

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

August 9, 2024

Company name: Fuji Oil Company, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5017
 URL: <https://www.foc.co.jp>
 Representative: Shigeto Yamamoto, Representing Director, President
 Inquiries: Ryuji Suzuki, General Manager, General Administration Department
 Telephone: +81-3-5462-7803
 Scheduled date to commence dividend payments: -
 Preparation of supplementary materials on financial results: Yes (Japanese only)
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the three months ended June 30, 2024	235,478	90.2	6,123	129.6	6,635	96.3	5,094	76.6
For the three months ended June 30, 2023	123,780	(40.6)	2,667	(85.1)	3,379	(81.9)	2,885	(81.6)

(Note) Total comprehensive income:
 For the three months ended June 30, 2024: 9,044 million yen [220.7%]
 For the three months ended June 30, 2023: 2,819 million yen [-83.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
For the three months ended June 30, 2024	66.02	-
For the three months ended June 30, 2023	37.39	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	412,363	94,236	22.8
As of March 31, 2024	389,960	86,350	22.1

(Reference)Equity: As of June 30, 2024: 94,034 million yen
 As of March 31, 2024: 86,155 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	0.00	-	15.00	15.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		0.00	-	12.00	12.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	431,300	34.9	2,900	(76.3)	3,200	(76.4)	100	(99.1)	1.30
Full year	832,400	15.0	7,900	(51.2)	7,700	(58.9)	4,400	(71.6)	57.02

(Note) Revisions to the forecast of the financial results most recently announced: Yes

*Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024 : None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None
- (3) Changes in accounting policies and accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
 - (ii) Changes in accounting policies due to reasons other than (i) : None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatement : None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period (cumulative)

As of June 30, 2024	78,183,677 shares	As of March 31, 2024	78,183,677 shares
As of June 30, 2024	1,020,912 shares	As of March 31, 2024	1,020,912 shares
For the three months ended June 30, 2024	77,162,765 shares	For the three months ended June 30, 2023	77,162,767 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: Yes (voluntary)

* Proper use of financial results forecast, and other special matters

The forward-looking statements, such as financial results forecasts contained in this document, are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual financial results may differ significantly from the forecasts due to various factors. For the assumptions underlying the financial results forecasts and cautions concerning the use thereof, please refer to "Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Statements" on page 3 of the attachment.

○ Table of Contents of Attachment

1. Qualitative Information on Financial Results for the First Three Months of the Current Fiscal Year	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Positions	3
(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Statements	4
2. Quarterly Consolidated Financial Statements and Significant Notes Thereto	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income.....	7
(3) Notes to Quarterly Consolidated Financial Statements	9
(Notes on Financial Reporting Framework).....	9
(Notes on Going Concern Assumption)	9
(Notes on Significant Changes in the Amount of Shareholders' Equity).....	9
(Quarterly Consolidated Balance Sheet-Related).....	9
(Shareholders' Equity, etc.-Related).....	9
(Segment Information, etc.)	10
(Notes on Consolidated Statement of Cash Flows).....	10
(Revenue Recognition-Related).....	10
(Per Share Information)	11
(Significant Subsequent Events)	11

1. Qualitative Information on Financial Results for the First Three Months of the Current Fiscal Year

(1) Explanation of Operating Results

Dubai crude oil prices for the first quarter of the current fiscal year started at the US\$87/bbl level. However, the price rose to the US\$90/bbl level. The reason is that Israel's attack on the Iranian embassy in Syria in early April raised fears that the fighting would spread to neighboring countries. Thereafter, crude oil prices remained subdued as the retaliatory attacks by both countries remained minor and excessive caution over the situation in the Middle East receded, and there was a view that the high interest rate policy of the U.S. would be prolonged. In June, there were announcements of coordinated production cuts by OPEC Plus and the extension of voluntary production cuts by certain oil-producing countries. However, when it became clear that the production cuts were expected to be phased out from October onward, the oil supply-demand balance loosened. As a result, crude oil prices temporarily fell to the US\$77/bbl level. Thereafter, crude oil was bought back due to heightened geopolitical risks caused by intensified fighting between Israel and Hezbollah, and closed the quarter at the US\$85/bbl level. As a result, it marked about US\$85/bbl on a quarterly average basis.

On the other hand, in the foreign exchange market, there was a period of temporary appreciation of the yen due to foreign exchange intervention by the government and the Bank of Japan. However, the yen essentially depreciated throughout the quarter due to receding expectations for interest rate cuts owing to persistent inflationary pressures in the U.S., as well as the continuation of the accommodative monetary policy by the Bank of Japan. As a result, the dollar/yen rate rose from the low ¥151/US\$ range at the beginning of the period to the low ¥161/US\$ range at the end. The average rate during the period was in the high ¥155/US\$ range.

Under such business environment, the volume of crude oil processed at the Sodegaura Refinery increased by 0.772 million kiloliters year on year to 1.990 million kiloliters due to the elimination of the impact of the biennial minor periodic shutdown maintenance (SDM) executed between May and June of the previous year. The Company's sales volume of petroleum products, petrochemical products and others also increased by 0.899 million kiloliters to 2.198 million kiloliters.

Given such circumstances, the consolidated financial results for the first three months ended June 30, 2024 were as follows:

Net sales were 235.4 billion yen, up 111.6 billion yen from the same period of a year earlier, due in large part to an increase in sales volumes caused by the elimination of the impact of the minor periodic SDM. Looking at profit and loss for the period, the positive effect of inventory valuation (i.e., effect on cost of sales arising from inventory valuation using the gross average method and the lower of cost or market method) pushed down the cost of sales by 4.6 billion yen (in the same period of a year earlier, the positive effect of inventory valuation pushed down the cost of sales by 3.5 billion yen). As a result, operating profit was 6.1 billion yen, an increase of 3.4 billion yen from the same period of a year earlier. Ordinary profit was 6.6 billion yen, an increase of 3.2 billion yen year on year, mainly due to the recording of 0.5 billion yen in interest expenses despite the reporting of 0.4 billion yen in foreign exchange gains and 0.6 billion yen in equity in earnings of affiliates, and others. Profit attributable to owners of parent was 5.0 billion yen, an increase of 2.2 billion yen year on year, mainly due to recording a 0.1 billion yen loss on retirement of non-current assets and a 0.4 billion yen Repayment of the examination by the Regional Taxation Bureau.

As for profit in real terms, excluding the effect of the inventory valuation, operating profit and ordinary profit excluding the effect of inventory valuation amounted to 1.4 billion yen (an increase of 2.3 billion yen year on year) and 1.9 billion yen (an increase of 2.1 billion yen year on year), respectively, primarily due to the elimination of the impact of the minor periodic SDM.

(2) Explanation of Financial Positions

(Current assets)

At the end of the first quarter of the fiscal year under review, current assets totaled 283.1 billion yen, an increase of 21.4 billion yen compared with the end of the previous fiscal year. This was mainly due to a 14.5 billion yen increase in notes and accounts receivable - trade and a 6.2 billion yen increase in cash and deposits.

(Non-current assets)

At the end of the first quarter of the fiscal year under review, non-current assets totaled 129.2 billion yen, an increase of 0.9 billion yen compared with the end of the previous fiscal year. This was mainly due to a 2.4 billion yen increase in investment securities, a 1.2 billion yen decrease in machinery, equipment and vehicles, and a 0.2 billion yen decrease in land.

(Current liabilities)

At the end of the first quarter of the fiscal year under review, current liabilities totaled 279.1 billion yen, an increase of 15.9 billion yen compared with the end of the previous fiscal year. This was mainly due to a 10.4 billion yen increase in accounts payable - trade, a 9.5 billion yen increase in excise taxes payable on gasoline and other fuels, a 2.3 billion yen increase in accounts payable - other, and a 1.6 billion yen decrease in short-term loans payable.

(Non-current liabilities)

At the end of the first quarter of the fiscal year under review, non-current liabilities totaled 38.9 billion yen, a decrease of 1.4 billion yen compared with the end of the previous fiscal year. This was mainly due to a 1.3 billion yen decrease in long-term loans payable.

(Net assets)

At the end of the first quarter of the fiscal year under review, net assets totaled 94.2 billion yen, an increase of 7.8 billion yen compared with the end of the previous fiscal year. This was mainly due to a 3.9 billion yen increase in retained earnings, a 2.2 billion yen increase in foreign currency translation adjustments, and a 1.7 billion yen increase in deferred gains or losses on hedges.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Statements

Considering the trends in business performance since the previous forecast (announced on May 10, 2024), the Company has revised its forecasts for the first half and full year of the fiscal year.

The revised forecast is based on the assumption that the Dubai crude oil price will be US\$80/bbl from the second quarter onward (previous forecast: US\$80/bbl) and that the exchange rate will be ¥150/US\$ (previous forecast: ¥150/US\$).

For the six months ending September 30, 2024, the sales volume is expected to decrease due to the temporary shutdown of equipment caused by the lightning strike in late July and the revision of production plans. However, selling prices have increased due to factors such as firm crude oil prices in the three months ended June 30, 2024. As a result, net sales are expected to be 431.3 billion yen, up 1.1 billion yen from the previous forecast. For the full year, net sales are expected to be 832.4 billion yen, up 2.5 billion yen from the previous forecast.

Looking at profit and loss for the period, the cost increase factor stemming from the effect of the inventory valuation, which was expected to arise in the previous forecast, is now expected to become a cost decrease factor. However, due to the aforementioned temporary suspension of equipment due to lightning strikes and the revision of production plans, the Company expects operating profit of 2.9 billion yen (down 1.5 billion yen from the previous forecast) and ordinary profit of 3.2 billion yen (down 0.7 billion yen from the previous forecast) for the six months ending September 30, 2024. On July 1, the Company transferred all shares of its indirectly held consolidated subsidiary TOKYO PETROLEUM INDUSTRIAL COMPANY, LTD. The transfer of these shares is expected to result in an extraordinary loss of approximately 1.1 billion yen for the six months ending September 30, 2024. For these and other reasons, profit attributable to owners of the parent for the six months ending September 30, 2024, is expected to be 0.1 billion yen (down 2.6 billion yen from the previous forecast). For the full year, operating profit is expected to be 7.9 billion yen (down 1.5 billion yen from the previous forecast), ordinary profit is expected to be 7.7 billion yen (down 0.7 billion yen from the previous forecast), and profit attributable to owners of parent is expected to be 4.4 billion yen (down 2.6 billion yen from the previous forecast).

As for profit in real terms, excluding the effect of the inventory valuation, the Company expects operating profit equivalent to 1.1 billion yen (down 3.5 billion yen from the previous forecast) and ordinary profit equivalent to 1.4 billion yen (down 2.7 billion yen from the previous forecast) for the six months ending September 30, 2024. The Company also expects operating profit equivalent to 6.8 billion yen (down 2.8 billion yen from the previous forecast) and ordinary profit equivalent to 6.6 billion yen (down 2.0 billion yen from the previous forecast) for the full year.

The above forecasts are based on information available as of the date of publication of this document. Actual results may differ from the forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of the end of the previous fiscal year (March 31, 2024)	As of the end of first quarter of the fiscal year under review (June 30, 2024)
Assets		
Current assets		
Cash and deposits	13,801	20,009
Notes and accounts receivable - trade	84,380	98,890
Securities	500	400
Inventories	154,249	156,618
Accounts receivable - other	6,788	5,422
Other	1,969	1,758
Total current assets	261,690	283,101
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,560	11,510
Storage tanks, net	2,483	2,372
Machinery, equipment and vehicles, net	27,628	26,410
Land	51,314	51,089
Construction in progress	1,667	1,941
Other, net	579	549
Total property, plant and equipment	95,234	93,874
Intangible assets		
Software	665	615
Other	244	241
Total intangible assets	909	856
Investments and other assets		
Investment securities	30,459	32,913
Long-term loans receivable	641	641
Net defined benefit asset	955	944
Other	476	436
Allowance for doubtful accounts	(407)	(405)
Total investments and other assets	32,125	34,531
Total non-current assets	128,269	129,262
Total assets	389,960	412,363

(Millions of yen)

	As of the end of the previous fiscal year (March 31, 2024)	As of the end of first quarter of the fiscal year under review (June 30, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	59,487	69,911
Short-term loans payable	132,303	130,677
Current portion of long-term loans payable	9,259	8,870
Accounts payable - other	24,827	27,221
Excise taxes payable on gasoline and other fuels	22,279	31,788
Income taxes payable	2,617	837
Provision for bonuses	355	152
Other	12,092	9,699
Total current liabilities	263,222	279,158
Non-current liabilities		
Long-term loans payable	19,813	18,421
Deferred tax liabilities	9,651	8,773
Provision for special repairs	2,874	2,882
Provision for repairs	5,797	6,776
Net defined benefit liability	1,615	1,645
Provision for directors' retirement benefits	26	27
Other	606	442
Total non-current liabilities	40,387	38,968
Total liabilities	303,609	318,127
Net assets		
Shareholders' equity		
Capital stock	24,467	24,467
Capital surplus	25,495	25,495
Retained earnings	33,398	37,337
Treasury stock	(1,271)	(1,271)
Total shareholders' equity	82,090	86,029
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,472	1,475
Deferred gains or losses on hedges	(2,633)	(891)
Revaluation reserve for land	1	1
Foreign currency translation adjustments	4,544	6,756
Remeasurements of defined benefit plans	680	663
Total accumulated other comprehensive income	4,064	8,005
Non-controlling interests	194	201
Total net assets	86,350	94,236
Total liabilities and net assets	389,960	412,363

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
Quarterly consolidated statement of income
First three months

(Millions of yen)

	First three months of the previous fiscal year (From April 1, 2023 to June 30, 2023)	First three months of the fiscal year under review (From April 1, 2024 to June 30, 2024)
Net sales	123,780	235,478
Cost of sales	119,878	227,700
Gross profit	3,902	7,778
Selling, general and administrative expenses	1,234	1,654
Operating profit	2,667	6,123
Non-operating income		
Interest income	45	62
Dividend income	45	49
Foreign exchange gains	427	408
Share of profit of entities accounted for using equity method	741	636
Rent income from storage tanks	51	49
Other	13	34
Total non-operating income	1,325	1,241
Non-operating expenses		
Interest expenses	396	527
Rent expenses on storage tanks	52	53
Other	163	148
Total non-operating expenses	613	729
Ordinary profit	3,379	6,635
Extraordinary income		
Gain on sales of non-current assets	1	1
Total extraordinary income	1	1
Extraordinary losses		
Loss on retirement of non-current assets	0	136
Loss on sales of non-current assets	-	94
Repayment of the examination by the Regional Taxation Bureau	-	458
Loss on cancellation of leases	0	-
Total extraordinary losses	0	689
Profit before income taxes	3,380	5,947
Income taxes - current	530	724
Income taxes - deferred	(40)	119
Total income taxes	489	844
Profit	2,891	5,103
Profit attributable to non-controlling interests	6	8
Profit attributable to owners of parent	2,885	5,094

Quarterly consolidated statement of comprehensive income
First three months

(Millions of yen)

	First three months of the previous fiscal year (From April 1, 2023 to June 30, 2023)	First three months of the fiscal year under review (From April 1, 2024 to June 30, 2024)
Profit	2,891	5,103
Other comprehensive income		
Valuation difference on available-for-sale securities	97	3
Deferred gains or losses on hedges	(334)	1,742
Foreign currency translation adjustments	32	384
Remeasurements of defined benefit plans, net of tax	(17)	(16)
Share of other comprehensive income of entities accounted for using equity method	151	1,827
Total other comprehensive income	(71)	3,940
Comprehensive income	2,819	9,044
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,813	9,035
Comprehensive income attributable to non-controlling interests	6	8

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Financial Reporting Framework)

The Company's quarterly consolidated financial statements were prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. and the Accounting Standards for Quarterly Financial Statements that are generally accepted in Japan.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Quarterly Consolidated Balance Sheet-Related)

Contingent liabilities

The Company guarantees the following debts of employees or companies other than consolidated companies.

	As of the end of the previous fiscal year (March 31, 2024)	As of the end of first quarter of the fiscal year under review (June 30, 2024)
Employee (ownership of own home)		
Debt obligations from financial institutions	2 million yen	2 million yen
JAPAN BIOFUELS SUPPLY LLP		
Debt guarantee on overdraft agreement, deferred payment of import consumption taxes, and letter of credit transaction agreement	1,353 million yen	3,482 million yen

(Shareholders' Equity, etc.-Related)

First three months of the previous fiscal year (From April 1, 2023 to June 30, 2023)

1. Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Reference date	Effective date	Source of dividends
Annual General Meeting of Shareholders on June 28, 2023	Common stock	773	10	March 31, 2023	June 29, 2023	Retained earnings

2. Dividends whose record date fell in the first quarter of the current consolidated fiscal year but whose effective date falls after the end of the first quarter of the current consolidated fiscal year
Not applicable.

First three months of the fiscal year under review (From April 1, 2024 to June 30, 2024)

1. Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Reference date	Effective date	Source of dividends
Annual General Meeting of Shareholders on June 26, 2024	Common stock	1,159	15	March 31, 2024	June 27, 2024	Retained earnings

2. Dividends whose record date fell in the first quarter of the current consolidated fiscal year but whose effective date falls after the end of the first quarter of the current consolidated fiscal year
Not applicable.

(Segment Information, etc.)

First three months of the previous fiscal year (from April 1, 2023 to June 30, 2023) and first three months of the fiscal year under review (from April 1, 2024 to June 30, 2024)

Segment information is omitted as the consolidated Group has only one segment consisting of the petroleum refining and sales business.

(Notes on Consolidated Statement of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the first three months of the fiscal year under review. Depreciation, including amortization related to intangible assets, for the first three months under review is as shown below.

	First three months of the previous fiscal year (From April 1, 2023 to June 30, 2023)	First three months of the fiscal year under review (From April 1, 2024 to June 30, 2024)
Depreciation and amortization	1,869 million yen	1,956 million yen

(Revenue Recognition-Related)

Information on the breakdown of revenue from contracts with customers

First three months of the previous fiscal year (From April 1, 2023 to June 30, 2023)

	(Millions of yen)		
	Petroleum products	Other	Total
Revenue from contracts with customers	120,913	1,241	122,155
Other revenue	1,625	-	1,625
Sales to external customers	122,538	1,241	123,780

(Note) "Revenue from contracts with customers" mainly consists of "revenue from goods or services transferred to customers at a single point in time," while the rest is insignificant. "Other revenue" reflects a subsidy received under the "project for measures to mitigate drastic changes in fuel oil prices." This is a measure based on the Japanese government's "comprehensive emergency measures for oil price and price hikes" during the COVID-19 pandemic.

First three months of the fiscal year under review (From April 1, 2024 to June 30, 2024)

	(Millions of yen)		
	Petroleum products	Other	Total
Revenue from contracts with customers	228,027	1,001	229,028
Other revenue	6,449	-	6,449
Sales to external customers	234,477	1,001	235,478

(Note) "Revenue from contracts with customers" mainly consists of "revenue from goods or services transferred to customers at a single point in time," while the rest is insignificant. "Other revenue" reflects a subsidy received under the "project for measures to mitigate drastic changes in fuel oil prices." This is a measure based on the Japanese government's "comprehensive emergency measures for oil price and price hikes" during the COVID-19 pandemic.

(Per Share Information)

Basic earnings per share and the basis for calculation thereof are as follows.

Item	First three months of the previous fiscal year (From April 1, 2023 to June 30, 2023)	First three months of the fiscal year under review (From April 1, 2024 to June 30, 2024)
Basic earnings per share	37.39 yen	66.02 yen
(Basis for calculation)		
Profit attributable to owners of parent (million yen)	2,885	5,094
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent of common stock (million yen)	2,885	5,094
Average number of shares of common stock outstanding during the period	77,162,767	77,162,765

(Note) Diluted earnings per share is not stated because there are no dilutive shares.

(Significant Subsequent Events)

(Sale of shares of subsidiary resulting in change in scope of consolidation)

The Company's consolidated subsidiaries, Fuji Oil Sales Company, Ltd. and Arabian Oil Company, Ltd., sold all of their respective shares in TOKYO PETROLEUM INDUSTRIAL COMPANY, LTD. on July 1, 2024.

(1) Reason for sale of shares

The Company's corporate group needs to concentrate its management resources on strengthening the competitiveness of its refining business and becoming carbon neutral. In order to further promote this policy, the Company's corporate group reviewed its business portfolio and decided to transfer all shares in TOKYO PETROLEUM INDUSTRIAL COMPANY, LTD. held by the group.

(2) Date of sale

July 1, 2024

(3) Overview of subsidiary to be sold

Name	TOKYO PETROLEUM INDUSTRIAL COMPANY, LTD.
Description of business	Manufacturing and sale of asphalt mixture for road pavement Recycling of road pavement materials, etc., by means of industrial waste processing Pavement construction contract

(4) Impact of the sale on the Company's consolidated financial results

Loss on sales of subsidiary's stock	1,143 million yen
-------------------------------------	-------------------