

Financial Results

For the fiscal year ended March 2024

May 15, 2024

Total Shareholder Return Since Listing (TSR)

	TOPIX share index with dividends Included	Total shareholder return of HIKARI TSUSHIN		TOPIX share index with dividends Included	Total shareholder return of HIKARI TSUSHIN		TOPIX share index with dividends Included	Total shareholder return of HIKARI TSUSHIN
1996/8	(0.2%)	186.6%	2010/3	(28.1%)	(41.0%)	2020/3	(9.5%)	(10.5%)
1997/8	(6.7%)	(31.9%)	2011/3	(34.8%)	(30.3%)	2021/3	42.1%	22.2%
1998/8	(21.8%)	(22.7%)	2012/3	28.5%	(11.2%)	2022/3	2.0%	(30.8%)
1999/8	32.9%	1241.6%	2013/3	(9.2%)	8.0%	2023/3	5.8%	29.4%
2000/8	4.4%	(90.4%)	2014/3	0.6%	38.4%	2024/3	41.3%	45.4%
2001/8	(26.4%)	(74.4%)	2015/3	23.8%	78.5%			
2002/3	(3.1%)	2.1%	2016/3	18.6%	71.6%	1996-2024 Annual average growth rate	3.8%	9.1%
2003/3	(24.8%)	(2.7%)	2017/3	30.7%	(7.9%)	1996-2024 Total growth rate	287%	1,148%
2004/3	51.1%	290.5%	2018/3	(10.8%)	10.8%			
2005/3	1.4%	36.3%	2019/3	14.7%	25.8%			
2006/3	47.8%	12.9%	2020/3	15.9%	51.8%			
2007/3	0.3%	(32.5%)	2021/3	(5.0%)	22.9%			

Annual Growth Rate for 10 Fiscal Years (1)

(Billion JPY)

	Revenue			Recurring profit			Operating profit			Income before tax	Net income
	Total	In-house products	Third-party products	Total	In-house products	Third-party products	Total	In-house products	Third-party products		
14/3	565.1	78.0	489.5	53.1	19.1	33.9	31.7	8.7	27.9	49.6	29.3
15/3	562.5	86.4	479.3	60.4	25.0	35.3	32.0	5.4	32.3	45.8	20.7
16/3	447.6	120.0	330.1	68.6	32.3	36.2	37.6	8.6	34.3	47.9	22.5
17/3	428.9	146.8	284.0	74.1	40.3	33.8	41.5	11.1	35.1	32.7	39.0
18/3	427.5	216.4	212.8	81.1	50.9	30.2	49.4	22.5	30.3	53.7	42.9
19/3	484.3	282.1	204.5	92.0	64.3	27.7	64.2	38.3	27.9	71.5	49.5
20/3	524.5	337.6	189.4	113.3	87.9	25.4	73.0	45.8	28.4	80.0	51.6
21/3	559.4	398.8	161.8	108.3	83.3	25.0	69.2	47.3	24.2	82.1	54.6
22/3	573.0	427.4	147.5	127.0	102.3	24.6	83.5	64.9	21.2	108.5	87.5
23/3	643.9	524.0	122.0	127.0	107.2	19.8	86.6	55.0	34.4	118.4	91.3
24/3	601.9	495.8	108.9	151.0	137.0	14.0	94.5	87.7	11.4	168.0	122.2
Average growth rate for 10 fiscal years	(0.6%)	20%	(13%)	11%	22%	(8%)	12%	26%	(9%)	12%	15%

* The total does not match the breakdown because intercompany eliminations and others are omitted from the presentation.

Annual Growth Rate for 10 Fiscal Years (2)

(Billion JPY)	BS					Per Share			Shareholder Return		Capital Efficiency	
	Net Cash Assets	Total assets	Net Assets	Net Asset before Shareholder return	Equity	EPS (Yen)	BPS (Yen)	Dividend (Yen)	Acquisition of the Company's own share	Dividend payment amount	Hypothetical Consolidated ROA	Hypothetical Consolidated ROE
14/3	114.9	338.8	143.6	108.5	130.0	623	2,842	140	22.0	6.4	-	-
15/3	104.2	393.3	175.5	144.4	161.2	450	3,488	160	1.3	7.3	-	-
16/3	68.2	408.0	172.7	148.1	158.6	485	3,413	186	3.0	8.6	-	-
17/3	74.7	511.4	193.6	184.4	180.4	840	3,896	240	4.3	11.1	-	-
18/3	115.8	685.6	241.5	249.0	225.2	927	4,878	300	3.0	13.8	-	-
19/3	139.4	804.2	273.5	303.1	257.2	1,075	5,607	351	6.0	16.1	-	-
20/3	195.2	972.0	318.5	366.7	285.7	1,126	6,227	402	0.0	18.4	9.8%	23.2%
21/3	321.4	1,256.8	429.0	498.0	393.4	1,190	8,574	456	0.0	20.9	10.2%	18.8%
22/3	343.6	1,451.3	499.3	605.4	468.6	1,927	10,379	491	14.7	22.2	11.4%	28.2%
23/3	440.2	1,691.9	598.3	735.9	571.0	2,037	12,773	545	7.0	24.4	10.6%	21.6%
24/3	774.0	2,078.9	819.2	998.1	790.4	2,753	17,906	638	13.0	28.2	8.5%	22.5%
Average growth rate for 10 fiscal years	21%	19%	19%	24%	19%	16%	20%	16%	-	15%	-	-

* The cumulative total from FYE 3/14 to FYE were 74.7 billion yen in acquisition of the Company's own shares, 178.0 billion yen in payment of dividends and 252.7 billion yen in shareholder return.

Annual Growth Rate for 10 Fiscal Years (3)

	Employees		
	Number of employees (people)	Sales per capita (million yen)	Operating profit per capita (million yen)
14/3	11,198	58	3
15/3	12,367	47	2
16/3	12,803	36	2
17/3	10,463	38	3
18/3	8,667	44	5
19/3	7,572	59	7
20/3	8,033	67	9
21/3	7,224	73	9
22/3	6,802	81	11
23/3	5,697	108	14
24/3	4,993	120	17
Average growth rate for 10 fiscal years	(7%)	7%	18%

Performance

(Billion JPY)

	FY2024		
	Results	YoY	Main factors
Revenue	601.9	(6%)	The JEPX price fell short of our expectations
Recurring Profit	Record-high 151.0	+18%	New plan hedging price-changing risk was succeeded in electricity business
Operating Profit	Record-high 94.5	+9%	-
Income before Tax	Record-high 168.0	+41%	Foreign exchange gain 28.0 billion yen (+22.2 billion yen YoY)
Net Income (attribute to owners of parent)	Record-high 122.2	+33%	-
Comprehensive Income (attribute to owners of parent)	Record-high 265.8	+98%	Gain on sales of securities +49.9 billion yen Unrealized gain +88.7 billion yen
(Reference) Acquisition costs excluding one-time gains and losses	(56.9)	+5%	Mainly allocate acquisition costs to the electricity business
(Reference) Operating profit excluding one-time gains and losses	94.0	+28%	2 billion yen for gain on sales of business, impairment losses 1.5 billion yen

* One-time gains and losses mainly indicate gains and losses on acquisition of or loss of control of subsidiaries, gains and losses on business transfers, gains and losses on sale of fixed assets and impairment losses.

Income before Tax

(Billion JPY)

	FY2020	FY2021	FY2022	FY2023	FY2024	Compared to FY2020
	Results	Results	Results	Results	Results	
Income before tax	80.0	82.1	108.5	118.4	168.0	+87.9
Operating Profit	73.0	69.2	83.5	86.6	94.5	+21.5
Dividend income and interest income	7.1	8.1	11.1	18.0	30.5	+23.4
Foreign exchange gains (losses), etc.	(0.9)	6.0	15.8	12.0	39.5	+40.5
Foreign exchange gains (losses)	(0.9)	1.5	10.4	5.7	28.0	+29.0
Gains (losses) from Negative Goodwill, etc.	0	0	5.4	4.9	6.8	+6.8
Gains (losses) on sale of affiliated companies	0	4.5	0	1.2	4.6	+4.5
Others	0.8	(1.2)	(2.0)	1.7	3.2	+2.3

Consolidated Cash Flows

(Billion JPY)

	FY2020	FY2021	FY2022	FY2023	FY2024
	Results	Results	Results	Results	Results
Business CFs	98.7	73.2	74.4	82.4	124.3
EBITDA	89.0	85.6	100.2	102.8	109.0
Operating Profit	73.0	69.2	83.5	86.6	94.5
Depreciation and Amortization	16.0	16.4	16.7	16.2	14.5
Changes in Receivables and Payables	9.7	(12.5)	(25.9)	(20.4)	15.3
Dividend income, interest income	9.1	10.6	14.2	20.9	33.8
Shareholder Return	(17.8)	(20.3)	(36.6)	(30.8)	(38.9)
Listed stock and bond investments	(59.6)	(84.7)	(88.2)	(87.5)	(81.7)
Financing	59.4	115.6	99.1	102.2	102.7
Others (tax and interest expense)	(3.5)	(43.1)	(57.6)	(42.4)	(49.4)

Fluctuation of Equity Attribute to Owners of Parent

(Billion JPY)

	FY2020	FY2021	FY2022	FY2022	FY2024	Fluctuation for Five Periods
	Results	Results	Results	Results	Results	
Equity attributable to owners of parent	285.7	393.4	468.6	571.0	790.4	790.4
Balance at the End of the Previous Period	257.2	285.7	393.4	468.6	571.0	257.2
Fluctuation for the period	+28.4	+107.6	+75.2	+102.3	+219.4	+533.1
Net income attributable to owners of parent	+51.6	+54.6	+87.5	+91.3	+122.2	+407.3
Gains (losses) on sales of securities	+27.1	+10.8	+13.9	+16.2	+49.9	+118.1
Comprehensive Income fluctuation (After tax)	(34.5)	+64.9	+11.9	+25.8	+88.7	+156.9
Shareholder Return	(17.8)	(20.3)	(36.6)	(30.9)	(38.6)	(144.5)
Others (Assets fluctuation etc.)	+2.0	(2.3)	(1.5)	(0.1)	(2.8)	(4.8)

Performance Forecast

(Billion JPY)

	FY2025		
	Forecast	YoY	Main Factors
Revenue	620.0	+3%	-
Recurring Profit	Record-high 162.0	+7%	Increase mainly in electricity and insurance business
Operating Profit	Record-high 100.0	+6%	-
Net Income (Net income attributable to owners of parent)	90.0	(26%)	Foreign exchange gains are expected to be 0 yen (minus 28.0billion yen YoY)
(Reference) Acquisition costs excluding one-time gains and losses	(62.0)	+8%	Increase mainly in electricity and insurance business
(Reference) Operating profit excluding one-time gains and losses	100.0	+6%	-

* One-time gains and losses mainly indicate gains and losses on acquisition of or loss of control of subsidiaries, gains and losses on business transfers, gains and losses on sale of fixed assets and impairment losses.

Gain and Loss by Businesses

(Billion JPY)

	22/3	23/3	24/3	25/3 (Forecast)	CAGR Over 3 years		22/3	23/3	24/3	25/3 (Forecast)	CAGR Over 3 years
Revenue	573.0	643.9	601.9	620.0	2.6%	Acquisition Cost	(43.4)	(40.4)	(56.2)	(62.0)	12.5%
Energy	149.8	232.6	210.9	239.7	16.9%	Energy	(17.8)	(19.2)	(25.2)	(25.3)	12.3%
Telecommunications	237.7	214.7	199.4	183.6	(8.2%)	Telecommunications	(7.2)	(8.2)	(11.6)	(16.5)	31.9%
Water Delivery	67.1	75.9	80.1	76.4	4.4%	Water Delivery	(19.9)	(21.3)	(19.6)	(20.0)	0.1%
Insurance /Finance	60.8	58.3	54.7	56.8	(2.2%)	Insurance /Finance	0.7	21.4	3.2	5.8	100.1%
Others	57.4	62.3	56.6	63.3	3.2%	Others	0.8	(13.0)	(3.0)	(5.8)	-
Recurring Profit	127.0	127.0	151.0	162.0	8.4%	Operating Profit	83.5	86.6	94.5	100.0	6.1%
Energy	16.5	24.2	53.4	58.3	52.0%	Energy	(1.2)	5.0	28.1	33.0	*156.9%
Telecommunications	66.4	54.7	48.6	47.4	(10.6%)	Telecommunications	59.2	46.4	37.0	30.8	(19.5%)
Water Delivery	26.0	28.5	29.3	29.7	4.6%	Water Delivery	6.0	7.1	9.6	9.6	17.1%
Insurance /Finance	11.5	9.1	10.9	13.7	5.8%	Insurance /Finance	12.2	30.6	14.1	19.5	16.6%
Others	6.4	10.3	8.6	12.7	25.5%	Others	7.2	(2.7)	5.4	6.8	(1.8%)

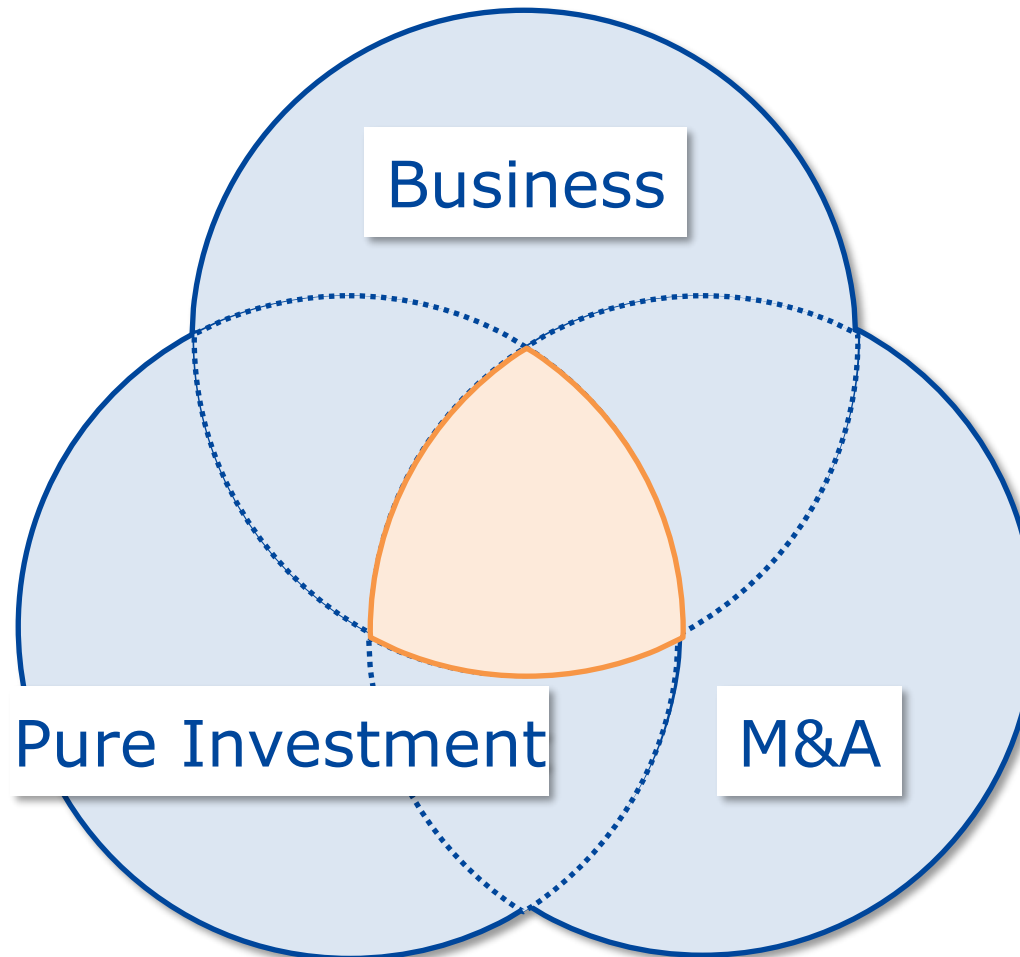
* The growth rate of operating profit for Energy is noted as the two-period average from fiscal year 23/3 to 25/3

3 Cores

(Amount Unit: Billion JPY)

Main Index (25/3 Forecast)	
Recurring Profit	162.0
Operating Profit	100.0

Main Index (24/3)	
Investing book value	590.2
Holding market Value	1,001.3
Unrealized gain on investment	411.1
Dividend received	18.6
Interest received	11.8
Number of investee companies	627
Look-through earnings	83.2
EY	14.1%



Example
Premium Water Holdings, Inc.
FTGroup CO., LTD.
CHIC Holdings, Inc.
HTB ENERGY Co., Ltd.
7 small-amount short-term insurance companies
WebCrew, Inc.
iFLAG Co., Ltd.
Intea Holdings, Inc.
Nexus Co., Ltd.

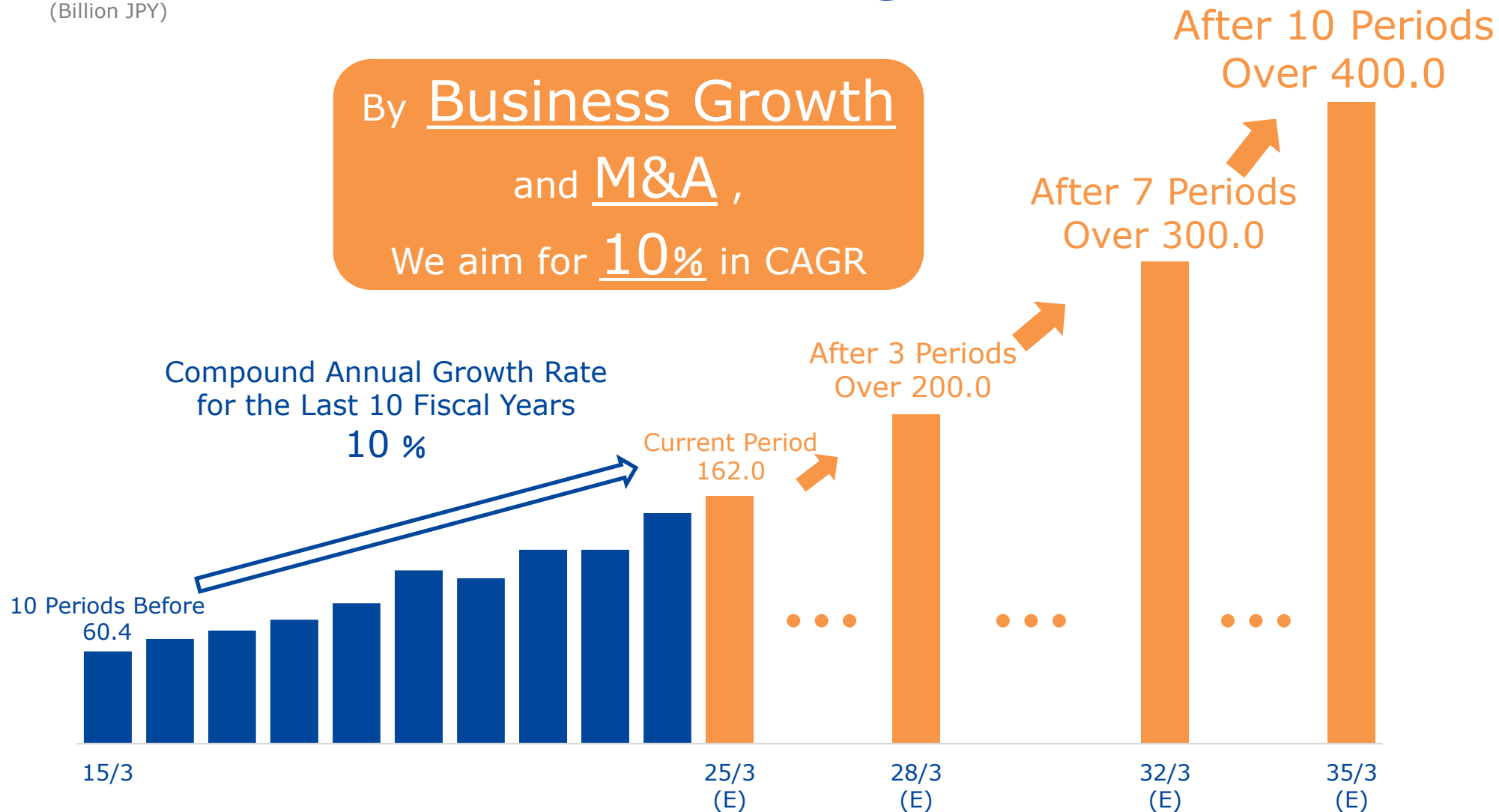
Outlook for Recurring Profits

(Billion JPY)

By Business Growth

and M&A,

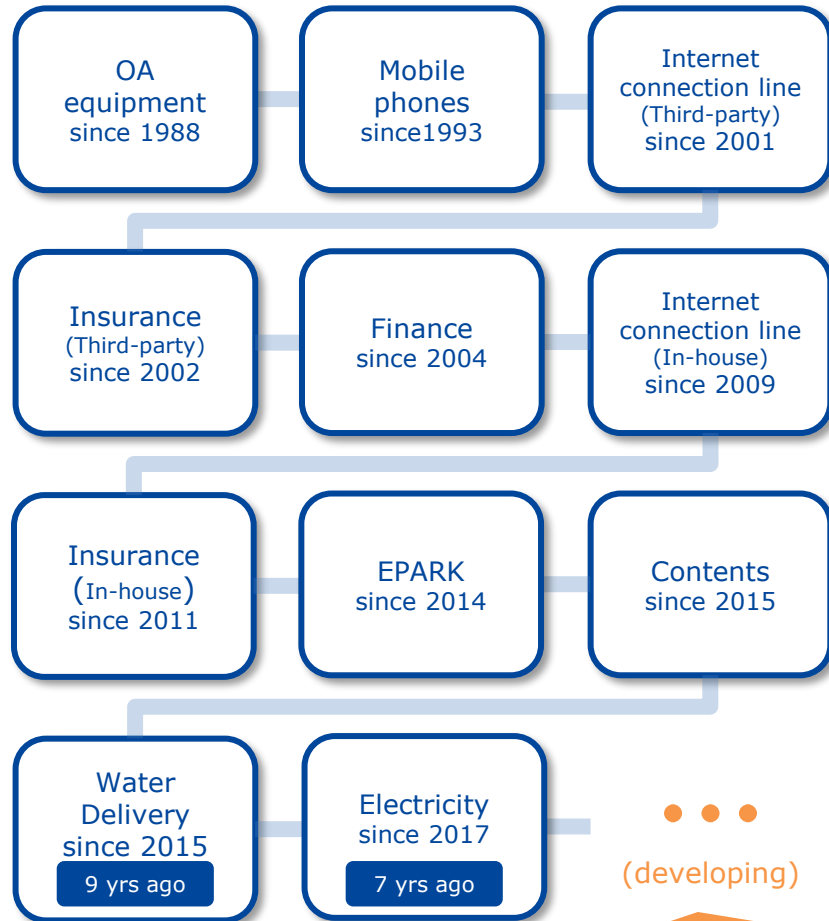
We aim for 10% in CAGR



Driving Force for New Business Growth

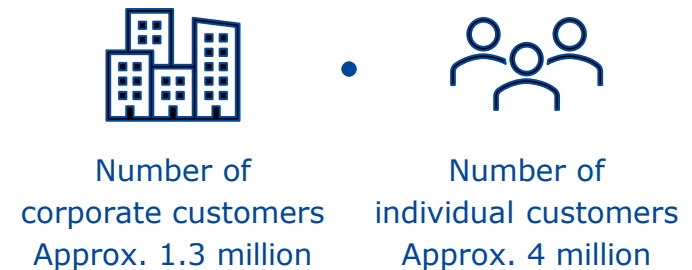
Products × Customer base × Sales network

Transitions of products



Gas, Beer server, Others(more than 10)

Factor(1) Customer base



Factor(2) Sales network



Dividends per Share

Special Dividend of 50 yen & Increased Dividend of 6 yen

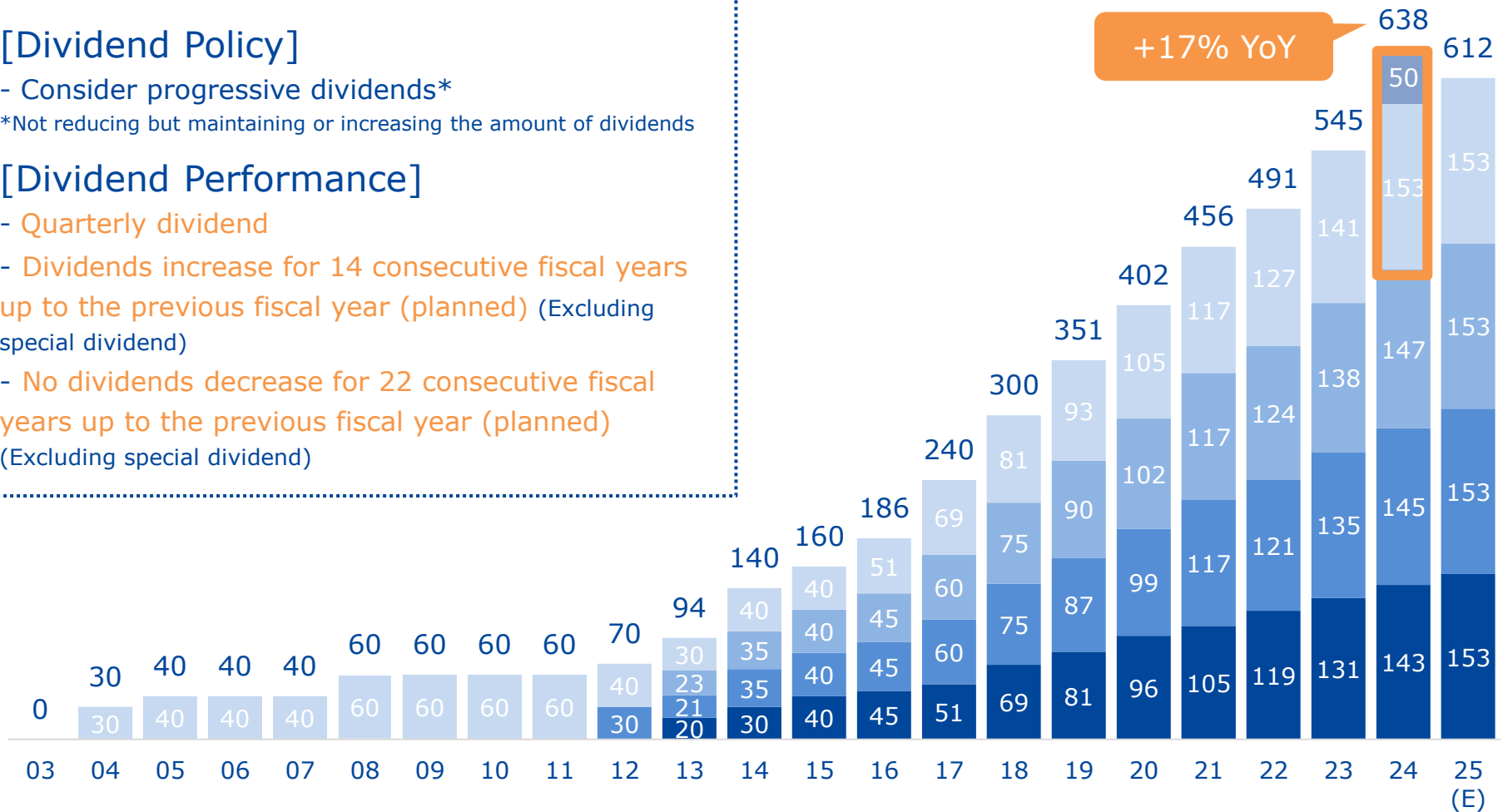
(JPY)

[Dividend Policy]

- Consider progressive dividends*
- *Not reducing but maintaining or increasing the amount of dividends

[Dividend Performance]

- Quarterly dividend
- Dividends increase for 14 consecutive fiscal years up to the previous fiscal year (planned) (Excluding special dividend)
- No dividends decrease for 22 consecutive fiscal years up to the previous fiscal year (planned) (Excluding special dividend)



Trend of Shareholder Returns

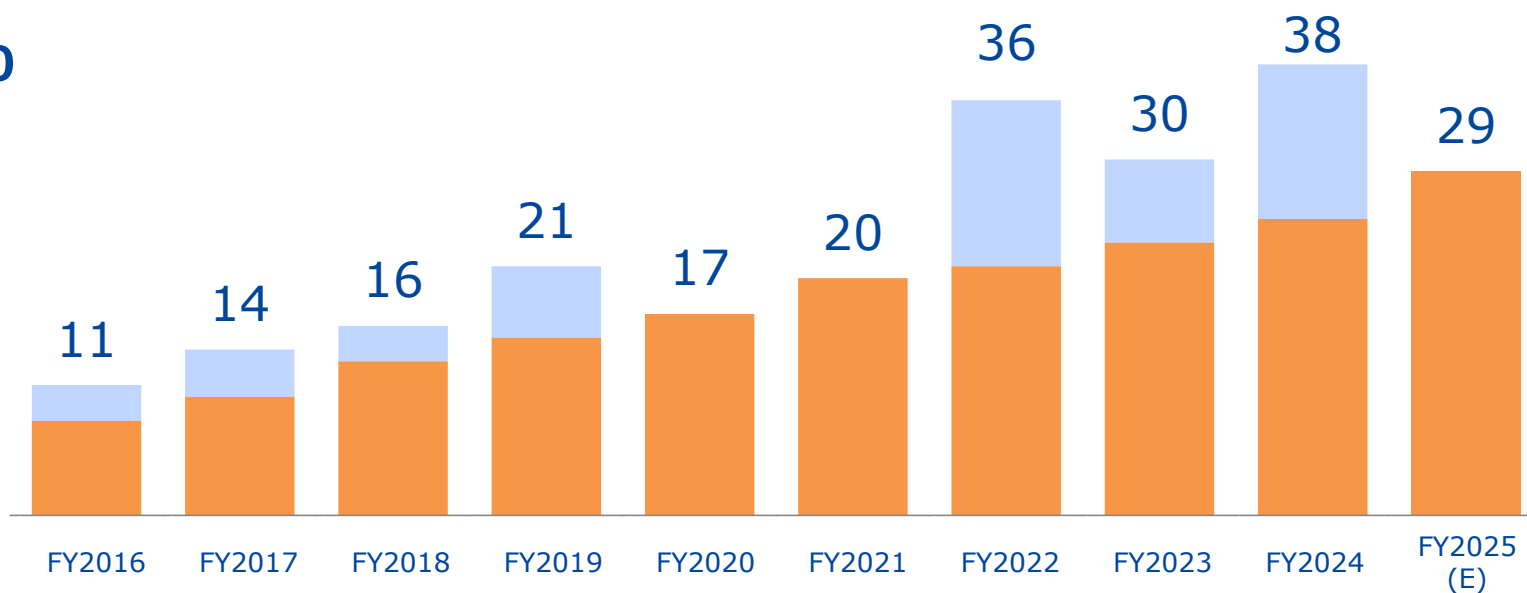
(Billions JPY)

Aggregate Amount of Treasury Stock Repurchased

Dividend Payment Amount

Total Return Ratio
(10-year cumulative basis)

36%



	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (E)	Total
Dividend Payment Amount	8	10	13	15	17	20	21	23	25	29	186
Aggregate Amount of Treasury Stock Repurchased	3	4	3	6	0	0	14	7	13	0	51
Total Return Ratio	44%	37%	38%	43%	34%	37%	41%	33%	31%	32%	36%

Valuation from Market (As of May 10, 2024)



* May 10 closing price

* Cash and cash equivalents-Interests-bearing liabilities
+Listed investment securities(not including listed subsidiaries)+Bonds

From fiscal year 2017 to fiscal year 2022, the CAGR of net income and shareholders' equity significantly exceeded the average of Tokyo Stock Exchange (TSE) over the five years. However, PER is below the average of TSE.

		TSE average	HIKARI TSUSHIN	Difference
CAGR	Net Income	3.0%	16.3%	+13.3pt
	Equity	5.5%	20.4%	+14.9pt
PER*	Against Market Cap	17.9	10.6	(7.3pt)
	Against Enterprise Value	-	3.0	-

* PER is the simple average in prime section of TSE. The net income of HIKARI TSUSHIN is based on the earnings forecast for the 24/3 period (122 billion yen).

Corporate Value at HIKARI TSUSHIN

(Calculated by us)

2.5 trillion yen

Enterprise
Value*
1.8 trillion yen

+

Net Cash
Assets*
0.7 trillion yen

*20 times net income forecast
90 billion yen(≒average for 5 periods)

*Cash and cash equivalents - Interests-bearing liabilities
+ Listed investment securities + Bonds

Value per Share

56,000yen

(Corporate Value 2.5trillion yen)

Aiming for not only performance improvement,
but also optimization of our share price by:

- Absolute enhancement of IR
- Further return to shareholders

Explanation of Terms and Disclaimer, etc.

■ Explanation of Terms

Term	J-GAAP	IFRS
Sales	Sales	Revenue
Net income	Net income	Net income attributable to owners of parent
Equity	Equity	Equity attributable to owners of the parent
EPS	Earnings per Share	Basic earnings per Share
BPS	Book value per share	Equity per Share attributable to owners of the parent

- * Japanese GAAP applied before FYE 3/15, and IFRS applied after FYE 3/16
- * Results for in-house and third-party products prior to FYE 3/18 are provisional figures as they were before the change in reporting segments.
- * ROA: By dividing operating profit by total assets (the average during the period)
- * ROE: By dividing net income attributable to owners of parent by equity (the average during the period)
- * "Hypothetical consolidated performance" is the sum of the "consolidated performance" and the "performance using equity method" calculated by multiplying the figures of each company we invested in by our stock holding ratio. It represents the real performance of the Company
- * Hypothetical consolidated ROE: By dividing hypothetical consolidated net income attributable to owners of parent by equity (the average during the period)
- *Sales per capita: By dividing sales by the number of employees (the average during the period)
- *Operating profit per capita: By dividing operating profit by the number of employees (the average during the period)

■ Notes in regard to this material

Disclaimer

Information mentioned in this material, other than that related to historical and current facts, is determined based on information currently available to HIKARI TSUSHIN and hypotheses built. Since information may be affected by uncertainties included in such hypothesis and judgement, and by changes in the future economic environment, etc., it may differ from future performance of the Company and the HIKARI TSUSHIN Group.

The forward-looking statements contained in this material are prepared as of the date of this material (or the date otherwise specified) as mentioned above. The Company neither has an obligation nor policy to update such forward-looking statements with the latest information whenever necessary.

Furthermore, information in regard to matters other than the Company or Group companies stated in this material are cited from sources such as public information. The accuracy and adequacy of such information are not verified by the Company, and therefore are not guaranteed. The Company will not be held responsible for any damage that may occur as a result of the use of this material.

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