

August 7, 2026

## Consolidated Financial Results [IFRS]

for the three months ended June 30, 2026

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

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

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Scheduled date to commence dividend payments: —

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

(Figures less than ¥1 million are rounded off)

### 1. Consolidated Financial Results for the three months ended June 30, 2026

#### (1) Consolidated operating results (cumulative)

(Percentage figures represent changes from the corresponding previous period)

|                            | Revenue   |      | Operating income |   | Income before tax |   | Income   |       | Income attributable to owners of the parent |       | Total comprehensive income |   |
|----------------------------|-----------|------|------------------|---|-------------------|---|----------|-------|---------------------------------------------|-------|----------------------------|---|
| For the three months ended | ¥million  | %    | ¥million         | % | ¥million          | % | ¥million | %     | ¥million                                    | %     | ¥million                   | % |
| June 30, 2026              | 2,271,753 | 23.8 | 307,462          | — | 316,885           | — | 220,081  | 696.3 | 217,504                                     | 696.0 | 235,534                    | — |
| June 30, 2025              | 1,835,727 | —    | (4,038)          | — | 21,466            | — | 27,637   | —     | 27,325                                      | —     | 10,383                     | — |

|                            | Basic earnings per share | Diluted earnings per share |
|----------------------------|--------------------------|----------------------------|
| For the three months ended | ¥                        | ¥                          |
| June 30, 2026              | 179.63                   | —                          |
| June 30, 2025              | 22.31                    | —                          |

#### (2) Consolidated financial position

|                | Total assets | Total equity | Equity attributable to owners of the parent | Ratio of equity attributable to owners of the parent to total assets |
|----------------|--------------|--------------|---------------------------------------------|----------------------------------------------------------------------|
| As of          | ¥million     | ¥million     | ¥million                                    | %                                                                    |
| June 30, 2026  | 6,056,972    | 1,676,961    | 1,646,599                                   | 27.2                                                                 |
| March 31, 2026 | 5,269,223    | 1,489,553    | 1,462,567                                   | 27.8                                                                 |

### 2. Dividends

|                                               | Annual dividends |                    |                   |                |       |
|-----------------------------------------------|------------------|--------------------|-------------------|----------------|-------|
|                                               | As of June 30    | As of September 30 | As of December 31 | As of March 31 | Total |
|                                               | ¥                | ¥                  | ¥                 | ¥              | ¥     |
| Fiscal year ended March 31, 2026              | —                | 18.00              | —                 | 18.00          | 36.00 |
| Fiscal year ending March 31, 2027             | —                |                    |                   |                |       |
| Fiscal year ending March 31, 2027 (Forecasts) |                  | 18.00              | —                 | 18.00          | 36.00 |

Note: Revisions to the forecasts of cash dividends most recently announced: **None**

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

(Percentage figures represent changes from the previous fiscal year)

|                                      | Income before tax<br>excluding financial<br>expenses<br>(excluding inventory<br>impact)(*1) |        | Income attributable to<br>owners of the parent<br>(excluding inventory<br>impact) |        | Income attributable to<br>owners of the parent |        | Basic earnings<br>per share |
|--------------------------------------|---------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------|--------|------------------------------------------------|--------|-----------------------------|
|                                      | ¥million                                                                                    | %      | ¥million                                                                          | %      | ¥million                                       | %      | ¥                           |
| Fiscal year ending<br>March 31, 2027 | 140,000                                                                                     | (48.6) | 90,000                                                                            | (54.0) | 75,000                                         | (57.4) | 62.00                       |

Note: 1. Income before tax excluding financial expenses is calculated by deducting interest income and foreign exchange gains and losses on investing items from income before financing and income tax.

2. Revisions to the forecasts of consolidated financial results most recently announced: **None**

#### \* Notes

(1) Significant changes in the scope of consolidation during the period: **None**

(2) Changes in accounting policies and changes in accounting estimates

a) Changes in accounting policies required by IFRS: **None**

b) Changes in accounting policies due to other reasons: **None**

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

(3) Number of shares issued (common stock)

a) Total number of issued shares (including treasury stock)

As of June 30, 2026: 1,223,217,590 As of March 31, 2026: 1,288,747,390

b) Number of shares of treasury stock

As of June 30, 2026: 24,605,215 As of March 31, 2026: 70,475,150

c) Average number of shares outstanding during the period

For the three months ended June 30, 2026: 1,210,843,116

For the three months ended June 30, 2025: 1,224,636,938

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: **None**

\* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The financial forecasts above are based on information available and assumptions as of the date of publication of this document. Actual operating results may differ from the forecasts due to various factors. Additionally, for the assumptions used for the forecasts of the above, please refer to “(3) Explanation of Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2027” of the Appendix on page 3.

(Adoption of International Financial Reporting Standards (IFRS))

The Idemitsu Group (the Company and its subsidiaries) has adopted IFRS in the preparation of its consolidated financial statements from the first quarter of the fiscal year ending March 31, 2027. Comparative financial information for the first quarter of the previous fiscal year and the previous fiscal year has also been restated and presented in accordance with IFRS.

For details of the differences between IFRS and Japanese GAAP with respect to the financial information, please refer to “2. Condensed Quarterly Consolidated Financial Statements and Major Notes, (3) Notes on the Condensed Quarterly Consolidated Financial Statements, 9) First-Time Adoption of IFRS” on page 29.

(Review of the Attached Quarterly Consolidated Financial Statements by Independent Auditors)

The Company plans to disclose the Japanese-language originals of the quarterly consolidated financial statements with the independent auditors’ review report attached after the completion of the review.

Scheduled disclosure date: August 14, 2026

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## [Appendix]

### 1. Overview of Operating Results and Others

The Idemitsu Group has adopted IFRS in place of Japanese GAAP and early adopted IFRS 18, Presentation and Disclosure in Financial Statements, since the first quarter of the current fiscal year. Comparative financial figures for the first quarter and the full year of the previous fiscal year have also been restated in accordance with IFRS for comparative purposes.

#### (1) Overview of Operating Results for the Three Months Ended June 30, 2026

The Idemitsu Group's revenue for the three months ended June 30, 2026 was ¥2,271.8 billion, up 23.8% year on year, with operating income of ¥307.5 billion, an increase of ¥311.5 billion year on year, income before tax of ¥316.9 billion, an increase of ¥295.4 billion year on year, income of ¥220.1 billion, up 696.3% year on year, and income attributable to owners of the parent of ¥217.5 billion, up 696.0% year on year.

The performance of our business by segment for the three months ended June 30, 2026 is as follows:

\*Segment income (loss): Income before financing and income tax - Interest income - Foreign exchange gains and losses on investing items

As described in “2. Condensed Quarterly Consolidated Financial Statements and Major Notes, (3) Notes on the Condensed Quarterly Consolidated Financial Statements, 5) Notes on the Consolidated Segment Information”, beginning with the first quarter of the current fiscal year, the bitumen (high performance asphalt) business, which was previously included in the functional materials segment, has been reclassified to the petroleum segment for the purpose of optimizing the petroleum segment. Comparative information has been prepared based on this revised segment classification.

#### [Petroleum segment]

Revenue in the petroleum segment was ¥1,924.0 billion, up 25.9% year on year, mainly due to surging crude oil prices, while segment income was ¥293.8 billion, an increase of ¥312.6 billion year on year, mainly due to the prolonged lag in crude oil costs resulting from an increase in voyage days caused by the worsening situation in the Middle East, as well as positive time lag effects associated with the rise in crude oil prices from March onward.

#### [Basic chemicals segment]

Revenue in the basic chemicals segment was ¥112.8 billion, up 14.4% year on year, while segment income was ¥0.1 billion, an increase of ¥2.1 billion year on year, mainly due to positive inventory effects despite a decrease in sales volume.

#### [Functional materials segment]

Revenue in the functional materials segment was ¥147.6 billion, up 14.4% year on year, while segment income was ¥14.5 billion, down 15.6% year on year, mainly due to the absence of the one-time gain on a step acquisition recognized in the lubricants business in the previous fiscal year, although earnings in performance chemicals increased owing to a wider spread between inventory and product prices resulting from higher naphtha prices.

[Power and renewable energy segment]

Revenue in the power and renewable energy segment was ¥19.4 billion, down 21.7% year on year, while segment loss was ¥1.3 billion, a decrease of ¥2.3 billion year on year, mainly due to scheduled maintenance at TOA Oil Co., Ltd. and problems at power plants.

[Resources segment]

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

Revenue in the oil/natural gas exploration and production and geothermal energy business was ¥16.7 billion, up 60.9% year on year, while segment income was ¥11.6 billion, up 119.9% year on year, mainly due to higher condensate volume in Vietnam.

(Coal business and others)

Revenue in the coal business and others was ¥49.1 billion, up 17.7% year on year, mainly due to higher thermal coal prices and increased sales volume, while segment income was ¥7.4 billion, down 3.3% year on year, mainly due to higher costs and foreign exchange effects.

As a result of the above, total revenue of the resources segment was ¥65.9 billion, up 26.3% year on year, and segment income was ¥18.9 billion, up 47.0% year on year.

[Other segments]

Revenue in the other segments was ¥2.1 billion, down 37.6% year on year, and segment income was ¥0.1 billion, up 825.3% year on year.

(2) Overview of Financial Position for the Three Months Ended June 30, 2026

Regarding the financial position as of June 30, 2026, total assets increased by ¥787.7 billion from the end of the previous fiscal year to ¥6,057.0 billion, mainly owing to an increase in inventories. Total liabilities increased by ¥600.3 billion from the end of the previous fiscal year to ¥4,380.0 billion, mainly due to an increase in trade payables and short-term borrowings. Total equity increased by ¥187.4 billion from the end of the previous fiscal year to ¥1,677.0 billion, mainly owing to the recognition of income and other factors. As a result, the ratio of equity attributable to owners of the parent to total assets decreased from 27.8% at the end of the previous fiscal year to 27.2%, down 0.6 points. The Net D/E ratio as of June 30, 2026 was 1.17 (end of the previous fiscal year: 1.03).

(3) Explanation of Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2027

There is no change in the forecasts of the consolidated financial results for the fiscal year ending March 2027 announced on May 12, 2026.

## 2. Condensed Quarterly Consolidated Financial Statements and Major Notes

### (1) Condensed Quarterly Consolidated Statements of Financial Position

(Unit: ¥Million)

|                                                   | As of April 1,<br>2025 | As of March<br>31, 2026 | As of June<br>30, 2026 |
|---------------------------------------------------|------------------------|-------------------------|------------------------|
| Assets                                            |                        |                         |                        |
| Current assets:                                   |                        |                         |                        |
| Cash and cash equivalents                         | 163,555                | 381,842                 | 377,662                |
| Trade and other receivables                       | 1,121,600              | 1,201,461               | 1,155,088              |
| Inventories                                       | 1,243,682              | 1,357,844               | 2,137,115              |
| Other financial assets                            | 39,514                 | 113,684                 | 105,320                |
| Other current assets                              | 47,260                 | 56,670                  | 70,908                 |
| Total current assets                              | 2,615,612              | 3,111,503               | 3,846,096              |
| Non-current assets:                               |                        |                         |                        |
| Property, plant and equipment                     | 1,304,391              | 1,480,024               | 1,481,117              |
| Goodwill                                          | 34,307                 | 49,077                  | 49,260                 |
| Intangible assets                                 | 118,780                | 119,353                 | 116,867                |
| Investment property                               | 47,351                 | 49,756                  | 49,165                 |
| Investments accounted for using the equity method | 250,793                | 280,944                 | 294,108                |
| Other financial assets                            | 101,988                | 107,680                 | 151,489                |
| Deferred tax assets                               | 14,235                 | 15,543                  | 16,005                 |
| Other non-current assets                          | 50,489                 | 55,338                  | 52,861                 |
| Total non-current assets                          | 1,922,338              | 2,157,719               | 2,210,876              |
| Total assets                                      | 4,537,950              | 5,269,223               | 6,056,972              |

|                                             | (Unit: ¥Million)       |                         |                        |
|---------------------------------------------|------------------------|-------------------------|------------------------|
|                                             | As of April 1,<br>2025 | As of March<br>31, 2026 | As of June<br>30, 2026 |
| Liabilities and equity                      |                        |                         |                        |
| Liabilities                                 |                        |                         |                        |
| Current liabilities:                        |                        |                         |                        |
| Trade and other payables                    | 1,240,986              | 1,288,612               | 1,488,726              |
| Bonds and borrowings                        | 700,181                | 995,648                 | 1,417,371              |
| Lease liabilities                           | 68,184                 | 74,264                  | 75,065                 |
| Other financial liabilities                 | 126,513                | 128,167                 | 92,227                 |
| Income taxes payable                        | 9,670                  | 48,580                  | 96,047                 |
| Provisions                                  | 8,266                  | 3,660                   | 3,152                  |
| Other current liabilities                   | 112,090                | 146,748                 | 122,339                |
| Total current liabilities                   | 2,265,894              | 2,685,682               | 3,294,929              |
| Non-current liabilities:                    |                        |                         |                        |
| Bonds and borrowings                        | 518,762                | 594,060                 | 583,060                |
| Lease liabilities                           | 221,461                | 223,462                 | 220,965                |
| Other financial liabilities                 | 25,554                 | 24,783                  | 24,614                 |
| Retirement benefit liability                | 52,338                 | 50,837                  | 50,279                 |
| Provisions                                  | 54,191                 | 62,748                  | 63,535                 |
| Deferred tax liabilities                    | 83,506                 | 94,025                  | 99,653                 |
| Other non-current liabilities               | 47,727                 | 44,068                  | 42,974                 |
| Total non-current liabilities               | 1,003,542              | 1,093,986               | 1,085,082              |
| Total liabilities                           | 3,269,437              | 3,779,669               | 4,380,011              |
| Equity                                      |                        |                         |                        |
| Share capital                               | 168,351                | 168,351                 | 168,351                |
| Capital surplus                             | 354,358                | 278,334                 | 203,491                |
| Retained earnings                           | 851,891                | 990,659                 | 1,186,906              |
| Treasury stock                              | (139,690)              | (76,148)                | (28,646)               |
| Other components of equity                  | 18,004                 | 101,370                 | 116,496                |
| Equity attributable to owners of the parent | 1,252,915              | 1,462,567               | 1,646,599              |
| Non-controlling interests                   | 15,597                 | 26,986                  | 30,361                 |
| Total equity                                | 1,268,513              | 1,489,553               | 1,676,961              |
| Total liabilities and equity                | 4,537,950              | 5,269,223               | 6,056,972              |

(2) Condensed Quarterly Consolidated Statements of Income or Loss and  
Condensed Quarterly Consolidated Statements of Comprehensive Income  
1) Condensed Quarterly Consolidated Statements of Income or Loss

(Unit: ¥Million)

|                                                                      | Three months ended<br>June 30, 2025 | Three months ended<br>June 30, 2026 |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Revenue                                                              | 1,835,727                           | 2,271,753                           |
| Cost of sales                                                        | 1,721,184                           | 1,827,620                           |
| Gross profit                                                         | 114,543                             | 444,132                             |
| Selling expenses                                                     | 91,258                              | 99,766                              |
| General and administrative expenses                                  | 30,655                              | 41,693                              |
| Other operating income                                               | 7,878                               | 8,168                               |
| Other operating expenses                                             | 4,545                               | 3,379                               |
| Operating income (loss)                                              | (4,038)                             | 307,462                             |
| Share of profit of investments accounted for using the equity method | 7,473                               | 13,935                              |
| Interest income                                                      | 5,833                               | 6,182                               |
| Other investment income                                              | 9,224                               | 2,109                               |
| Other investment expenses                                            | 5                                   | 2,116                               |
| Income before financing and income tax                               | 18,488                              | 327,573                             |
| Interest expenses related to borrowings and leasing liabilities      | 6,420                               | 9,108                               |
| Other financial income                                               | 11,173                              | 151                                 |
| Other financial expense                                              | 1,775                               | 1,730                               |
| Income before tax                                                    | 21,466                              | 316,885                             |
| Income tax expense                                                   | (6,171)                             | 96,803                              |
| Income                                                               | 27,637                              | 220,081                             |
| Attributable to:                                                     |                                     |                                     |
| Owners of the parent                                                 | 27,325                              | 217,504                             |
| Non-controlling interests                                            | 311                                 | 2,576                               |
| Income                                                               | 27,637                              | 220,081                             |
| Earnings per share                                                   |                                     |                                     |
| Basic earnings per share (yen)                                       | 22.31                               | 179.63                              |
| Diluted earnings per share (yen)                                     | —                                   | —                                   |

## 2) Condensed Quarterly Consolidated Statements of Comprehensive Income

(Unit: ¥Million)

|                                                                                          | Three months ended<br>June 30, 2025 | Three months ended<br>June 30, 2026 |
|------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Income                                                                                   | 27,637                              | 220,081                             |
| Other comprehensive income:                                                              |                                     |                                     |
| Items that will not be reclassified to income or loss:                                   |                                     |                                     |
| Financial assets measured at fair value through other comprehensive income               | (1,305)                             | (324)                               |
| Remeasurements of defined benefit plans                                                  | 2                                   | (5)                                 |
| Share of other comprehensive income of investments accounted for using the equity method | (44)                                | 81                                  |
| Total of items that will not be reclassified to income or loss                           | (1,348)                             | (248)                               |
| Items that may be reclassified to income or loss:                                        |                                     |                                     |
| Cash flow hedges                                                                         | (1,718)                             | 314                                 |
| Exchange differences on translation of foreign operations                                | (13,310)                            | 14,467                              |
| Share of other comprehensive income of investments accounted for using the equity method | (877)                               | 918                                 |
| Total of items that may be reclassified to income or loss                                | (15,906)                            | 15,700                              |
| Other comprehensive income, net of tax                                                   | (17,254)                            | 15,452                              |
| Comprehensive income                                                                     | 10,383                              | 235,534                             |
| Comprehensive income attributable to:                                                    |                                     |                                     |
| Owners of the parent                                                                     | 10,255                              | 233,065                             |
| Non-controlling interests                                                                | 127                                 | 2,468                               |
| Comprehensive income                                                                     | 10,383                              | 235,534                             |

### (3) Notes on the Condensed Quarterly Consolidated Financial Statements

#### 1) Applicable Financial Reporting Framework

The Group's condensed quarterly consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. of the Tokyo Stock Exchange Inc. (however, the omissions stipulated in Article 5, Paragraph 5 of said standards apply), and some of the disclosure items and notes required by IAS 34, Interim Financial Reporting have been omitted.

#### 2) Notes on First-Time Adoption and Early Application of Accounting Standards

The Group adopted IFRS from the first quarter of the current fiscal year, and the date of transition to IFRS is April 1, 2025. The effects of the transition to IFRS on the Group's financial position and its operating results as of the date of transition to IFRS and for the comparative year are presented in "9) First-Time Adoption of IFRS." The Group has applied the IFRS Accounting Standards effective as of the date of approval of these condensed quarterly consolidated financial statements, except for the optional exemptions permitted under IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1"). The Group has not early adopted any new or amended standards and interpretations issued up to the date of approval of these condensed quarterly consolidated financial statements, except for those described below. The exemptions applied by the Group are also described in "9) First-Time Adoption of IFRS."

In addition, the Group has early adopted the following standard.

| IFRS Accounting Standards |                                                     | Outline of new and revised standards                                                                      |
|---------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| IFRS 18                   | Presentation and Disclosure in Financial Statements | New standard replacing IAS 1, the current standard on presentation and disclosure in financial statements |

In accordance with IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18"), the Group has applied the standard retrospectively and restated comparative information in accordance with IFRS 18.

### 3) Significant Accounting Policies

The Group has applied the following accounting policies to all periods presented in these condensed quarterly consolidated financial statements, including the consolidated statement of financial position as of the date of transition to IFRS, unless otherwise stated.

#### (a) Basis of consolidation

##### a) Subsidiaries

Subsidiaries are entities that are controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control until the date on which control ceases.

Where the accounting policies applied by a subsidiary differ from those adopted by the Group, adjustments are made to the subsidiary's financial statements, where necessary. Intragroup balances and transactions, and any unrealized gains and losses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Comprehensive income of subsidiaries is attributed to the owners of the parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received or paid is recognized directly in equity and attributed to the owners of the parent. When the Group loses control of a subsidiary, any gain or loss arising from the loss of control is recognized in income or loss.

##### b) Associates and Joint ventures

Associates are entities over which the Group has significant influence, but not control or joint control, with respect to their financial and operating policies. When the Group holds between 20% and 50% of the voting rights of another entity, it is presumed that the Group has significant influence over that entity.

Investments in associates are accounted for using the equity method from the date on which the Group obtains significant influence until the date on which it loses significant influence. Investments in associates include goodwill recognized on acquisition, net of accumulated impairment losses.

Where the accounting policies applied by an associate differ from those adopted by the Group, adjustments are made to the financial statements of the associate, where necessary.

Joint ventures are entities in which two or more parties, including the Group, share contractually agreed control over an economic activity, and strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

The Group accounts for its interests in joint ventures using the equity method.

In respect of investments in associates and joint ventures, the Group may hold long-term interests that, in substance, form part of its net investment in the associates or joint ventures, in financial assets, such as long-term loans receivable.

Such long-term interests are first classified and measured as financial assets in accordance with IFRS 9, Financial Instruments ("IFRS 9"). Subsequently, when the Group applies the equity method in accordance with IAS 28, Investments in Associates and Joint Ventures and recognizes its share of losses of the associate or joint venture, to the extent that such losses exceed the carrying amount of the equity interest, the Group recognizes the losses by reducing the carrying amount of the long-term interests.

If the amount of losses to be recognized exceeds the aggregate carrying amount of the equity interest and the long-term interests, the excess is recognized as a liability to the extent of the Group's contractual or constructive obligations, including obligations arising from guarantees provided on behalf of the associate or joint venture.

c) Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. With respect to interests in joint operations, the Group recognizes only its share of the assets, liabilities, revenues and expenses arising from the joint operation.

d) Reporting Dates

The consolidated financial statements include the financial statements of subsidiaries, associates and joint ventures whose reporting dates differ from that of the Company. For these subsidiaries, associates and joint ventures, financial statements as of reporting dates different from that of the Company are used because it is impracticable to align their reporting dates with that of the Company due to relationships with other shareholders and other considerations. The reporting dates of these subsidiaries, associates and joint ventures are primarily December 31, and the difference between their reporting dates and that of the Company does not exceed three months. Adjustments are made for the effects of significant transactions or events that occur between the reporting date of such subsidiaries, associates and joint ventures and that of the Company, where necessary, to ensure that such effects are appropriately reflected in the consolidated financial statements.

Idemitsu Australia PTY LTD is the principal subsidiary whose financial statements are consolidated using a reporting date different from that of the Company. This company accounts for its investment in a mine as a joint operation, and the reporting date of the mine is December 31. Due to contractual restrictions and other practical considerations, it is impracticable to change the reporting date of the mine or to prepare additional financial information as of March 31. As the assets, liabilities, revenues and expenses of the subsidiary primarily comprise its interest in the mine, the Company consolidates the subsidiary based on its most recent financial statements prepared as of a reporting date different from that of the Company.

(b) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured as the aggregate of the acquisition-date fair values of the assets transferred, liabilities incurred, and equity instruments issued by the Company in exchange for control of the acquiree. Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the net amount of the identifiable assets acquired and liabilities assumed. If the aggregate is less than the net amount of the identifiable assets acquired and liabilities assumed, the resulting gain is recognized immediately in income or loss in the consolidated statement of income or loss.

For each business combination, the Group elects whether to measure non-controlling interests at fair value or at the proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs, such as brokerage fees, legal fees and due diligence costs, incurred in connection with a business combination are recognized as expenses when incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports the incomplete items using provisional amounts. During the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and that, if known, would have affected the measurement of the amounts recognized at that date, the provisional amounts recognized at the acquisition date are adjusted retrospectively to reflect that information. Additional assets and liabilities are recognized if the new information results in the recognition of assets and liabilities that were not previously recognized. The measurement period shall not exceed one year from the acquisition date.

Subsequent acquisitions of non-controlling interests after control has been obtained are accounted for as equity transactions. Accordingly, no goodwill is recognized as a result of such transactions.

The identifiable assets acquired and liabilities assumed in a business combination are measured at their acquisition-date fair values, except for the following:

- Deferred tax assets and liabilities and assets and liabilities related to employee benefit arrangements
- Share-based payment arrangements of the acquiree
- Assets or disposal groups classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value when control is obtained, and recognizes any resulting gain or loss in income or loss.

(c) Foreign Currency Translation

a) Functional Currency and Presentation Currency

Each entity within the Group determines its functional currency, which is the currency of the primary economic environment in which it operates, and prepares its separate financial statements in that functional currency. The Group's condensed quarterly consolidated financial statements are presented in Japanese yen, which is the functional currency of the Company.

b) Foreign Currency Transactions and Balances

Foreign currency transactions are translated into the functional currency of each Group entity at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency using the exchange rates prevailing on the date when the fair value is determined.

Exchange differences arising from such translations are generally recognized in income or loss. In accordance with IFRS 18, such exchange differences are presented within the same category (operating, investing or financing) as the assets, liabilities, income or expenses that gave rise to them. However, exchange differences arising from equity instruments designated as financial assets measured through other comprehensive income and from cash flow hedges are recognized in other comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rates prevailing on the dates of the transactions. Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation are recognized in other comprehensive income in the consolidated financial statements and accumulated in equity. On disposal of the foreign operation, the cumulative exchange differences previously recognized in equity are reclassified to income or loss.

c) Foreign Operations

The assets and liabilities of foreign operations are translated into Japanese yen using the exchange rates prevailing at the reporting date. Income and expenses are translated using the average exchange rates for the reporting period, unless exchange rates fluctuate significantly during the period.

Exchange differences arising from the translation of the financial statements of foreign operations are recognized in other comprehensive income. Upon disposal of the entire interest in a foreign operation, or upon a partial disposal involving the loss of control or significant influence, the cumulative translation differences are reclassified to income or loss as part of the gain or loss on disposal.

In addition, for transactions that result in changes in the parent company's ownership interest in a subsidiary without a loss of control, the foreign currency translation differences of that subsidiary are reattributed between equity attributable to owners of the parent and non-controlling interests through equity.

(d) Financial Instruments

a) Financial Assets

(i) Initial Recognition and Measurement

The Group classifies its financial assets into financial assets measured at fair value through income or loss, financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification is determined at initial recognition.

The Group initially recognizes trade receivables and other receivables on the date on which they arise. All other financial assets are initially recognized on the trade date on which the Group becomes a party to the contractual provisions of the instrument.

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to their acquisition, except for financial assets classified as measured at fair value through income or loss. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Financial assets are classified as financial assets measured at amortized cost when both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets other than those measured at amortized cost are classified as financial assets measured at fair value.

For equity financial assets measured at fair value, the Group, in principle, makes an irrevocable election at initial recognition, on an instrument-by-instrument basis, to present subsequent changes in fair value in other comprehensive income, except for equity financial assets held for trading, which are required to be measured at fair value through income or loss. Accordingly, such equity financial assets are classified as financial assets measured at fair value through other comprehensive income.

(ii) Subsequent Measurement

After initial recognition, financial assets are measured based on their classification as follows:

i) Financial assets measured at amortized cost

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest method.

ii) Financial assets measured at fair value

Changes in the fair value of financial assets measured at fair value are recognized in income or loss. However, for equity financial assets designated as measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income. Dividends received from such financial assets are recognized in income or loss for the period as part of finance income.

(iii) Derecognition of Financial Assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial asset. If the Group retains control of the transferred financial asset, the Group continues to recognize the asset and the associated liability to the extent of its continuing involvement in the transferred asset.

(iv) Impairment of Financial Assets

For financial assets measured at amortized cost, the Group recognizes a loss allowance for expected credit losses.

At each reporting date, the Group assesses whether the credit risk on each financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group recognizes a loss allowance equal to 12-month expected credit losses. If the credit risk has increased significantly since initial recognition, the Group recognizes a loss allowance equal to lifetime expected credit losses.

Expected credit losses are measured as the present value of the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

The Group estimates expected credit losses in a manner that reflects the following:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- The time value of money
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Where the Group is exposed to the effects of significant economic fluctuations or other similar factors, appropriate adjustments are made to the expected credit losses measured as described above.

#### b) Financial Liabilities

##### (i) Initial Recognition and Measurement

The Group classifies its financial liabilities into financial liabilities measured at fair value through income or loss and financial liabilities measured at amortized cost. The classification is determined at initial recognition.

The Group initially recognizes debt securities issued by the Group on the date of issuance. All other financial liabilities are initially recognized on the trade date on which the Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are initially measured at fair value. Financial liabilities measured at amortized cost are initially measured at fair value less directly attributable transaction costs.

##### (ii) Subsequent Measurement

Subsequent to initial recognition, financial liabilities are measured according to their classification as follows:

###### i) Financial liabilities measured at fair value through income or loss

Financial liabilities measured at fair value through income or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as measured at fair value through income or loss. Such financial liabilities are subsequently measured at fair value, and changes in fair value are recognized in income or loss for the period.

###### ii) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method.

Amortization under the effective interest method and gains and losses arising on derecognition are recognized in income or loss for the period.

##### (iii) Derecognition of Financial Liabilities

The Group derecognizes a financial liability when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

### c) Derivative Instruments and Hedge Accounting

The Group uses derivative financial instruments, including forward exchange contracts, interest rate swaps, and commodity swap contracts, to hedge exposures to fluctuations in foreign exchange rates, interest rates, and commodity prices. These derivatives are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently remeasured at fair value. Gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are generally recognized in income or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which hedge accounting is to be applied, together with its risk management objectives and strategy for undertaking the hedge. The documentation includes identification of the specific hedging instrument, the hedged item or transaction, the nature of the risk being hedged, and the method used to assess the effectiveness of the hedging instrument in offsetting the exposure to changes in the fair value or cash flows of the hedged item attributable to the hedged risk. Specifically, a hedge relationship is regarded as effective only when all of the following requirements are met:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes resulting from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item actually hedged and the quantity of the hedging instrument actually used to hedge that quantity of the hedged item.

The Group continually assesses whether a hedge relationship meets the hedge effectiveness requirements on a prospective basis. Hedge ineffectiveness may arise when changes in the value of the hedging instrument exceed or fall short of changes in the value of the hedged item.

The hedge ratio is determined based on the economic relationship between the hedged item and the hedging instrument, taking into consideration the Group's risk management strategy.

If a hedge relationship ceases to meet the effectiveness requirements but the risk management objective for the designated hedge relationship remains unchanged, the Group adjusts the hedge ratio of the hedge relationship so that it again meets the qualifying criteria. If the risk management objective for the hedge relationship changes, the Group discontinues hedge accounting.

Hedges that meet the qualifying criteria for hedge accounting are classified and accounted for as follows:

#### (i) Fair Value Hedges

Changes in the fair value of derivative instruments are recognized in income or loss in the consolidated statement of income or loss. The change in the fair value of the hedged item attributable to the hedged risk is recognized in income or loss in the consolidated statement of income or loss and adjusts the carrying amount of the hedged item.

#### (ii) Cash Flow Hedges

The effective portion of gains or losses on hedging instruments is recognized in other comprehensive income in the consolidated statement of comprehensive income, while any ineffective portion is recognized immediately in income or loss in the consolidated statement of income or loss.

Amounts recognized in other comprehensive income in respect of the hedging instrument are reclassified to income or loss when the hedged transaction affects income or loss. Where the hedged item results in the recognition of a non-financial asset or a non-financial liability, the amounts previously recognized in other comprehensive income are accounted for as an adjustment to the initial carrying amount of the non-financial asset or non-financial liability.

When a forecast transaction or firm commitment is no longer expected to occur, any cumulative gain or loss previously recognized in equity through other comprehensive income is reclassified to income or loss. If the hedged future cash flows are still expected to occur, the amounts previously recognized in equity through other comprehensive income remain in equity until those future cash flows occur.

d) Interest Income and Interest Expense

Interest income and interest expense are recognized as incurred using the effective interest method.

(e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined principally using the weighted average cost formula.

(g) Property, Plant and Equipment (Excluding Oil and Natural Gas Exploration, Evaluation and Development Assets)

Property, plant and equipment are presented at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures directly attributable to the acquisition of the asset, costs of dismantling and removing the asset and restoring the site on which it is located, and borrowing costs that are eligible for capitalization.

Expenditures on major maintenance and repairs include costs incurred for the replacement of assets or components, as well as costs of major inspections and overhauls. Such expenditures are capitalized when they meet the recognition criteria for property, plant and equipment. Major inspection costs are depreciated over the period until the next inspection.

Depreciation of assets, other than land and construction in progress, is principally calculated using the straight-line method over their estimated useful lives.

The principal estimated useful lives of major classes of assets are as follows:

- Buildings and structures: 2–60 years
- Machinery, equipment and vehicles: 2–35 years

The estimated useful lives, residual values and depreciation methods are reviewed at each financial year-end and, if revisions are necessary, the changes are applied prospectively as changes in accounting estimates.

(h) Exploration, Evaluation and Development Costs for Oil and Natural Gas

With respect to expenditures related to the exploration and evaluation of oil and natural gas, the Group initially recognizes acquisition costs of exploration licenses as assets, and assesses whether there are any indicators that the carrying amount may exceed the recoverable amount at each reporting period. All expenditures directly associated with exploratory and appraisal wells are initially recognized as assets and are subsequently charged to expense when commercial viability is no longer considered probable. Geological and geophysical survey costs, as well as other expenditures incurred during the exploration phase that are not directly related to exploratory or appraisal wells, are expensed as incurred.

Expenditures relating to development wells and associated production facilities are capitalized as assets. Following the commencement of production, these assets are depreciated using the unit-of-production method based on proved reserves and probable reserves.

(i) Determination of Oil and Natural Gas Reserve Estimates

Oil and natural gas reserves used for depreciation, impairment assessments, and the estimation of the timing of expenditures for abandonment, restoration and remediation costs are estimated based on information prepared by qualified specialists. Further details of these estimates are described in “(4) Significant Accounting Estimates and Judgments, (b) Estimation of Oil and Natural Gas Reserves”.

(j) Goodwill

Goodwill is initially measured as the excess of the fair value of the consideration transferred, including the recognized amount of any non-controlling interests in the acquiree measured at the acquisition date, over the net recognized amount of the identifiable assets acquired and liabilities assumed at the acquisition date (generally measured at fair value).

Goodwill is not amortized but is tested for impairment annually and whenever there is an indication of impairment.

Impairment losses on goodwill are recognized in the consolidated statement of income or loss and are not reversed in subsequent periods.

Goodwill is presented in the consolidated statement of financial position at cost less accumulated impairment losses.

(k) Intangible Assets

Separately acquired intangible assets are initially measured at cost. Intangible assets acquired through a business combination are measured at their fair value at the acquisition date.

After initial recognition, intangible assets, other than those with indefinite useful lives, are carried at cost less accumulated amortization and accumulated impairment losses and are amortized principally using the straight-line method over their respective estimated useful lives. The principal estimated useful lives of major intangible assets are as follows:

- Software: 5 years
- Customer-related assets: 20 years

The estimated useful lives, residual values and amortization methods are reviewed at each financial year-end and, if revisions are necessary, the changes are applied prospectively as changes in accounting estimates.

(l) Investment Property

Investment property is property held to earn rental income, capital appreciation, or both. Subsequent to initial recognition, investment property is measured using the cost model and is carried at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated principally using the straight-line method over its estimated useful lives, which generally range from 10 to 60 years.

The estimated useful lives, residual values and depreciation methods are reviewed at each financial year-end and, if revisions are necessary, the changes are applied prospectively as changes in accounting estimates.

(m) Leases

a) Lessee

Lease liabilities are initially measured at the present value of the remaining lease payments as of the lease commencement date, discounted using the interest rate implicit in the lease. When the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rates are used.

Right-of-use assets are recognized at an amount comprising the initial measurement of the lease liability, adjusted for any initial direct costs and prepaid lease payments, and including an estimate of costs to be incurred in dismantling and removing the underlying asset and restoring the site as required under the terms of the lease. Right-of-use assets are depreciated on the straight-line method over the lease term. Right-of-use assets are presented within “Property, plant and equipment” in the consolidated statement of financial position.

b) Lessor

The Group classifies leases in which it acts as lessor as either finance leases or operating leases. Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases. Leases that do not transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases.

At the commencement date of a finance lease, the Group recognizes assets held under the finance lease in the consolidated statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease.

For operating leases, the underlying assets are presented in the consolidated statement of financial position. Lease income is recognized in income or loss on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as separate contracts. In classifying a sublease, if the head lease is a short-term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease rather than by reference to the underlying asset.

(n) Impairment of Non-financial Assets

The carrying amounts of the Group's non-financial assets, excluding inventories and deferred tax assets, are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For goodwill and intangible assets with indefinite useful lives or intangible assets not yet available for use, the recoverable amount is estimated at the same time each year, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs of disposal. In calculating value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset. Assets that are not tested individually in impairment testing are grouped into the smallest cash-generating unit that generates cash inflows that are largely independent of those from other assets or groups of assets through continuing use. For the purpose of impairment testing of goodwill, cash-generating units to which goodwill is allocated are aggregated so that impairment is tested at a level that reflects the smallest unit to which the goodwill relates. Goodwill acquired in a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate independent cash inflows. If there is an indication that a corporate asset may be impaired, the recoverable amount of the cash-generating unit to which the corporate asset belongs is determined.

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in relation to a cash-generating unit are allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

Impairment losses relating to goodwill are not reversed. For other assets, impairment losses recognized in prior periods are assessed at the end of reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of necessary depreciation or amortization, had no impairment loss been recognized.

(o) Employee Benefits

The Group operates both defined benefit plans and defined contribution plans as retirement benefit schemes for its employees.

The present value of defined benefit obligations and the related current service cost and past service cost are determined using the projected unit credit method.

The discount rate is determined based on market yields on high-quality corporate bonds at the end of the reporting period, with maturities corresponding to the estimated timing of future benefit payments.

The net defined benefit liability or asset is measured as the present value of the defined benefit obligation less the fair value of plan assets. However, when a defined benefit plan is in a surplus position, the net defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan (the asset ceiling).

Remeasurements of the net defined benefit liability (asset) are recognized immediately in other comprehensive income in the period in which they arise and are transferred immediately from other components of equity to retained earnings.

Past service costs are recognized in income or loss in the period in which they arise.

Contributions to defined contribution plans are recognized as an expense when they are paid.

(p) Share-based Payment

The Company has adopted a performance-based share compensation plan that is classified as an equity-settled share-based payment arrangement for directors (excluding part-time directors, outside directors and non-residents of Japan) and executive officers at the rank of Senior Executive Officer and above (excluding non-residents of Japan). The services received in exchange for the share-based payments are measured at the fair value of the Company's shares at the grant date and are recognized as an expense over the vesting period, with a corresponding increase recognized in equity.

(q) Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount due to the passage of time is recognized in income or loss.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized when, and only when, it is virtually certain that reimbursement will be received if the Group settles the obligation. The reimbursement is treated as a separate asset.

(r) Revenue

The principal performance obligations in the Group's major businesses arising from contracts with customers and the timing at which such performance obligations are typically satisfied (that is, the timing at which revenue is typically recognized) are as follows.

(i) Sale of Products

In the Petroleum Segment, the Group manufactures and sells petroleum refining products. In the Basic Chemicals Segment, the Group manufactures and sells olefin and aromatic products. In the Functional Materials Segment, the Group manufactures and sells lubricants, functional chemicals and other products. In the Resources Segment, the Group engages in the exploration, development, production and sale of energy resources, including crude oil, natural gas and coal.

Revenue from the sale of these products is recognized when control of the products is transferred to the customer, generally upon delivery of the products to the customer. At that point, legal title, physical possession, and the significant risks and rewards associated with ownership of the products are transferred to the customer, and the Group obtains the right to receive consideration for the products. Revenue is measured based on the transaction price specified in the contract with the customer. For transactions in which the Company or its consolidated subsidiaries act as an agent, the transaction price is determined on a net basis as the amount received from customers less the amount paid to suppliers.

Taxes such as value-added taxes and diesel fuel delivery taxes, which are imposed at the point of sale and collected on behalf of third parties, are excluded from revenue and presented on a net basis. In contrast, taxes such as gasoline taxes, which are imposed prior to the point of sale and are included in the selling price, are included in revenue.

As consideration for the products is generally received within one year of delivery, the contracts do not contain a significant financing component.

Variable consideration, including discounts and rebates, is estimated using all reasonably available information, including historical, current and forecast information. Revenue is recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

In addition, among contracts for the purchase and sale of non-financial items entered into by the Group, contracts that can be settled net in cash or another financial instrument, or by exchanging financial instruments, are recognized as derivatives. Changes in the fair value of such derivatives are recognized in income or loss as revenue or cost of sales.

Furthermore, subsidies received under the Fuel Oil Price Volatility Mitigation Program, implemented by the Government of Japan as part of the Comprehensive Emergency Measures to Address Rising Crude Oil Prices and Inflation, are accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance and are presented as part of revenue.

#### (ii) Sale of Electricity

In the Power and Renewable Energy Segment, the Group engages in power generation (including thermal, solar and wind power generation), electricity sales and solar photovoltaic business operations.

Revenue from the sale of electricity is recognized over time as the performance obligations are satisfied under contracts with customers for the supply of electricity. Progress towards complete satisfaction of the performance obligations is measured based on electricity consumption determined through meter readings. Revenue is generally recognized based on electricity consumption measured through monthly meter readings, with the corresponding charges recognized as revenue for the month. Revenue generated between the date of the last meter reading in the reporting month and the reporting date is estimated and recognized in the appropriate accounting period. Revenue is measured based on the transaction price specified in contracts with customers. As consideration is generally received within one year of the delivery of electricity, the contracts do not contain a significant financing component.

#### (s) Government Grants

Government grants are recognized at fair value when there is reasonable assurance that the conditions attached to the grants will be complied with and that the grants will be received.

When government grants relate to expense items, they are recognized in income or loss on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are recognized as expenses. Government grants related to assets are recognized as deferred income and subsequently recognized in income or loss on a systematic basis over the estimated useful lives of the related assets.

(t) Income Taxes

Income tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognized in income or loss, except to the extent that they relate to items recognized in other comprehensive income or directly in equity, or arise from a business combination.

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognized in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes at the reporting date, as well as for tax loss carryforwards and tax credit carryforwards.

Deferred tax assets are recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences, except in certain circumstances.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Taxable temporary differences arising from the initial recognition of goodwill.
- Deferred tax liabilities not recognized for taxable temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and does not give rise to equal taxable and deductible temporary differences
- Deductible temporary differences relating to investments in subsidiaries, associates and interests in joint ventures, to the extent that it is probable that the temporary differences will not reverse in the foreseeable future or that sufficient taxable profit will not be available against which the temporary differences can be utilized.
- Taxable temporary differences relating to investments in subsidiaries, associates and interests in joint ventures, where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities are offset when the Group has a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities that intend either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously.

(u) Earnings per Share

Basic earnings per share is calculated by dividing income or loss for the period attributable to ordinary equity holders of the parent company by the weighted-average number of ordinary shares outstanding during the period, adjusted for treasury stocks. Diluted earnings per share is calculated by adjusting for the effects of all dilutive potential ordinary shares.

(v) Equity

(i) Ordinary Shares

Ordinary shares issued by the Company are recognized as share capital and capital surplus at the issue price. Incremental costs directly attributable to the issuance of ordinary shares are deducted from capital surplus, net of related tax effects.

(ii) Treasury Stocks

Treasury stocks are measured at cost and presented as a deduction from equity. No gain or loss is recognized on the purchase, sale or cancellation of the Company's own shares. Any difference between the carrying amount of treasury stocks and the consideration received on their sale is recognized directly in equity.

#### 4) Significant Accounting Estimates and Judgments

In preparing the condensed quarterly consolidated financial statements, management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. The effects of revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant accounting judgments, estimates and assumptions made by management that have a material effect on the amounts reported in the condensed quarterly consolidated financial statements are as follows:

##### (a) Impairment of Non-financial Assets

The Group performs impairment tests for property, plant and equipment, goodwill and intangible assets in accordance with “3) Significant Accounting Policies, (n) Impairment of Non-financial Assets”. In determining the recoverable amount for impairment testing, estimates and assumptions are made regarding future cash flows, discount rates and other relevant factors.

Estimated future cash flows used in each impairment test are determined based on business plans approved by management and reflect management’s best estimates and judgments. However, such estimates are subject to uncertainties, including changes in sales volumes, commodity prices and foreign exchange rates incorporated in the estimated future cash flows. Accordingly, if these estimates or the recoverable amounts are required to be revised, such revisions could have a material impact on the condensed quarterly consolidated financial statements.

##### (b) Estimation of Oil and Natural Gas Reserves

Oil and natural gas assets are depreciated using the unit-of-production method, whereby depreciation is calculated for each production unit based on the ratio of production volumes during the reporting period to the total of proved reserves and probable reserves. The estimation of such reserves involves numerous uncertain assumptions, including commodity prices, foreign exchange rates, production costs and future capital expenditures. These assumptions are determined based on management’s best estimates and judgments.

These reserve estimates relate to oil and natural gas assets of ¥68,412 million included in property, plant and equipment as of the end of the first quarter of the current fiscal year (¥70,332 million as of the end of the previous fiscal year and ¥72,095 million as of the date of transition to IFRS). They also affect the impairment testing described above in “(a) Impairment of Non-financial Assets”.

As the assumptions used in estimating reserves are affected by changes in future economic conditions that are inherently uncertain, any revision to these assumptions may have a material impact on the condensed quarterly consolidated financial statements.

(c) Measurement of Long-term Loans to NSRP and Liabilities Recognized in Connection with the Application of the Equity Method

The Group holds a 35.1% equity interest in Nghi Son Refinery and Petrochemical LLC (“NSRP”), which is engaged in the refining of petroleum and the manufacture and sale of petrochemical products in Vietnam, and accounts for such investment using the equity method as a joint venture. In addition, the Group has long-term loans and reimbursement receivables arising from advances made to NSRP and has provided completion guarantees for borrowings obtained by NSRP from financial institutions.

As the long-term loans constitute long-term interests that form part of the Group’s net investment in NSRP, in accordance with “3) Significant Accounting Policies, (a) Basis of Consolidation, b) Associates and Joint Ventures”, the Group first measures such loans at fair value as financial assets measured at fair value through income or loss in accordance with IFRS 9 and subsequently applies the equity method in accordance with IAS 28. The fair value of the long-term loans is determined using a discounted cash flow (“DCF”) method based on estimated future cash flows derived from NSRP’s future business plans and a discount rate reflecting risks specific to the investments and loans provided to NSRP.

In addition, as a result of recognizing NSRP’s cumulative losses in accordance with IAS 28, the carrying amounts of both the Group’s equity interest and the long-term interests have been reduced to zero. Furthermore, to the extent that the Group’s share of NSRP’s losses exceeds the aggregate carrying amount of its equity interest and long-term interests, the Group recognizes a liability up to the amount of its contractual obligations under the completion guarantees that it has provided.

In measuring the fair value of the long-term loans and the liabilities recognized in connection with the application of the equity method, the Group uses key assumptions including product margins, plant utilization rates and discount rates incorporated in NSRP’s future business plans. These assumptions are subject to uncertainty and may require revision as a result of changes in future market conditions, supply and demand trends, operating performance or other business circumstances. If revisions to these key assumptions result in changes in the fair value of the long-term loans, the amount of cumulative losses to be recognized by the Group and the amount of liabilities recognized in connection with the application of the equity method may also change, which could have a material impact on the Group’s share of income or loss of investments accounted for using the equity method.

## 5) Notes on the Consolidated Segment Information

### (a) Outline of the Reporting Segments

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

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

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

From the first quarter of the current fiscal year, the bitumen (high performance asphalt) business, which was previously included in the functional materials segment, has been reclassified to the petroleum segment for the purpose of optimizing the petroleum segment. Comparative information has been prepared based on this revised segment classification.

(b) Information about the Reporting Segments

Intersegment revenue and transfers are based on prevailing market prices.

For the three months ended June 30, 2025

(Unit: ¥Million)

|                                                    |           |                    |                         |                                  |           |           | Others<br>(Note 1) | Total     | Recon-<br>ciliation<br>(Note 2) | Consoli-<br>dated |
|----------------------------------------------------|-----------|--------------------|-------------------------|----------------------------------|-----------|-----------|--------------------|-----------|---------------------------------|-------------------|
|                                                    | Petroleum | Basic<br>chemicals | Functional<br>materials | Power and<br>renewable<br>energy | Resources | Total     |                    |           |                                 |                   |
| Revenue:                                           |           |                    |                         |                                  |           |           |                    |           |                                 |                   |
| Revenue from external customers                    | 1,527,893 | 98,605             | 128,998                 | 24,744                           | 52,151    | 1,832,393 | 3,334              | 1,835,727 | —                               | 1,835,727         |
| Intersegment revenue or transfers                  | 4,083     | 1,957              | 5,783                   | 704                              | 1         | 12,529    | 1,201              | 13,730    | (13,730)                        | —                 |
| Total                                              | 1,531,976 | 100,563            | 134,781                 | 25,448                           | 52,152    | 1,844,922 | 4,535              | 1,849,458 | (13,730)                        | 1,835,727         |
| Segment income (loss) (Note 3)                     | (18,765)  | (2,033)            | 17,204                  | 994                              | 12,868    | 10,268    | 14                 | 10,283    | 1,253                           | 11,537            |
| Interest income                                    | —         | —                  | —                       | —                                | —         | —         | —                  | —         | —                               | 5,833             |
| Foreign exchange gains (losses) on investing items | —         | —                  | —                       | —                                | —         | —         | —                  | —         | —                               | 1,117             |
| Income before financing and income tax             | —         | —                  | —                       | —                                | —         | —         | —                  | —         | —                               | 18,488            |

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 reconciliation amount for the segment income (loss) mainly consists of research and development costs, which do not belong to reportable segments.
3. Segment income (loss) is calculated by deducting interest income and foreign exchange gains and losses on investing items from income before financing and income tax. The reconciliation from income before financing and income tax to income before tax is presented in the condensed quarterly consolidated statements of income or loss.

For the three months ended June 30, 2026

(Unit: ¥Million)

|                                                    |           |                    |                         |                                  |           |           | Others<br>(Note 1) | Total     | Recon-<br>ciliation<br>(Note 2) | Consoli-<br>dated |
|----------------------------------------------------|-----------|--------------------|-------------------------|----------------------------------|-----------|-----------|--------------------|-----------|---------------------------------|-------------------|
|                                                    | Petroleum | Basic<br>chemicals | Functional<br>materials | Power and<br>renewable<br>energy | Resources | Total     |                    |           |                                 |                   |
| Revenue:                                           |           |                    |                         |                                  |           |           |                    |           |                                 |                   |
| Revenue from external customers                    | 1,924,037 | 112,822            | 147,586                 | 19,373                           | 65,854    | 2,269,673 | 2,079              | 2,271,753 | —                               | 2,271,753         |
| Intersegment revenue or transfers                  | 6,471     | 2,294              | 6,242                   | 748                              | 4         | 15,761    | 2,326              | 18,087    | (18,087)                        | —                 |
| Total                                              | 1,930,509 | 115,116            | 153,829                 | 20,121                           | 65,858    | 2,285,435 | 4,406              | 2,289,841 | (18,087)                        | 2,271,753         |
| Segment income (loss) (Note 3)                     | 293,802   | 85                 | 14,524                  | (1,304)                          | 18,914    | 326,022   | 136                | 326,158   | (3,526)                         | 322,632           |
| Interest income                                    | —         | —                  | —                       | —                                | —         | —         | —                  | —         | —                               | 6,182             |
| Foreign exchange gains (losses) on investing items | —         | —                  | —                       | —                                | —         | —         | —                  | —         | —                               | (1,241)           |
| Income before financing and income tax             | —         | —                  | —                       | —                                | —         | —         | —                  | —         | —                               | 327,573           |

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 reconciliation amount for the segment income (loss) mainly consists of research and development costs, which do not belong to reportable segments.
3. Segment income (loss) is calculated by deducting interest income and foreign exchange gains and losses on investing items from income before financing and income tax. The reconciliation from income before financing and income tax to income before tax is presented in the condensed quarterly consolidated statements of income or loss.

6) Note on Significant Changes in Equity Attributable to Owners of the Parent

At the meeting of the Board of Directors held on November 11, 2025, the Company resolved to acquire up to 43,000 thousand shares of its common stock at a total of up to ¥30 billion. Based on this resolution, the Company had acquired 19,821 thousand shares of treasury stock at a total acquisition cost of ¥27,691 million during the first quarter of the current fiscal year. In addition, pursuant to a resolution of the Board of Directors adopted on April 21, 2026, the Company cancelled 65,529 thousand shares of treasury stock on April 30, 2026. As a result, capital surplus and treasury stock each decreased by ¥75,085 million during the first quarter of the current fiscal year. As a result of the acquisition and cancellation of treasury stock, and other factors, capital surplus and treasury stock decreased by ¥74,842 million and ¥47,501 million, respectively, during the first quarter of the current fiscal year. As of the end of the first quarter of the current fiscal year, capital surplus amounted to ¥203,491 million and treasury stock amounted to ¥28,646 million.

7) Notes on Going Concern Assumption

None

8) Notes to the Condensed Quarterly Consolidated Statement of Cash Flows

A condensed quarterly consolidated statement of cash flows has not been prepared for the three months ended June 30, 2026.

Depreciation and amortization for the period were as follows:

|                               | (Unit:¥Million)                             |                                             |
|-------------------------------|---------------------------------------------|---------------------------------------------|
|                               | For the three months ended<br>June 30, 2025 | For the three months ended<br>June 30, 2026 |
| Depreciation and amortization | 50,269                                      | 55,036                                      |

## 9) First-Time Adoption of IFRS

The Group has prepared and presented its consolidated financial statements in accordance with IFRS from the current consolidated fiscal year. The most recent consolidated financial statements prepared in accordance with Japanese GAAP are those for the fiscal year ended March 31, 2026. The date of transition to IFRS is April 1, 2025.

### (Exemption in IFRS 1)

In principle, IFRS requires that companies adopting IFRS for the first time (“First-Time Adopter”) apply the standards required under IFRS retrospectively. However, for some of the standards required under IFRS, IFRS 1 specifies standards for which the exemption is applied mandatorily and those for which the exemption is applied voluntarily. The impact based on the application of these exemptions is adjusted in retained earnings and other components of equity at the transition date. The exemptions that the Group applies in connection with the transition from Japanese GAAP to IFRS are as follows:

#### a) Business combinations

IFRS 1 permits a first-time adopter to elect not to apply IFRS 3 Business Combinations (“IFRS 3”) retrospectively to business combinations that occurred before the date of transition to IFRS. The Group elected to apply this exemption and not to apply IFRS 3 retrospectively to the business combinations that occurred before the transition date. Accordingly, goodwill arising in business combinations that occurred before the transition date was recorded at the carrying amount under Japanese GAAP at the transition date.

Goodwill is tested for impairment at the transition date, regardless of whether there is an indication of impairment.

#### b) Use of Deemed Cost

IFRS 1 permits the use of fair value of property, plant and equipment, investment property, intangible assets and right-of-use assets as of the transition date as deemed cost as of that date.

The Group has elected to apply the exemption for certain items of property, plant and equipment.

#### c) Exchange differences on translation of foreign operations

IFRS 1 permits a first-time adopter to elect to deem the cumulative translation differences on foreign operations as of the transition date to be zero. The Group has elected to deem the cumulative translation differences on foreign operations to be zero as of the transition date.

#### d) Share-based payment

The Group elected not to apply IFRS 2 Share-based Payment to share-based payments vested before the transition date.

#### e) Leases

IFRS 1 permits a first-time adopter to assess whether a contract contains a lease as of the transition date. The Group applies this exemption and determines whether a contract contains a lease based on the facts and circumstances existing as of the transition date.

f) Decommissioning liabilities included in the cost of property, plant and equipment

With respect to the measurement of liabilities associated with decommissioning, etc. (“decommissioning liabilities”) which are included in the cost of property, plant and equipment, IFRS 1 permits a first-time adopter to elect either a method in which decommissioning liabilities are measured retroactively from the point in time when such liabilities first arose, or a method in which decommissioning liabilities are measured at the transition date. The Group elected for the latter in measuring decommissioning liabilities which are included in the cost of property, plant and equipment.

g) Borrowing costs

IFRS 1 permits a first-time adopter to begin capitalizing borrowing costs relating to qualifying assets from the date of transition to IFRS. The Group capitalizes borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after the transition date.

h) Designation of financial instruments recognized prior to the transition date

IFRS permits a first-time adopter to designate equity instruments as financial assets measured at fair value through other comprehensive income based on facts and circumstances existing as of the transition date. The Group determines the classification based on the facts and circumstances existing as of the transition date, and designates some equity instruments as financial assets measured at fair value through other comprehensive income.

(Mandatory exceptions under IFRS 1)

IFRS 1 prohibits the retrospective application of IFRS concerning “estimates”, “derecognition of financial assets and financial liabilities”, “hedge accounting”, “non-controlling interests”, “classification and measurement of financial instruments” and others. The Group prospectively applies these items from the transition date.

(Reconciliations)

The reconciliations required to be disclosed at the first-time adoption of IFRS are as follows. In the reconciliations below, “Reclassification” includes items that do not affect retained earnings and comprehensive income, while “Differences in recognition and measurement” include items that affect retained earnings and comprehensive income.

a) Reconciliation of equity  
As of April 1, 2025 (the transition date)

(Unit: ¥Million)

| Line items under Japanese GAAP            | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes     | Line items under IFRS                             |
|-------------------------------------------|---------------|------------------|--------------------------------------------|-----------|-----------|---------------------------------------------------|
| Assets                                    |               |                  |                                            |           |           | Assets                                            |
| Current assets:                           |               |                  |                                            |           |           | Current assets                                    |
| Cash and deposits                         | 165,762       | (1,394)          | (812)                                      | 163,555   | (a)       | Cash and cash equivalents                         |
| Notes and accounts receivable, trade      | 817,349       | 312,288          | (8,038)                                    | 1,121,600 | (b)(c)    | Trade and other receivables                       |
| Inventories                               | 1,266,953     | (25,256)         | 1,985                                      | 1,243,682 |           | Inventories                                       |
| Accounts receivable, other                | 298,776       | (298,776)        | —                                          | —         | (b)       |                                                   |
|                                           | —             | 39,805           | (291)                                      | 39,514    | (a)(d)    | Other financial assets                            |
| Other                                     | 104,644       | (64,497)         | 7,114                                      | 47,260    | (d)       | Other current assets                              |
| Allowance for doubtful accounts           | (3,628)       | 3,628            | —                                          | —         | (c)       |                                                   |
| Total current assets                      | 2,649,858     | (34,203)         | (42)                                       | 2,615,612 |           | Total current assets                              |
| Fixed assets:                             |               |                  |                                            |           |           | Non-current assets                                |
| Property, plant and equipment             | 1,374,024     | (873)            | (68,760)                                   | 1,304,391 | (e)(f)(h) | Property, plant and equipment                     |
| Intangible fixed assets                   |               |                  |                                            |           |           |                                                   |
| Goodwill                                  | 124,348       | —                | (90,041)                                   | 34,307    | (g)       | Goodwill                                          |
| Other                                     | 130,231       | —                | (11,450)                                   | 118,780   |           | Intangible assets                                 |
|                                           | —             | 47,351           | —                                          | 47,351    | (h)       | Investment property                               |
| Investments and other assets              |               |                  |                                            |           |           |                                                   |
| Investment securities                     | 305,764       | (263,358)        | (42,405)                                   | —         | (d)(i)    |                                                   |
|                                           | —             | 242,829          | 7,964                                      | 250,793   | (i)       | Investments accounted for using the equity method |
|                                           | —             | 59,345           | 42,643                                     | 101,988   | (c)(d)    | Other financial assets                            |
| Long-term loans receivable                | 56,490        | (56,490)         | —                                          | —         | (d)       |                                                   |
| Assets for employees' retirement benefits | 75,182        | (24,529)         | (50,653)                                   | —         | (k)       |                                                   |
| Deferred tax assets                       | 15,946        | —                | (1,711)                                    | 14,235    | (j)       | Deferred tax assets                               |
| Other                                     | 97,869        | (34,626)         | (12,753)                                   | 50,489    | (d)(e)(k) | Other non-current assets                          |
| Allowance for doubtful accounts           | (54,130)      | 54,130           | —                                          | —         | (c)       |                                                   |
| Total fixed assets                        | 2,125,727     | 23,778           | (227,167)                                  | 1,922,338 |           | Total non-current assets                          |
| Total assets                              | 4,775,586     | (10,425)         | (227,210)                                  | 4,537,950 |           | Total assets                                      |

(Unit: ¥Million)

| Line items under Japanese GAAP                     | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes        | Line items under IFRS         |
|----------------------------------------------------|---------------|------------------|--------------------------------------------|-----------|--------------|-------------------------------|
| Liabilities                                        |               |                  |                                            |           |              | Liabilities                   |
| Current liabilities:                               |               |                  |                                            |           |              | Current liabilities:          |
| Notes and accounts payable, trade                  | 824,413       | 443,804          | (27,231)                                   | 1,240,986 | (l)          | Trade and other payables      |
| Short-term loans payable                           | 479,642       | 196,853          | 23,685                                     | 700,181   | (a)(m)       | Bonds and borrowings          |
| Commercial paper                                   | 166,853       | (166,853)        | —                                          | —         | (m)          |                               |
| Current portion of bonds payable                   | 30,000        | (30,000)         | —                                          | —         | (m)          |                               |
| Accounts payable, other                            | 426,313       | (426,313)        | —                                          | —         | (l)          |                               |
|                                                    | —             | 6,075            | 62,109                                     | 68,184    | (f)          | Lease liabilities             |
|                                                    | —             | 18,804           | 107,709                                    | 126,513   | (d)(i)       | Other financial liabilities   |
| Income taxes payable                               | 9,793         | (1,028)          | 905                                        | 9,670     |              | Income taxes payable          |
| Provision for bonuses                              | 16,706        | (16,706)         | —                                          | —         | (o)          |                               |
|                                                    | —             | 8,479            | (212)                                      | 8,266     |              | Provisions                    |
| Other                                              | 143,684       | (48,981)         | 17,387                                     | 112,090   | (d)(f)(l)(o) | Other current liabilities     |
| Total current liabilities                          | 2,097,407     | (15,866)         | 184,353                                    | 2,265,894 |              | Total current liabilities     |
| Non-current liabilities:                           |               |                  |                                            |           |              | Non-current liabilities       |
| Bonds payable                                      | 110,000       | 409,879          | (1,116)                                    | 518,762   | (m)          | Bonds and borrowings          |
| Long-term loans payable                            | 409,879       | (409,879)        | —                                          | —         | (m)          |                               |
|                                                    | —             | 37,570           | 183,891                                    | 221,461   | (f)          | Lease liabilities             |
|                                                    | —             | 27,540           | (1,986)                                    | 25,554    | (d)          | Other financial liabilities   |
| Deferred tax liabilities                           | 53,175        | —                | 30,330                                     | 83,506    | (j)          | Deferred tax liabilities      |
| Deferred tax liability related to land revaluation | 92,878        | —                | (92,878)                                   | —         | (q)          |                               |
| Liability for employees' retirement benefits       | 49,064        | —                | 3,274                                      | 52,338    |              | Retirement benefit liability  |
| Reserve for repair work                            | 91,117        | —                | (91,117)                                   | —         | (e)          |                               |
| Provision for losses related to contracts          | 10,106        | —                | (10,106)                                   | —         |              |                               |
| Asset retirement obligations                       | 40,013        | (40,013)         | —                                          | —         | (n)          |                               |
|                                                    | —             | 46,246           | 7,945                                      | 54,191    | (e)(n)       | Provisions                    |
| Other                                              | 84,242        | (66,939)         | 30,424                                     | 47,727    | (d)(f)       | Other non-current liabilities |
| Total non-current liabilities                      | 940,478       | 4,404            | 58,659                                     | 1,003,542 |              | Total non-current liabilities |
| Total liabilities                                  | 3,037,886     | (11,462)         | 243,013                                    | 3,269,437 |              | Total liabilities             |

(Unit: ¥Million)

| Line items under Japanese GAAP         | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes            | Line items under IFRS                       |
|----------------------------------------|---------------|------------------|--------------------------------------------|-----------|------------------|---------------------------------------------|
| Net assets                             |               |                  |                                            |           |                  |                                             |
| Shareholders' equity:                  |               |                  |                                            |           |                  | Equity                                      |
| Common stock                           | 168,351       | —                | —                                          | 168,351   |                  | Share capital                               |
| Capital surplus                        | 354,693       | 1,037            | (1,373)                                    | 354,358   |                  | Capital surplus                             |
| Retained earnings                      | 1,111,225     | —                | (259,334)                                  | 851,891   |                  | Retained earnings                           |
| Treasury stock                         | (139,690)     | —                | —                                          | (139,690) |                  | Treasury stock                              |
| Accumulated other comprehensive income | 225,788       | —                | (207,783)                                  | 18,004    | (d)(k)<br>(p)(q) | Other components of equity                  |
|                                        | —             | —                | —                                          | 1,252,915 |                  | Equity attributable to owners of the parent |
| Non-controlling interests              | 17,330        | —                | (1,733)                                    | 15,597    |                  | Non-controlling interests                   |
| Total net assets                       | 1,737,699     | 1,037            | (470,223)                                  | 1,268,513 |                  | Total equity                                |
| Total liabilities and net assets       | 4,775,586     | (10,425)         | (227,210)                                  | 4,537,950 |                  | Total liabilities and equity                |

As of June 30, 2025 (the end of the first quarter of the previous fiscal year)

(Unit: ¥Million)

| Line items under Japanese GAAP       | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes     | Line items under IFRS                             |
|--------------------------------------|---------------|------------------|--------------------------------------------|-----------|-----------|---------------------------------------------------|
| Assets                               |               |                  |                                            |           |           | Assets                                            |
| Current assets:                      |               |                  |                                            |           |           | Current assets                                    |
| Cash and deposits                    | 126,201       | 273,625          | 21,317                                     | 421,145   | (a)       | Cash and cash equivalents                         |
| Notes and accounts receivable, trade | 598,874       | 283,004          | (1,165)                                    | 880,714   | (b)(c)    | Trade and other receivables                       |
| Inventories                          | 1,139,332     | (26,725)         | 14,102                                     | 1,126,709 |           | Inventories                                       |
| Accounts receivable, other           | 268,099       | (268,099)        | —                                          | —         | (b)       |                                                   |
|                                      | —             | 34,005           | 5,732                                      | 39,738    | (a)(d)    | Other financial assets                            |
| Other                                | 110,791       | (58,150)         | (5,796)                                    | 46,844    | (d)       | Other current assets                              |
| Allowance for doubtful accounts      | (3,364)       | 3,364            | —                                          | —         | (c)       |                                                   |
| Total current assets                 | 2,239,936     | 241,025          | 34,190                                     | 2,515,152 |           | Total current assets                              |
| Fixed assets:                        |               |                  |                                            |           |           | Non-current assets                                |
| Property, plant and equipment        | 1,382,923     | (372)            | (84,264)                                   | 1,298,287 | (e)(f)(h) | Property, plant and equipment                     |
| Intangible fixed assets              |               |                  |                                            |           |           |                                                   |
| Goodwill                             | 134,901       | —                | (87,692)                                   | 47,208    | (g)       | Goodwill                                          |
| Other                                | 127,861       | —                | (11,060)                                   | 116,801   |           | Intangible assets                                 |
|                                      | —             | 47,095           | —                                          | 47,095    | (h)       | Investment property                               |
| Investments and other assets         |               |                  |                                            |           |           |                                                   |
| Investment securities                | 297,977       | (260,266)        | (37,711)                                   | —         | (d)(i)    |                                                   |
|                                      | —             | 241,633          | 6,521                                      | 248,154   | (i)       | Investments accounted for using the equity method |
|                                      | —             | 74,326           | 19,955                                     | 94,281    | (c)(d)    | Other financial assets                            |
|                                      | —             | 15,440           | (1,700)                                    | 13,740    | (j)       | Deferred tax assets                               |
| Other                                | 256,061       | (147,710)        | (60,927)                                   | 47,423    | (d)(e)(k) | Other non-current assets                          |
| Allowance for doubtful accounts      | (52,402)      | 52,402           | —                                          | —         | (c)       |                                                   |
| Total fixed assets                   | 2,147,324     | 22,549           | (256,880)                                  | 1,912,993 |           | Total non-current assets                          |
| Total assets                         | 4,387,260     | 263,575          | (222,689)                                  | 4,428,146 |           | Total assets                                      |

(Unit: ¥Million)

| Line items under Japanese GAAP               | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes        | Line items under IFRS         |
|----------------------------------------------|---------------|------------------|--------------------------------------------|-----------|--------------|-------------------------------|
| Liabilities                                  |               |                  |                                            |           |              | Liabilities                   |
| Current liabilities:                         |               |                  |                                            |           |              | Current liabilities:          |
| Notes and accounts payable, trade            | 522,141       | 392,195          | (3,927)                                    | 910,409   | (l)          | Trade and other payables      |
| Short-term loans payable                     | 514,467       | 463,578          | 10,615                                     | 988,661   | (a)(m)       | Bonds and borrowings          |
| Commercial paper                             | 158,903       | (158,903)        | —                                          | —         | (m)          |                               |
| Current portion of bonds payable             | 30,000        | (30,000)         | —                                          | —         | (m)          |                               |
| Accounts payable, other                      | 368,244       | (368,244)        | —                                          | —         | (l)          |                               |
|                                              | —             | 5,645            | 58,429                                     | 64,074    | (f)          | Lease liabilities             |
|                                              | —             | 23,521           | 87,713                                     | 111,235   | (d)(i)       | Other financial liabilities   |
| Income taxes payable                         | 7,101         | (727)            | 242                                        | 6,616     |              | Income taxes payable          |
| Provision for bonuses                        | 7,302         | (7,302)          | —                                          | —         | (o)          |                               |
|                                              | —             | 6,682            | (140)                                      | 6,541     |              | Provisions                    |
| Other                                        | 145,460       | (60,824)         | 18,084                                     | 102,720   | (d)(f)(l)(o) | Other current liabilities     |
| Total current liabilities                    | 1,753,621     | 265,619          | 171,018                                    | 2,190,259 |              | Total current liabilities     |
| Non-current liabilities:                     |               |                  |                                            |           |              | Non-current liabilities       |
| Bonds payable                                | 110,000       | 407,273          | 1,153                                      | 518,427   | (m)          | Bonds and borrowings          |
| Long-term loans payable                      | 407,273       | (407,273)        | —                                          | —         | (m)          |                               |
|                                              | —             | 35,323           | 175,261                                    | 210,584   | (f)          | Lease liabilities             |
|                                              | —             | 26,117           | 807                                        | 26,925    | (d)          | Other financial liabilities   |
|                                              | —             | 36,613           | 31,441                                     | 68,055    | (j)          | Deferred tax liabilities      |
| Liability for employees' retirement benefits | 49,715        | —                | 3,733                                      | 53,449    |              | Retirement benefit liability  |
| Reserve for repair work                      | 102,859       | —                | (102,859)                                  | —         | (e)          |                               |
| Provision for losses related to contracts    | 9,773         | —                | (9,773)                                    | —         |              |                               |
| Asset retirement obligations                 | 37,956        | (37,956)         | —                                          | —         | (n)          |                               |
|                                              | —             | 45,076           | 9,850                                      | 54,926    | (e)(n)       | Provisions                    |
| Other                                        | 213,439       | (108,321)        | (60,885)                                   | 44,231    | (d)(f)       | Other non-current liabilities |
| Total non-current liabilities                | 931,017       | (3,147)          | 48,730                                     | 976,600   |              | Total non-current liabilities |
| Total liabilities                            | 2,684,639     | 262,471          | 219,748                                    | 3,166,859 |              | Total liabilities             |

(Unit: ¥Million)

| Line items under Japanese GAAP         | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes            | Line items under IFRS                       |
|----------------------------------------|---------------|------------------|--------------------------------------------|-----------|------------------|---------------------------------------------|
| Net assets                             |               |                  |                                            |           |                  |                                             |
| Shareholders' equity:                  |               |                  |                                            |           |                  | Equity                                      |
| Common stock                           | 168,351       | —                | —                                          | 168,351   |                  | Share capital                               |
| Capital surplus                        | 280,726       | 1,103            | (1,373)                                    | 280,456   |                  | Capital surplus                             |
| Retained earnings                      | 1,097,675     | —                | (240,112)                                  | 857,563   |                  | Retained earnings                           |
| Treasury stock                         | (66,475)      | —                | —                                          | (66,475)  |                  | Treasury stock                              |
| Accumulated other comprehensive income | 198,092       | —                | (197,798)                                  | 293       | (d)(k)<br>(p)(q) | Other components of equity                  |
|                                        | —             | —                | —                                          | 1,240,189 |                  | Equity attributable to owners of the parent |
| Non-controlling interests              | 24,250        | —                | (3,153)                                    | 21,097    |                  | Non-controlling interests                   |
| Total net assets                       | 1,702,621     | 1,103            | (442,437)                                  | 1,261,286 |                  | Total equity                                |
| Total liabilities and net assets       | 4,387,260     | 263,575          | (222,689)                                  | 4,428,146 |                  | Total liabilities and equity                |

As of March 31, 2026 (the end of the previous fiscal year)

(Unit: ¥Million)

| Line items under Japanese GAAP            | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes     | Line items under IFRS                             |
|-------------------------------------------|---------------|------------------|--------------------------------------------|-----------|-----------|---------------------------------------------------|
| Assets                                    |               |                  |                                            |           |           | Assets                                            |
| Current assets:                           |               |                  |                                            |           |           | Current assets                                    |
| Cash and deposits                         | 212,306       | 166,887          | 2,648                                      | 381,842   | (a)       | Cash and cash equivalents                         |
| Notes and accounts receivable, trade      | 841,806       | 359,860          | (205)                                      | 1,201,461 | (b)(c)    | Trade and other receivables                       |
| Inventories                               | 1,375,562     | (34,375)         | 16,656                                     | 1,357,844 |           | Inventories                                       |
| Accounts receivable, other                | 342,029       | (342,029)        | —                                          | —         | (b)       |                                                   |
|                                           | —             | 119,689          | (6,004)                                    | 113,684   | (a)(d)    | Other financial assets                            |
| Other                                     | 197,527       | (143,184)        | 2,327                                      | 56,670    | (d)       | Other current assets                              |
| Allowance for doubtful accounts           | (3,558)       | 3,558            | —                                          | —         | (c)       |                                                   |
| Total current assets                      | 2,965,674     | 130,407          | 15,421                                     | 3,111,503 |           | Total current assets                              |
| Fixed assets:                             |               |                  |                                            |           |           | Non-current assets                                |
| Property, plant and equipment             | 1,523,513     | (5,897)          | (37,591)                                   | 1,480,024 | (e)(f)(h) | Property, plant and equipment                     |
| Intangible fixed assets                   |               |                  |                                            |           |           |                                                   |
| Goodwill                                  | 129,776       | —                | (80,699)                                   | 49,077    | (g)       | Goodwill                                          |
| Other                                     | 130,422       | —                | (11,069)                                   | 119,353   |           | Intangible assets                                 |
|                                           | —             | 49,756           | —                                          | 49,756    | (h)       | Investment property                               |
| Investments and other assets              |               |                  |                                            |           |           |                                                   |
| Investment securities                     | 339,979       | (292,269)        | (47,710)                                   | —         | (d)(i)    |                                                   |
|                                           | —             | 266,557          | 14,387                                     | 280,944   | (i)       | Investments accounted for using the equity method |
|                                           | —             | 107,683          | (2)                                        | 107,680   | (c)(d)    | Other financial assets                            |
| Long-term loans receivable                | 97,839        | (97,839)         | —                                          | —         | (d)       |                                                   |
| Assets for employees' retirement benefits | 90,328        | (28,601)         | (61,727)                                   | —         | (k)       |                                                   |
| Deferred tax assets                       | 17,592        | (303)            | (1,745)                                    | 15,543    | (j)       | Deferred tax assets                               |
| Other                                     | 91,916        | (26,556)         | (10,020)                                   | 55,338    | (d)(e)(k) | Other non-current assets                          |
| Allowance for doubtful accounts           | (58,251)      | 58,251           | —                                          | —         | (c)       |                                                   |
| Total fixed assets                        | 2,363,117     | 30,780           | (236,178)                                  | 2,157,719 |           | Total non-current assets                          |
| Total assets                              | 5,328,792     | 161,187          | (220,756)                                  | 5,269,223 |           | Total assets                                      |

(Unit: ¥Million)

| Line items under Japanese GAAP                     | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes        | Line items under IFRS         |
|----------------------------------------------------|---------------|------------------|--------------------------------------------|-----------|--------------|-------------------------------|
| Liabilities                                        |               |                  |                                            |           |              | Liabilities                   |
| Current liabilities:                               |               |                  |                                            |           |              | Current liabilities:          |
| Notes and accounts payable, trade                  | 852,648       | 443,688          | (7,724)                                    | 1,288,612 | (l)          | Trade and other payables      |
| Short-term loans payable                           | 503,466       | 486,832          | 5,349                                      | 995,648   | (a)(m)       | Bonds and borrowings          |
| Commercial paper                                   | 244,726       | (244,726)        | —                                          | —         | (m)          |                               |
| Current portion of bonds payable                   | 20,000        | (20,000)         | —                                          | —         | (m)          |                               |
| Accounts payable, other                            | 433,703       | (433,703)        | —                                          | —         | (l)          |                               |
|                                                    | —             | 7,989            | 66,275                                     | 74,264    | (f)          | Lease liabilities             |
|                                                    | —             | 46,419           | 81,747                                     | 128,167   | (d)(i)       | Other financial liabilities   |
| Income taxes payable                               | 48,650        | (1,633)          | 1,563                                      | 48,580    |              | Income taxes payable          |
| Provision for bonuses                              | 17,387        | (17,387)         | —                                          | —         | (o)          |                               |
|                                                    | —             | 3,543            | 117                                        | 3,660     |              | Provisions                    |
| Other                                              | 230,827       | (105,980)        | 21,900                                     | 146,748   | (d)(f)(l)(o) | Other current liabilities     |
| Total current liabilities                          | 2,351,410     | 165,042          | 169,229                                    | 2,685,682 |              | Total current liabilities     |
| Non-current liabilities:                           |               |                  |                                            |           |              | Non-current liabilities       |
| Bonds payable                                      | 100,000       | 494,087          | (27)                                       | 594,060   | (m)          | Bonds and borrowings          |
| Long-term loans payable                            | 494,087       | (494,087)        | —                                          | —         | (m)          |                               |
|                                                    | —             | 34,518           | 188,943                                    | 223,462   | (f)          | Lease liabilities             |
|                                                    | —             | 23,072           | 1,711                                      | 24,783    | (d)          | Other financial liabilities   |
| Deferred tax liabilities                           | 58,273        | (73)             | 35,824                                     | 94,025    | (j)          | Deferred tax liabilities      |
| Deferred tax liability related to land revaluation | 95,058        | —                | (95,058)                                   | —         | (q)          |                               |
| Liability for employees' retirement benefits       | 49,443        | (155)            | 1,549                                      | 50,837    |              | Retirement benefit liability  |
| Reserve for repair work                            | 104,409       | —                | (104,409)                                  | —         | (e)          |                               |
| Asset retirement obligations                       | 44,550        | (44,550)         | —                                          | —         | (n)          |                               |
|                                                    | —             | 50,639           | 12,109                                     | 62,748    | (e)(n)       | Provisions                    |
| Other                                              | 80,458        | (68,690)         | 32,301                                     | 44,068    | (d)(f)       | Other non-current liabilities |
| Total non-current liabilities                      | 1,026,281     | (5,240)          | 72,945                                     | 1,093,986 |              | Total non-current liabilities |
| Total liabilities                                  | 3,377,692     | 159,801          | 242,175                                    | 3,779,669 |              | Total liabilities             |

(Unit: ¥Million)

| Line items under Japanese GAAP         | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes            | Line items under IFRS                       |
|----------------------------------------|---------------|------------------|--------------------------------------------|-----------|------------------|---------------------------------------------|
| Net assets                             |               |                  |                                            |           |                  |                                             |
| Shareholders' equity:                  |               |                  |                                            |           |                  | Equity                                      |
| Common stock                           | 168,351       | —                | —                                          | 168,351   |                  | Share capital                               |
| Capital surplus                        | 278,253       | 1,386            | (1,305)                                    | 278,334   |                  | Capital surplus                             |
| Retained earnings                      | 1,248,391     | —                | (257,732)                                  | 990,659   |                  | Retained earnings                           |
| Treasury stock                         | (68,785)      | —                | (7,363)                                    | (76,148)  |                  | Treasury stock                              |
| Accumulated other comprehensive income | 291,914       | —                | (190,543)                                  | 101,370   | (d)(k)<br>(p)(q) | Other components of equity                  |
|                                        | —             | —                | —                                          | 1,462,567 |                  | Equity attributable to owners of the parent |
| Non-controlling interests              | 32,974        | —                | (5,987)                                    | 26,986    |                  | Non-controlling interests                   |
| Total net assets                       | 1,951,099     | 1,386            | (462,932)                                  | 1,489,553 |                  | Total equity                                |
| Total liabilities and net assets       | 5,328,792     | 161,187          | (220,756)                                  | 5,269,223 |                  | Total liabilities and equity                |

## Notes on reconciliation of equity

### (a) Cash and deposits

Time deposits with maturities of over three months, which were included in “Cash and deposits” under Japanese GAAP, are reclassified as “Other financial assets (current)” under IFRS. The Group has entered into a notional pooling arrangement with external financial institutions. Under Japanese GAAP, “Cash and deposits” and “Short-term loans payable” recognized under this arrangement were presented on a net basis in the consolidated statement of financial position from the end of the first quarter of the previous fiscal year (the comparative period). Under IFRS, however, such balances have not been offset because the offsetting criteria set out in IAS 32, Financial Instruments: Presentation were not met. The amounts not offset as of the end of the first quarter of the previous fiscal year and as of the end of the previous fiscal year were ¥274,674 million and ¥222,105 million, respectively. In addition, there was no “Short-term loans payable” balance under this notional pooling arrangement at the date of transition to IFRS.

### (b) Account receivables

“Accounts receivable, other”, which was separately presented under Japanese GAAP, is reclassified as “Trade and other receivables” under IFRS.

### (c) Loss allowance

“Allowance for doubtful accounts (current)”, which was separately presented under Japanese GAAP, is reclassified to be presented on a net basis by directly deducting the item from “Trade and other receivables” under IFRS. Likewise, “Allowance for doubtful accounts (non-current)” is reclassified to be presented on a net basis by directly deducting the item from “Other financial assets (non-current)”.

### (d) Other financial assets and other financial liabilities

Financial assets, which were included in “Other (current)” under Japanese GAAP, are reclassified as “Other financial assets (current)” under IFRS. “Investment securities” and “Long-term loans receivable”, which were separately presented under Japanese GAAP, are reclassified as “Other financial assets (non-current)” under IFRS. Financial assets included in “Other (non-current)” under Japanese GAAP are also reclassified and presented as “Other financial assets (non-current)” under IFRS. Unlisted shares, which were recorded based on acquisition cost and were subject to impairment when the financial condition of the issuer deteriorated under Japanese GAAP, are measured at fair value through other comprehensive income under IFRS.

Financial liabilities, which were included in “Other (current)” under Japanese GAAP, are reclassified as “Other financial liabilities (current)” under IFRS. Financial liabilities, which were included in “Other (non-current)” under Japanese GAAP, are also reclassified as “Other financial liabilities (non-current)” under IFRS.

### (e) Property, plant and equipment

Certain land is measured using its fair value at the date of transition to IFRS as deemed cost. The fair value of such assets at the date of transition was ¥238,526 million, representing a decrease of ¥452,299 million compared with its carrying amount under Japanese GAAP. In addition, impairment losses were recognized on property, plant and equipment related to solar power generation projects in North America based on their recoverable amounts. As a result, property, plant and equipment decreased by ¥25,828 million at the date of transition. Furthermore, reserve for large-scale regular maintenance costs that had been recognized under Japanese GAAP was reversed because they did not meet the recognition criteria under

IFRS. Expenditures incurred when large-scale regular maintenance is performed are capitalized as part of the carrying amount of property, plant and equipment and depreciated over the period until the next scheduled large-scale regular maintenance. As a result, at the date of transition, reserve for repair work of ¥87,060 million recognized under Japanese GAAP was reversed, while expenditures relating to large-scale regular maintenance performed in prior periods that met the capitalization criteria under IFRS were recognized as property, plant and equipment amounting to ¥83,990 million. During the comparative period for the fiscal year ending March 31, 2026, the repair reserve recognized under Japanese GAAP exceeded the depreciation expense relating to the previous large-scale regular maintenance that had been capitalized as property, plant and equipment under IFRS. As a result, gross profit increased by ¥4,469 million and ¥21,091 million for the first quarter of the fiscal year ended March 31, 2026 and the previous fiscal year, respectively.

In addition, under Japanese GAAP, assets related to the exploration, evaluation and development of oil and natural gas were included in “Other” within investments and other assets. Under IFRS, however, such assets are presented as property, plant and equipment. Furthermore, differences in the recognition and depreciation methods applied to these assets under Japanese GAAP and IFRS resulted in differences in their carrying amounts. As a result of reflecting these differences, property, plant and equipment increased by ¥72,095 million at the date of transition.

(f) Lease

Lease obligations included in “Other (current)” under Japanese GAAP are reclassified and presented as “Lease liabilities (current)” under IFRS. Lease obligations included in “Other (non-current)” under Japanese GAAP are reclassified and presented as “Lease liabilities (non-current)” under IFRS.

Under Japanese GAAP, lease transactions as a lessee were classified into finance leases and operating leases, and operating leases were accounted for in a manner similar to ordinary rental transactions. Under IFRS, leases as a lessee are not classified into finance leases and operating leases. Accordingly, all lease transactions are recognized as “Property, plant and equipment” and “Lease liabilities”, except for those that qualify for the recognition exemptions.

(g) Goodwill

Under Japanese GAAP, goodwill was amortized on a systematic basis. As goodwill is not amortized under IFRS, amortization ceased from the date of transition to IFRS.

In addition, under Japanese GAAP, impairment testing was performed only when there were indications of impairment. Under IFRS, goodwill is tested for impairment annually and whenever there is an indication of impairment. As a result of the impairment test performed on the date of transition to IFRS, the Group recognized an impairment loss of ¥90,034 million on goodwill relating to the Petroleum segment.

The impairment loss was recognized solely against goodwill, and no impairment loss was recognized for property, plant and equipment or other fixed assets within the relevant group of cash-generating units (“CGUs”).

The recoverable amount of the CGU group was determined based on value in use. The value in use was calculated by discounting to present value the estimated nominal future cash flows derived from a five-year business plan approved by management using a pre-tax discount rate. Such cash flow estimates reflect actual performance as of the date of transition, future supply and demand forecasts, large-scale regular maintenance plans, and future price assumptions. A terminal value, calculated using a medium- to long-term growth rate, was added to the forecast cash flows.

The medium- to long-term growth rate was determined to be negative 0.15%, taking into account, among other factors, the Seventh Strategic Energy Plan and petroleum products demand outlook published by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry, publicly available scenarios issued by the International Energy Agency (IEA) and other organizations, as well as long-term inflation expectations. The discount rate applied was 6.5% on a pre-tax basis, reflecting the risks specific to the relevant CGU group.

(h) Investment property

Investment property, which was included within property, plant and equipment under Japanese GAAP, has been reclassified and presented separately as investment property in accordance with the presentation requirements of IFRS.

(i) Investments accounted for using the equity method

“Investments accounted for using the equity method”, which was included in “Investment securities” under Japanese GAAP, is separately presented under IFRS.

Under IFRS, when long-term loans and other interests in an investee accounted for using the equity method form part of the net investment in the investee, the investor recognizes its share of the investee’s income or loss in accordance with IAS 28 after measuring such long-term interests in accordance with IFRS 9. As a result of applying the equity method, once the carrying amounts of both the equity interest and the long-term interests have been reduced to zero, further losses are recognized as liabilities only to the extent that the Group has incurred legal or constructive obligations, including obligations arising from guarantees. In relation to NSRP, a liability arising from the application of the equity method was recognized at the transition date for its cumulative losses, up to the amount of the contractual obligation associated with the completion guarantee provided in respect of the project financing arrangement. As a result, ¥113,196 million was recognized within “Other financial liabilities (current)”.

(j) Deferred tax assets and deferred tax liabilities

Upon adoption of IFRS, the Group reassessed the recoverability of all deferred tax assets. In addition, deferred tax assets and deferred tax liabilities have been recognized for temporary differences arising from adjustments made in the transition from Japanese GAAP to IFRS.

(k) Assets for employees’ retirement benefits

Under Japanese GAAP, assets for employees’ retirement benefits were separately presented. Under IFRS, such assets are presented within Other non-current assets. In addition, unlike Japanese GAAP, IFRS limits the net defined benefit asset recognized in the statement of financial position to the asset ceiling where a defined benefit plan is in a surplus position. As a result, retirement benefit assets decreased by ¥50,653 million.

(l) Trade and other payables

Payables that were separately presented under Japanese GAAP, together with other accrued expenses that had been included in Other current liabilities, have been reclassified to Trade and other payables under IFRS.

- (m) Bonds and borrowings  
“Short-term loans payable”, “Commercial paper”, and “Current portion of bonds payable”, which were separately presented as current liabilities under Japanese GAAP, are presented as “Bonds and borrowings (current)” under IFRS. “Bonds payable” and “Long-term loans payable”, which were separately presented as long-term liabilities under Japanese GAAP, are presented as “Bonds and borrowings (non-current)” under IFRS.
- (n) Asset retirement obligations  
Asset retirement obligations that were separately presented under Japanese GAAP have been reclassified and presented as “Provisions (non-current)” under IFRS.
- (o) Other current liabilities  
“Provision for bonuses”, which was separately presented in current liabilities under Japanese GAAP, is reclassified as “Other current liabilities” under IFRS. Under Japanese GAAP, unused paid absences were not accounted for; however, under IFRS, they are recognized as a liability and presented in “Other current liabilities”.
- (p) Cumulative exchange differences on translation of foreign operations  
Upon the first-time adoption of IFRS, the Group elected to apply exemptions provided under IFRS 1 and transferred all cumulative exchange differences on translation of foreign operations as of the transition date to retained earnings.
- (q) Surplus for land revaluation  
Under Japanese GAAP, pursuant to the Land Revaluation Act (Act No. 34 promulgated on March 31, 1998), land used for business purposes was revalued, with the related tax effect recognized as “Deferred tax liability related to land revaluation” and the resulting revaluation surplus recognized as “Surplus for land revaluation” within equity. Upon transition to IFRS, the related “Deferred tax liability related to land revaluation” and “Surplus for land revaluation” were reversed.
- (r) The scope of consolidation  
Under Japanese GAAP, subsidiaries whose impact on the consolidated financial statements was considered immaterial were excluded from the scope of consolidation.  
Under IFRS, control is assessed based on the substance of the relationship, including whether the Group has power over the activities that significantly affect the investee’s returns. Entities determined to be controlled are included in the scope of consolidation.

b) Reconciliation of retained earnings

|                                                                                                           | (Unit: ¥Million)                            |                                                                                               |                                                      |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------|
|                                                                                                           | Transition date<br>(As of April 1,<br>2025) | The end of the<br>first quarter of the<br>previous fiscal<br>year<br>(As of June 30,<br>2025) | Previous fiscal<br>year<br>(As of March 31,<br>2026) |
| Adjustments to the recorded amount of<br>property, plant and equipment<br>(excluding right-of-use assets) | (325,823)                                   | (334,572)                                                                                     | (323,710)                                            |
| Adjustments to the recorded amount of<br>goodwill and intangible assets                                   | (102,340)                                   | (99,890)                                                                                      | (92,801)                                             |
| Adjustments to other financial assets and<br>other financial liabilities                                  | (96,020)                                    | (80,321)                                                                                      | (114,905)                                            |
| Adjustments to deferred tax assets and<br>deferred tax liabilities                                        | 59,985                                      | 59,685                                                                                        | 57,421                                               |
| Adjustments to accrued paid absences                                                                      | (7,138)                                     | (7,077)                                                                                       | (8,259)                                              |
| Recognition of right-of-use assets and<br>lease liabilities                                               | (22,218)                                    | (19,576)                                                                                      | (13,590)                                             |
| Adjustments to post-employment benefits                                                                   | (21,015)                                    | (22,123)                                                                                      | (23,088)                                             |
| Adjustments to reserve for repair work                                                                    | 91,117                                      | 102,859                                                                                       | 104,409                                              |
| Adjustments to government grants                                                                          | (30,046)                                    | (29,003)                                                                                      | (30,149)                                             |
| Adjustments to surplus for land<br>revaluation                                                            | 137,848                                     | 137,845                                                                                       | 136,390                                              |
| Reclassification of cumulative exchange<br>differences on translation of foreign<br>operations            | 30,018                                      | 30,018                                                                                        | 30,018                                               |
| Differences in the scope of consolidation                                                                 | 17,064                                      | 17,532                                                                                        | 17,667                                               |
| Other                                                                                                     | 9,237                                       | 4,512                                                                                         | 2,865                                                |
| Total                                                                                                     | (259,334)                                   | (240,112)                                                                                     | (257,732)                                            |

c) Reconciliations of income or loss and comprehensive income  
For the Three Months Ended June 30, 2025 (April 1, 2025 - June 30, 2025)

(Unit: ¥Million)

| Line items under Japanese GAAP               | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes        | Line items under IFRS                                                |
|----------------------------------------------|---------------|------------------|--------------------------------------------|-----------|--------------|----------------------------------------------------------------------|
| Net sales                                    | 1,843,035     | —                | (7,308)                                    | 1,835,727 |              | Revenue                                                              |
| Cost of sales                                | 1,738,431     | 664              | (17,912)                                   | 1,721,184 | (e)          | Cost of sales                                                        |
| Gross profit                                 | 104,603       | (664)            | 10,604                                     | 114,543   |              | Gross profit                                                         |
| Selling, general and administrative expenses | 125,619       | (122,578)        | (3,041)                                    | —         | (a)(b)(d)(e) |                                                                      |
|                                              | —             | 91,258           | —                                          | 91,258    | (a)          | Selling expenses                                                     |
|                                              | —             | 30,655           | —                                          | 30,655    | (a)          | General and administrative expenses                                  |
|                                              | —             | 4,712            | 3,166                                      | 7,878     | (a)          | Other operating income                                               |
|                                              | —             | 2,481            | 2,064                                      | 4,545     | (a)          | Other operating expenses                                             |
| Operating income (loss)                      | (21,015)      | 2,230            | 14,746                                     | (4,038)   |              | Operating income (loss)                                              |
| Non-operating income                         | 13,505        | (13,505)         | —                                          | —         | (a)          |                                                                      |
| Non-operating expenses                       | 6,228         | (6,228)          | —                                          | —         | (a)          |                                                                      |
| Extraordinary income                         | 10,573        | (9,219)          | (1,353)                                    | —         | (a)(e)       |                                                                      |
| Extraordinary losses                         | 1,507         | (1,080)          | (427)                                      | —         | (a)(e)       |                                                                      |
|                                              | —             | 4,825            | 2,648                                      | 7,473     | (a)          | Share of profit of investments accounted for using the equity method |
|                                              | —             | 5,497            | 336                                        | 5,833     | (a)          | Interest income                                                      |
|                                              | —             | 9,533            | (308)                                      | 9,224     | (a)          | Other investment income                                              |
|                                              | —             | —                | 5                                          | 5         | (a)          | Other investment expenses                                            |
|                                              | —             | —                | —                                          | 18,488    |              | Income before financing and income tax                               |
|                                              | —             | 4,761            | 1,659                                      | 6,420     | (a)(e)       | Interest expenses related to borrowings and leasing liabilities      |
|                                              | —             | —                | 11,173                                     | 11,173    | (a)(f)       | Other financial income                                               |
|                                              | —             | 1,909            | (133)                                      | 1,775     | (a)          | Other financial expense                                              |
| Income (loss) before income taxes            | (4,672)       | —                | 26,139                                     | 21,466    |              | Income before tax                                                    |
| Income tax                                   | (9,385)       | —                | 3,213                                      | (6,171)   | (g)          | Income tax expense                                                   |
| Net income                                   | 4,712         | —                | 22,925                                     | 27,637    |              | Income                                                               |

(Unit: ¥Million)

| Line items under Japanese GAAP                                      | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS     | Notes | Line items under IFRS                                                                    |
|---------------------------------------------------------------------|---------------|------------------|--------------------------------------------|----------|-------|------------------------------------------------------------------------------------------|
| Net income                                                          | 4,712         | —                | 22,925                                     | 27,637   |       | Income                                                                                   |
| Other comprehensive income                                          |               |                  |                                            |          |       | Other comprehensive income                                                               |
|                                                                     |               |                  |                                            |          |       | Items that will not be reclassified to income or loss                                    |
| Unrealized gain on available-for-sale securities                    | 73            | —                | (1,379)                                    | (1,305)  | (e)   | Financial assets measured at fair value through other comprehensive income               |
| Defined retirement benefit plans                                    | (805)         | —                | 807                                        | 2        | (c)   | Remeasurements of defined benefit plans                                                  |
|                                                                     | —             | (44)             | —                                          | (44)     |       | Share of other comprehensive income of investments accounted for using the equity method |
|                                                                     |               |                  |                                            |          |       | Items that may be reclassified subsequently to income or loss                            |
| Deferred gains (losses) on hedging activities, net                  | (533)         | —                | (1,185)                                    | (1,718)  |       | Cash flow hedges                                                                         |
| Foreign currency translation adjustments                            | (15,806)      | —                | 2,496                                      | (13,310) | (h)   | Exchange differences on translation of foreign operations                                |
| Share of other comprehensive income in the equity method affiliates | (1,079)       | 44               | 157                                        | (877)    | (h)   | Share of other comprehensive income of investments accounted for using the equity method |
| Total other comprehensive income                                    | (18,151)      | —                | 896                                        | (17,254) |       | Other comprehensive income, net of tax                                                   |
| Comprehensive income                                                | (13,438)      | —                | 23,822                                     | 10,383   |       | Comprehensive income                                                                     |

For the fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(Unit: ¥Million)

| Line items under Japanese GAAP               | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS      | Notes        | Line items under IFRS                                                       |
|----------------------------------------------|---------------|------------------|--------------------------------------------|-----------|--------------|-----------------------------------------------------------------------------|
| Net sales                                    | 8,105,891     | (6,208)          | (45,414)                                   | 8,054,269 |              | Revenue                                                                     |
| Cost of sales                                | 7,351,406     | (2,016)          | (87,947)                                   | 7,261,443 | (e)          | Cost of sales                                                               |
| Gross profit                                 | 754,484       | (4,192)          | 42,532                                     | 792,825   |              | Gross profit                                                                |
| Selling, general and administrative expenses | 542,280       | (544,197)        | 1,916                                      | —         | (a)(b)(d)(e) |                                                                             |
|                                              | —             | 394,549          | —                                          | 394,549   | (a)          | Selling expenses                                                            |
|                                              | —             | 146,259          | —                                          | 146,259   | (a)          | General and administrative expenses                                         |
|                                              | —             | 33,746           | 18,427                                     | 52,174    | (a)          | Other operating income                                                      |
|                                              | —             | 40,732           | 22,393                                     | 63,126    | (a)          | Other operating expenses                                                    |
| Operating income (loss)                      | 212,203       | (7,789)          | 36,650                                     | 241,064   |              | Operating income (loss)                                                     |
| Non-operating income                         | 44,910        | (44,910)         | —                                          | —         | (a)          |                                                                             |
| Non-operating expenses                       | 27,467        | (27,467)         | —                                          | —         | (a)          |                                                                             |
| Extraordinary income                         | 27,529        | (21,130)         | (6,399)                                    | —         | (a)(e)       |                                                                             |
| Extraordinary losses                         | 35,039        | (32,150)         | (2,889)                                    | —         | (a)(e)       |                                                                             |
|                                              | —             | 3,640            | (8,614)                                    | (4,973)   | (a)          | Share of profit (loss) of investments accounted for using the equity method |
|                                              | —             | 22,103           | 1,032                                      | 23,135    | (a)          | Interest income                                                             |
|                                              | —             | 23,113           | (3,341)                                    | 19,771    | (a)          | Other investment income                                                     |
|                                              | —             | 2,973            | 4,994                                      | 7,968     | (a)          | Other investment expenses                                                   |
|                                              | —             | —                | —                                          | 271,029   |              | Income before financing and income tax                                      |
|                                              | —             | 21,021           | 5,687                                      | 26,709    | (a)(e)       | Interest expenses related to borrowings and leasing liabilities             |
|                                              | —             | —                | 5,842                                      | 5,842     | (a)(f)       | Other financial income                                                      |
|                                              | —             | 10,650           | 1,906                                      | 12,557    | (a)          | Other financial expense                                                     |
| Income (loss) before income taxes            | 222,136       | —                | 15,469                                     | 237,605   |              | Income before tax                                                           |
| Income tax-current                           | 66,244        | (9,209)          | 4,373                                      | 61,408    | (g)          | Income tax expense                                                          |
| Income tax-deferred                          | (9,209)       | 9,209            | —                                          | —         | (g)          |                                                                             |
| Net income                                   | 165,100       | —                | 11,095                                     | 176,196   |              | Income                                                                      |

(Unit: ¥Million)

| Line items under Japanese GAAP                                      | Japanese GAAP | Reclassification | Differences in recognition and measurement | IFRS    | Notes | Line items under IFRS                                                                    |
|---------------------------------------------------------------------|---------------|------------------|--------------------------------------------|---------|-------|------------------------------------------------------------------------------------------|
| Net income                                                          | 165,100       | —                | 11,095                                     | 176,196 |       | Income                                                                                   |
| Other comprehensive income                                          |               |                  |                                            |         |       | Other comprehensive income                                                               |
|                                                                     |               |                  |                                            |         |       | Items that will not be reclassified to income or loss                                    |
|                                                                     |               |                  |                                            |         |       | Financial assets measured at fair value through other comprehensive income               |
| Unrealized gain on available-for-sale securities                    | 1,950         | —                | (1,819)                                    | 130     | (e)   |                                                                                          |
| Defined retirement benefit plans                                    | 7,232         | —                | (1,269)                                    | 5,962   | (c)   | Remeasurements of defined benefit plans                                                  |
| Surplus from land revaluation                                       | (449)         | —                | 449                                        | —       |       |                                                                                          |
|                                                                     | —             | (152)            | (6,016)                                    | (6,168) |       | Share of other comprehensive income of investments accounted for using the equity method |
|                                                                     |               |                  |                                            |         |       | Items that may be reclassified subsequently to income or loss                            |
| Deferred gains (losses) on hedging activities, net                  | 3,250         | —                | (898)                                      | 2,351   |       | Cash flow hedges                                                                         |
| Foreign currency translation adjustments                            | 59,732        | —                | 22,010                                     | 81,742  | (h)   | Exchange differences on translation of foreign operations                                |
| Share of other comprehensive income in the equity method affiliates | 6,039         | 152              | 1,916                                      | 8,107   | (h)   | Share of other comprehensive income of investments accounted for using the equity method |
| Total other comprehensive income                                    | 77,755        | —                | 14,371                                     | 92,126  |       | Other comprehensive income, net of tax                                                   |
| Comprehensive income                                                | 242,856       | —                | 25,466                                     | 268,322 |       | Comprehensive income                                                                     |

## Notes on adjustment of income and comprehensive income

### (a) Adjustments to line items presented in the statement of income or loss

Under Japanese GAAP, selling expenses and general and administrative expenses were included in “Selling, general and administrative expenses”. Under IFRS, such expenses are presented separately as either “Selling expenses” or “General and administrative expenses”. In addition, foreign exchange gains and losses that were separately presented as “Foreign exchange gains” and “Foreign exchange losses” under Japanese GAAP are presented under IFRS according to the nature of the underlying transactions. Foreign exchange gains and losses arising from operating activities are presented as “Other operating income” and “Other operating expenses”, respectively; those arising from investing activities are presented as “Other investment income” and “Other investment expenses”, respectively; and those arising from transactions solely related to financing activities are presented as “Other financial income” and “Other financial expense”, respectively.

Furthermore, items that were presented as “Non-operating income”, “Non-operating expenses”, “Extraordinary income”, and “Extraordinary losses” under Japanese GAAP are presented under IFRS based on their nature. Interest income is presented as “Interest income”; investment-related income and expenses other than interest income are presented as “Other investment income” and “Other investment expenses”; interest expenses on borrowings and leasing liabilities are presented as “Interest expenses on borrowings and leasing liabilities”; and finance-related income and expenses other than such interest expenses are presented as “Other financial income” and “Other financial expense”. Other items are presented as “Other operating income”, “Other operating expenses”, “Share of profit of investments accounted for using the equity method”, and other appropriate line items.

### (b) Cessation of amortization of goodwill

Under Japanese GAAP, goodwill is amortized. However, goodwill is not amortized under IFRS. Goodwill amortization expense recognized under Japanese GAAP was included in “Selling, general and administrative expenses” and amounted to ¥2,321 million and ¥9,015 million for the three-month period ended June 30, 2025 and the fiscal year ended March 31, 2026, respectively.

### (c) Accounting method for retirement benefit liability

Under Japanese GAAP, actuarial gains and losses and past service cost were recognized in other comprehensive income as incurred and expensed on a straight-line basis over a certain number of years within the average remaining service period of employees, starting in the following fiscal year of the incurrence. Under IFRS, actuarial gains and losses are recognized in other comprehensive income as incurred and immediately transferred to retained earnings, and past service cost is recognized in income or loss as incurred.

### (d) Unused paid absences

Under Japanese GAAP, unused paid absences were not accounted for. Under IFRS, they are recognized and presented in “Selling expenses” and “General and administrative expenses”.

(e) Adjustments related to financial instruments

Under Japanese GAAP, gains or losses on sales of investment securities or impairment losses were recognized and presented as “extraordinary income” and “extraordinary losses”. Under IFRS, for equity instruments designated as financial assets measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income and, upon derecognition, are transferred to retained earnings. In addition, under Japanese GAAP, lease payments for operating leases were recognized in “Cost of sales” and “Selling, general and administrative expenses”; however, under IFRS, recognition of lease liabilities is generally required for all leases, and interest expense is recognized in “Interest expenses related to borrowings and leasing liabilities”.

(f) Other financial income

Under Japanese GAAP, accelerated share repurchase transactions were accounted for as a single transaction for the acquisition of treasury stock, and no gain or loss was recognized during the comparative periods. Under IFRS, the price adjustment component of such transactions, under which the final number of shares to be delivered or the final settlement amount varies based on the average share price or other factors, is recognized as a derivative in accordance with IAS 32. The derivative is measured at fair value, and changes in its fair value are recognized in income or loss.

As a result, “Other financial income” increased by ¥11,169 million and ¥5,815 million for the three-month period ended June 30, 2025 and the fiscal year ended March 31, 2026, respectively.

(g) Income tax expense

Under Japanese GAAP, “Income taxes-current” and “Income taxes-deferred” were presented separately. Under IFRS, they are presented in total as “Income tax expense”.

(h) Exchange differences on translation of foreign operations and share of other comprehensive income of investments accounted for using the equity method

Under Japanese GAAP, foreign subsidiaries and equity-accounted investees with different reporting dates were translated using the foreign exchange rates prevailing at their respective reporting dates. Under IFRS, in principle, such entities are translated using the foreign exchange rates at the end of the reporting period after aligning the reporting dates.

As a result, differences arise in the exchange differences on translation of foreign operations and share of other comprehensive income of investments accounted for using the equity method presented in the statement of comprehensive income due to the use of different exchange rates under Japanese GAAP and IFRS.