

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



November 8, 2024

## Consolidated Financial Results for the Six Months Ended September 30, 2024 <under Japanese GAAP>

Name of the Listed Company: **Mitsuuroko Group Holdings Co., Ltd.**  
 Listing: Tokyo Stock Exchange  
 Securities Code: 8131  
 URL: <https://www.mitsuuroko.com/>  
 Representative: Kohei Tajima, Representative Director, President and Chief Executive Officer  
 Contact: Kazuhiro Kojima, Director, Corporate Secretary  
 TEL: +81-3-3275-6300

Scheduled date to file semi-annual securities report: November 12, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

(Millions of yen with fractional amounts rounded down)

### 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)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2024	154,915	9.6	1,543	(78.0)	2,322	(69.7)	1,793	(66.9)
September 30, 2023	141,325	(4.4)	7,007	166.0	7,673	89.6	5,422	92.6

Note: Comprehensive income For the six months ended September 30, 2024: ¥1,091 million [(73.3)%]  
 For the six months ended September 30, 2023: ¥4,095 million [(47.7)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	30.55	–
September 30, 2023	91.15	–

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	180,937	98,558	54.4	1,678.34
March 31, 2024	180,866	99,898	55.2	1,701.24

Reference: Equity

As of September 30, 2024: ¥98,516 million

As of March 31, 2024: ¥99,861 million

## 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	–	–	–	41.00	41.00
Fiscal year ending March 31, 2025	–	–			
Fiscal year ending March 31, 2025 (Forecast)			–	41.00	41.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	350,000	13.2	5,300	(57.0)	5,800	(56.4)	9,150	0.5	155.88

Note: Revisions to the earnings forecasts most recently announced: None

\* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatement: None

Note: For more details, please refer to the section of “(4) Notes to semi-annual consolidated financial statements, Notes on changes in accounting policies” of “2. Semi-annual consolidated financial statements and significant notes” on page 15 of the attached material.

- (4) Number of shares issued (common shares)
- a. Total number of shares issued at the end of the period (including treasury shares)

As of September 30, 2024	60,134,401 shares
As of March 31, 2024	60,134,401 shares

- b. Number of treasury shares at the end of the period

As of September 30, 2024	1,435,460 shares
As of March 31, 2024	1,435,170 shares

- c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	58,699,044 shares
Six months ended September 30, 2023	59,494,128 shares

Note: The number of treasury shares at the end of the period includes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) (520,300 shares as of March 31, 2024, 520,300 shares as of September 30, 2024). Also, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares that are deducted for calculation of the average number of shares outstanding during the period (543,969 shares for six months ended September 30, 2023, 520,300 shares for six months ended September 30, 2024).

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

\* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements contained in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual business and other results may differ substantially due to various factors. Please refer to “(4) Explanation regarding consolidated earnings forecasts and other forward-looking statements” in “1. Overview of operating results and others” on page 8 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

## Attached Material

### Index

1. Overview of operating results and others .....	2
(1) Summary of operating results for the period .....	2
(2) Summary of financial position for the period .....	6
(3) Summary of cash flows for the period.....	7
(4) Explanation regarding consolidated earnings forecasts and other forward-looking statements .....	8
2. Semi-annual consolidated financial statements and significant notes .....	9
(1) Semi-annual consolidated balance sheet.....	9
(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income .....	11
Semi-annual consolidated statement of income.....	11
Semi-annual consolidated statement of comprehensive income.....	12
(3) Semi-annual consolidated statement of cash flows .....	13
(4) Notes to semi-annual consolidated financial statements .....	15
Notes on changes in accounting policies .....	15
Notes on the premise of going concerns .....	15
Notes on significant changes in the amount of shareholders' equity .....	15
Notes on segment information, etc. ....	15

## 1. Overview of operating results and others

### (1) Summary of operating results for the period

During the six months ended September 30, 2024, economic conditions in Japan showed a moderate recovery trend, driven by such factors as increases in consumer expenditure, the recovery of the tourist industry, and improvement in the labor and income environment. On the other hand, the economic outlook remains uncertain due to factors that include the unstable international situation such as the deteriorating situations in Ukraine and the Middle East, price hikes, and the slowing of the world economy.

There have been rapid changes in the Group's business environment. Against the backdrop of a globally accelerating move toward decarbonization and the unstable international situation, the domestic energy market faced strained conditions in the form of tight electricity supply and soaring energy prices. It is essential to strike a balance between decarbonization initiatives and the stable supply of energy.

Under such circumstances, from the standpoints of environmental friendliness, supply stability and economic efficiencies, we believe that energy business operators make advanced and swift progress toward achieving low carbon emissions and decarbonization for a sustainable society, enhanced resilience for a safe and secure society, and solid business foundation for stable supply and business continuity.

Among the Group's main highlights for the six months ended September 30, 2024 are those of Mitsuuroko Green Energy Co., Ltd. of the Power & Electricity Business having opened Hokkaido branch in June 2024 with the aim of further expanding operation. In the Overseas Business, General Storage Company Pte. Ltd. obtained the Progressive Wage Mark from Singapore's Ministry of Manpower as a model company for the introduction of progressive wage model and was also awarded the Company of Good 2024 hosted by The National Volunteer & Philanthropy Centre, which is conferred to organizations that make a comprehensive contribution in the five dimensions of people, society, governance, environment and economic. In addition, it received two certifications for Age-friendly Workplace (having appropriate age management practices) and for Term Employment (having good term-contract employment practices) respectively from the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP). In the Others business segment, Mitsuuroko Tec Co., Ltd. worked jointly with the Company's Lifestyle Planning Department to launch in Fujioka-shi, Gunma the cultivation of 100% Japanese-produced specialty coffee beans by "Smart Greenhouses," a new business that it began operating since April 2024. Also in the Others business segment, Mitsuuroko Creative Solutions Co., Ltd. obtained certification for Information Security Management Systems (ISMS) under the ISO/IEC 27001:2022 international standard for its entrusted kitting service in July 2024.

To streamline groupwide operations, we promoted digital transformation (DX) at the Group's administration center, thereby automating 90% or more of input work for order sending and receiving operations. Compared with the same operations when the administration center was established, approximately three times more data was processed per person, and unit costs were reduced by more than 60%.

With regard to financial results in the six months ended September 30, 2024, in the Energy Solutions Business and Power & Electricity Business, the Group's core businesses, net sales increased due to sales measures. The Power & Electricity Business experienced sales increase and profit decrease due to contributions to the capacity market, while in the Energy Solutions Business the impact of expanded investment in human resources and facilities led to an increase in losses. Meanwhile the beverage business continues to expand as our business development strategies and expanded facilities have helped control soaring costs, while the wellness business has also recovered from the COVID-19 pandemic, contributing to consolidated results. As a result of the above, net sales increased 9.6% year on year to ¥154,915 million, operating profit decreased 78.0% year on year to ¥1,543 million, ordinary profit decreased 69.7% year on year to ¥2,322 million, and profit attributable to owners of parent decreased 66.9% year on year to ¥1,793 million. In the six months ended September 30, 2024, the Company recorded our highest net sales ever.

Operating results by segment are as follows.

#### Energy Solutions Business

In the LPG business, although unit consumption declined as a result of rising average temperatures, sales volume trended steadily for both home and commercial use due to expanded LPG customer base. On July 2, 2024, an amendment ministerial ordinance was enacted to correct business practices in the industry. By renewing and evolving our existing sales activities, we achieved an increase in the number of customers by promoting the acquisition of new properties and conducting sales focused on detached

residences. As a result, LPG sales volume for home use increased to 104% of the level of the same period of the previous fiscal year. In addition, LPG sales volume for commercial use for accommodation establishments and restaurants also increased to 102% of the level of the same period of the previous fiscal year due to the impact of an increase in inbound tourist demand. For the business as a whole, despite the impact on costs of the weaker yen, persistently high prices for resources, and rising raw material and distribution costs, gross profit increased to 102% of the level of the same period of the previous fiscal year, helped by the rise in LPG sales volume. Although the LPG business faces a changing business environment, particularly in terms of the decline in the working population and mounting awareness of decarbonization throughout society, we will continue to work to improve the quality of our services as we prioritize contributions to local communities, the stable supply of LPG to our customers and ensuring safety.

In the petroleum business, total sales volume of petroleum products was 99.6% of the level of the same period of the previous fiscal year as a result of a fall in sales volume of heating oil due to customers' tendency to economize and the increase in average temperatures despite having shifted our sales focus to diesel fuel. Gross profit fell to 98% of the level of the same period of the previous fiscal year due to the impact of higher expenses resulting from an increase in the number of tanker trucks chartered with the aim of compensating for driver shortages caused by the logistics industry's so-called "2024 problem." In the directly operated gasoline service station business, the number of customers registered on social media increased to 54,000, driving fuel sales volume to 109% of the level of the same period of the previous fiscal year. On the other hand, due in part to the reaction to the expansion of margins in the second quarter of the previous fiscal year, gross profit in the overall business fell to 97% of the same period of the previous fiscal year.

In the housing equipment business, the use of Energy Efficiency Campaign 2024 Subsidies led to strong sales of electric heat pump combination-type instant gas water heaters (hybrid water heaters). As a result, the sales volume of hybrid water heaters increased to 240% of the level of the same period of the previous fiscal year, and overall sales volume of water heaters also rose to 106% of the level of the same period of the previous fiscal year. In the third quarter and beyond, we aim to strengthen sales of environmentally friendly products by expanding sales of hybrid water heaters further. We will also continue to focus our efforts on expanding sales of new items such as health and beauty-related products and EV chargers.

In the new energy solutions division, the theft of copper cable from one of the power plants it owns resulted in the suspension of power for a period of time, leading to gross profit coming in at 98% of the level of the same period of the previous fiscal year. By introducing antitheft measures that take into account the environments of the main power plants going forward, we will make efforts to secure the safety of power plants and continue their stable operation, while working to expand sales of solar power generation systems mainly for self-consumption and of environmentally friendly products such as storage batteries.

As a result, for the Energy Solutions Business as a whole, net sales increased 6.5% year on year to ¥63,896 million. However, due to increases in SG&A expenses from human resources investment expenses mainly to increase base salaries, and upfront investment expenses in container replacement and SmartOWL®, a solution for streamlining LPG operations in the LPG business, operating loss was ¥774 million (compared to an operating loss of ¥260 million in the same period of the previous fiscal year).

### Power & Electricity Business

In the electricity retail business, resource price volatility is subsiding and costs of producing electricity have regained stability, but the heat wave that occurred in July and thereafter led to persistently high market prices this summer. Continuing from the first quarter, as a result of the margin between the fuel-cost-adjusted sales price and sourcing cost being smaller in the current fiscal year compared to the previous fiscal year, one-off expense increase from office consolidation and increased base salaries, and the capacity contributions paid since fiscal 2024, profit declined compared to the same period of the previous fiscal year.

As a result, net sales increased 13.9% year on year to ¥75,657 million, and operating profit decreased 68.3% year on year to ¥2,290 million. We will continue to work to expand our business scale by promoting increased customer numbers by acquiring new customers and by increasing electricity sales volume.

In this business, we have been working to mitigate the impact of cost volatility and consequently achieve stable profits by supplying power according to the amount procured, as before, while also

reducing our dependency on electricity procured from the electric power exchange and proceeding with the diversification of our electricity supplies.

Following the Ministry of Economy, Trade and Industry's "Emergency Assistance for Overcoming Extreme Heat," a form of emergency aid to help customers make it through the hot summer, we offer electricity and gas subsidies for the three months from August to October 2024 (based on meter readings, between September to November 2024).

In utilizing the grid storage batteries, which the Company began operating last fiscal year, we do business in the "supply-demand adjustment market." Together with the implementation of the Demand Response Service that the Group excels in, we seek to stabilize the power grid. Also, we will further engage in introducing more renewable energy power generators with an eye to achieving carbon neutrality. In so doing, we will contribute to balancing supply and demand under the expanding renewable energy, as well as saving electricity and energy leading to the reduction of the burden of electricity charges. In addition, by expanding sales of "Low Environment Load Menu" to meet growing customer needs for a decarbonized society, we seek to mitigate their CO<sub>2</sub> emissions.

### Foods Business

In the bottled water business, the expansion of production facilities, strengthened sales and marketing activities, and the launch of barley tea and other new products resulted in continuous business expansion in the last years. Particularly increase in sales volume of Shizuoka tea has been remarkable, making a significant contribution to the overall increase in beverage sales. Total sales volume at Mitsuuroko Beverage Co., Ltd. and its subsidiary Shizuoka Mitsuuroko Foods Co., Ltd. was 106% of the level of the same period of the previous fiscal year. With regard to mineral water, a series of natural disasters that have brought to mind the occurrence of a major earthquake has led to rising demand for mineral water as a disaster response measure as well as a daily supply, which together with strengthened marketing to major distributors and operators of internet websites contributed to an increase in sales volume.

In the foods business, the shop business operated by Mitsuuroko Provisions Co., Ltd. has seen demand growth in hotel facilities driven by rising inbound tourism, contributing to a strong performance. In the bakery business, by analyzing the characteristics of the store locations and reflecting these in their product lineups, we are launching products tailored to the market and improving efficiency. We also attract customers by cross selling other brand merchandises that are complementing our bakery sales.

Franchiser Mitsuuroko Partners Co., Ltd.'s Motomachi Coffee has focused on strengthening the franchise deployment and on developing new business categories, expanding its business while proactively seeking out growth models.

For the Foods Business as a whole, mainly as a result of expansion of sales volume in the bottled water business and reduced cost of production owing to reinforcement of some factory facilities, net sales increased 2.8% year on year to ¥11,439 million, and operating profit increased 36.6% year on year to ¥599 million.

### Living & Wellness Business

In the real estate business, revenue from residential and other properties has performed well, and gross profit rose 8.8% year on year. In addition to the start of operations at the rental apartment complex Ouju Takayama (Setagaya-ku) acquired in August 2023, improvements in occupancy rates at Prasio Hirao (Fukuoka-shi) and Morioka Saien Center Building (Morioka-shi), contributed to an increase in gross profit.

In this business, in addition to implementing repairs and replacement prioritizing improvement in resident habitability and safety for all properties, we will also aim to enhance the value of our property holdings by promoting investment in facilities to ensure that the properties align with contemporary needs. Furthermore, we promoted the use of renewable energy and the establishment of sharing service ports for electric micromobility vehicles, working to reduce CO<sub>2</sub> emissions. We will continue to actively acquire and develop new revenue-generating properties while seeking to achieve optimal portfolio structure.

At the HAMABOWL EAS Building, the number of visitors to the entire building and tenant sales have been on a gradual recovery trend toward pre-COVID levels, with the number of visitors and tenant sales from July to September at level with the same period of the previous year. We will continue to plan and implement events and campaigns to raise awareness and increase the number of visitors.

In the wellness business, thanks to the steady recovery in visitor numbers and sales for both SPA EAS and Hamabowl, sales rose to 105.3% and 105.2% of the level of the same period of the previous fiscal year, respectively.

At SPA EAS, although there was some impact from such weather as record-breaking heat and typhoons, there was a clear increase in group use in particular during consecutive national holidays, due partly to more than one year having passed since Japan reclassified COVID-19 as a less serious Class 5 infectious disease. The sauna remains popular, especially among male customers, where usage increased to 106.9% of the level of the same period of the previous fiscal year. Beginning in August, the distribution of special coupons for the evening has resulted in visitors increasing to 106.8% during the problematic period from 17:00 onward.

For the “Mitsuuroko in Daily Life” special day at the YOKOHAMA DeNA BAYSTARS title game held on September 4 (Wednesday), we visited the location together with Hamabowl staff, interacting with many customers who stopped off at the event booth. We will continue to work with local residents to contribute to more fulfilling lifestyles and regional revitalization.

Since Japan reclassified COVID-19 as a less serious Class 5 infectious disease, Hamabowl has been seeing conflicting trends by user group. This summer general and student segments seemed to prefer spending on traveling which led to slight weakness in demand for local services like ours. However, corporate and group’s booking increased significantly to the extent that sales reached 137.3% of the level of the same period of the previous fiscal year.

In addition, on September 23 (Monday, a national holiday), we held a second charity event attended by former manager of the YOKOHAMA DeNA BAYSTARS, Alex Ramirez. This bowling competition was well received by attendees with and without disabilities. At Hamabowl, in addition to maximizing the sales, we are focusing on making a social contribution through support for persons with disabilities.

In our sports business, at our sports studio EIGHT ANGLE (Jiyugaoka), performance of complete private golf lessons given by popular golf professionals has remained stable, and sales grew to 222.2% of the level of the same period of the previous year, the initial period of the studio, helped by an increase in members for “vision training,” which was launched in May. We will continue to run the studio in a way that enriches the everyday lives of a wide range of people, from children to seniors.

At the Wellness Lab, we held an event on September 18 (Wednesday) to enable visitors to gain firsthand experience hot springs and exercise programs, which was planned in conjunction with the “ONSEN stay (New Hot Spring Cure)” project being jointly promoted by the Ministry of the Environment and the Japan Health & Research Institute. Under the “ONSEN stay (New Hot Spring Cure)” project, which proposes new ways of enjoying hot springs that are tailored to modern lifestyles, JTB Health Insurance members enjoyed both SPA EAS and bowling at Hamabowl. On the SPA EAS website we have set up special pages for a health promotion program in which anybody can participate, and going forward we will continue to work to promote the health of local residence.

For the Living & Wellness Business as a whole, net sales increased 5.8% year on year to ¥1,386 million and operating profit increased 107.2% year on year to ¥127 million, mainly due to the beginning of operations at the rental apartment complex that was acquired in August 2023, improvements in overall occupancy rates at existing rental apartments complexes, and the recovery in business performance of SPA EAS.

## Overseas Business

In this business, mainly General Storage Company Pte. Ltd. and six other companies operate the self-storage business in Asia. During the six months ended September 30, 2024, its efforts to create a comfortable workplace have been recognized by two awards from TAFEP, an agency of Singapore’s Ministry of Manpower. It has also been recognized for promoting positive change in society by the National Volunteer & Philanthropy Center, which has conferred upon it the title of Company of Good. In Hong Kong it was also awarded the Editor’s Choice (Best Storage Company) in Hong Kong’s Love Local Awards 2024, which recognizes outstanding stores that are trusted by and contribute to the local community. By building a store that will be chosen by local residents and fostering a workplace environment overflowing with the energy of our employees, we will continue to contribute to local communities.

During the six months ended September 30, 2024, net sales increased 11.8% year on year to ¥1,442 million due to the impact of yen depreciation and other factors. However, against the backdrop of rising depreciation expenses associated with properties acquired last year and newly leased properties, as well as rising personnel expenses, operating profit decreased 47.9% year on year to ¥75 million.



Dividend income from Siamgas & Petrochemicals Public Company Limited in Thailand for the six months ended September 30, 2024, increased 9.6% year on year to ¥418 million mainly due to the additional acquisition of its shares, and was recorded in non-operating income.

### Others

In the ICT telecommunications business, the number of installations of “Mitsuuroko net,” an Internet service for entire buildings targeting owners of rental apartments and condominiums, remained steady. As a result, the number of household installations of the service amounted to 116% of the level of the same period of the previous fiscal year. In addition to promoting measures for dealing with vacancies and improving the added value of properties by providing a pleasant Wi-Fi environment for residents in rental apartment complexes, university dormitories, hotels, and senior living facilities, we will continue to work on developing solutions that help resolve the challenges faced by our customers.

In the information system development and sales business, despite a decrease in sales of the “COSMOS Series,” an LPG sales management system, since the launch of our “SmartOWL® delivery operation streamlining solution” for streamlining LPG deliveries, we have continued to reduce the number of LPG deliveries to consumers’ residences that have LPWA devices installed by around 30%, realizing the streamlining of LPG deliveries for approximately 110,000 home consumers. In addition, according to a calculated estimate based on the average travel distance for LPG deliveries, there is a potential reduction of 1.189 kg in CO2 emissions per delivery, and we expect even greater reductions in CO2 emissions in the future by promoting installation of LPWA devices and the use of the SmartOWL® delivery operation streamlining solution.

In the leasing business, the Group contributes to the promotion of ESG through its leasing operations by raising the proportion of EV and hybrid vehicles in the vehicles it leases. In addition, we actively promote the use of leasing in energy-saving projects being advocated by various government ministries and LPG organizations, as well as in our efforts to streamline business.

In the content business, we are co-producing TV programs and movies, planning theatrical performances, etc. “Hakko Danshi 3” started airing on Television KANAGAWA (TVK) in July. Sales generated from video streaming, consisting primarily of the “Kono Doga wa Saisei Dekimasen (This Video Is Not Available)” series, were firm, and in September 2024 the first movie adaptation was released nationwide in the form of “This Video Is Not Available THE MOVIE.”

For other business as a whole, net sales decreased 8.8% year on year to ¥1,093 million, and there was an operating loss of ¥12 million (compared to an operating profit of ¥32 million in the same period of the previous fiscal year), mainly due to a rise in purchase costs that exceeded the increase in sales to external customers in the leasing business.

## (2) Summary of financial position for the period

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024	Change
Assets	180,866	180,937	+70
Liabilities	80,967	82,378	+1,410
Net assets	99,898	98,558	(1,340)
Shareholders’ equity	99,861	98,516	(1,344)
Equity ratio (%)	55.2	54.4	(0.8)

### Assets

Total assets increased by ¥70 million compared to the end of the previous fiscal year to ¥180,937 million.

The main factors for change were an increase of ¥773 million in cash and deposits resulting from increased earnings in the Power & Electricity Business, a decrease of ¥247 million in notes and accounts

receivable - trade resulting from seasonal changes in the sales amount and a lull in fuel procurement price hikes, etc., a decrease of ¥355 million in other under current assets, and a decrease of ¥386 million in investment securities following a drop in the market price of shares.

#### Liabilities

Total liabilities increased ¥1,410 million compared to the end of the previous fiscal year to ¥82,378 million.

The main factors for change included an increase of ¥2,351 million in notes and accounts payable - trade due to increased contributions to the capacity market of the electricity market and seasonal changes in the purchase amount and a lull in fuel procurement price hikes, etc., an increase of ¥1,946 million in other under current liabilities, and a decrease of ¥882 million in income taxes payable due to tax payment, etc.

#### Net assets

Net assets decreased ¥1,340 million compared to the end of the previous fiscal year to ¥98,558 million.

The main factors for change were a decrease of ¥638 million in retained earnings, a decrease of ¥752 million in valuation difference on available-for-sale securities resulting from a decrease in the amount of investment securities, and an increase of ¥28 million in foreign currency translation adjustment.

As a result, the equity ratio decreased 0.8 percentage points from the end of the previous fiscal year to 54.4%.

### **(3) Summary of cash flows for the period**

The status of cash flows for the six months ended September 30, 2024 and the factors behind them are as follows.

	(Millions of yen)		
	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Cash flows from operating activities	6,742	8,059	+1,316
Cash flows from investing activities	(3,847)	(2,927)	+920
Cash flows from financing activities	(1,506)	(4,353)	(2,846)
Effect of exchange rate change on cash and cash equivalents	101	(27)	(128)
Net increase (decrease) in cash and cash equivalents	1,490	751	(738)
Cash and cash equivalents at beginning of period	31,450	30,824	(626)
Cash and cash equivalents at end of period	32,940	31,575	(1,365)

#### Cash flows from operating activities

Net cash provided by operating activities was ¥8,059 million (compared to ¥6,742 million net cash provided in the same period of the previous fiscal year). This was mainly due to profit before income taxes of ¥2,322 million, depreciation of ¥2,526 million, an increase in trade payables of ¥2,350 million, an increase in accrued consumption taxes of ¥710 million, interest and dividends received of ¥901 million, and income taxes paid of ¥1,998 million.

#### Cash flows from investing activities

Net cash used in investing activities was ¥2,927 million (compared to ¥3,847 million net cash used in the same period of the previous fiscal year). This was mainly due to purchase of property, plant and equipment.

#### Cash flows from financing activities

Net cash used in financing activities was ¥4,353 million (compared to ¥1,506 million net cash used in the same period of the previous fiscal year). This was mainly due to the payment of dividends.

In addition, the effect of exchange rate change on cash and cash equivalents decreased ¥27 million. As a result, the balance of cash and cash equivalents as of September 30, 2024 increased ¥751 million compared to the end of the previous fiscal year to ¥31,575 million.

#### **(4) Explanation regarding consolidated earnings forecasts and other forward-looking statements**

We have not revised the financial results forecast announced at the time of the financial results announcement on May 9, 2024, due to some uncertain factors arising from future trends in fuel prices and temperatures.

## 2. Semi-annual consolidated financial statements and significant notes

### (1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	33,128	33,902
Notes and accounts receivable - trade	31,064	30,817
Merchandise and finished goods	5,439	5,233
Raw materials and supplies	808	754
Other	11,320	10,965
Allowance for doubtful accounts	(30)	(28)
Total current assets	81,730	81,645
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,033	13,627
Machinery, equipment and vehicles, net	3,869	3,766
Land	17,052	17,103
Construction in progress	930	1,027
Other, net	8,044	7,588
Total property, plant and equipment	42,931	43,114
Intangible assets		
Trademark right	3,171	3,156
Goodwill	1,611	1,509
Other	4,771	4,706
Total intangible assets	9,555	9,372
Investments and other assets		
Investment securities	37,576	37,190
Deferred tax assets	1,921	2,392
Other	7,396	7,468
Allowance for doubtful accounts	(244)	(246)
Total investments and other assets	46,649	46,804
Total non-current assets	99,136	99,292
Total assets	180,866	180,937

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,312	26,663
Short-term borrowings	4,423	4,403
Current portion of bonds payable	1,001	1,001
Income taxes payable	2,075	1,192
Provisions	1,006	1,039
Other	8,441	10,388
Total current liabilities	41,261	44,688
Non-current liabilities		
Bonds payable	6,007	5,506
Long-term borrowings	13,688	12,787
Deferred tax liabilities	6,376	6,024
Provisions	563	587
Retirement benefit liability	2,622	2,636
Asset retirement obligations	3,230	3,221
Other	7,217	6,924
Total non-current liabilities	39,706	37,689
Total liabilities	80,967	82,378
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,077	7,077
Capital surplus	336	336
Retained earnings	80,999	80,360
Treasury shares	(1,621)	(1,622)
Total shareholders' equity	86,792	86,153
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,874	10,121
Deferred gains or losses on hedges	(25)	(8)
Foreign currency translation adjustment	2,220	2,248
Remeasurements of defined benefit plans	(0)	2
Total accumulated other comprehensive income	13,068	12,363
Non-controlling interests	37	42
Total net assets	99,898	98,558
<b>Total liabilities and net assets</b>	<b>180,866</b>	<b>180,937</b>

**(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income**

**Semi-annual consolidated statement of income**

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	141,325	154,915
Cost of sales	118,355	136,371
Gross profit	22,970	18,543
Selling, general and administrative expenses	15,963	17,000
Operating profit	7,007	1,543
Non-operating income		
Interest income	35	57
Dividend income	624	683
Share of profit of entities accounted for using equity method	212	240
Compensation income	41	30
Other	136	181
Total non-operating income	1,049	1,192
Non-operating expenses		
Interest expenses	154	184
Commission expenses	126	133
Loss on derivatives trading	68	7
Other	34	88
Total non-operating expenses	383	413
Ordinary profit	7,673	2,322
Extraordinary income		
Gain on sale of non-current assets	23	6
Gain on receipt of donated non-current assets	3	24
Gain on sale of businesses	–	94
Total extraordinary income	27	125
Extraordinary losses		
Loss on sale of non-current assets	36	0
Loss on retirement of non-current assets	45	98
Impairment losses	22	–
Loss on store closings	17	27
Total extraordinary losses	122	126
Profit before income taxes	7,578	2,322
Income taxes - current	2,564	1,023
Income taxes - deferred	(402)	(499)
Total income taxes	2,162	524
Profit	5,416	1,797
Profit (loss) attributable to non-controlling interests	(5)	4
Profit attributable to owners of parent	5,422	1,793

## Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	5,416	1,797
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,110)	(754)
Foreign currency translation adjustment	748	28
Remeasurements of defined benefit plans, net of tax	1	2
Share of other comprehensive income of entities accounted for using equity method	39	17
Total other comprehensive income	(1,320)	(705)
Comprehensive income	4,095	1,091
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,101	1,087
Comprehensive income attributable to non-controlling interests	(5)	4

### (3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	7,578	2,322
Depreciation	2,272	2,526
Amortization of goodwill	28	36
Impairment losses	22	–
Loss on store closings	17	27
Loss (gain) on sale of businesses	–	(94)
Increase (decrease) in provision for share awards	(22)	24
Increase (decrease) in provision for retirement benefits for directors (and other officers)	15	(0)
Increase (decrease) in allowance for doubtful accounts	4	0
Increase (decrease) in retirement benefit liability	62	16
Gain on receipt of donated non-current assets	(3)	(24)
Interest and dividend income	(659)	(740)
Interest expenses	154	184
Share of loss (profit) of entities accounted for using equity method	(212)	(240)
Loss (gain) on sale and retirement of non-current assets	58	92
Decrease (increase) in trade receivables	3,280	247
Decrease (increase) in investments in leases	(134)	(458)
Decrease (increase) in inventories	1,359	258
Increase (decrease) in trade payables	(2,534)	2,350
Increase (decrease) in accrued consumption taxes	(1,133)	710
Other, net	(465)	1,609
Subtotal	9,688	8,847
Interest and dividends received	811	901
Interest paid	(152)	(186)
Income taxes paid	(3,715)	(1,998)
Income taxes refund	111	495
Net cash provided by (used in) operating activities	6,742	8,059
<b>Cash flows from investing activities</b>		
Payments into time deposits	(2,997)	(2,150)
Proceeds from withdrawal of time deposits	2,198	2,101
Purchase of property, plant and equipment	(2,569)	(1,933)
Proceeds from sale of property, plant and equipment	122	8
Payments for retirement of property, plant and equipment	(15)	(19)
Purchase of intangible assets	(395)	(284)
Proceeds from sale of businesses	–	77
Payments for asset retirement obligations	(12)	(102)
Purchase of investment securities	(121)	(606)
Long-term loan advances	(36)	(8)
Proceeds from collection of long-term loans receivable	5	16
Other, net	(25)	(25)
Net cash provided by (used in) investing activities	(3,847)	(2,927)



(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	–	(400)
Proceeds from long-term borrowings	3,643	500
Repayments of long-term borrowings	(1,931)	(1,019)
Redemption of bonds	(382)	(500)
Repayments of lease liabilities	(612)	(496)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,218)	(2,408)
Other, net	(4)	(27)
Net cash provided by (used in) financing activities	(1,506)	(4,353)
Effect of exchange rate change on cash and cash equivalents	101	(27)
Net increase (decrease) in cash and cash equivalents	1,490	751
Cash and cash equivalents at beginning of period	31,450	30,824
Cash and cash equivalents at end of period	32,940	31,575

#### (4) Notes to semi-annual consolidated financial statements

##### Notes on changes in accounting policies

Application of the “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first six months of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). There is no impact of this change in accounting policies on the semi-annual consolidated financial statements.

Furthermore, regarding the revisions related to review of the treatment in the consolidated financial statements where loss (gain) resulting from the sale of shares in subsidiaries, etc. among companies within the same scope of consolidation being deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the first six months of the fiscal year ending March 31, 2025. This change to accounting policies has been applied retrospectively to the semi-annual consolidated financial statements and consolidated financial statements for the corresponding period of the previous fiscal year and the previous fiscal year. As a result, with the cumulative amount of impact being reflected in the net assets at the beginning of the previous consolidated fiscal year, retained earnings and deferred tax assets at the end of the previous fiscal year increased ¥325 million, and ¥124 million respectively, while deferred tax liabilities decreased ¥200 million. This change has no impact on the semi-annual consolidated statement of income for the six months ended September 30, 2024 and the six months ended September 30, 2023.

##### Notes on the premise of going concerns

Not applicable.

##### Notes on significant changes in the amount of shareholders' equity

Not applicable.

##### Notes on segment information, etc.

[Segment information]

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

1. Information regarding the amount of net sales and profit (loss) by reportable segment

	Reportable segments						Others (Note 1)	Total	Adjustments (Note 2)	Amount in the semi- annual consolidated statement of income (Note 3)
	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business	Subtotal				
Net sales										
Sales to external customers	59,999	66,403	11,122	1,310	1,290	140,126	1,199	141,325	–	141,325
Intersegment sales or transfers	74	407	11	4	–	497	180	677	(677)	–
Total	60,074	66,810	11,134	1,315	1,290	140,624	1,379	142,003	(677)	141,325
Segment profit (loss)	(260)	7,234	439	61	144	7,618	32	7,651	(643)	7,007

- (Notes) 1. The “Others” category is a business segment that is not included in the reportable segments and includes Leasing Business, Insurance Agency Business and sales of other services.
2. The segment profit (loss) adjustment of ¥(643) million includes intersegment eliminations of ¥(6) million, corporate expenses of ¥(637) million that are not allocated to each reportable segment, and other adjustments of ¥(0) million. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.
3. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statement of income.

2. Information regarding loss on impairment of non-current assets and goodwill by reportable segment  
Not applicable.

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

### 1. Information regarding the amount of net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segments						Others (Note 1)	Total	Adjustments (Note 2)	Amount in the semi- annual consolidated statement of income (Note 3)
	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business	Subtotal				
Net sales										
Sales to external customers	63,896	75,657	11,439	1,386	1,442	153,822	1,093	154,915	–	154,915
Intersegment sales or transfers	73	374	9	4	–	462	177	639	(639)	–
Total	63,969	76,031	11,449	1,390	1,442	154,284	1,271	155,555	(639)	154,915
Segment profit (loss)	(774)	2,290	599	127	75	2,318	(12)	2,305	(761)	1,543

- (Notes) 1. The “Others” category is a business segment that is not included in the reportable segments and includes Leasing Business, Insurance Agency Business and sales of other services.
2. The segment profit (loss) adjustment of ¥(761) million includes intersegment eliminations of ¥(11) million, corporate expenses of ¥(750) million that are not allocated to each reportable segment, and other adjustments of ¥0 million. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.
3. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statement of income.

2. Information regarding loss on impairment of non-current assets and goodwill by reportable segment  
Not applicable.