HIKARI TSUSHIN

Financial Results

For the six months ended September 30, 2026

November 11, 2026

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Five-Year Compound Annual Growth Rate (1)

In addition to growth in core businesses, earnings from investment holdings continue to grow

(Billion JPY)

		Revenue	Recurring operating profit	Operating profit	Share of profit (loss) of equity-method investments	Dividend and interest income	Interest expense	Profit before tax	Net profit	Comprehensive income	Realized gain and loss	Change in unrealized gain and loss
FY22/3	Q2	137.9	33.6	24.6	1.2	1.5	1.7	30.6	19.5	32.1	0.9	11.2
	Q3	142.4	32.2	19.2	0.9	3.5	1.8	24.7	18.6	16.8	1.6	(3.5)
	Q4	159.2	27.9	15.2	2.9	1.2	1.8	22.9	28.6	33.4	2.0	2.6
FY23/3	Q1	143.4	30.3	18.2	1.7	6.2	1.8	40.5	27.6	22.6	0.6	(6.9)
	Q2	166.5	21.9	27.8	1.4	3.1	1.8	41.6	32.2	51.1	4.5	13.9
	Q3	160.5	33.0	20.0	1.6	5.6	2.0	12.1	6.7	15.6	1.2	8.4
	Q4	173.4	41.7	20.3	3.7	2.9	2.1	24.0	24.7	44.6	4.8	15.3
FY24/3	Q1	140.1	38.4	23.9	1.9	9.9	2.2	47.5	32.7	71.2	4.3	32.4
	Q2	156.3	39.1	24.5	3.0	5.0	2.1	39.6	29.0	51.2	10.7	7.6
	Q3	150.2	35.8	26.0	2.4	8.6	2.3	20.7	12.0	27.6	12.7	6.4
	Q4	155.2	37.5	20.0	5.6	6.9	2.3	60.0	48.3	115.7	6.8	57.4
FY25/3	Q1	146.1	38.5	27.2	3.0	15.1	2.6	65.7	45.8	74.2	3.3	22.1
	Q2	179.6	42.4	30.2	3.2	7.7	2.7	3.3	2.3	(15.2)	4.4	(16.4)
	Q3	173.0	43.4	29.1	5.1	10.2	3.3	74.9	54.5	92.4	4.6	25.9
	Q4	187.7	42.6	18.4	6.2	6.8	3.8	6.6	14.7	10.7	4.9	(5.1)
FY26/3	Q1	167.1	43.5	27.5	2.9	16.5	2.9	35.5	28.1	51.5	8.9	16.5
	Q2	194.5	48.5	30.0	5.8	9.8	4.4	52.6	42.1	108.6	8.9	57.8
	Q3	180.8	45.5	30.9	6.0	12.7	4.5	67.7	42.3	80.0	10.2	14.2
	Q4	192.2	48.6	28.1	8.6	9.1	3.1	43.1	38.3	65.7	12.6	5.1
FY27/3	Q1	192.5	44.5	29.1	5.7	19.8	5.3	49.9	36.6	77.9	10.5	22.1
	Q2	228.4	50.9	36.5	4.6	8.4	5.5	37.2	30.8	77.5	33.0	34.2
5-year CAGR		10%	8%	8%	30%	41%	27%	3%	9%	19%	104%	24%

*The share of profit (loss) of equity-method investments includes only the portion of profit or loss recognized, excluding one-time amortization of negative goodwill and other similar items.
*Interest expense excludes adjustments relating to prior fiscal years.

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Five-Year Compound Annual Growth Rate (2)

Equity attributable to owners of the parent continued to grow, with BPS exceeding 30,000 yen

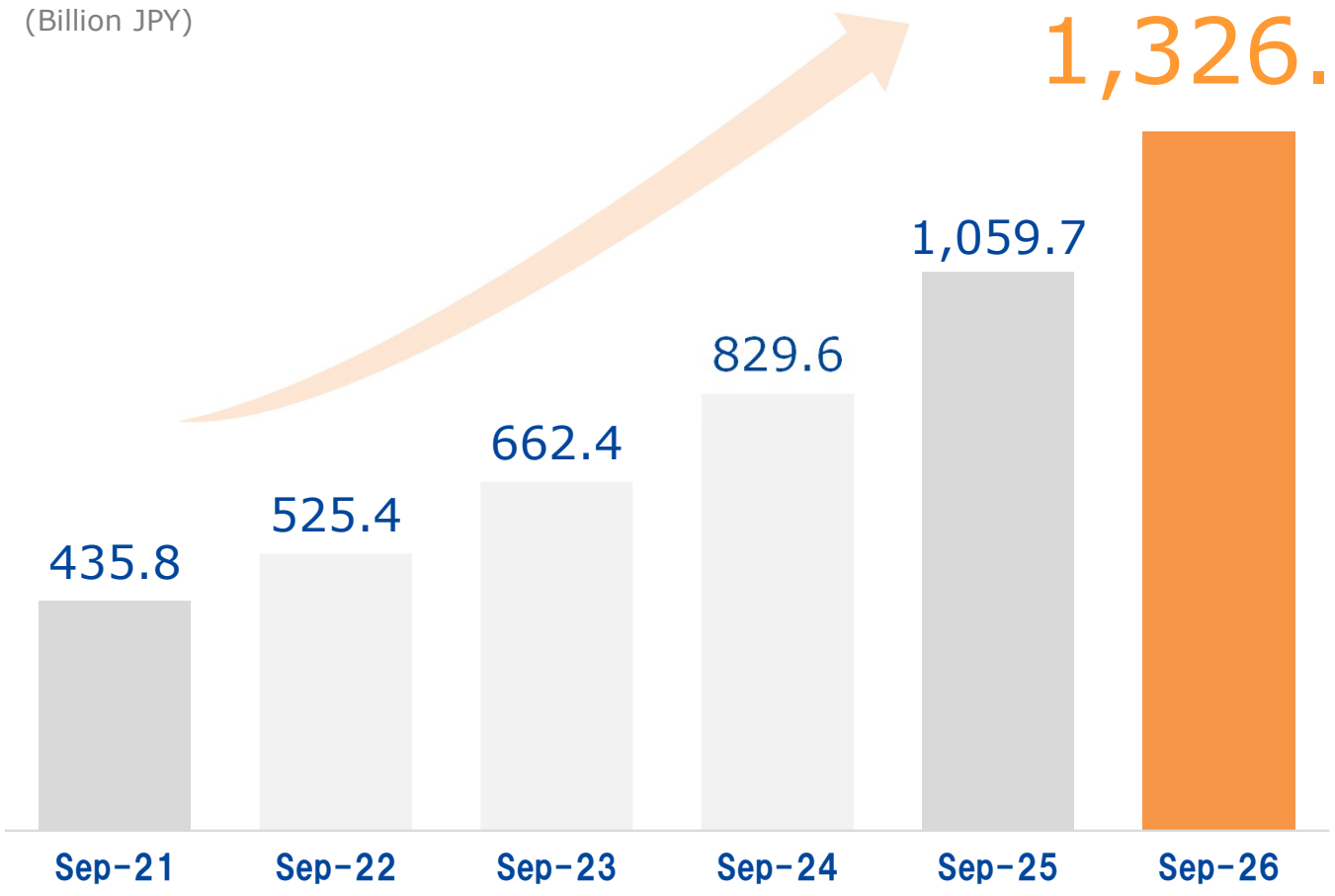
(Billion JPY)

		Balance Sheet						Per Share			Shareholder Returns	
		Net cash assets	Total assets	Net assets	Net assets before shareholder returns*	Equity attributable to owners of the parent	Equity Ratio	EPS (Yen)	BPS (Yen)	Dividend (Yen)	Share repurchase	Dividend payments
FY22/3	Q2	374.0	1,312.5	468.2	557.7	435.8	33.2%	¥431	¥9,594	¥121	0.0	5.4
	Q3	355.3	1,384.2	475.5	574.2	443.7	32.0%	¥410	¥9,811	¥124	3.5	5.6
	Q4	343.6	1,451.3	499.3	605.0	468.6	32.2%	¥610	¥10,380	¥127	1.3	5.7
FY23/3	Q1	350.0	1,473.3	509.9	626.4	480.6	32.6%	¥615	¥10,725	¥131	5.0	5.8
	Q2	389.6	1,605.9	554.5	677.1	525.4	32.7%	¥718	¥11,725	¥135	0.0	6.0
	Q3	393.0	1,621.1	562.2	691.0	534.6	32.9%	¥182	¥11,931	¥138	0.0	6.1
	Q4	440.2	1,691.9	598.3	735.5	571.0	33.7%	¥541	¥12,773	¥141	2.0	6.3
FY24/3	Q1	518.5	1,773.8	651.2	798.1	622.9	35.1%	¥733	¥13,986	¥143	3.3	6.3
	Q2	582.5	1,823.0	690.8	848.8	662.4	36.3%	¥653	¥14,940	¥145	4.6	6.4
	Q3	602.7	1,896.5	709.2	876.9	682.7	35.9%	¥273	¥15,444	¥147	3.2	6.4
	Q4	774.0	2,078.9	819.2	997.7	790.4	38.0%	¥1,108	¥17,907	¥203	1.7	8.9
FY25/3	Q1	837.5	2,173.4	883.8	1,069.1	857.1	39.4%	¥1,040	¥19,415	¥156	0.0	6.8
	Q2	793.8	2,122.4	857.0	1,055.0	829.6	39.0%	¥52	¥18,865	¥161	5.4	7.0
	Q3	861.9	2,284.8	938.9	1,148.7	910.8	39.8%	¥1,244	¥20,768	¥167	4.5	7.3
	Q4	824.3	2,371.0	943.5	1,161.0	914.7	38.5%	¥337	¥20,845	¥177	0.0	7.7
FY26/3	Q1	808.5	2,346.4	989.5	1,215.0	958.5	40.8%	¥642	¥21,810	¥181	0.0	7.9
	Q2	967.5	2,582.8	1,091.7	1,325.3	1,059.7	41.0%	¥960	¥24,128	¥185	0.0	8.1
	Q3	1,011.1	2,716.6	1,162.6	1,406.8	1,131.9	41.6%	¥964	¥26,517	¥190	2.1	8.3
	Q4	1,168.7	2,853.8	1,217.6	1,474.2	1,185.6	41.5%	¥874	¥27,056	¥195	3.9	8.5
FY27/3	Q1	1,142.3	2,881.5	1,283.9	1,553.2	1,252.3	43.4%	¥837	¥28,624	¥200	3.8	8.7
	Q2	1,197.1	2,981.4	1,349.9	1,624.3	1,326.6	44.4%	¥704	¥30,229	¥205	4.2	8.9
5-year CAGR		26%	17%	23%	23%	24%	-	10%	25%	11%	-	10%

*Net asset before shareholder returns indicates the level of net assets that would have been recorded since the company's inception, assuming no capital inflows from shareholders and no returns to shareholders.

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Equity attributable to owners of the parent exceeds 1.3 trillion yen and continues to grow



YoY

+266.8 billion yen

+25.1%

Equity attributable to owners of the parent has tripled over the past five years, with a compound annual growth rate of 24.9%

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Financial Performance – Solid Progress

(Billion JPY)

	1H FY27/3			Full Year FY27/3	
	Actual	YoY	Major reasons for the increase/decrease	Forecast	Progress Rate
Revenue	Record - high 420.9	+16%	Increase in Japan Electric Power Exchange (JEPX) pricing and an increase in customer contracts	775.0	54%
Recurring operating profit	Record - high 95.4	+3%	-	201.5	47%
Operating profit	Record - high 65.7	+14%		130.0	50%
Profit Before Tax	87.1	(1%)	Foreign exchange losses of 2.8 billion yen (down 2.7 billion yen YoY)	177.5	49%
Profit Before Tax excluding foreign exchange gains and losses	Record - high 90.0	+1%	Increase in profit from equity-method investments and dividend income	179.7	50%
Net profit	67.5	(3%)	-	120.0	56%
Comprehensive income	155.5	(2%)	-	-	-
(Reference) Operating profit excluding one-time gains and losses	64.7	+16%	Gains on disposal of businesses, etc. of 0.9 billion yen	130.0	49%

*One-time gains and losses mainly refer to gains or losses associated with the acquisition or loss of control of subsidiaries, gains or losses on business transfers, gains or losses on the sale of fixed assets, and impairment losses.

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Profit (Loss) by Business Segment

(Billion JPY)

	Revenue			Recurring operating profit			Customer acquisition cost			Operating profit		
	FY26/3 1H	FY27/3 1H	YoY	FY26/3 1H	FY27/3 1H	YoY	FY26/3 1H	FY27/3 1H	YoY	FY26/3 1H	FY27/3 1H	YoY
Total	361.6	420.9	+16%	92.0	95.4	+3%	34.4	29.7	(13%)	57.5	65.7	+14%
Electricity & Gas	155.8	202.6	+30%	34.2	36.1	+5%	15.8	18.7	+18%	18.4	17.4	(5%)
Telecommunications	63.8	63.7	(0%)	21.0	20.9	(0%)	7.1	4.1	(41%)	13.8	16.7	+20%
Beverage	42.6	45.3	+6%	17.2	17.9	+3%	12.3	11.8	(3%)	4.9	6.0	+22%
Insurance	16.2	20.5	+25%	8.1	8.9	+10%	3.6	3.2	(9%)	4.5	5.7	+25%
Finance	20.2	25.9	+28%	-	-	-	(10.0)	(13.9)	+39%	10.0	13.9	+39%
Solution	13.3	13.5	+1%	4.5	5.1	+12%	2.6	3.2	+19%	1.8	1.9	+1%
Commission-based sales	49.4	49.2	+0%	6.7	6.3	(5%)	1.9	0.1	(91%)	4.7	6.1	+31%
One-time gains and losses	-	-	-	-	-	-	(2.0)	(0.9)	-	2.0	0.9	-

(1) Electricity & Gas: Higher selling prices and an increase in customer contracts. Increase in amortization of contracts acquired in prior years
(2) Telecommunications: Increase in IT content. Decrease in customer acquisition costs (CAC)
(3) Beverage: Robust sales and an increase in customer contracts
(4) Insurance: Increase customer contracts and a decrease in CAC
(5) Finance: Strong performance in overseas business
(6) Solution: Steady sales

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Profit Before Tax

Operating profit and income from equity investments increased, resulting in higher profit excluding foreign exchange effects

(Billion JPY)

	FY22/3 Full year	FY23/3 Full year	FY24/3 Full year	FY25/3 Full year	FY26/3 Full year	FY26/3 1H	FY27/3 1H	YoY
Profit before tax	108.5	118.4	168.0	150.7	199.0	88.2	87.1	(1%)
Profit before tax excluding foreign exchange gains and losses	98.0	112.6	139.9	153.4	176.0	88.3	90.0	+1%
Operating profit	83.5	86.6	94.5	105.0	116.6	57.5	65.7	+14%
Share of profit (loss) of equity-method investments (*1)	6.3	8.5	13.0	17.7	23.5	8.7	10.4	+18%
Dividend and interest income	11.1	18.0	30.5	39.8	48.2	26.3	28.2	+7%
Interest expense (adjusted) (*2)	(7.0)	(7.7)	(9.1)	(12.5)	(15.1)	(7.3)	(10.9)	+48%
Others	4.0	7.2	10.7	3.3	2.6	3.0	(3.5)	-
Foreign exchange gains and losses	10.4	5.7	28.0	(2.7)	23.0	(0.1)	(2.8)	-

*1 Represents only the share of the profits and losses of our investee companies, excluding gains on bargain purchases, gains from changes in ownership interests, and other similar items.
*2 Excludes adjustments relating to prior fiscal years.

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Cash Flow

EBITDA grew 13% YoY, alongside an increase in dividend and interest income

(Billion JPY)

	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3	FY26/3	FY27/3	YoY
	Full year	Full year	Full year	Full year	Full year	1H	1H	
Operating cash flow	74.3	82.4	124.3	75.6	21.8	(15.6)	(19.8)	(27%)
EBITDA	100.2	102.8	109.0	119.1	133.1	66.2	74.5	+13%
Operating profit	83.5	86.6	94.5	105.0	116.6	57.5	65.7	+14%
Depreciation expense	16.7	16.2	14.5	14.0	16.4	8.6	8.8	+2%
Changes in receivables and payables, etc.	(25.9)	(20.4)	15.3	(43.4)	(110.5)	(81.8)	* (94.3)	(15%)
Dividend and interest income	14.2	20.9	33.8	44.9	55.2	31.5	34.0	+8%
Shareholder returns	(36.6)	(30.8)	(38.9)	(40.2)	(38.2)	(15.6)	(25.3)	(62%)
Investments in listed stocks	(88.2)	(64.9)	6.4	(86.8)	(73.0)	(75.7)	(16.0)	+78%
Bonds	-	(22.6)	(88.2)	(59.9)	(19.9)	(68.6)	(162.0)	(136%)
Financing	99.1	102.2	102.7	107.8	149.6	43.1	29.8	(31%)
Others (taxes, interest payments, etc.)	(57.6)	(42.4)	(49.4)	(67.3)	(37.7)	(13.0)	(59.8)	(360%)
Cash and cash equivalents	338.2	389.3	494.8	470.2	539.8	352.8	319.3	(10%)

* Cash outflows mainly due to an increase in trade receivables.

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Changes in Equity attributable to Owners of the Parent

Equity attributable to owners of the parent increased to 1.3 trillion yen, up 25% from the same period in the previous fiscal year

(Billion JPY)

	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3	FY26/3	FY27/3	YoY
	Full year	Full year	Full year	Full year	Full year	1H	1H	
Equity attributable to owners of the parent	468.6	571.0	790.4	914.7	1,185.6	1,059.7	1,326.6	+25%
Balance at the end of the previous fiscal year	393.4	468.6	571.0	790.4	914.7	914.7	1,185.6	+29%
Changes during the current period	+75.2	+102.3	+219.4	+124.2	+270.8	+144.9	+140.9	(2%)
Net profit	+87.5	+91.3	+122.2	+117.5	+151.0	+70.3	+67.5	(3%)
Gain (loss) on sale of securities (after tax)	+9.6	+11.2	+34.6	+17.2	+40.7	+17.8	+43.6	+144%
Change in unrealized gains (after tax)	+16.2	+30.8	+104.0	+26.4	+93.8	+74.4	+56.3	(24%)
Shareholder returns	(36.6)	(30.9)	(38.6)	(40.2)	(38.2)	(15.6)	(25.4)	+61%
Other	(1.5)	(0.1)	(2.8)	+3.2	+23.6	(1.9)	(1.1)	-

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Investment Holdings Performance

Gains on sales more than doubled YoY

(On a management basis that includes equity-method affiliates)

(Billion JPY)

	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3	FY26/3	FY27/3	YoY
	Full year	Full year	Full year	Full year	Full year	1H	1H	
Acquisition cost (A)	456.0	532.6	590.2	725.4	852.3	808.7	929.8	+15%
Unrealized gain (market value - acquisition cost)	162.0	226.6	411.1	444.6	624.1	628.1	695.7	+10%
Market value	618.0	759.2	1,001.3	1,170.0	1,476.4	1,436.8	1,625.5	+13%
Look-through earnings (B) (last 12 months)	70.8	80.3	83.2	114.8	139.9	131.7	154.6	+17%
Earnings yield (B)÷(A)	15.5%	15.1%	14.1%	15.8%	16.3%	16.2%	16.6%	+2%
Dividend yield (based on acquisition cost, cash flow, and results for the last 12 months)	3.0%	3.4%	4.1%	3.9%	4.3%	4.2%	4.2%	+0%
Dividend income (CF) (C)	13.7	18.3	23.9	27.8	37.2	22.8	26.6	+16%
Realized gain/loss on sale (sale proceeds - acquisition cost) (D)	7.7	15.1	55.9	50.1	67.7	26.4	60.0	+127%
Total (C)+(D)	21.5	33.5	79.9	78.0	105.0	49.2	86.6	+76%

* "Look-through earnings" is calculated by multiplying the operating profit of each of the companies we invested in by our ownership interest and summing the results.
* "Last 12 months" refers to the four quarters whose financial results were announced within the 12 months immediately preceding the record date.
* Earnings Yield is calculated by dividing the look-through earnings by acquisition cost

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Publicly Listed Equity-Method Affiliates

43 publicly listed equity-method affiliates as of the end of September 2026

Increase of three companies since the end of June 2026

	Company name	Voting rights ratio
1	SINANEN HOLDINGS CO.,LTD.	43.2%
2	BENEFIT JAPAN Co.,LTD.	42.8%
3	Kusurinomadoguchi,Inc.	41.7%
4	INEST, Inc.	40.9%
5	MS&Consulting Co.,Ltd.	38.7%
6	Last One Mile Co.,Ltd.	37.6%
7	Bell-Park Co.,Ltd.	36.3%
8	TOUMEI CO.,LTD.	35.3%
9	MTI Ltd.	34.9%
10	ULURU.CO.,LTD.	32.2%
11	SUNNEXTA GROUP Inc.	31.8%
12	DAIICHI JITSUGYO CO.,LTD.	29.8%
13	Inbound Tech Inc.	28.5%
14	Token Corporation	28.5%

	Company name	Voting rights ratio
15	Honyaku Center Inc.	28.3%
16	XNET Corporation	26.1%
17	FORVAL CORPORATION	25.8%
18	Encourage Technologies Co.,Ltd.	25.7%
19	SANSEI CO.,LTD.	25.1%
20	Data Applications Co., Ltd.	25.1%
21	S-Pool, Inc.	25.0%
22	NISHIKAWA KEISOKU Co., Ltd.	24.7%
23	Arbeit-Times Co., Ltd	24.7%
24	ERI HOLDINGS CO., LTD.	24.6%
25	CE Holdings Co.,Ltd.	23.9%
26	Maruzen Co., Ltd.	23.6%
27	Nihon Trim Co.,Ltd	23.4%
28	Youji Corporation	23.4%

	Company name	Voting rights ratio
29	FAN Communications, Inc.	23.1%
30	erex Co.,Ltd.	23.0%
31	TVE Co.,Ltd.	22.8%
32	AKATSUKI EAZIMA CO.,LTD	22.5%
33	TOHO ACETYLENE CO.,Ltd.	22.5%
34	Techno Smart Corp.	22.1%
35	Leoclan Co.,Ltd.	21.6%
36	Japan M&A Solution Incorporated	21.5%
37	RAIZNEXT Corporation	21.2%
38	Fullcast Holdings Co., Ltd.	21.2%
39	Yuasa Funashoku Co.,Ltd.	20.8%
40	Original Engineering Consultants Co., Ltd.	20.4%
41	TOSNET Corporation	20.2%
42	Pro-Ship Incorporated.	20.0%
43	Narasaki Sangyo Co., Ltd	20.0%

*Change in listed equity-method affiliates: four companies added, one company removed

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Upward Revision of Dividend Forecast

		FY26/3	FY27/3		
			Announced in August	Announced in November	YoY
Dividend per share	Total	¥751	¥800	¥815	+8%
Q1	Ordinary dividend	¥181	¥200	¥200	+10%
Q2	Ordinary dividend	¥185	¥200	¥205	+10%
Q3	Ordinary dividend	¥190	¥200	¥205	+7%
Q4	Ordinary dividend	¥195	¥200	¥205	+5%

The second quarter dividend has been increased by 5 yen per share from the previous forecast. Annual dividends are expected to increase for the 16th consecutive fiscal year, with no dividend reduction for the 24th consecutive fiscal year

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Progress on Share Repurchase Activities

Details of Resolution (May 13, 2026)

Total number of shares acquired	Total acquisition cost of the shares	Acquisition Period
350,000 shares (maximum) Percentage of total issued shares, excluding treasury shares: 0.79%	10 billion yen (maximum)	July 1, 2026~ June 30, 2027

Acquisition results as of the end of October 2026

Total number of shares acquired	Acquisition cost
137,100 shares (Progress rate: 39.2%)	5.2 billion yen (Progress rate: 52.0%)

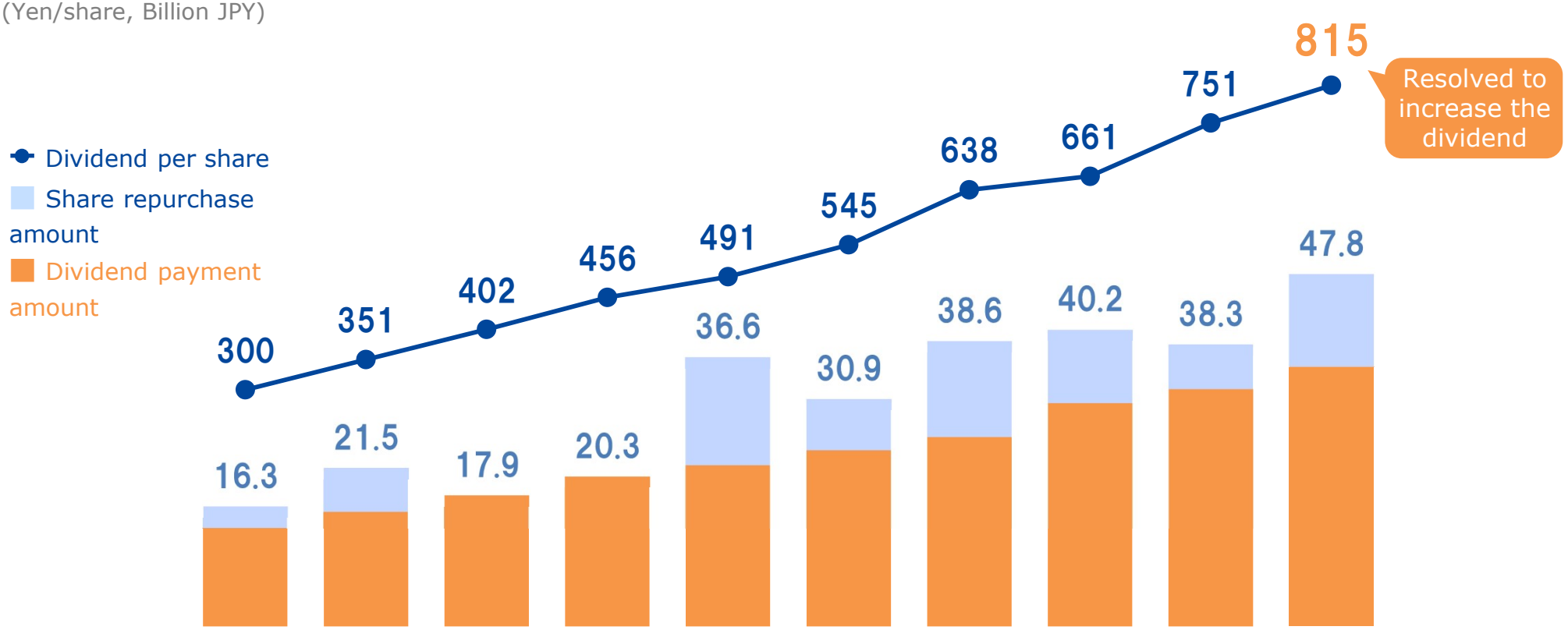
Share repurchases are over 50% complete on an acquisition cost basis

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Shareholder Returns Trend

10-year cumulative total payout ratio of 34%

(Yen/share, Billion JPY)



	FY 18/3	FY 19/3	FY 20/3	FY 21/3	FY 22/3	FY 23/3	FY 24/3	FY 25/3	FY 26/3	FY 27/3(E)	Total
Total amount of dividends paid	13.3	15.5	17.8	20.3	21.8	23.8	25.6	30.2	32.1	35.2	236.2
Total amount of share repurchases	3.0	6.0	0	0	14.7	7.0	13.0	10.0	6.1	12.5	72.6
Total payout ratio	38%	43%	34%	37%	41%	33%	31%	34%	25%	39%	34%

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Summary of the First Half

Operating Business	(1) Due to an increase in the JEPX trading price of electricity and an increase in customer contracts, revenue increased by 16%, and operating profit increased by 14%. (2) Both operating profit and net profit have reached over 50% of their full-year forecasts
Investment Holdings	(1) Earnings Yield was 16.6% and look-through earnings were 154.6 billion yen. (2) Share of profit of equity-method investments increased by 18% YoY and dividend income and interest income on a cash-flow basis increased by 8% YoY to 34.0 billion yen.
Shareholder Returns	(1) The Dividend forecast for the fiscal year has been revised upward to a record high of 815 yen, representing the 16th consecutive fiscal year with a forecasted dividend increase. (2) Share buybacks are being executed on a continual basis. 5.2 billion yen of shares have been repurchased as of the end of Oct. 2026.

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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 was applied through FY3/15, and IFRS has been applied since FY3/16.
- Net cash assets = Cash and deposits − Interest-bearing debt + Listed investment securities + Bonds

Notes in regard to this material

Disclaimer

Except for statements concerning historical and current facts, the information contained in this material reflects judgments made by HIKARI TSUSHIN (the "Company") based on information currently available to the Company and underlying assumptions. Such information is subject to uncertainties inherent in those assumptions and judgments, as well as changes in future economic conditions and other factors. Accordingly, the actual future performance of the Company and the HIKARI TSUSHIN Group may differ from the information presented in this material.

The forward-looking statements contained in this material are made as of the date of this material (or such other date as may be expressly indicated). The Company has neither an obligation nor a policy to update such information on an ongoing basis to reflect the latest information.

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Notes in Regard to Insider Trading

Under Article 166 of the Financial Instruments and Exchange Act of Japan, an investor who receives non-public material facts directly from a company (a "primary recipient of information") is prohibited from purchasing or selling shares or engaging in other securities transactions before such information has been made public. Under Article 30 of the Order for Enforcement of the Financial Instruments and Exchange Act and other applicable provisions, such information is deemed to have been made public when 12 hours have elapsed after the company discloses the information to two or more news organizations, or when the company has notified a securities exchange of the information and the information has been made available through electronic means prescribed by Cabinet Office Ordinance (TDnet's Timely Disclosure Information Viewing Service and the publicly accessible EDINET website).

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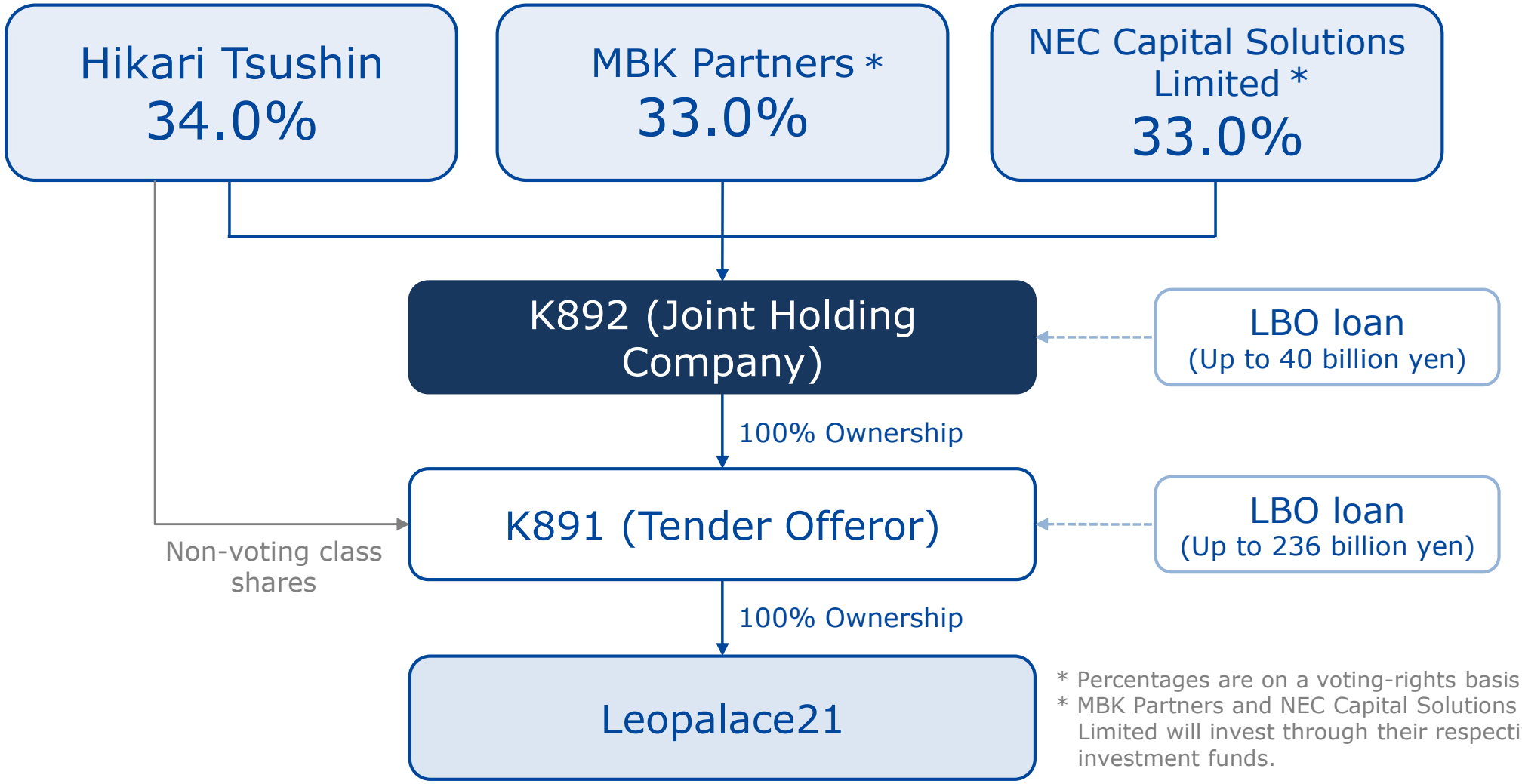
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Appendix 1
Joint Investment in Leopalace21

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Joint Investment in Leopalace21

Successful conclusion of the tender offer – Transition to a joint investment structure consisting of three entities



* Percentages are on a voting-rights basis
* MBK Partners and NEC Capital Solutions Limited will invest through their respective investment funds.

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Business Cooperation with Leopalace21

We aim to create new business opportunities by building on both companies' business foundations.

~540,000

Units under management and existing customer base

Roughly 70% of tenants are corporate customers (demand for company housing and dormitories)

×

Hikari Tsushin's services and corporate customer base

1 Introducing services to units under management

Contribute to enhancing the value of units under management and improving tenant satisfaction by offering electricity and gas, telecommunications, insurance, warranty, and other services.

2 Expanding channels for the acquisition of new tenants

Leverage Hikari Tsushin Group's existing relationships with corporate customers to support improvements in occupancy rates by expanding channels for acquiring new tenants.

Enhancing the corporate value of Leopalace21 will contribute to enhancing Hikari Tsushin's own corporate value.

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Impact on the Company's Consolidated Financial Statements

K892 will be accounted for as an equity-method affiliate in the Company's consolidated financial statements

Classification	Item	Treatment in the Company's Consolidated Financial Statements
Consolidated Statement of Profit or Loss	Leopalace21's revenue and operating profit	Will not be consolidated line by line. Instead, the Company will recognize its share of profit or loss relating to the investment in K892 accounted for using equity method.
Consolidated Statement of Financial Position	Assets and liabilities of Leopalace21, K891, and K892	Will not be consolidated on a line-by-line basis but instead, the investment in K892 will be accounted for using the equity method.
Interest-bearing debt	Borrowings of K891 and K892 (acquisition financing)	Will not constitute consolidated interest-bearing debt of the Company.

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Key Upcoming Milestones

Following the transition to the joint investment structure, Leopalace21 will be taken private through procedures including share consolidation

Oct. 30, 2026

End of the tender offer period (tender offer successful)

The total number of shares tendered exceeded the minimum number of shares to be purchased, resulting in the successful completion of the tender offer.

Early Nov. 2026
(By the commencement date of settlement)

Execution of joint investment in K892

Hikari Tsushin: 34.0%, MBK Partners-affiliated fund: 33.0%, NEC Capital Solutions-affiliated fund: 33.0%.

Nov. 9, 2026

Settlement of the tender offer commences

Around Jan. 2027 (planned)

Leopalace21 Extraordinary General Meeting of Shareholders

Proposals concerning share consolidation and related matters are expected to be submitted for approval.

Around Feb. 2027 (planned)

Share consolidation takes effect

Leopalace21 shares to be taken private.

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Appendix 2
Remix Denki

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Expanding the Electricity Retail Business via M&A

In October 2026, Remix Denki was made a consolidated subsidiary of the Company

リミックスでんき

(Remix Denki's corporate logo)

- Sixth M&A in the electricity retail sector since 2017
- High- and low-voltage electricity retail business serving corporate and residential customers
- Acquisition of an established business base with existing customer contracts and recurring operating profits

Contracts in force	Annual recurring operating profit *	Annual revenue *
~66,000	~JPY 3.0B	~JPY 40B

* Based on the business plan as of the date of publication of this document.

Continuing to expand our customer base and accumulate recurring operating profit through M&A transactions

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Appendix 3
Financial discipline

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Financial Discipline

(Billions JPY)

	Mar-23	Mar-24	Mar-25	Mar-26	Sep-26
(1) Cash Reserves	406.9	587.9	596.1	764.5	678.5
Cash and cash equivalents	389.3	494.8	470.2	539.8	319.3
Japanese government bonds, foreign bonds, etc.	17.5	93.1	125.8	224.7	359.2
(2) Corporate bonds and borrowings due within three years	255.5	354.2	405.7	445.4	454.2
(3) Cash cover ratio (1÷2)	159%	166%	146%	171%	149%

Maintaining sufficient liquidity to cover corporate bonds and borrowings maturing within three years

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