

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%) | | | |
| 2004/3 | 51.1% | 290.5% | | 2018/3 | (10.8%) | 10.8% | 1996-2024 Total growth rate | 287% | 1,148% |
| 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 (after tax) | +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) | (562) | (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% |
| | Telecommu nications | 237.7 | 214.7 | 199.4 | 183.6 | (8.2%) | | Telecommu nications | (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% |
| | Telecommu nications | 66.4 | 54.7 | 48.6 | 47.4 | (10.6%) | | Telecommu nications | 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%) |

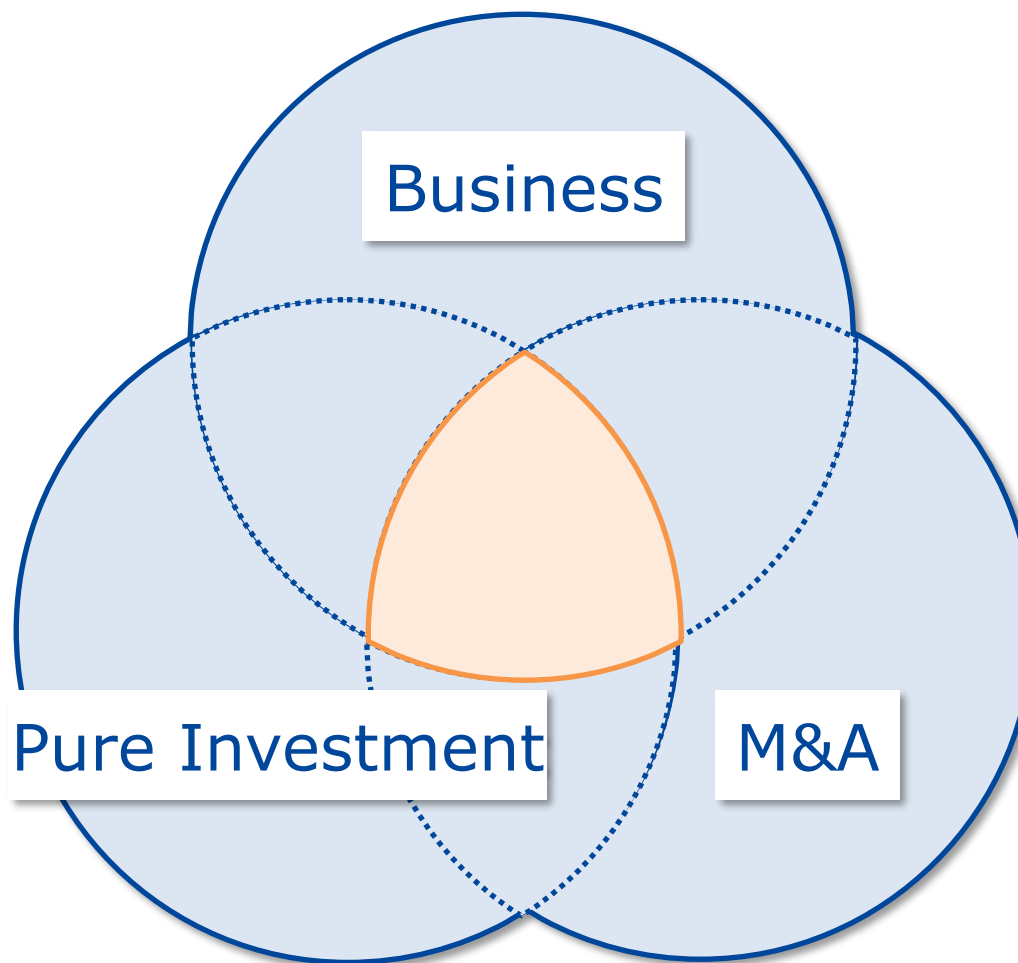
* The growth rate of operating profit for Energy is noted as the two-period average from fiscal year 23/3 to 25/3

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% |

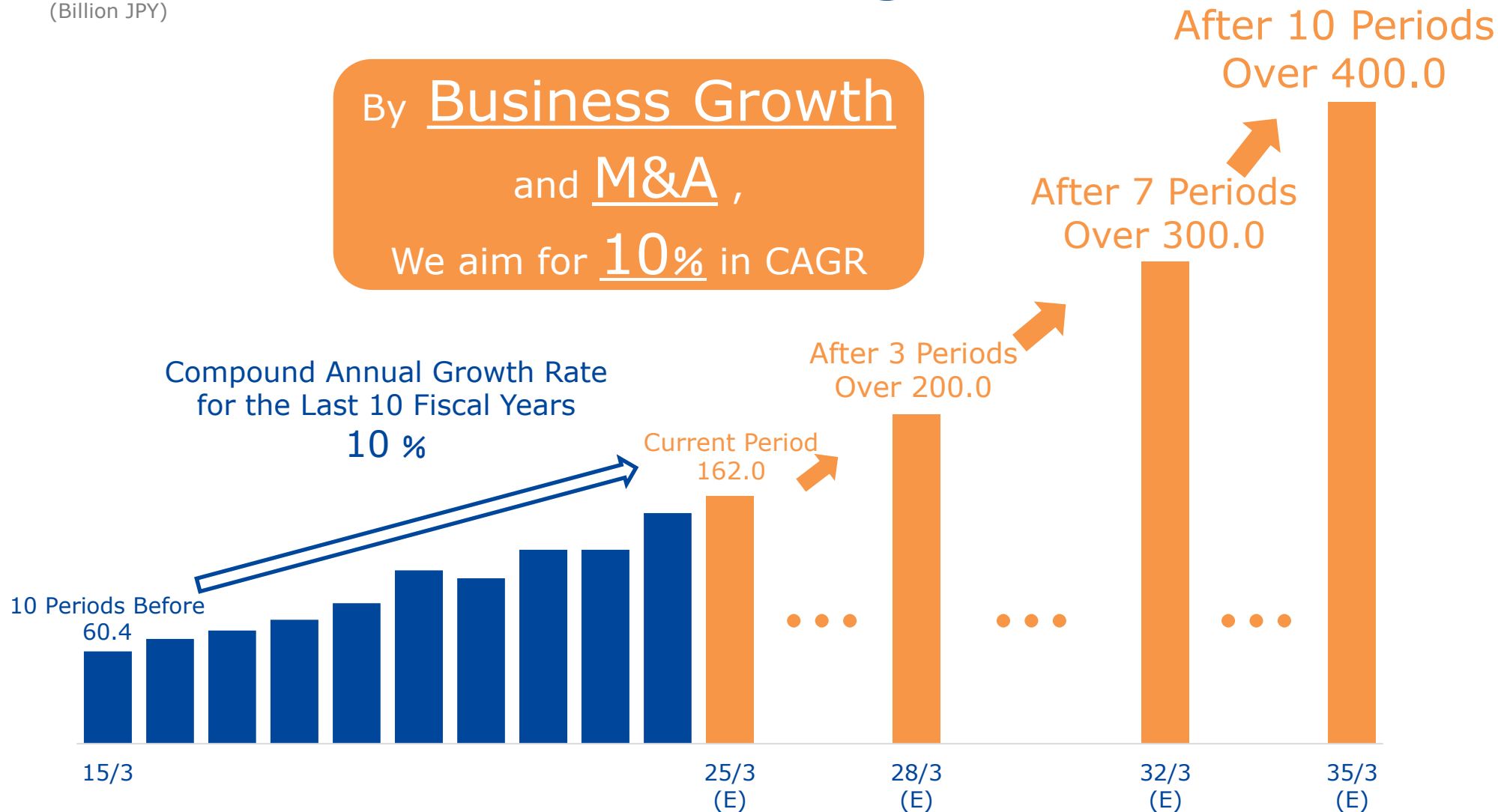


| Example |
|---|
| Premium Water Holdings, Inc. |
| FTGroup CO., LTD. |
| CHIC Holdings, Inc. |
| HTB ENERGY Co., Ltd. |
| 7 small-amount short-term insurance companies |
| WebCrew, Inc. |
| iFLAG Co., Ltd. |
| Intea Holdings, Inc. |
| Nexus Co., Ltd. |

Outlook for Recurring Profits

(Billion JPY)

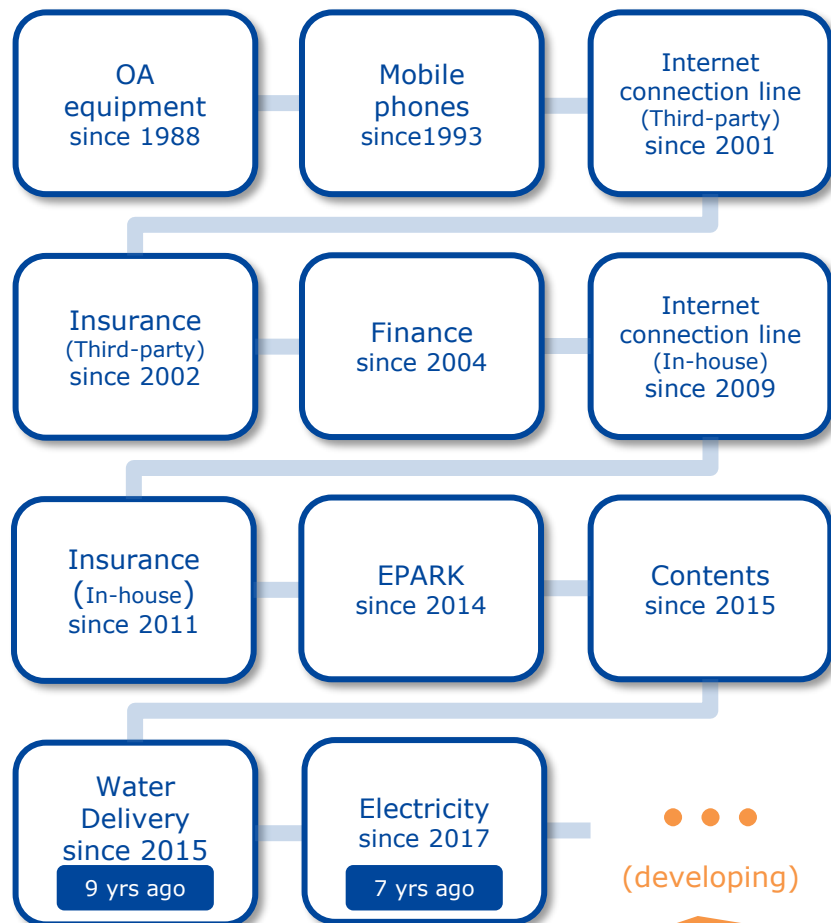
By Business Growth
and M&A ,
We aim for 10% in CAGR



Driving Force for New Business Growth

Products × Customer base × Sales network

Transitions of products



(developing)

Gas, Beer server, Others(more than 10)

Strength(1) Customer base



Number of
corporate customers
Approx. 1.3 million



Number of
individual customers
Approx. 4 million

Strength(2) Sales network



Resellers
Approx. 1,000



Sales persons
More than 20K



Various
sale channels

Dividends per Share

Special Dividend of 50 yen & Increased Dividend of 6 yen

(JPY)

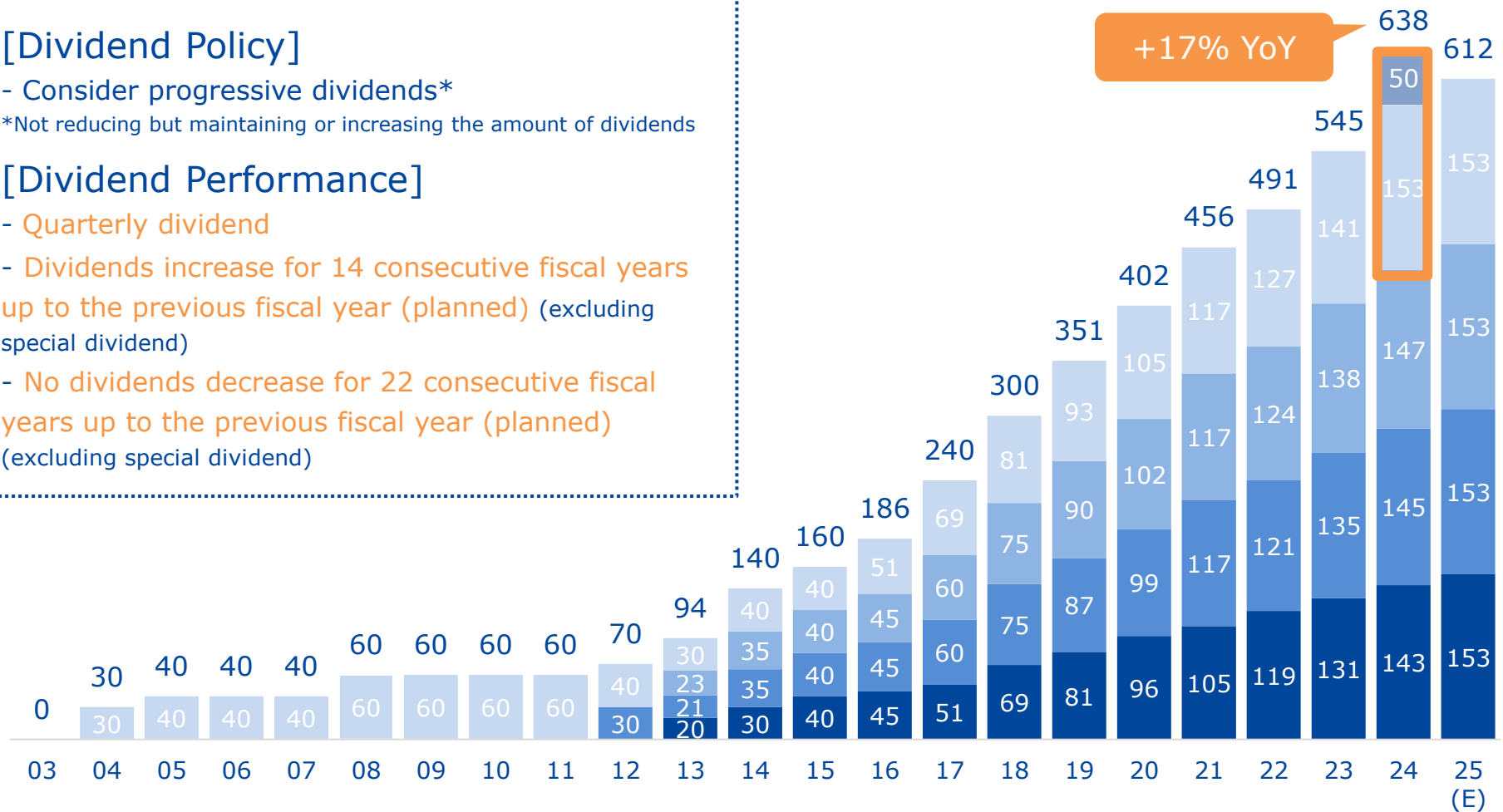
[Dividend Policy]

- Consider progressive dividends*

*Not reducing but maintaining or increasing the amount of dividends

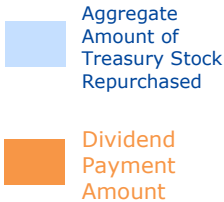
[Dividend Performance]

- 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)



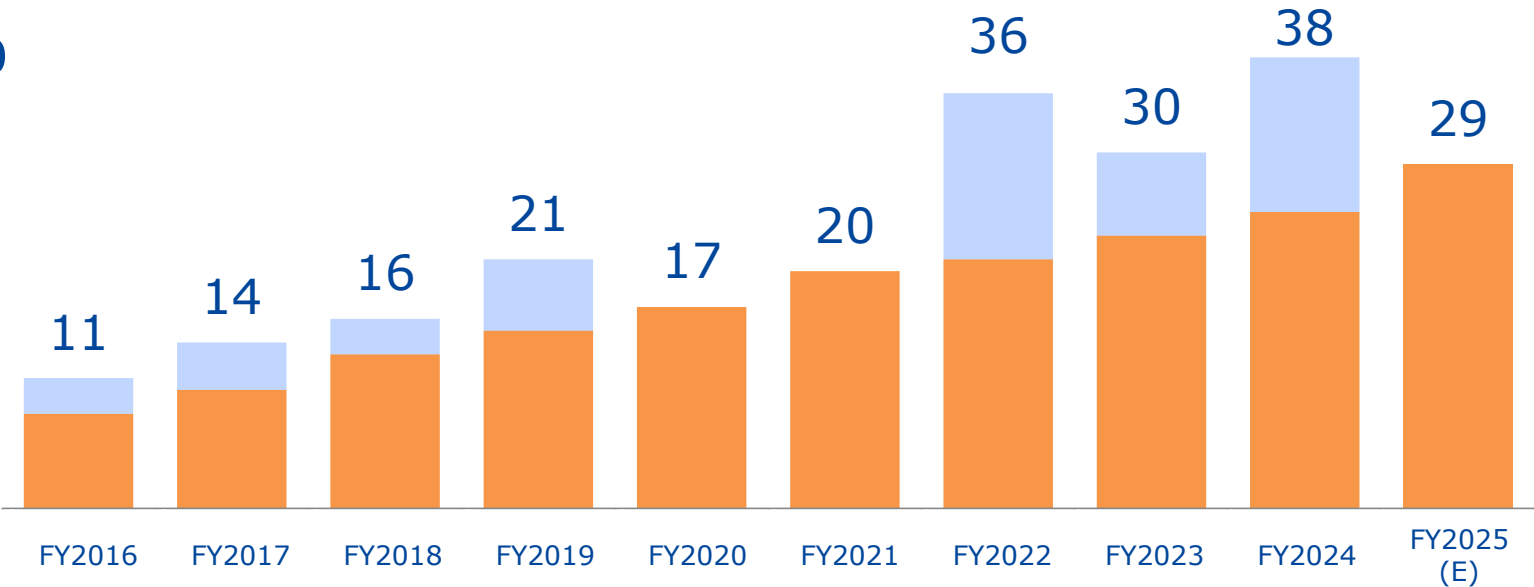
Trend of Shareholder Returns

(Billions JPY)



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)

$$\begin{array}{|c|} \hline \text{Market Cap*} \\ \hline \text{Approx.} \\ \hline \text{1.1 trillion yen} \\ \hline \text{(Share price 25,440 yen)} \\ \hline \end{array}
 -
 \begin{array}{|c|} \hline \text{Net Cash Assets*} \\ \hline \text{Approx.} \\ \hline \text{0.7 trillion yen} \\ \hline \end{array}
 =
 \begin{array}{|c|} \hline \text{Enterprise Value} \\ \hline \text{Approx.} \\ \hline \text{0.4 trillion yen} \\ \hline \end{array}$$

* 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 |

■ 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.

Notes in Regard to Insider Trading

An investor (primary information receiver) who has received non-public material facts directly from a company shall not make sales or purchases of stocks, etc. before such information is "publicized" (Article 166 of Financial Instruments and Exchange Act). In accordance with the provisions of Article 30 of the Order for Enforcement of the Financial Instruments and Exchange Act, information is deemed to have been made "public" 12 hours after such information has been publicized in two or more journalistic organizations, or when notification to the security exchange is made by the company and further listed via electronic means (TDnet's Timely Disclosure Information Viewing Service and EDINET public website) as provided by the Cabinet Office Ordinance.

- * 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)

