Overview of Changes in Consolidated Balance Sheet

(Unit: billion yen)	End of March, 2025	End of March, 2024	Changes	Main factors that led to changes
Current assets	242.7	261.6	-18.9	Accounts receivable - trade: -5.8 Inventories: -10.5
Non-current assets	130.1	128.2	+1.9	Machinery, equipment, etc.: -3.6 Investment securities: +4.3
Total assets	372.9	389.9	-16.9	
Current liabilities	241.9	263.2	-21.2	Short-term borrowings: -24.4 Accounts payable – other: +10.1 Income taxes payable: -2.5
Non-current liabilities	45.0	40.3	+4.6	Provision for repairs: +5.6
Total liabilities	287.0	303.6	-16.5	
Net assets	85.9	86.3	-0.4	Retained earnings: -7.0 Foreign currency translation adjustment: +3.8
Total liabilities and net assets	372.9	389.9	-16.9	

	End of March, 2025	End of March, 2024	Changes
Equity-to-asset ratio	23.0%	22.1%	Improved by **0.9** percentage points
Net D/E ratio	**1.42** times	**1.71** times	Improved by **0.29** percentage points

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Status of Consolidated Cash Flows

(Unit: billion yen)

	FY2024 Full-year	FY2023 Full-year	Breakdown for full-year FY2024	
Cash flows from operating activities	31.4	7.4	Profit before income taxes Depreciation Change in working capital	(5.7) 7.2 16.6
Cash flows from investing activities	(4.8)	(5.1)	Purchase of property, plant and equipment	(4.0)
Cash flows from financing activities	(27.8)	(1.2)	Change in borrowings Dividends paid	(25.0) (1.1)
Effect of exchange rate change on cash and cash equivalents	0.2	0.1		
Net increase (decrease) in cash and cash equivalents	(0.9)	1.2		
Cash and cash equivalents at beginning of period	9.5	8.3		
Cash and cash equivalents at end of period	8.5	9.5		

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Full-Year Financial Results Forecast for FY2025

(Dubai crude oil price: US$65/bbl, Exchange rate: ¥145/US$)

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Forecast: Petroleum Product Sales Volume / Crude Oil Processing Volume

(Unit: thousand kL)	FY2025 Full-year	FY2024 Full-year	Compared to previous fiscal year (%)
Gasoline	1,826	2,481	74%
Naphtha	367	432	85%
Kerosene	203	353	57%
Jet fuel	833	984	85%
Gas oil	1,593	2,037	78%
Fuel oil A	254	202	125%
Fuel oil C	508	502	101%
Benzene	124	120	104%
Xylene	248	339	73%
Petroleum pitch	273	320	85%
Others	347	510	68%
Total	6,574	8,279	79%
Crude oil processing volume	6,163	7,839	79%
Utilization rate	74.3%	94.5%	

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Overview of Full-Year Consolidated Financial Results Forecast for FY2025

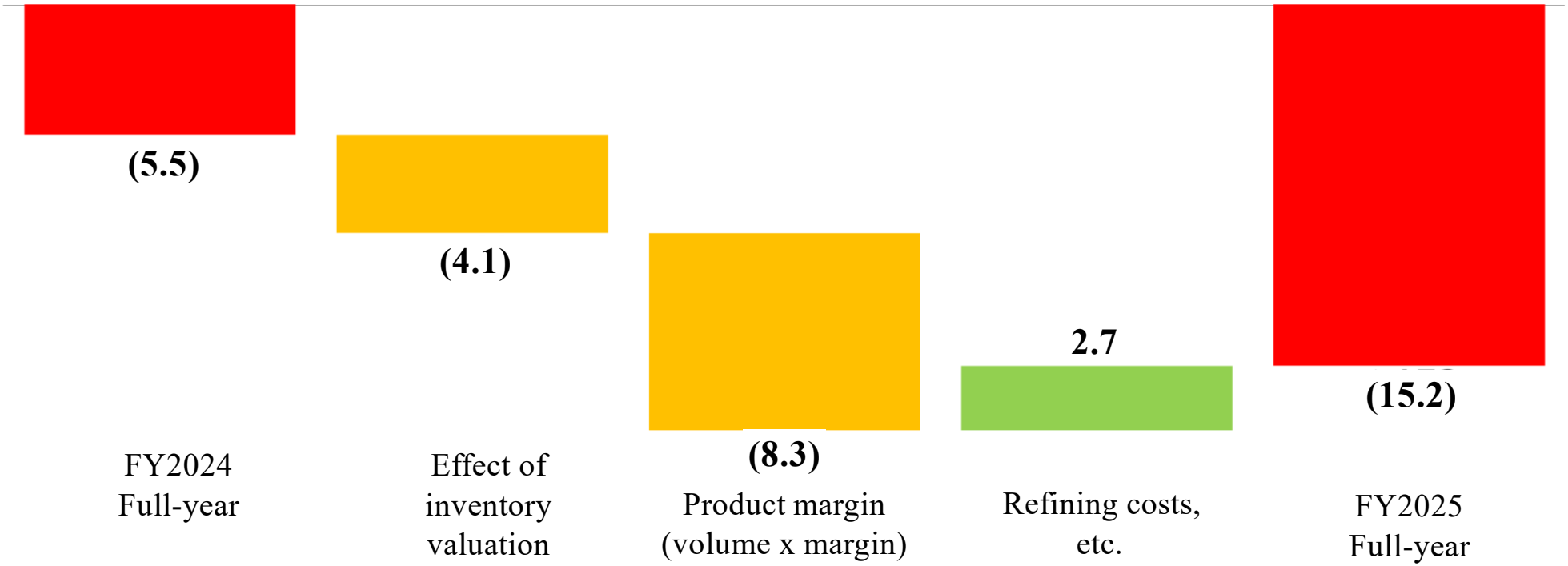
	FY2025 Full-year	FY2024 Full-year	Changes	
Crude oil price (US$/bbl)	65	79	-14	-17%
Exchange rate (¥/US$)	145	153	-8	-5%
(Unit: billion yen)				
Net sales	527.4	840.1	-312.7	-37%
Operating profit	(15.2)	(5.5)	-9.6	— %
Ordinary profit	(16.2)	(3.8)	-12.3	— %
Profit attributable to owners of parent	(15.8)	(5.7)	-10.0	— %
Effect of inventory valuation	(12.9)	(8.7)	-4.1	— %
Operating profit excluding effect of inventory valuation	(2.3)	3.1	-5.4	— %
Ordinary profit excluding effect of inventory valuation	(3.3)	4.8	-8.1	— %
(Reference)				
Depreciation	7.2	7.2	+0.0	+0%
Capital expenditure	17.2	5.0	+12.2	+241%

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Full-Year Financial Results Forecast for FY2025; Operating Profit Variance

Compared to FY2024

(Unit: billion yen)



- Effect of inventory valuation:
  The upward impact on cost of sales from the effect of inventory valuation is expected to expand, resulting in a **negative impact on profit**.
- Product margin:
  Sales volume is expected to decline due to large-scale periodic SDM, resulting in a **negative impact on profit**.
- Refining costs, etc.:
  While refining costs are expected to increase due to large-scale periodic SDM, a decrease in in-house fuel loss will outweigh the increase, resulting in a **positive impact on profit**.

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[Reference] Impact of Crude Oil Price and Exchange Rate Fluctuations on Profit/Loss

	Standard		
Crude oil price For every US$1/bbl decrease	**US$65**	Effect on inventory valuation	**-800** million yen
		In-house fuel costs from petroleum pitch	**+350** million yen
		Total	**-450** million yen
Exchange rate For every ¥1/US$ appreciation	**¥145**	Effect on inventory valuation	**-350** million yen
		In-house fuel costs	**+100** million yen
		Total	**-250** million yen

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[Reference] Explanation of Terms

Effect of inventory valuation

At Fuji Oil, the **effect of inventory valuation due to the "gross average method"** and the **effect of inventory valuation due to the "lower of cost or market method"** are collectively referred to as the **"effect of inventory valuation"**.

Effect of inventory valuation due to the gross average method

The gross average method of inventory valuation is used to calculate the cost of sales by averaging the beginning inventory unit price and the purchase unit price. If the unit price of the beginning inventory is lower than the unit price of purchase during the period, the beginning inventory will push down the cost, and the effect of inventory valuation will result in a lower unit price for the cost of sales. On the other hand, if the unit price of the beginning inventory is higher, it will push up the cost, and unit price for the cost of sales will be higher.

Effect of inventory valuation due to the lower of cost or market method

For inventories such as crude oil, finished goods and semi-finished goods, if the market value at the end of the period falls below the book value, the book value must be reduced to that market value, and the cost of sales increases by the amount of the reduction. In addition, the valuation loss recorded at the end of the period is reversed at the beginning of the following period and recognized as gains.

Negative time lag

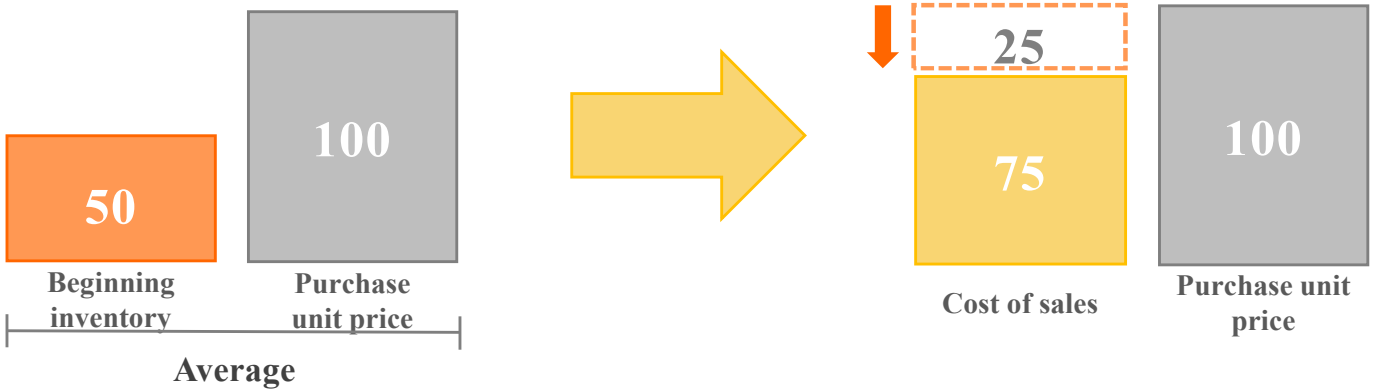
This refers to the time lag between the decline in the sales price of petroleum products and the decline in costs (processed crude oil prices) when crude oil prices fall. While the sales price of petroleum products reflects the most recent declines in crude oil prices, the reflection of these declines in costs (processed crude oil prices) are delayed by the period of procurement from oil-producing countries and the production of the products. This temporarily **reduces margins**.

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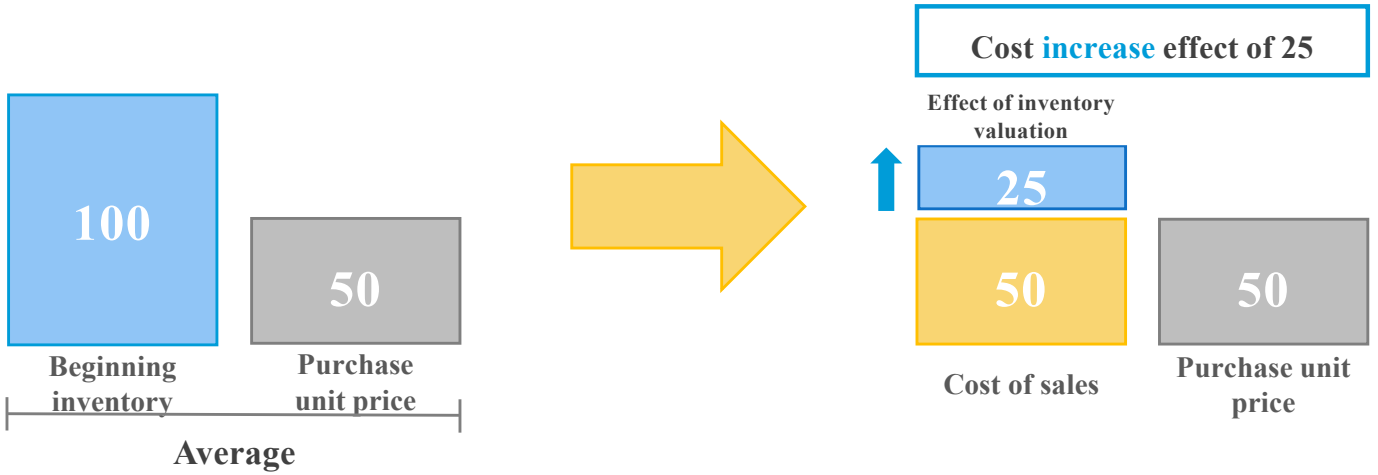
[Reference] Explanation of Terms

Effect of inventory valuation due to the gross average method (example)

As crude oil prices rise...



As crude oil prices fall...



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