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February 12, 2025

## Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under IFRS)

Company name: HIKARI TSUSHIN, INC.  
 Listing: Tokyo Stock Exchange  
 Securities code: 9435  
 URL: <http://www.hikari.co.jp/en/>  
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 Scheduled date to commence dividend payments: March 14, 2025  
 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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

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

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	498,814	11.7	86,581	16.2	144,084	33.5	106,017	41.0
December 31, 2023	446,688	(5.1)	74,506	12.5	107,940	14.3	75,214	10.5

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Nine months ended	Million yen	%	Million yen	%	Yen	Yen
December 31, 2024	102,784	39.2	154,863	2.0	2,333.86	2,329.94
December 31, 2023	73,838	10.9	151,755	66.5	1,660.60	1,656.46

#### (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	%
December 31, 2024	2,284,828	938,981	910,816	39.9
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	167.00		
Fiscal year ending March 31, 2025 (Forecast)				167.00	651.00

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	670,000	11.3	105,000	11.1	115,000	(5.9)	2,622.13

Note: Revisions to the forecast of financial result most recently announced: Yes

#### 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 December 31, 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 December 31, 2024	412,177 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)

Nine months ended December 31, 2024	44,033,785 shares
Nine months ended December 31, 2023	44,465,083 shares

- Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

- 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 Quarterly 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 Quarterly Financial Results**

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

#### <Summary of financial results>

For the nine months ended December 31, 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 498,814 million yen, up 11.7% year on year for the nine months ended December 31, 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 86,581 million yen, up 16.2% year on year. Profit before tax was 144,084 million yen, up 33.5% year on year, due to a growth in financial income as a result of the weaker yen. Profit attributable to owners of the parent was 102,784 million yen, up 39.2% 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)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Change	Change (%)
Revenue	446,688	498,814	52,125	11.7
Operating profit	74,506	86,581	12,075	16.2
Profit before tax	107,940	144,084	36,144	33.5
Profit attributable to owners of parent	73,838	102,784	28,945	39.2

#### <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 204,708 million yen, up 33.4% year on year, and operating profit of 26,815 million yen, up 30.2% 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 91,433 million yen, up 2.5% year on year, and operating profit of 19,864 million yen, down 21.8% 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 59,641 million yen, down 4.7% year on year, and operating profit of 7,611 million yen, up 15.6% 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 19,516 million yen, up 15.3% year on year, and operating profit of 6,441 million yen, up 49.6% 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 24,536 million yen, up 6.9% year on year, and operating profit of 14,465 million yen, up 46.5% 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 20,952 million yen, down 1.3% year on year, and operating profit of 3,875 million yen, up 89.8% 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 78,024 million yen, down 3.0% year on year, and operating profit of 11,498 million yen, up 22.5% 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 December 31, 2024	Change
Assets	2,078,956	2,284,828	205,871
Liabilities	1,259,707	1,345,846	86,139
Equity	819,249	938,981	119,732

Assets were 2,284,828 million yen, up 205,871 million yen from March 31, 2024, due to the purchase of investment securities.

Liabilities were 1,345,846 million yen, up 86,139 million yen from March 31, 2024, due to the issuance of bonds.

Equity was 938,981 million yen, up 119,732 million yen from March 31, 2024, due to an increase in retained earnings.

Cash flows

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities	93,779	55,051
Cash flows from investing activities	(74,812)	(159,317)
Cash flows from financing activities	40,189	29,160
Cash and cash equivalents at end of period	454,919	430,663

Net cash provided by operating activities was 55,051 million yen mainly as a result of robust performance during the consolidated interim accounting period.

Net cash used in investment activities was 159,317 million yen primarily due to the purchase of investment securities.

Net cash provided by financing activities was 29,160 million yen mainly due to the issuance of bonds.

As a result, the balance of cash and cash equivalents as of December 31, 2024 was 430,663 million yen.

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

The financial forecast for the fiscal year ending March 31, 2025 was revised. Please refer to the “Notice Concerning Revision of Financial Forecast” for details announced on February 12, 2025.

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 Quarterly Consolidated Financial Statements and Primary Notes**

### **(1) Condensed Quarterly Consolidated Statements of Financial Position**

		(Million yen)	
	Notes	As of March 31, 2024	As of December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		494,850	430,663
Trade and other receivables		274,622	312,399
Reinsurance contract asset		2,063	1,220
Inventories		2,290	2,563
Other financial assets		52,201	31,501
Other current assets		8,777	10,498
(Subtotal)		834,805	788,847
Assets held for sale	6	6,004	39,551
Total current assets		840,810	828,399
Non-current assets			
Property, plant and equipment		32,943	36,675
Right-of-use assets		7,047	5,927
Goodwill		17,510	17,591
Intangible assets		5,821	8,904
Investments accounted for using equity method	8	199,030	188,115
Other financial assets		923,330	1,140,497
Deferred tax assets		7,546	5,590
Contract costs		41,453	48,379
Insurance contract asset		3,373	4,664
Other non-current assets		88	83
Total non-current assets		1,238,146	1,456,429
Total assets		2,078,956	2,284,828

*The notes are an integral part of these condensed quarterly consolidated financial statements.*

(Million yen)

	Notes	As of March 31, 2024	As of December 31, 2024
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		235,119	257,410
Insurance contract liabilities		5,714	5,292
Interest-bearing liabilities	9	156,386	149,225
Income taxes payable		26,554	10,756
Other financial liabilities		244	605
Other current liabilities		13,671	14,344
(Subtotal)		437,690	437,635
Liabilities directly associated with assets held for sale	6	1,505	-
Total current liabilities		439,195	437,635
Non-current liabilities			
Interest-bearing liabilities	9	666,107	736,869
Provisions		365	422
Other non-current liabilities		22,167	17,502
Deferred tax liabilities		131,870	153,417
Total non-current liabilities		820,511	908,211
Total liabilities		1,259,707	1,345,846
Equity			
Share capital		54,259	54,259
Capital surplus	7	-	1,113
Retained earnings		748,760	856,674
Treasury shares	10	(18,365)	(11,610)
Accumulated other comprehensive income		5,823	10,379
Total equity attributable to owners of parent		790,478	910,816
Non-controlling interests	7	28,771	28,165
Total equity		819,249	938,981
Total liabilities and equity		2,078,956	2,284,828

The notes are an integral part of these condensed quarterly consolidated financial statements.



**(2) Condensed Quarterly Consolidated Statements of Profit or Loss  
and Condensed Quarterly Consolidated Statements of Comprehensive Income**

Condensed Quarterly Consolidated Statements of Profit or Loss  
Nine months ended December 31, 2023 and 2024

		(Million yen)	
	Notes	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Revenue		446,688	498,814
Cost of sales		210,336	245,475
Gross profit		236,351	253,338
Other income		2,893	4,220
Selling, general and administrative expenses		164,218	170,366
Other expenses		520	611
Operating profit		74,506	86,581
Finance income		33,418	54,241
Finance costs		11,066	9,506
Share of profit (loss) of investments accounted for using equity method	8	8,985	12,037
Other non-operating income and expenses		2,095	730
Profit before tax		107,940	144,084
Income tax expense		32,725	38,067
Profit		75,214	106,017
Profit attributable to			
Owners of parent		73,838	102,784
Non-controlling interests		1,375	3,233
Profit		75,214	106,017
Earnings per share			
Basic earnings per share (Yen)	11	1,660.60	2,333.86
Diluted earnings per share (Yen)	11	1,656.46	2,329.94

*The notes are an integral part of these condensed quarterly consolidated financial statements.*

Condensed Quarterly Consolidated Statements of Comprehensive Income  
Nine months ended December 31, 2023 and 2024

		(Million yen)	
	Notes	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Profit		75,214	106,017
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		73,753	44,467
Share of other comprehensive income of investments accounted for using equity method		910	(208)
Total		74,664	44,258
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		1,240	4,508
Share of other comprehensive income of investments accounted for using equity method		636	78
Total		1,876	4,587
Other comprehensive income, net of tax		76,540	48,845
Comprehensive income		151,755	154,863
Comprehensive income attributable to			
Owners of parent		150,102	151,340
Non-controlling interests		1,653	3,522
Comprehensive income		151,755	154,863

*The notes are an integral part of these condensed quarterly consolidated financial statements.*

### (3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 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		-	-	73,838	-	-	1,375	75,214
Other comprehensive income		-	-	-	-	76,263	277	76,540
Comprehensive income		-	-	73,838	-	76,263	1,653	151,755
Transactions with owners								
Dividends of surplus		-	-	(19,102)	-	-	(1,355)	(20,457)
Change in scope of consolidation		-	-	-	-	-	(145)	(145)
Changes in ownership interest in subsidiaries	7	-	(8,306)	-	-	-	(979)	(9,285)
Purchase and disposal of treasury shares		-	-	(2)	(10,990)	-	-	(10,993)
Share-based payment transactions		-	(13)	-	50	-	19	56
Transfer from other components of equity to retained earnings		-	-	74,423	-	(74,423)	-	-
Total transactions with owners		-	(8,319)	55,318	(10,939)	(74,423)	(2,461)	(40,825)
Balance at end of period		54,259	(7,542)	650,036	(16,732)	2,726	26,494	709,241

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 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		-	-	102,784	-	-	3,233	106,017
Other comprehensive income		-	-	-	-	48,556	288	48,845
Comprehensive income		-	-	102,784	-	48,556	3,522	154,863
Transactions with owners								
Dividends of surplus		-	-	(22,928)	-	-	(1,366)	(24,295)
Change in scope of consolidation		-	-	-	-	-	(2,135)	(2,135)
Changes in ownership interest in subsidiaries		-	1,295	-	-	-	(627)	667
Purchase and disposal of treasury shares		-	19	(153)	(9,145)	-	-	(9,279)
Cancellation of treasury shares	10	-	(34)	(15,788)	15,823	-	-	-
Share-based payment transactions		-	(166)	-	77	-	1	(88)
Transfer from other components of equity to retained earnings		-	-	44,000	-	(44,000)	-	-
Total transactions with owners		-	1,113	5,129	6,755	(44,000)	(4,128)	(35,130)
Balance at end of period		54,259	1,113	856,674	(11,610)	10,379	28,165	938,981

*The notes are an integral part of these condensed quarterly consolidated financial statements.*

#### (4) Condensed Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Notes	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 To December 31, 2024)
Cash flows from operating activities			
Profit before tax		107,940	144,084
Depreciation and amortization		10,813	10,585
Finance income		(33,418)	(54,241)
Finance costs		11,066	9,506
Share of loss (profit) of investments accounted for using equity method	8	(8,985)	(12,037)
Decrease (increase) in contract costs		(2,249)	(6,926)
Decrease (increase) in trade and other receivables		25,100	(28,397)
Increase (decrease) in trade and other payables		(6,095)	21,782
Decrease (increase) in inventories		78	(228)
Other		(4,969)	(7,968)
Subtotal		99,281	76,158
Interest received		5,759	10,785
Dividends received		20,978	24,956
Interest paid		(6,199)	(8,051)
Income taxes refund (paid)		(26,040)	(48,797)
Net cash provided by (used in) operating activities		93,779	55,051
Cash flows from investing activities			
Purchase of property, plant and equipment, and intangible assets		(15,003)	(19,298)
Proceeds from sale of property, plant and equipment, and intangible assets		22	2
Purchase of investment securities		(155,828)	(218,656)
Proceeds from sale of investment securities		92,210	85,818
Proceeds from obtaining control of subsidiaries		1,067	(1,594)
Proceeds from loss of control of subsidiaries		5,349	2,736
Payments for loans receivable		(838)	(2,793)
Collection of loans receivable		1,018	778
Other		(2,809)	(6,310)
Net cash provided by (used in) investing activities		(74,812)	(159,317)
Cash flows from financing activities			
Proceeds from short-term interest-bearing debt		37,099	(30,000)
Proceeds from long-term interest-bearing debt		75,608	120,272
Repayment of long-term interest-bearing debt		(30,682)	(29,836)
Capital contribution from non-controlling interests		801	1,801
Purchase of treasury shares		(11,237)	(10,001)
Dividends paid		(19,472)	(22,919)
Dividends paid to non-controlling interests		(1,348)	(1,296)
Payments for acquisition of interests in subsidiaries from non-controlling interests	7	(12,598)	(858)
Other		2,019	1,999
Net cash provided by (used in) financing activities		40,189	29,160
Effect of exchange rate changes on cash and cash equivalents		6,396	7,260
Net increase (decrease) in cash and cash equivalents		65,552	(67,844)
Decrease in cash and cash equivalents resulting from transfer to assets held for sale		-	3,657
Cash and cash equivalents at beginning of period		389,366	494,850
Cash and cash equivalents at end of period		454,919	430,663

The notes are an integral part of these condensed quarterly consolidated financial statements.

## (5) Notes to Condensed Quarterly 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 quarterly consolidated financial statements for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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 quarterly consolidated financial statements

#### (1) Financial reporting framework

The Company’s condensed quarterly consolidated financial statements have been prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (however, omissions set forth in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements apply).

#### (2) Basis for measurement

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

#### (3) Functional currency and presentation currency

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

#### (4) 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 quarterly consolidated financial statements. However, as of December 31, 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 quarterly 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
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The adoption of these accounting standards has no significant impact on the accompanying condensed quarterly consolidated financial statements.

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

In the preparation of condensed quarterly 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 quarterly 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

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(Million yen)

	Reportable segment								Other	Total	Adjustment (Note)	Condensed quarterly consolidated financial statements
	Electricity and Gas	Telecommuni- cation	Beverage	Insurance	Finance	Solution	Commission -based Sales	Total				
Revenue												
Sales to external customers	153,401	89,187	62,601	16,924	22,951	21,220	80,401	446,688	—	446,688	—	446,688
Intersegment sales and transfers	—	—	—	—	—	—	—	—	—	—	—	—
Total	153,401	89,187	62,601	16,924	22,951	21,220	80,401	446,688	—	446,688	—	446,688
Segment profit	20,602	25,393	6,586	4,305	9,877	2,041	9,385	78,191	—	78,191	(3,685)	74,506
Finance income												33,418
Finance costs												11,066
Share of profit (loss) of investments accounted for using equity method												8,985
Other non- operating income and expenses												2,095
Profit before tax												107,940

- 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 22,679 million yen of government grants under IAS 20.  
The Beverage segment included lease income under IFRS 16.  
The Insurance segment recognized 13,202 million yen of insurance revenue under IFRS 17. Insurance revenue, corresponding insurance service expenses of 11,058 million yen and losses related to reinsurance of 144 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.

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment								Other	Total	Adjustment (Note)	Condensed quarterly consolidated financial statements
	Electricity and Gas	Telecommuni- cation	Beverage	Insurance	Finance	Solution	Commission -based Sales	Total				
Revenue												
Sales to external customers	204,708	91,433	59,641	19,516	24,536	20,952	78,024	498,814	—	498,814	—	498,814
Intersegment sales and transfers	—	—	—	—	—	—	—	—	—	—	—	—
Total	204,708	91,433	59,641	19,516	24,536	20,952	78,024	498,814	—	498,814	—	498,814
Segment profit	26,815	19,864	7,611	6,441	14,465	3,875	11,498	90,572	—	90,572	(3,990)	86,581
Finance income												54,241
Finance costs												9,506
Share of profit (loss) of investments accounted for using equity method												12,037
Other non- operating income and expenses												730
Profit before tax												144,084

- 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 8,765 million yen of government grants under IAS 20.  
The Beverage segment included lease income under IFRS 16.  
The Insurance segment recognized 15,377 million yen of insurance revenue under IFRS 17. Insurance revenue, corresponding insurance service expenses of 10,452 million yen and losses related to reinsurance of 305 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) Nine months ended December 31, 2024 (As of December 31, 2024)
Assets held for sale		
Cash and cash equivalents	3,657	—
Trade and other receivables	181	—
Inventories	474	—
Other financial assets	282	—
Investments in associates that had been accounted for using the equity method	512	39,551
Other	894	—
Total	6,004	39,551
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 held for sale as of December 31, 2024, are composed of investments in associates that had been accounted for using the equity method, and the shares of T-Gaia Corporation. 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.

## 7. Subsidiaries

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(Changes in ownership interest of a subsidiary)

For the nine months ended December 31, 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.

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

(Million yen)

Item	Amount
Acquisition price	8,983
Amount of change in non-controlling interests	1,200
Amount of decrease in capital surplus	10,183

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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 December 31, 2024
Total carrying amount	199,030	188,115

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

(Million yen)

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Profit	8,985	12,037
Other comprehensive income	1,546	(130)
Comprehensive income	10,532	11,907

Note: "Share of profit (loss) of investments accounted for using equity method" in the condensed quarterly consolidated statement of profit or loss for nine months ended December 31, 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 nine months ended December 31, 2024.

## 9. Bonds payable

The Company issued bonds payable of 56,900 million yen in the nine months ended December 31, 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 nine months ended December 31, 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

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Not applicable.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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:

	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
(1) Basic earnings per share	1,660.60 yen	2,333.86 yen
(Basis of calculation)		
Profit attributable to owners of parent (million yen)	73,838	102,784
Amount not attributable to ordinary equity holders of the parent (million yen)	–	15
Amount used in calculation of basic earnings per share (million yen)	73,838	102,768
Weighted average number of ordinary shares (thousand shares)	44,465	44,033
(2) Diluted earnings per share	1,656.46 yen	2,329.94 yen
(Basis of calculation)		
Amount used in calculation of basic earnings per share (million yen)	73,838	102,768
Adjustment to profit for potential shares in subsidiaries and associates (million yen)	(148)	(94)
Amount used in calculation of diluted earnings per share (million yen)	73,690	102,674
Weighted average number of ordinary shares (thousand shares)	44,465	44,033
Increase in ordinary shares from share acquisition rights (thousand shares)	21	33
Weighted average number of ordinary shares used in calculation of diluted earnings per share (thousand shares)	44,486	44,067

## 12. Significant subsequent events

### Issuance of unsecured bond

At the Board of Directors meeting held on February 12, 2025, the Company resolved matters relating to an issuance of unsecured bond with the maximum amount of 50.0 billion yen. The proceeds will be used mainly for the redemption of bonds and the repayment of borrowings. The timing of issuance and the amount to be issued will be determined at a later date after comprehensively considering demand conditions and interest rate trends, among other factors.

## 13. Notes on going concern assumption

Not applicable.

## 14. Date of approval

The accompanying condensed quarterly consolidated financial statements were approved by the Board of Directors on February 12, 2025.