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November 12, 2024

## Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under IFRS)

Company name: HIKARI TSUSHIN, INC.  
 Listing: Tokyo Stock Exchange  
 Securities code: 9435  
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 Scheduled date to commence dividend payments: December 6, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

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

### 1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

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

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2024	325,783	9.9	57,421	18.4	69,139	(20.7)	50,145	(19.8)
September 30, 2023	296,479	(4.4)	48,491	5.1	87,219	6.0	62,531	4.3

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Six months ended	Million yen	%	Million yen	%	Yen	Yen
September 30, 2024	48,203	(22.0)	60,895	(50.6)	1,092.49	1,090.15
September 30, 2023	61,761	3.3	123,277	66.5	1,386.43	1,383.24

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Million yen	Million yen	Million yen	%
September 30, 2024	2,122,422	857,098	829,650	39.1
March 31, 2024	2,078,956	819,249	790,478	38.0

### 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	143.00	145.00	147.00	203.00	638.00
Fiscal year ending March 31, 2025	156.00	161.00			
Fiscal year ending March 31, 2025 (Forecast)			161.00	161.00	639.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Note: Breakdown of year-end dividends for the fiscal year ended March 31, 2024: ordinary dividend 153.00 yen, special dividend 50.00 yen

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

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	620,000	3.0	100,000	5.8	90,000	(26.4)	2,046.50

Note: Revisions to the forecast of financial result most recently announced: None

#### Notes

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

Newly included: –

Excluded: –

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

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	44,269,642 shares
As of March 31, 2024	45,049,642 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2024	292,049 shares
As of March 31, 2024	905,296 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	44,116,108 shares
Six months ended September 30, 2023	44,546,918 shares

- Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

- Proper use of earnings forecasts and other special matters

(Note to the forward-looking statements, etc.)

The forward-looking statements including earnings forecasts contained in this document are based on information currently available to us and certain assumptions that we believe to be reasonable. Accordingly, the Company does not guarantee the achievement of the forecast, and the actual results may differ materially due to various factors. Please refer to “1. Qualitative Information on Semi-annual Financial Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the Attachments for the assumptions that form the basis for the earnings forecasts and cautions concerning the use of earnings forecasts.

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## **1. Qualitative Information on Semi-annual Financial Results**

### **(1) Explanation of Operating Results**

#### <Summary of financial results>

For the six months ended September 30, 2024 (the “current period”), the Japanese economy remained uncertain due to elevated material and commodity prices associated with lingering geopolitical risks as well as changes in monetary policies, although a gradual economic recovery was seen amid improvements in employment and income conditions.

The HIKARI TSUSHIN, INC. (“the Company”) and its subsidiaries (collectively “the Group”) leveraged its strength in sales to engage in businesses where we can expect stable long-term revenue such as electricity and gas, internet communication line services, water delivery, and insurance.

In addition, to realize a decarbonized society and achieve the SDGs (Sustainable Development Goals), we proactively undertake specific measures and initiatives to fulfill our social responsibility. These initiatives include developing environmentally friendly electricity services that provide virtually renewable energy using Non-Fossil Certificates, preserving sustainable water resources, and reducing resources and waste.

As a result, revenue amounted to 325,783 million yen, up 9.9% year on year for the six months ended September 30, 2024, mainly attributable to an increase in recurring operating profit,\* which will be a source of stable revenue in the future as the number of customer contracts for our in-house products increases. Operating profit was 57,421 million yen, up 18.4 % year on year. Profit before tax was 69,139 million yen, down 20.7% year on year, due to a growth in financial expenses as a result of the stonger yen. Profit attributable to owners of parent was 48,203 million yen, down 22.0% year on year.

\*Recurring operating profit refers to the profit excluding customer retention costs and service provision costs from revenue (basic subscription fees, usage fees, and insurance fees, etc.) which are paid every month by users once they subscribe to our services. Revenue may be received from telecommunications carriers or directly from users.

(Million yen unless otherwise stated)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Change	Change (%)
Revenue	296,479	325,783	29,303	9.9
Operating profit	48,491	57,421	8,930	18.4
Profit before tax	87,219	69,139	(18,079)	(20.7)
Profit attributable to owners of parent	61,761	48,203	(13,557)	(22.0)

#### <Financial results by segment>

The Group changed its reportable segments from the fiscal year ending March 31, 2025. Accordingly, for the year-on-year comparison, figures for the previous fiscal year have been reclassified into those for the new reportable segments.

#### Electricity and Gas segment

The Electricity and Gas segment mainly sells and provides gas and electricity to small-and-medium-sized enterprises (SMEs) and individual customers.

The segment recorded revenue of 134,528 million yen, up 33.1% year on year, and operating profit of 17,442 million yen, up 19.5% year on year for the current period, due to the growth in the number of customer contracts, resulting in an increase in recurring operating profit, which will be a source of stable revenue in the future.

#### Telecommunication segment

The Telecommunication segment mainly provides SMEs and individual customers with internet communication line services and associated services.

The segment recorded revenue of 60,124 million yen, up 0.2% year on year, and operating profit of 12,750 million yen, down 19.6% year on year for the current period, due to a decrease in the number of customer contracts in the internet communication line services.

#### Beverage segment

The Beverage segment primarily involves producing natural mineral water products and selling them to individual customers through home delivery.

The segment recorded revenue of 38,654 million yen, down 7.6% year on year, and operating profit of 4,996 million yen, up 35.2% year on year for the current period, as a result of the transfer of shares of a consolidated subsidiary in the previous fiscal year.

#### Insurance segment

The Insurance segment mainly provides non-life insurance, life insurance, and warranty services to SMEs and individual customers.

The segment recorded revenue of 12,976 million yen, up 17.5% year on year, and operating profit of 4,415 million yen, up 53.8% year on year for the current period, due to a growth of the number of customer contracts, resulting in an increase in recurring operating profit, which will be a source of stable revenue in the future.

#### Finance segment

The Finance segment mainly provides microfinance and other financial services to SMEs and individual customers.

The segment recorded revenue of 14,211 million yen, down 8.6% year on year, and operating profit of 8,560 million yen, up 38.2% year on year for the current period, due to the quality improvement in sales activities accompanied by stabilization of the business environment.

#### Solution segment

The Solution segment mainly provides SMEs with industry-specific solution services through the provision of customer management system and settlement management system platforms and various other tools.

The segment recorded revenue of 13,735 million yen, down 0.0% year on year, and operating profit of 2,933 million yen, up 231.4% year on year for the current period, due to progress in the reorganization of assets.

#### Commission-based Sales segment

The Commission-based Sales segment mainly engages in commission-based sale of various products, such as products offered by telecommunications carriers and manufacturers, targeting SMEs and individual customers.

The segment recorded revenue of 51,550 million yen, down 3.3% year on year, and operating profit of 8,725 million yen, up 26.5% year on year for the current period, due to the transfer of shares of some consolidated subsidiaries.

## (2) Explanation of Financial Position

### Assets, liabilities, and net assets

(Million yen)

	As of March 31, 2024	As of September 30, 2024	Change
Assets	2,078,956	2,122,422	43,465
Liabilities	1,259,707	1,265,324	5,617
Equity	819,249	857,098	37,848

Assets were 2,122,422 million yen, up 43,465 million yen from March 31, 2024, due to the purchase of investment securities.

Liabilities were 1,265,324 million yen, up 5,617 million yen from March 31, 2024, due to the issuance of bonds.

Equity was 857,098 million yen, up 37,848 million yen from March 31, 2024, due to an increase in retained earnings.

### Cash flows

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities	71,696	36,518
Cash flows from investing activities	(29,536)	(119,589)
Cash flows from financing activities	(3,709)	(14,700)
Cash and cash equivalents at end of period	443,372	391,050

Net cash provided by operating activities was 36,518 million yen mainly as a result of robust performance during the consolidated interim accounting period.

Net cash used in investment activities was 119,589 million yen primarily due to the purchase of investment securities.

Net cash used by financing activities was 14,700 million yen mainly due to the payment of dividends.

As a result, the balance of cash and cash equivalents as of September 30, 2024 was 391,050 million yen.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The financial results forecast for the fiscal year ending March 31, 2025 remains unchanged from the forecast in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” announced on May 15, 2024.

The forward-looking information including earnings forecasts contained in this document are based on the judgement of the Company’s management, derived from currently available information. Investors are therefore cautioned not to unduly rely on the forecasts provided.

## **2. Condensed Semi-annual Consolidated Financial Statements and Primary Notes**

### **(1) Condensed Semi-annual Consolidated Statements of Financial Position**

		(Million yen)	
	Notes	As of March 31, 2024	As of September 30, 2024
Assets			
Current assets			
Cash and cash equivalents		494,850	391,050
Trade and other receivables		274,622	297,914
Reinsurance contract asset		2,063	1,349
Inventories		2,290	2,549
Other financial assets		52,201	38,455
Other current assets		8,777	8,165
(Subtotal)		834,805	739,485
Assets held for sale	6	6,004	2,606
Total current assets		840,810	742,091
Non-current assets			
Property, plant and equipment		32,943	35,474
Right-of-use assets		7,047	6,507
Goodwill		17,510	17,037
Intangible assets		5,821	6,189
Investments accounted for using equity method	8	199,030	220,557
Other financial assets		923,330	1,037,439
Deferred tax assets		7,546	5,785
Contract costs		41,453	46,802
Insurance contract asset		3,373	4,321
Other non-current assets		88	215
Total non-current assets		1,238,146	1,380,330
Total assets		2,078,956	2,122,422

*The notes are an integral part of these condensed semi-annual consolidated financial statements.*

(Million yen)

	Notes	As of March 31, 2024	As of September 30, 2024
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		235,119	247,789
Insurance contract liabilities		5,714	5,399
Interest-bearing liabilities	9	156,386	95,729
Income taxes payable		26,554	17,499
Other financial liabilities		244	405
Other current liabilities		13,671	13,964
(Subtotal)		437,690	380,787
Liabilities directly associated with assets held for sale	6	1,505	—
Total current liabilities		439,195	380,787
Non-current liabilities			
Interest-bearing liabilities	9	666,107	733,269
Provisions		365	418
Other non-current liabilities		22,167	19,559
Deferred tax liabilities		131,870	131,289
Total non-current liabilities		820,511	884,536
Total liabilities		1,259,707	1,265,324
Equity			
Share capital		54,259	54,259
Capital surplus	7	—	1,309
Retained earnings		748,760	778,757
Treasury shares	10	(18,365)	(7,750)
Accumulated other comprehensive income		5,823	3,075
Total equity attributable to owners of parent		790,478	829,650
Non-controlling interests	7	28,771	27,447
Total equity		819,249	857,098
Total liabilities and equity		2,078,956	2,122,422

The notes are an integral part of these condensed semi-annual consolidated financial statements.



**(2) Condensed Semi-annual Consolidated Statements of Profit or Loss  
and Condensed Semi-annual Consolidated Statements of Comprehensive Income**

Condensed Semi-annual Consolidated Statements of Profit or Loss  
Six months ended September 30, 2023 and 2024

		(Million yen)	
	Notes	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
Revenue		296,479	325,783
Cost of sales		138,262	161,273
Gross profit		158,216	164,509
Other income		590	4,136
Selling, general and administrative expenses		109,969	110,772
Other expenses		346	452
Operating profit		48,491	57,421
Finance income		39,634	26,714
Finance costs		7,562	21,843
Share of profit (loss) of investments accounted for using equity method	8	5,529	6,452
Other non-operating income and expenses		1,125	394
Profit before tax		87,219	69,139
Income tax expense		24,687	18,993
Profit		62,531	50,145
Profit attributable to			
Owners of parent		61,761	48,203
Non-controlling interests		770	1,942
Profit		62,531	50,145
Earnings per share			
Basic earnings per share (Yen)	11	1,386.43	1,092.49
Diluted earnings per share (Yen)	11	1,383.24	1,090.15

*The notes are an integral part of these condensed semi-annual consolidated financial statements.*

Condensed Semi-annual Consolidated Statements of Comprehensive Income  
Six months ended September 30, 2023 and 2024

(Million yen)

	Notes	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
Profit		62,531	50,145
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income		54,509	13,747
Share of other comprehensive income of investments accounted for using equity method		736	(265)
Total		55,245	13,481
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		4,829	(3,051)
Share of other comprehensive income of investments accounted for using equity method		669	320
Total		5,499	(2,731)
Other comprehensive income, net of tax		60,745	10,749
Comprehensive income		123,277	60,895
Comprehensive income attributable to			
Owners of parent		122,497	58,902
Non-controlling interests		779	1,993
Comprehensive income		123,277	60,895

*The notes are an integral part of these condensed semi-annual consolidated financial statements.*

### (3) Condensed Semi-annual Consolidated Statements of Changes in Equity

Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

(Million yen)

	Notes	Equity attributable to owners of parent					Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income		
Balance at beginning of period		54,259	777	520,879	(5,792)	886	27,302	598,311
Comprehensive income								
Profit		—	—	61,761	—	—	770	62,531
Other comprehensive income		—	—	—	—	60,736	8	60,745
Comprehensive income		—	—	61,761	—	60,736	779	123,277
Transactions with owners								
Dividends of surplus		—	—	(12,672)	—	—	(862)	(13,535)
Change in scope of consolidation		—	—	—	—	—	58	58
Changes in ownership interest in subsidiaries	7	—	(10,485)	—	—	—	1,083	(9,401)
Purchase and disposal of treasury shares		—	(3)	—	(7,888)	—	—	(7,891)
Share-based payment transactions		—	(7)	—	50	—	1	43
Transfer from other components of equity to retained earnings		—	—	55,257	—	(55,257)	—	—
Total transactions with owners		—	(10,496)	42,585	(7,837)	(55,257)	281	(30,725)
Balance at end of period		54,259	(9,719)	625,225	(13,630)	6,364	28,362	690,862

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Million yen)

	Notes	Equity attributable to owners of parent					Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income		
Balance at beginning of period		54,259	—	748,760	(18,365)	5,823	28,771	819,249
Comprehensive income								
Profit		—	—	48,203	—	—	1,942	50,145
Other comprehensive income		—	—	—	—	10,698	51	10,749
Comprehensive income		—	—	48,203	—	10,698	1,993	60,895
Transactions with owners								
Dividends of surplus		—	—	(15,848)	—	—	(713)	(16,561)
Change in scope of consolidation		—	—	—	—	—	(2,488)	(2,488)
Changes in ownership interest in subsidiaries		—	1,405	—	—	—	(116)	1,288
Purchase and disposal of treasury shares		—	19	(16)	(5,286)	—	—	(5,283)
Cancellation of treasury shares	10	—	(34)	(15,788)	15,823	—	—	—
Share-based payment transactions		—	(80)	—	77	—	1	(2)
Transfer from other components of equity to retained earnings		—	—	13,447	—	(13,447)	—	—
Total transactions with owners		—	1,309	(18,206)	10,614	(13,447)	(3,316)	(23,047)
Balance at end of period		54,259	1,309	778,757	(7,750)	3,075	27,447	857,098

The notes are an integral part of these condensed semi-annual consolidated financial statements.

#### (4) Condensed Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	Notes	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 To September 30, 2024)
Cash flows from operating activities			
Profit before tax		87,219	69,139
Depreciation and amortization		7,209	6,989
Finance income		(39,634)	(26,714)
Finance costs		7,562	21,843
Share of loss (profit) of investments accounted for using equity method	8	(5,529)	(6,452)
Decrease (increase) in contract costs		(1,847)	(5,349)
Decrease (increase) in trade and other receivables		20,293	(24,093)
Increase (decrease) in trade and other payables		(7,555)	16,389
Decrease (increase) in inventories		393	(217)
Other		734	(5,806)
Subtotal		68,846	45,728
Interest received		3,994	7,183
Dividends received		13,821	17,115
Interest paid		(4,313)	(4,045)
Income taxes refund (paid)		(10,652)	(29,462)
Net cash provided by (used in) operating activities		71,696	36,518
Cash flows from investing activities			
Purchase of property, plant and equipment, and intangible assets		(8,246)	(13,850)
Proceeds from sale of property, plant and equipment, and intangible assets		13	1
Purchase of investment securities		(71,952)	(153,577)
Proceeds from sale of investment securities		53,432	56,760
Proceeds from obtaining control of subsidiaries		104	(844)
Proceeds from loss of control of subsidiaries		247	656
Payments for loans receivable		(222)	(2,709)
Collection of loans receivable		280	667
Other		(3,192)	(6,694)
Net cash provided by (used in) investing activities		(29,536)	(119,589)
Cash flows from financing activities			
Proceeds from short-term interest-bearing debt		(10,700)	(74,300)
Proceeds from long-term interest-bearing debt		67,200	104,918
Repayment of long-term interest-bearing debt		(27,523)	(25,417)
Capital contribution from non-controlling interests		447	1,790
Purchase of treasury shares		(8,003)	(5,477)
Dividends paid		(12,661)	(15,837)
Dividends paid to non-controlling interests		(863)	(714)
Payments for acquisition of interests in subsidiaries from non-controlling interests	7	(12,138)	(389)
Other		534	725
Net cash provided by (used in) financing activities		(3,709)	(14,700)
Effect of exchange rate changes on cash and cash equivalents		15,556	(9,685)
Net increase (decrease) in cash and cash equivalents		54,006	(107,457)
Decrease in cash and cash equivalents resulting from transfer to assets held for sale	6	—	3,657
Cash and cash equivalents at beginning of period		389,366	494,850
Cash and cash equivalents at end of period		443,372	391,050

The notes are an integral part of these condensed semi-annual consolidated financial statements.

## (5) Notes to Condensed Semi-annual Consolidated Financial Statements

### 1. Reporting entity

HIKARI TSUSHIN, INC. (“the Company”) is a corporation domiciled in Japan, whose shares are listed on the Tokyo Stock Exchange. The address of the Company’s registered headquarters is 1-4-10 Nishi-Ikebukuro, Toshima-ku, Tokyo. The accompanying condensed semi-annual consolidated financial statements for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024) comprise the Company and its subsidiaries (“the Group”). The ultimate parent company of the Group is the Company. The Group operates various businesses, mainly in the field of information and communications.

Details are provided in “Note 5. Operating segments.”

### 2. Basis of preparation of condensed semi-annual consolidated financial statements

#### (1) Basis for measurement

The accompanying condensed semi-annual consolidated financial statements are prepared on the historical cost basis, with the exception of financial instruments and other items measured at fair value.

#### (2) Functional currency and presentation currency

The accompanying condensed semi-annual consolidated financial statements are presented in millions of Japanese yen (rounded down to the nearest million yen), the functional currency of the Company.

#### (3) Published standards that are not yet applied

The following standards are the principal standards for which their new establishment or revision has been announced prior to the approval date of the accompanying condensed semi-annual consolidated financial statements. However, as of September 30, 2024, the application of these standards is not compulsory, and the Group has not applied them early.

The effect of the application of these standards on the Group is under consideration.

Standard	Standard name	Time of compulsory application (Fiscal years starting after)	Time of application by the Group	Overview of new clauses and revisions
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027	Fiscal year ending March 31, 2028	New standard as a replacement for IAS 1 “Presentation of Financial Statements,” the existing accounting standard for presentation and disclosure in financial statements

### 3. Material accounting policy information

Material accounting policies the Group has adopted in preparing the accompanying condensed semi-annual consolidated financial statements are the same as those applied in the previous fiscal year except for the following:

The Group has adopted the following accounting standard since April 1, 2024.

Standard	Standard name	Overview of new clauses and revisions
IAS 1	<i>Presentation of Financial Statements</i>	Clarifying requirements for classification of liabilities as current or non-current. Disclosure requirements of long-term liabilities with covenants
IAS 7 IFRS 7	<i>Statement of Cash Flows</i> <i>Financial Instruments: Disclosures</i>	Disclosure requirements to enhance the transparency of supplier finance arrangements

The adoption of these accounting standards has no significant impact on the accompanying condensed semi-annual consolidated financial statements.

#### 4. Significant accounting estimates and judgements on estimates

In the preparation of condensed semi-annual consolidated financial statements, management is required to make judgements, estimates, and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results could differ from those estimates depending on the nature of the situation.

These estimates and their underlying assumption are continuously reviewed. The impact of revisions to accounting estimates is prospectively recognized in the accounting period when the revision is made and in the subsequent period thereafter.

Significant accounting estimates and assumptions used in the condensed semi-annual consolidated financial statements are the same as those used in the consolidated financial statements for the previous fiscal year.

#### 5. Operating segments

##### (1) Outline of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, regular evaluation by the Board of Directors is performed in order to make decisions about resources to be allocated, and to assess their performance.

In line with changes in management structure, the Group reviewed how to classify its business segments. As a result, the Group has changed its reportable segments from "Corporate Service," "Individual Service," and "Commission-based Sales" to "Electricity and Gas," "Telecommunication," "Beverage," "Insurance," "Finance," "Solution," and "Commission-based Sales" since April 1, 2024. The segment information for the previous fiscal year has been restated retrospectively.

The Company manages the Group as a holding company to formulate business strategies for the products and services handled by each company and develop business activities. As such, the Group is composed of segments separated by product and service based on those companies and operates in 7 reporting segments: "Electricity and Gas," "Telecommunication," "Beverage," "Insurance," "Finance," and "Solution," where we provide products and services designed and developed in-house, and "Commission-based Sales," in which we sell products of other companies.

Reportable segments and its businesses are as follows:

Segment	Major business
Electricity and Gas	Selling and providing gas and electricity
Telecommunication	Providing internet communication line services and associated services
Beverage	Producing natural mineral water products and selling them through home delivery
Insurance	Providing non-life insurance, life insurance, and warranty services, etc.
Finance	Providing microfinance and other financial services
Solution	Providing industry-specific solution services through the provision of customer management system and settlement management system platforms and various other tools
Commission-based Sales	Commission-based sale of various products, such as products offered by telecommunications carriers and manufacturers

Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(Million yen)

	Reportable segment								Other	Total	Adjustment (Note)	Condensed semi-annual consolidated financial statements
	Electricity and Gas	Telecommuni- cation	Beverage	Insurance	Finance	Solution	Commission -based Sales	Total				
Revenue												
Sales to external customers	101,038	59,984	41,818	11,043	15,541	13,740	53,312	296,479	—	296,479	—	296,479
Intersegment sales and transfers	—	—	—	—	—	—	—	—	—	—	—	—
Total	101,038	59,984	41,818	11,043	15,541	13,740	53,312	296,479	—	296,479	—	296,479
Segment profit	14,601	15,858	3,696	2,871	6,194	885	6,897	51,003	—	51,003	(2,512)	48,491
Finance income												39,634
Finance costs												7,562
Share of profit (loss) of investments accounted for using equity method												5,529
Other non- operating income and expenses												1,125
Profit before tax												87,219

- Notes:
1. The adjustment for segment profit includes corporate profit or loss that have not been allocated to reportable segments.
  2. Revenue of each segment include the revenue from sources other than revenue from contracts with customers under IFRS 15 as follows:  
The Electricity and Gas segment recognized 18,733 million yen of government grants under IAS 20.  
The Beverage segment included lease income under IFRS 16.  
The Insurance segment recognized 8,651 million yen of insurance revenue under IFRS 17. Corresponding insurance service expenses of 7,274 million yen and losses related to reinsurance of 97 million yen compose the segment profit of the Insurance segment.  
The Finance segment recognized revenue, including finance income, calculated using the effective interest rate under IFRS 9.

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(Million yen)

	Reportable segment								Other	Total	Adjustment (Note)	Condensed semi-annual consolidated financial statements
	Electricity and Gas	Telecommuni- cation	Beverage	Insurance	Finance	Solution	Commission -based Sales	Total				
Revenue												
Sales to external customers	134,528	60,124	38,654	12,976	14,211	13,735	51,550	325,783	—	325,783	—	325,783
Intersegment sales and transfers	—	—	—	—	—		—	—	—	—	—	—
Total	134,528	60,124	38,654	12,976	14,211	13,735	51,550	325,783	—	325,783	—	325,783
Segment profit	17,442	12,750	4,996	4,415	8,560	2,933	8,725	59,824	—	59,824	(2,403)	57,421
Finance income												26,714
Finance costs												21,843
Share of profit (loss) of investments accounted for using equity method												6,452
Other non- operating income and expenses												394
Profit before tax												69,139

- Notes:
1. The adjustment for segment profit includes corporate profit or loss that have not been allocated to reportable segments.
  2. Revenue of each segment include the revenue from sources other than revenue from contracts with customers under IFRS 15 as follows:  
The Electricity and Gas segment recognized 6,728 million yen of government grants under IAS 20.  
The Beverage segment included lease income under IFRS 16.  
The Insurance segment recognized 9,951 million yen of insurance revenue under IFRS 17. Corresponding insurance service expenses of 6,507 million yen and losses related to reinsurance of 353 million yen compose the segment profit of the Insurance segment.  
The Finance segment recognized revenue, including finance income, calculated using the effective interest rate under IFRS 9.



## 6. Assets held for sale

Details of assets held for sale and liabilities directly associated with assets held for sale are as follows:

	Fiscal year ended March 31, 2024 (As of March 31, 2024)	(Million yen) Six months ended September 30, 2024 (As of September 30, 2024)
Assets held for sale		
Cash and cash equivalents	3,657	—
Trade and other receivables	181	—
Inventories	474	—
Other financial assets	282	2,606
Investments in associates that had been accounted for using the equity method	512	—
Other	894	—
Total	6,004	2,606
Liabilities directly associated with assets held for sale		
Trade and other payables	279	—
Interest-bearing liabilities	659	—
Other	566	—
Total	1,505	—

Assets and liabilities held for sale as of March 31, 2024, were composed of investments in a subsidiary in the Solution segment, a subsidiary in the Commission-based Sales segment, and associates that had been accounted for using the equity method. These have been classified as assets and liabilities held for sale as the Group has committed to execute a disposal plan of these investments, and their sale is expected to be completed within a year of the classification. Investments in associates that had been accounted for using the equity method were measured at carrying value as the fair value less disposal costs exceeded the carrying value.

Of the assets and liabilities held for sale as of March 31, 2024, the Group lost control over the subsidiary in the Solution segment and the subsidiary in the Commission-based Sales segment mentioned above during the current period.

Assets and liabilities held for sale as of September 30, 2024, are composed of investments in associates that had been accounted for using the equity method and investment securities held by our Group. These have been classified as assets held for sale as the Group has committed to execute a disposal plan of these investments, and their sale is expected to be completed within a year of the classification. Investments in associates that had been accounted for using the equity method were measured at carrying value as the fair value less disposal costs exceeded the carrying value. Among the investment securities, listed stocks that are traded on active markets are valued at the market price on the exchange and classified as Level 1 in the fair value hierarchy. Unlisted stocks are valued by deducting disposal costs from the sale price and are classified as Level 3 in the fair value hierarchy.

## 7. Subsidiaries

Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(Changes in ownership interest of a subsidiary)

For the six months ended September 30, 2023, the Company's subsidiary, Daini Tsushin Co., Ltd. acquired ordinary shares of Grandata, Inc (currently Sutoene, Inc), which is also the Company's subsidiary, from non-controlling shareholders. As a result, the Group's ownership interests in Grandata, Inc increased. However, the acquisition of all ordinary shares of Grandata, Inc., as resolved at the Board of Directors meeting on April 17, 2023, had not been fully completed during the six months period ended September 30, 2023. The Group continued to acquire shares from non-controlling shareholders after the end of the third quarter cumulative period.

An overview of transactions with non-controlling interests regarding said transaction was follows.

(Million yen)

Item	Amount
Acquisition price	8,802
Amount of change in non-controlling interests	1,180
Amount of decrease in capital surplus	9,982

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Not applicable.

## 8. Investments accounted for using equity method

The carrying amount of investments in associates is as follows:

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Total carrying amount	199,030	220,557

Financial information for associates is as follows. Additionally, these amounts are subsequent to the incorporation of the Group's ownership ratios.

(Million yen)

	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
Profit	5,529	6,452
Other comprehensive income	1,405	54
Comprehensive income	6,935	6,506

Note: "Share of profit (loss) of investments accounted for using equity method" in the condensed semi-annual consolidated statement of profit or loss for six months ended September 30, 2023 includes gain on discount purchase of 635 million yen, recognized when an associate was newly accounted for using equity method. There was no gain on discount purchase for six months ended September 30, 2024.

## 9. Bonds payable

The Company issued bonds payable of 56,900 million yen in the six months ended September 30, 2023. The breakdown is as follows:

The forty-second unsecured bond of 40,000 million yen (Annual interest rate: 1.11%, Date of issue: June 9, 2023, Term of redemption: June 9, 2028);

The forty-third unsecured bond of 6,900 million yen (Interest rate: 6-month Japanese Yen TIBOR +1.26%, Date of issue: June 1, 2023, Term of redemption: May 31, 2030);

The forty-fourth unsecured bond of 10,000 million yen (Annual interest rate: 2.38%, Date of issue: August 29, 2023, Term of redemption: August 29, 2033).

The Company issued bonds payable of 95,000 million yen in the six months ended September 30, 2024. The breakdown is as follows:

The forty-eighth unsecured bond of 75,000 million yen (Annual interest rate: 2.05%, Date of issue: April 26, 2024, Term of redemption: April 25, 2031);

The forty-ninth unsecured bond of 10,000 million yen (Annual interest rate: 1.073%, Date of issue: September 11, 2024, Term of redemption: September 10, 2027);

The fiftieth unsecured bond of 10,000 million yen (Annual interest rate: 1.580%, Date of issue: September 11, 2024, Term of redemption: September 11, 2029)

## 10. Capital and reserves

Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

Not applicable.

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

The Company conducted the cancellation of treasury shares by 780,000 on May 31, 2024, pursuant to the resolution adopted at the Board of Directors meeting on May 15, 2024.

## 11. Earnings per share

Basic earnings per share and the basis of its calculation, and diluted earnings per share and the basis of its calculation are as follows:

	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
(1) Basic earnings per share	1,386.43 yen	1,092.49 yen
(Basis of calculation)		
Profit attributable to owners of parent (million yen)	61,761	48,203
Amount not attributable to ordinary equity holders of the parent (million yen)	—	7
Amount used in calculation of basic earnings per share (million yen)	61,761	48,196
Weighted average number of ordinary shares (thousand shares)	44,546	44,116
(2) Diluted earnings per share	1,383.24 yen	1,090.15 yen
(Basis of calculation)		
Amount used in calculation of basic earnings per share (million yen)	61,761	48,196
Adjustment to profit for potential shares in subsidiaries and associates (million yen)	(113)	(59)
Amount used in calculation of diluted earnings per share (million yen)	61,647	48,136
Weighted average number of ordinary shares (thousand shares)	44,546	44,116
Increase in ordinary shares from share acquisition rights (thousand shares)	20	39
Weighted average number of ordinary shares used in calculation of diluted earnings per share (thousand shares)	44,567	44,156

12. Significant subsequent events

Not applicable.

13. Notes on going concern assumption

Not applicable.

14. Date of approval

The accompanying condensed semi-annual consolidated financial statements were approved by the Board of Directors on November 12, 2024.