

# Financial Results

For the six months ended September 30, 2024

November 12, 2024

# Quarterly Growth Rate for 5 Fiscal Years (1)

Average annual growth rate of in-house products were more than 10%.

(Billion JPY)		Revenue			Recurring Operating profit			Operating profit			Income Before tax	Net income	Comprehe nsive Income
		Total	In-house products	Third- party products	Total	In-house products	Third- party products	Total	In-house products	Third- party products			
20/3	Q2	134.3	86.3	48.6	27.6	21.3	6.3	20.2	13.0	8.0	21.8	15.5	21.7
	Q3	129.1	84.2	45.6	28.3	22.0	6.3	17.5	11.2	7.0	19.9	13.2	43.0
	Q4	135.6	87.8	48.5	30.3	23.9	6.3	10.5	6.6	5.2	13.2	7.4	(39.1)
21/3	Q1	129.2	90.0	39.7	32.5	26.2	6.2	22.4	16.7	6.1	24.4	13.6	29.9
	Q2	136.6	97.0	39.8	32.5	26.1	6.3	25.1	18.6	6.9	25.6	16.3	28.8
	Q3	139.1	99.3	40.0	31.7	25.4	6.3	18.3	14.1	4.9	23.0	13.6	26.8
	Q4	154.3	112.3	42.1	11.5	5.4	6.0	3.3	-2.1	6.1	9.0	11.0	44.7
22/3	Q1	133.4	97.1	36.9	33.1	27.1	6.0	24.3	19.4	5.4	30.2	20.6	31.6
	Q2	137.9	101.8	36.4	33.6	27.4	6.1	24.6	20.1	5.3	30.6	19.5	32.1
	Q3	142.4	107.9	34.9	32.2	26.0	6.2	19.2	14.8	4.9	24.7	18.6	16.8
	Q4	159.2	120.5	39.1	27.9	21.6	6.3	15.2	10.5	5.5	22.9	28.6	33.4
23/3	Q1	143.4	112.2	31.7	30.3	24.5	5.8	18.2	15.0	4.0	40.5	27.6	22.6
	Q2	166.5	136.3	30.9	21.9	16.1	5.7	27.8	5.4	23.2	41.6	32.2	51.1
	Q3	160.5	133.7	27.2	33.0	29.0	4.0	20.0	17.4	3.3	12.1	6.7	15.6
	Q4	173.4	141.6	32.0	41.7	37.5	4.1	20.3	17.1	3.9	24.0	24.7	44.6
24/3	Q1	140.1	114.2	26.5	38.4	34.7	3.7	23.9	21.3	3.5	47.5	32.7	71.2
	Q2	156.3	130.2	26.8	39.1	35.5	3.6	24.5	21.8	3.6	39.6	29.0	51.2
	Q3	150.2	124.1	26.8	35.8	32.5	3.3	26.0	24.2	2.8	20.7	12.0	27.6
	Q4	155.2	127.2	28.7	37.5	34.7	2.8	20.0	20.3	1.3	60.0	48.3	115.7
25/3	Q1	146.1	120.1	26.0	38.5	34.9	3.6	27.2	24.3	4.1	65.7	45.8	74.2
	Q2	179.6	154.0	25.5	42.4	38.8	3.6	30.2	26.7	4.5	3.3	2.3	(15.2)
Average growth rate for 5 fiscal years		6%	12%	(12%)	9%	12%	(10%)	8%	15%	(10%)	(31%)	(31%)	(193%)





# Quarterly Growth Rate for 5 Fiscal Years (2)

Average annual growth rate of major indicators of the balance sheet are overall above 20%.

(Billion JPY)		BS					Per Share			Shareholder Return		Capital Efficiency	
		Net Cash Asset	Asset	Net Asset	Net Asset before shareholder return*	Equity	EPS (Yen)	BPS (Yen)	Dividends (Yen)	Acquisition of the Company's own share	Dividend payment amount	Hypothetical consolidated ROA	Hypothetical consolidated ROE
20/3	Q2	190.3	916.5	324.6	362.8	291.3	¥339	¥6,350	¥99	0.0	4.5	-	-
	Q3	263.7	1,000.4	362.7	405.5	329.7	¥288	¥7,187	¥102	0.0	4.6	-	-
	Q4	195.2	972.0	318.5	366.2	285.7	¥162	¥6,228	¥105	0.0	4.8	-	-
21/3	Q1	224.3	972.5	343.1	395.7	308.6	¥297	¥6,727	¥105	0.0	4.8	-	-
	Q2	259.6	1,053.7	367.0	424.9	332.4	¥355	¥7,245	¥117	0.0	5.3	-	-
	Q3	287.4	1,109.5	388.6	451.9	353.9	¥298	¥7,715	¥117	0.0	5.3	-	-
	Q4	321.4	1,256.8	429.0	497.6	393.4	¥240	¥8,575	¥117	0.0	5.3	-	-
22/3	Q1	334.7	1,305.9	447.1	531.0	411.4	¥452	¥9,057	¥119	9.8	5.4	-	-
	Q2	374.0	1,312.5	468.2	557.7	435.8	¥431	¥9,594	¥121	0.0	5.4	-	-
	Q3	355.2	1,384.2	475.5	574.2	443.7	¥410	¥9,811	¥124	3.5	5.6	-	-
	Q4	343.6	1,451.3	499.3	605.0	468.6	¥610	¥10,380	¥127	1.3	5.7	-	-
23/3	Q1	350.0	1,473.3	509.9	626.4	480.6	¥615	¥10,725	¥131	5.0	5.8	-	-
	Q2	389.5	1,605.9	554.5	677.1	525.4	¥718	¥11,725	¥135	0.0	6.0	-	-
	Q3	393.0	1,621.1	562.2	691.0	534.6	¥182	¥11,931	¥138	0.0	6.1	10.9%	23%
	Q4	440.2	1,691.9	598.3	735.5	571.0	¥541	¥12,773	¥141	2.0	6.3	10.6%	21%
24/3	Q1	518.4	1,773.8	651.2	798.1	622.9	¥733	¥13,986	¥143	3.3	6.3	10.5%	22%
	Q2	582.4	1,823.0	690.8	848.8	662.4	¥653	¥14,940	¥145	4.6	6.4	9.7%	22%
	Q3	602.7	1,896.5	709.2	876.9	682.7	¥273	¥15,444	¥147	3.2	6.4	9.7%	22%
	Q4	773.9	2,078.9	819.2	997.7	790.4	¥1,108	¥17,907	¥203	1.7	8.9	8.9%	22%
25/3	Q1	837.5	2,173.4	883.8	1,069.1	857.1	¥1,040	¥19,415	¥156	0.0	6.8	9.1%	22%
	Q2	793.8	2,122.4	857.0	1,055.0	829.6	¥52	¥18,865	¥161	5.4	7.0	9.8%	19%
Average growth rate for 5 fiscal years		33%	18%	21%	23%	23%	(32%)	24%	10%	-	9%	-	-

# Performance

(Billion JPY)

	25/3 First Half			25/3 Full Year	
	Results	YoY	Main factors	Forecast	Progress Rate
Revenue	 325.7	+9%	Increase in existing customers and supply volume in electricity business	620.0	52%
Recurring Operating Profit	 81.0	+4%	Progress exceeded initial plans. Profit grew due to an increase in existing customers.	162.0	50%
Operating Profit	 57.4	+18%	Productivity improved in electricity and beverage businesses	100.0	57%
Income before Tax	69.1	(20%)	-14.0 billion yen in foreign exchange losses (down 38.4 billion yen YoY) +25.0 billion yen in dividend income and interest income (up 10.0 billion yen YoY)	138.0	50%
Income before Tax excluding foreign exchange gains (losses)	 83.1	+32%	Dividend income and interest income were 25 billion yen (up 10.0 billion yen YoY)	138.0	60%
Net Income (attribute to owners of parent)	48.2	(21%)	-	90.0	53%
Comprehensive Income (attribute to owners of parent)	58.9	(51%)	-	-	-
(Reference) Operating profit excluding one-time gains and losses	54.0	+11%	Gains on transfer of business : 3.4 billion yen (mainly from Commission-based sales business)	100.0	54%

\* 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.

# Gains and Losses by Businesses

(1)Electricity & Gas : Robust sales and an increase in existing customers  
: Decrease due to a change in pricing  
(2)Telecommunications : Robust sales  
(3)Beverage : Revenue declined due to taking business off the balance sheet

(4)Insurance : Robust sales and an increase in existing customers  
(5)Finance : Performing well in Malaysia  
(6)Solution : Business restructuring are going on track in ERPARK business

(Billion JPY)		Revenue			Recurring Operating Profit			Acquisition Cost			Operating Profit		
		24/3	25/3	YoY	24/3	25/3	YoY	24/3	25/3	YoY	24/3	25/3	YoY
		First Half	First Half		First Half	First Half		First Half	First Half		First Half	First Half	
Total		296.4	325.7	+9%	77.6	81.0	+4%	(29.1)	(23.6)	(18%)	48.4	57.4	+18%
Electricity & Gas		101.0	134.5	+33%	27.5	28.9	+5%	(12.9)	(11.5)	(10%)	14.6	17.4	+19%
Telecommunications		59.9	60.1	+0%	20.8	19.4	(6%)	(5.0)	(6.7)	+34%	15.8	12.7	(19%)
Beverage		41.8	38.6	(7%)	14.7	15.3	+3%	(11.0)	(10.3)	(6%)	3.6	4.9	+35%
Insurance		11.0	12.9	+17%	5.2	6.1	+15%	(2.4)	(1.8)	(24%)	2.8	4.2	+49%
Finance		15.5	14.2	(8%)	0.0	0.0	-	6.1	8.5	+38%	6.1	8.5	+38%
Solution		13.7	13.7	(0%)	1.6	4.0	+139%	(0.8)	(1.7)	+122%	0.8	2.2	+155%
Commission-based sales		53.3	51.5	(3%)	7.3	7.1	(3%)	(0.4)	(1.0)	+103%	6.8	6.1	(11%)
One-time gains and losses		-	-	-	-	-	-	0.0	3.4	-	0.0	3.4	-

# Strong Sales

YoY Comparison in Customer Gains for the First Half of March FY25

Electricity & Gas			
High-Voltage	Low-Voltage	Total of Electricity	LP Gas
295%	114%	115%	342%

Telecommunications		Beverage	Insurance	Total of in-house products excluding Insurance and IT
Communication Line	IT	Beer Server	Small Amount & Short-Term Insurance	
117%	186%	369%	114%	112%

# Income before Tax

Up 32% YoY excluding foreign exchange gains (losses)

(Billion JPY)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-24	Mar-25	YoY
	Full year	Full year	Full year	Full year	Full year	First Half	First Half	
Income before tax	80.0	82.1	108.5	118.4	168.0	87.2	69.1	(20%)
Excluding foreign exchange gains (losses)	81.0	80.6	98.0	112.6	139.9	62.8	83.1	+32%
Operating Profit	73.0	69.2	83.5	86.6	94.5	48.4	57.4	+18%
Dividend income and Interest income	7.1	8.1	11.1	18.0	30.5	14.9	25.0	+67%
Others	0.9	3.2	3.3	8.0	14.7	(0.6)	0.7	-
Foreign exchange gains (losses)	(0.9)	1.5	10.4	5.7	28.0	24.4	(14.0)	(154%)

\* The USD/JPY exchange rate stood at 151.4 yen per dollar at the end of March 2024 and 142.7 yen per dollar at the end of September 2024. Assuming the rate is 151 yen per dollar at the end of March, foreign exchange gains and losses for FY March 2025 are expected to be 5 billion yen.

# Cash Flows

Dividend Income and Interest Income increased by 35% YoY

(Billion JPY)	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-24	Mar-25	YoY
	Full year	Full year	Full year	Full year	Full year	First Half	First Half	
Business CFs	98.7	73.2	74.3	82.4	124.3	58.7	21.7	(63%)
EBITDA	89.0	85.6	100.2	102.8	109.0	55.7	64.4	+15%
Operating Profit	73.0	69.2	83.5	86.6	94.5	48.4	57.4	+18%
Depreciation and Amortization	16.0	16.4	16.7	16.2	14.5	7.2	6.9	(4%)
Changes in Receivables and Payables	9.7	(12.5)	(25.9)	(20.4)	15.3	3.0	(42.6)	-
Dividend income, Interest income	9.1	10.6	14.2	20.9	33.8	17.8	24.2	+35%
Shareholder Return	(17.8)	(20.3)	(36.6)	(30.8)	(38.9)	(20.6)	(21.3)	+3%
Listed stock and bond investments	(59.6)	(84.7)	(88.2)	(87.5)	(81.7)	(18.5)	(96.8)	+423%
Financing	59.4	115.6	99.1	102.2	102.7	28.9	5.2	(82%)
Others (tax and interest expense)	(3.5)	(43.1)	(57.6)	(42.4)	(49.4)	(27.8)	(30.8)	+10%



# Fluctuation of Equity Attribute to Owners of Parent

A growth of 39.1 billion yen in equity during the First Half

(Billion JPY)

		Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-24	Mar-25	YoY
		Full year	Full year	Full year	Full year	Full year	First Half	First Half	
Equity attributable to owners of parent		285.7	393.4	468.6	571.0	790.4	662.4	829.6	+25%
	Balance at the End of the Previous Period	257.2	285.7	393.4	468.6	571.0	571.0	790.4	+38%
	Fluctuation for the period	+28.4	+107.6	+75.2	+102.3	+219.4	+91.4	+39.1	(57%)
	Net income attributable to owners of parent	+51.6	+54.6	+87.5	+91.3	+122.2	+61.7	+48.2	(21%)
	Gains (losses) on sales of securities	+27.1	+10.8	+13.9	+16.2	+49.9	+21.7	+12.8	(40%)
	Fluctuation of unrealized gain	(34.5)	+64.9	+11.9	+25.8	+88.7	+33.5	+0.5	(98%)
Shareholder Return		(17.8)	(20.3)	(36.6)	(30.9)	(38.6)	(20.6)	(21.3)	+3%
Others (assets fluctuation etc.)		+2.0	(2.3)	(1.5)	(0.1)	(2.8)	(4.8)	(1.1)	-

# Pure Investment Performance

IRR (before tax) of 17% for the last 7 years.

(Billion JPY)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-24	Mar-25	YoY
	Full year	Full year	Full year	Full year	Full year	First Half	First Half	
Investment book value (A)	264.1	357.3	456.0	532.6	590.2	544.2	669.4	+23%
Unrealized Gain	56.8	148.4	162.0	226.6	411.1	305.8	454.1	+48%
Market value	321.0	505.8	618.0	759.2	1,001.3	850.0	1,123.6	+32%
Look-through Earnings (B) (last 12 months)	36.6	44.6	70.8	80.3	83.2	82.0	96.7	+17%
Earnings Yield (B)÷(A)	13.8%	12.5%	15.5%	15.1%	14.1%	15.1%	14.4%	(4%)
Dividend yield (based on CF and book value, last 12 months)	2.6%	2.7%	3.0%	3.4%	4.1%	3.9%	4.3%	+10%
Dividend Income (PL) (C)	5.2	7.3	10.6	14.5	18.6	10.4	13.5	+29%
Gain on sale of securities (D)	27.1	10.8	13.9	16.2	49.9	27.1	10.7	(60%)
Total (C)+(D)	32.3	18.1	24.6	30.7	68.6	37.5	24.4	(35%)

\* "Look-through earnings" is calculated by multiplying operating profit of each of the companies we invested in by our stock holding ratio and adding all them up.

\* "Last 12 months" means four quarters of the last 12 months from the record date for which financial results have been announced.

\* Earnings Yield is calculated by dividing the investment book value (acquisition cost) by Look-through earnings

# Stocks Introduction (As of the end of September 2024)

(Billion JPY)

Dividend yield (on investment book value)

Unrealized gains & Rate of value change

	Stock	Dividend Yield
1	Fullcast Holdings Co., Ltd.	34.4%
2	Optimus Group Co., Ltd.	26.8%
3	Chubu Steel Plate Co., Ltd.	13.3%
4	TOA ROAD CORPORATION	12.2%
5	Seika Corporation	11.5%
6	Altria Group Inc	11.4%
7	BHP Group Ltd	10.4%
8	Phillips 66	10.1%
9	EBARA JITSUGYO CO., LTD.	10.0%
10	Ryoyu Systems Co., Ltd.	9.6%

	Stock	Unrealized Gains Market Value-Book Value	Rate of value change Market Value /Book Value
1	Berkshire Hathaway Inc.	88.2	502%
2	T-Gaia Corporation	41.2	330%
3	Daito Trust Construction Co., Ltd.	22.4	153%
4	Leopalace21 Corporation	19.2	218%
5	U-NEXT HOLDINGS Co., Ltd.	16.2	1,026%
6	Tokio Marine Holdings	12.1	266%
7	MTI Ltd.	11.8	223%
8	SINANEN HOLDINGS CO., LTD.	10.1	180%
9	Alphabet Inc.	9.6	259%
10	TAIHEI DENGYO KAISHA, LTD.	9.2	202%

\*Excerpt from a list of stocks with a book value of 100 million yen or more

\*240 billion yen for 10 stocks in total

# Publicly Listed Equity-method affiliates

34 publicly listed equity-method affiliates

(As of the end of September 2024)

	Company name	Voting rights ratio
1	ZAPPALLAS, INC.	47.1%
2	BENEFIT JAPAN Co.,LTD.	42.8%
3	MS&Consulting Co.,Ltd.	40.1%
4	INEST, Inc.	37.7%
5	SINANEN HOLDINGS CO.,LTD.	36.7%
6	Last One Mile Co.,Ltd.	36.6%
7	Bell-Park Co.,Ltd.	36.0%
8	MTI Ltd.	33.3%
9	TOUMEI CO.,LTD.	30.8%
10	Kusurinomadoguchi, Inc.	29.2%
11	DAIICHI JITSUGYO CO.,LTD.	29.0%
12	T-Gaia Corporation	28.8%

	Company name	Voting rights ratio
13	TVE Co.,Ltd.	27.2%
14	TOKUDEN CO., LTD.	26.1%
15	DVx Inc.	26.0%
16	Data Applications	25.7%
17	TOHO SYSTEM SCIENCE CO.,LTD.	24.9%
18	XNET Corporation	24.8%
19	FORVAL CORPORATION	24.7%
20	SUNNEXTA GROUP Inc.	24.7%
21	ULURU.CO.,LTD.	24.5%
22	NISHIKAWA KEISOKU Co.,LTD.	24.0%
23	CE Holdings Co.,Ltd.	23.4%
24	SANSEI CO.,LTD.	22.6%

	Company name	Voting rights ratio
25	RAIZNEXT Corporation	22.6%
26	Inbound Tech Inc.	22.1%
27	Techno Smart Corp.	22.1%
28	Youji Corporation	21.9%
29	AKATSUKI EAZIMA CO.,LTD	21.3%
30	Original Engineering Consultants Co., Ltd.	21.2%
31	TOHOKU STEEL Co.,Ltd	21.0%
32	Maruzen Co., Ltd.	20.6%
33	Honyaku Center Inc.	20.5%
34	FreeBit Co.,Ltd.	20.4%

# Revision of Dividends and Dividend Forecasts (Dividend Increase)

		24/3	25/3		
			Announced in August	Announced in November	YoY
Dividends per share	Total	¥638	¥624	<div>Record - high</div> ¥639	+0%
	Excluding special dividends	¥588	¥624	¥639	+8%
Q1	Regular dividend	¥143	¥156	¥156	+9%
Q2	Regular dividend	¥145	¥156	¥161	+11%
Q3	Regular dividend	¥147	¥156	¥161	+9%
Q4	Regular dividend	¥153	¥156	¥161	+5%
	Special dividend	¥50	-	-	-

The dividend for the second quarter increased by 5 yen. Dividend forecast were revised upward in the for the second half.

As a result, even with the special dividend included, the annual dividend is expected to be higher than that of last year.

# Trend of Shareholder Returns

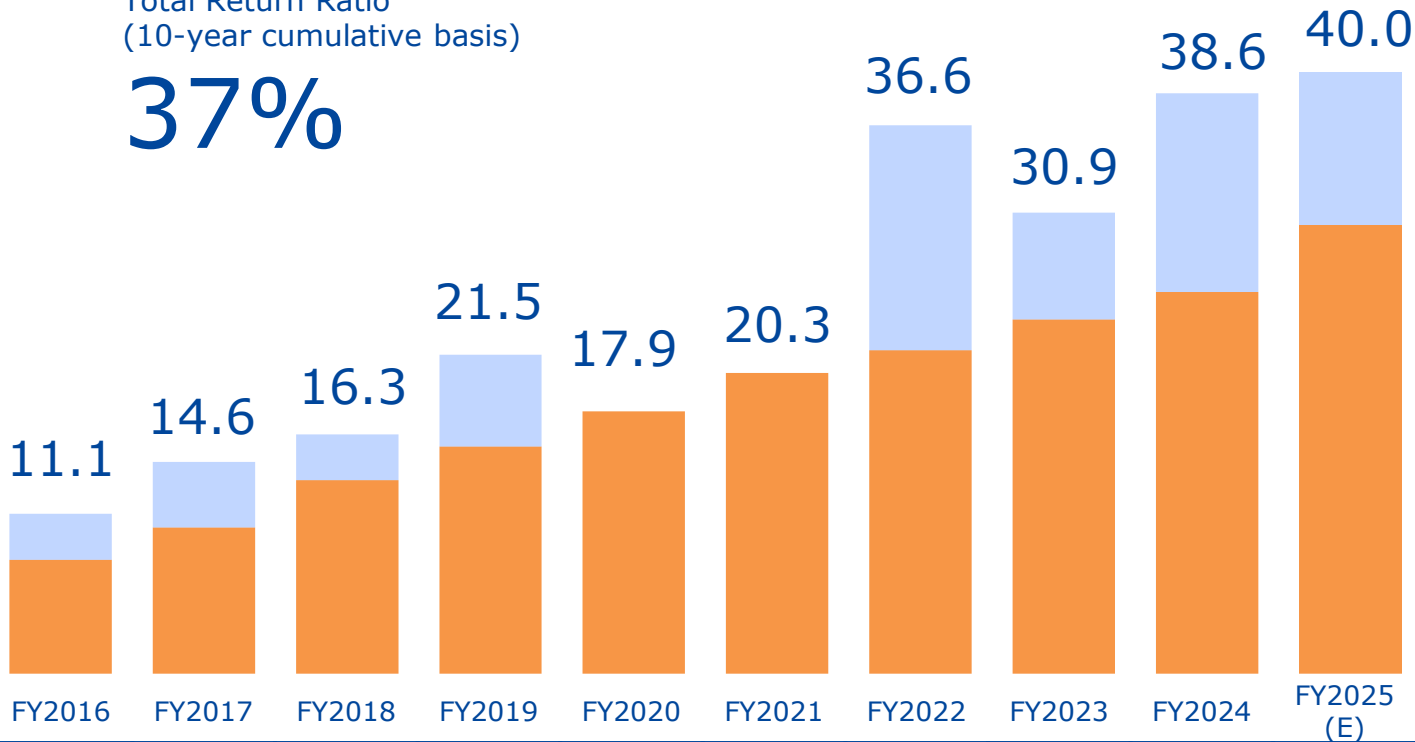
(Billions JPY)

Total Return  
Ratio  
44%

Aggregate  
Amount of  
own share  
acquired

Dividend  
Payment  
Amount

Total Return Ratio  
(10-year cumulative basis)  
**37%**



	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (E)	Total
Dividend Payment Amount	8.1	10.2	13.3	15.5	17.8	20.3	21.8	23.8	25.6	30.0	186.9
Aggregate Amount of own share acquired	3.0	4.3	3.0	6.0	0.0	0.0	14.7	7.0	13.0	10.0	61.3
Total Return Ratio	44%	37%	38%	43%	34%	37%	41%	33%	31%	44%	37%

# Summary of Earnings Release

## for the First Half of FYE March 2025

### Business

- (1) Sales, recurring operating profit, and operating profit all reached **record highs**. **Progress exceeded initial forecasts**.
- (2) Particularly **strong performance** in acquiring new customers in electricity, gas, telecommunications, beverage, and insurance businesses.

### Pure Investment

- (1) **EY was 14.4%** and Look-through earnings were 96.7 billion yen.
- (2) Dividend income and interest income(P&L) **increased by 67% YoY** totaling 25 billion yen.

### Shareholder Return

- (1) **Dividend increased**. The dividend per share will mark all time high if it goes as expected.
- (2) The full-year total shareholder return ratio is expected to be 44%.

# 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.

### 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.



