Note2: The corrections and updates identified and released by June 11, 2026, after the release of the original Japanese version, have been incorporated into this translation.

# Notice of the 117th Ordinary General Meeting of Shareholders Matters Excluded from Paper-Based Documents Delivered



For the 117th Fiscal Year
(From April 1, 2025 to March 31, 2026)

**Mitsuuroko Group Holdings Co., Ltd.**

## System to Ensure the Adequacy of Operations

At a meeting of the Board of Directors held on September 14, 2015, the Company adopted a basic policy for establishing a system to ensure the adequacy of its operations (the “internal control system”), pursuant to the Companies Act and the Regulation for Enforcement of the Companies Act.

(i) Systems to Ensure That Directors and Employees Perform Their Duties in Compliance with Laws and Regulations and the Articles of Incorporation

The Charter of Corporate Ethics and other compliance-related rules serve as a code of conduct to ensure that Directors and employees comply with laws and regulations, the Articles of Incorporation, and social norms. To ensure that these rules are fully implemented, the Legal Department oversees compliance initiatives across the Company and plays a central role in reporting to the Board of Directors and the Audit and Supervisory Committee. The Company also establishes and operates a compliance hotline through which employees may directly report activities that may raise legal or other compliance concerns. Furthermore, if any violation of laws and regulations or the Articles of Incorporation is identified, it is reported to the Board of Directors in accordance with the Compliance Rules, and the Company works to address the matter in cooperation with external experts as necessary.

(ii) Systems for the Preservation and Management of Information Concerning the Execution of Duties by Directors

In accordance with the Document Management Regulations, the Company records and retains information concerning the execution of duties by Directors in documents or electronic media (collectively, “documents”). Directors and Directors who are Audit and Supervisory Committee Members may inspect these documents at any time in accordance with the Document Management Regulations.

(iii) Rules and Other Systems for Managing Risk of Loss

With respect to risks relating to compliance, disasters and accidents, the environment, quality, information security, and other matters, the relevant departments establish rules and guidelines, conduct training, and prepare and distribute manuals. The Board of Directors responds to newly emerging risks by promptly appointing Directors to take charge of the response. In addition, the Board of Directors annually reviews risks associated with business execution and, as necessary, reviews the risk management systems.

(iv) Systems to Ensure the Efficient Execution of Duties by Directors

The Company clearly defines its decision-making procedures in the Mitsuuroko Group Rules on Decision-Making Authority and makes decisions according to the significance of the matter. In addition, authorities and responsibilities relating to the execution of duties are clearly set forth in the Regulations on the Division of Duties, the Mitsuuroko Group Rules on Decision-Making Authority, and other internal regulations. This framework ensures the efficient execution of duties.

In addition, Internal Auditing reviews the execution of these operations to assess their effectiveness and identify areas for improvement.

(v) System to Ensure the Appropriateness of Business Operations Across the Corporate Group Consisting of the Company and Its Subsidiaries

In addition to appointing Directors in charge of each Group business segment as segment heads and assigning them authority and responsibility for establishing legal compliance and risk management systems, Finance & Control promotes and manages these systems across the Company.

(1) In accordance with the Mitsuuroko Group Rules on Decision-Making Authority and other related regulations, the Company appoints Directors and departments to supervise subsidiaries, and the subsidiaries report on the execution of duties and the status of their business operations.

(2) The Company works to establish compliance systems for itself and its subsidiaries and provides ongoing compliance education and training for officers and employees of both the Company and its subsidiaries.

(3) The Company and its subsidiaries conduct business operations in accordance with their respective internal regulations, which are revised as necessary.

(4) The Company and each of its directly owned subsidiaries have divisions responsible for risk management, and these companies cooperate in sharing relevant information.

(5) Internal Auditing conducts audits of the overall operations of the Company and its subsidiaries and provides verification, guidance, and other support.

(vi) Systems for Reporting Matters Related to the Execution of Duties by Directors of Subsidiaries to the Company

Under the Mitsuuroko Group Rules on Decision-Making Authority, the Company clearly defines matters requiring its approval and matters to be reported to it, and monitors the status of their execution while respecting the autonomy of its subsidiaries.

(vii) Rules and Other Systems for Managing Risks of Loss at Subsidiaries

(1) The Company has established basic risk management policies for the Group as a whole.

(2) The Company establishes a department to oversee risk management across the Group and appoints personnel responsible for that function.

(3) The head of each business segment manages risks in the segment under his or her supervision in accordance with the basic risk management policies.

(4) Major subsidiaries establish their own basic risk management policies and manage risks independently. They also report their risk management status to the Company regularly or as needed.

(5) Subsidiaries directly controlled by the Company oversee risk management at their own subsidiaries.

(viii) Systems to Ensure the Efficient Execution of Duties by Directors, etc. of Subsidiaries

(1) The Company periodically reviews the organizational structures and business execution systems of its subsidiaries, taking into account such factors as the nature and scale of each subsidiary's business and its position within the Group, and supervises them to ensure that effective systems are in place for the efficient execution of their duties.

(2) With respect to decision-making at subsidiaries, the Company clarifies the authority and responsibilities of officers and employees engaged in business execution at subsidiaries under the subsidiaries' Board of Directors Regulations, Regulations on Operational Authority, and other internal rules. The Company also provides the guidance necessary to ensure that business operations are carried out in an organized and efficient manner.

(3) The Company's Board of Directors annually reviews the internal control plans for financial reporting submitted by the Head of Finance & Control and shares the relevant information with Group companies.

(ix) System to Ensure That Directors, etc. and Employees of Subsidiaries Perform Their Duties in Compliance with Laws and Regulations and the Articles of Incorporation

(1) The Company works to disseminate the Group's Code of Corporate Conduct among officers and employees of subsidiaries to ensure that they comply with laws and regulations, the Articles of Incorporation, and internal rules, and conduct business operations honestly and fairly.

(2) The Company has established basic compliance policies for the Group.

(3) Subsidiaries promote compliance in accordance with the Group Basic Compliance Policy.

(4) Major subsidiaries also report their compliance status to the Company on a regular basis or as needed.

(5) Subsidiaries work to establish compliance systems suited to the nature and scale of their businesses and other relevant circumstances, while referring to the Compliance Guidelines established by the Company.

(x) Matters Concerning Employees Who Assist Audit and Supervisory Committee Members When the Audit and Supervisory Committee Requests the Assignment of Such Employees

If Directors who are Audit and Supervisory Committee Members request the assignment of employees to assist in their duties, the Company will appoint personnel it considers appropriately qualified after consulting with such Directors.

(xi) Matters Concerning the Independence of Such Employees from Directors

(1) Directors who are Audit and Supervisory Committee Members may give instructions to employees providing assistance as necessary for audit duties. If such an employee receives an instruction necessary for audit duties from a Director who is an Audit and Supervisory Committee Member, the employee will not be subject to instructions from Directors, the General Manager of the Internal Auditing Office, or others with respect to that instruction.

(2) The consent of the Audit and Supervisory Committee is required for decisions regarding the transfer, evaluation, and other personnel matters of employees providing assistance.

(xii) Matters Relating to Ensuring the Effectiveness of Instructions Given by the Audit and Supervisory Committee to Directors and Employees Providing Assistance

Directors and employees cooperate to maintain an audit environment in which employees providing assistance can perform their duties effectively.

(xiii) Systems for Reports by Directors (Excluding Directors Who Are Audit and Supervisory Committee

Members) and Employees to the Audit and Supervisory Committee

The Company has established systems to ensure that Directors and employees promptly report to the Audit and Supervisory Committee matters required by law, matters that may have a material impact on the Company or the Group, the status of internal audits, and the status and content of reports made through the compliance hotline. The reporting procedures, including the persons making and receiving reports and the timing of such reports, are determined through consultation between the Board of Directors and the Audit and Supervisory Committee.

(xiv) Systems for Reports to the Audit and Supervisory Committee by Directors, Audit & Supervisory Board Members, Executive Officers, Employees Engaged in Business Execution, Persons Equivalent Thereto, and Other Employees of Subsidiaries, and by Persons Who Have Received Reports from Such Individuals

(1) The Company establishes systems in advance with its subsidiaries under which Directors, Audit & Supervisory Board Members, employees, and others of subsidiaries, or persons who have received reports from them, may report matters to Directors, employees, and others of the Company either through the subsidiaries' Directors or Audit & Supervisory Board Members or directly.

(2) The Company has established a system under which, when Directors, employees, and others of the Company receive reports from Directors, Audit & Supervisory Board Members, employees, and others of subsidiaries, or from persons who have received such reports, those matters are promptly reported to the Audit and Supervisory Committee of the Company.

(xv) Systems to Ensure That Persons Making Reports Are Not Subject to Disadvantageous Treatment as a Result of Reporting

(1) An attorney serves as a contact point for the internal reporting system. When an internal report is made, the attorney promptly reports the details of the matter to the Audit and Supervisory Committee of the Company, excluding information that could identify the whistleblower.

(2) The fact that a report was made must not be considered in any transfer, personnel evaluation, disciplinary action, or other treatment of the whistleblower. The whistleblower may also request that the Audit and Supervisory Committee investigate the reasons for any such transfer, evaluation, disciplinary action, or other treatment.

(3) The Board of Directors receives regular reports on the status of internal reports and the details of reported matters, and reviews the internal reporting system after consulting with the Audit and Supervisory Committee.

(xvi) Matters Concerning Procedures for the Advance Payment or Reimbursement of Expenses Incurred in the Execution of Duties by Audit and Supervisory Committee Members and Other Policies for Handling Expenses or Obligations Incurred in the Execution of Such Duties

When an Audit and Supervisory Committee Member requests advance payment of expenses incurred in the execution of his or her duties, reimbursement of expenses already paid, or repayment of obligations already incurred, the Company complies with the request unless it can demonstrate that such expenses or obligations did not arise from the execution of duties by that Audit and Supervisory Committee Member.

(xvii) Other Systems to Ensure the Effective Conduct of Audits by the Audit and Supervisory Committee

The Company holds regular meetings for the Audit and Supervisory Committee and the Representative Director and President to exchange opinions.

## Summary of the Implementation Status of the System to Ensure the Adequacy of Operations

The Company has adopted a corporate governance structure consisting of a Board of Directors, an Audit and Supervisory Committee, and a Financial Auditor. Directors who are Audit and Supervisory Committee Members have voting rights at Board of Directors meetings, which has enhanced the effectiveness of audits and supervision and further strengthened the Board's supervisory function.

The principal aspects of the implementation status of the system to ensure the adequacy of operations during the current fiscal year are as follows:

(i) Efforts for Compliance

- The Company has established the "Group Code of Ethics" and sets forth its policies to fulfill its social responsibilities—including ensuring thorough compliance—and to become a company trusted by society.
- The Company has identified "thorough compliance" as one of its materialities, which are key social issues that management addresses as a priority. As part of these efforts, the Company has provided IT compliance, harassment, and human rights training to all Group employees. In addition, it offers various compliance training programs, both in person and through e-learning, tailored to employee roles and career stages, including new employee and role-specific training, to deepen understanding of the fundamental meaning and importance of compliance and to enhance compliance awareness and knowledge.
- As part of its compliance education efforts, the Group has prepared a "Compliance Handbook" that illustrates the Code of Conduct to be observed by officers and employees through comic-style examples based on actual duties performed within the Group. The handbook was distributed to all employees, and reading sessions have been held repeatedly by department to promote understanding of compliance.
- The Group holds small-group sessions at least once a month in each department to discuss compliance-related topics. By providing employees with opportunities to consider compliance for themselves, the Group has strengthened their sense of ownership and issue awareness and further enhanced compliance awareness.
- To promote compliance and risk management, the Group has established a Risk Management Committee to oversee risk management across the Group and appointed an Internal Control Manager, an Internal Control Promoter, and an Internal Control Promotion Committee Member in each department to disseminate compliance-related information and serve as on-site consultation contacts for employees.
- In addition, in the event of compliance violations or harassment involving officers or employees, a framework has been established whereby the necessity of disciplinary action is reviewed by the "Ethics & Compliance Committee" newly established as of January 1, 2026, and appropriate disciplinary measures are imposed at each company in accordance with its work rules.
- The Group has obtained written pledges from all managers not to engage in improper accounting, intentional misstatements, or other fraudulent conduct, and from all employees not to commit compliance violations. By strengthening compliance awareness among managers and employees, the Group works to prevent scandals and other misconduct.
- To prevent and enable the early detection of organizational or individual violations of laws and regulations and other misconduct, the Company has established a "Compliance Hotline," with consultation channels including the responsible personnel of the Legal, HR, the Internal Auditing departments, and external law firms. The system protects whistleblowers who report or seek advice regarding misconduct by the Company's employees, business partners, and others. Also, the Compliance Secretariat—comprising the HR, Internal Auditing, and the compliance function—conducts fact-finding investigations with accountability. Where necessary, the Company's legal function implements corrective measures and measures to prevent recurrence. Additionally, the internal reporting system was transitioned to a new framework in January 2026, under which reporting, investigations, deliberation on disciplinary actions, and the imposition of disciplinary measures are carried out through procedures with enhanced transparency and fairness, in accordance with various regulations established and revised in anticipation of the amended Whistleblower Protection Act.
- To enable a prompt response and minimize damage in the event of the loss of personal or internal information, the Group has prepared an "Information Security Card" that all employees carry at all times. The card also includes the Charter of Corporate Ethics and a compliance checklist to promote legal compliance, thereby helping to strengthen compliance awareness and prevent misconduct.

(ii) Efforts Concerning the Storage and Management of Information Related to the Execution of Duties by Directors

In accordance with the Document Management Regulations, information relating to the execution of duties by Directors, including approval documents and minutes of important meetings such as Board of Directors meetings, is recorded and retained in written or electronic form (collectively, "Documents, etc."). Important minutes, including minutes of General Meetings of Shareholders and Board of Directors meetings, are permanently retained regardless of the statutory retention period.

In addition, Directors and Directors who are Audit and Supervisory Committee Members may inspect these Documents, etc. at any time in accordance with the Document Management Regulations.

(iii) Efforts Concerning the Management of Risk of Loss

- The Company has established a Risk Management Committee under the "Risk Management Regulations" adopted by the Board of Directors. During the current fiscal year, the Risk Management Committee met six times. In addition, pursuant to the "Ethics & Compliance Committee Regulations" established by the Board of Directors, the Company has established an Ethics & Compliance Committee. During the current fiscal year, the Risk Management Committee did not convene, while the Ethics & Compliance Committee met four times.

  The Risk Management Committee selects key risks from among the risks assumed for the Group and provides advice on appropriate responses. In order to oversee risk management comprehensively, the Committee also determines policies for the development and improvement of various regulations related to risk management. The Ethics & Compliance Committee deliberates on whether disciplinary action is required in cases of compliance violations, harassment, or similar conduct involving officers or employees, and notifies each company of its determinations. Final disciplinary actions are decided by each respective company in accordance with its work rules.

- To manage quality-related risks, particularly those relating to food quality and compliance with applicable laws and regulations, the Group has appointed two Directors as Food Quality Control Managers and assigned them responsibility for those matters.

  In addition, with respect to safety-related risks, the Director in Charge of Risk Management manages such risks in cooperation with each department.

- To protect information, the Group has established and implemented the Information Management Regulations, Confidential Document Management Regulations, Document Management Regulations, Regulations on Protection of Personal Information, and Regulations on Protection of Specific Personal Information, all of which comply with revised laws and are based on the Mitsuuroko Group Information Security Management Policy. In addition, all employees carry an Information Security Card at all times to enable a prompt response and minimize damage in the event of the loss of personal or internal information.

  The Privacy Policy is also posted on the Company's website so that its efforts to protect personal information, including those reflecting revisions to applicable laws and the purposes of use of personal information, can be readily confirmed.

- In addition, pursuant to the Liquefied Gas Safety Act, the Electricity Business Act, the Construction Business Act, and other applicable laws and regulations, each subsidiary assigns officers and employees who hold the qualifications required for the execution of business operations in each respective business. Through this, the Company has established a framework to ensure compliance with the laws and regulations applicable to each business.

(iv) Efforts to Ensure the Adequacy and Efficiency of the Execution of Duties by Directors

- The decision-making method of the Company is clearly stated in the Mitsuuroko Group Rules on Decision-Making Authority, and the Board of Directors makes decisions based on those Rules and the Rules of the Board of Directors.

  In addition, the Regulations on the Division of Duties, the Mitsuuroko Group Rules on Decision-Making Authority and other internal regulations are also clearly stated in writing, and operations are carried out adequately and efficiently based on these regulations.

- In order to make efficient decisions, the Company delegates some important business execution to the Directors based on the resolution of the Board of Directors. In the current fiscal year, a Board of Directors meeting was held 13 times over a one year span (in addition, there are four written resolutions that are deemed to have been resolved by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 25, Paragraph (2) of the Company's Articles of Incorporation). At the meetings, Directors discussed matters such as the formulation of a budget, M&A, capital investments, establishment and revision of rules, and officer appointments based on a management strategy.

(v) Efforts to Ensure the Adequacy of Operations in the Group

- Since July 2024, based on the Group Rules on Decision-Making Authority, the Group has established an internal control framework that strengthens the review function by specialized units for approvals related to day-to-day decision-making and business execution. Under these Group Rules, important matters affecting Group management are subject to approval by the Company's Board of Directors.
- In addition to appointing Directors in charge of each Group business segment as segment heads and assigning them authority and responsibility for establishing legal compliance and risk management systems, Finance & Control promotes and manages these systems across the Group.

  Each Group Representative Director submits a monthly Corporate Governance Monitoring Sheet to Finance & Control. Finance & Control manages the risks identified in these reports, including compliance, rule compliance and information sharing, personnel, financial accounting, and business matters, and reports them monthly to the Company's Board of Directors to help prevent issues. Related departments and Internal Auditing also investigate Group companies as necessary and, through Finance & Control, implement corrective and recurrence-prevention measures.
- With respect to the establishment and operation of internal controls over financial reporting, the Head of Finance & Control conducts cross-functional reviews and coordination across the Group and reports the annual internal control plan and its results to the Board of Directors.
- To improve operational efficiency, prevent misconduct, and enable its prompt detection, Internal Auditing conducts annual business audits of the Company's subsidiaries under the Basic Internal Audit Plan reported each year to the Board of Directors by the Head of Internal Auditing. It also conducts unannounced audits of certain subsidiary stores. Through these activities, Internal Auditing maintains a comprehensive understanding of risks and responds to them appropriately.

(vi) Efforts to Ensure the Effectiveness of Duties Performed by Audit and Supervisory Committee Members and of Audits Conducted by the Audit and Supervisory Committee

- The Company has established an Audit and Supervisory Committee, which in principle meets once a month to deliberate on, report on, and discuss important audit-related matters.
- Audit and Supervisory Committee Members attend Board of Directors meetings to confirm the establishment and operation of the internal control system.
- Audit and Supervisory Committee Members have opportunities to exchange information and views with the Representative Director and President. They also regularly exchange information and views with Internal Auditing and the Financial Auditor to enhance the effectiveness and efficiency of audits.
- One employee has been assigned concurrently to assist the Audit and Supervisory Committee and its members in their duties.
- With respect to the Financial Auditor, the Company monitored the auditor's independence and the adequacy of its audits, received reports on the annual audit plan and the results of quarterly reviews and year-end audits, exchanged information and views, and discussed the appointment of the Financial Auditor.
- At the beginning of the fiscal year, a budget for various audit-related costs was secured based on the annual activity plan, and no budget shortfall arose in connection with audits conducted during the fiscal year.

# Consolidated Statement of Changes in Equity

(From April 1, 2025 to March 31, 2026)

(Millions of Yen)

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Shared capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance as of April 1, 2025 | 7,077 | 307 | 84,100 | (509) | 90,976 |
| Changes during period: | | | | | |
| Dividends of surplus | | | (3,194) | | (3,194) |
| Profit attributable to owners of parent | | | 9,197 | | 9,197 |
| Acquisition of treasury shares | | | | (3,970) | (3,970) |
| Disposal of treasury shares | | 35 | | 31 | 67 |
| Net changes in items other than shareholders' equity | | | | | – |
| Total changes during the period | – | 35 | 6,002 | (3,938) | 2,099 |
| Balance as of March 31, 2026 | 7,077 | 342 | 90,102 | (4,447) | 93,075 |

(Millions of Yen)

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total net assets |
|---|---|---|---|---|---|---|---|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance as of April 1, 2025 | 5,305 | 33 | 2,271 | (6) | 7,603 | 109 | 98,689 |
| Changes during period: | | | | | | | |
| Dividends of surplus | | | | | – | | (3,194) |
| Profit attributable to owners of parent | | | | | – | | 9,197 |
| Acquisition of treasury shares | | | | | – | | (3,970) |
| Disposal of treasury shares | | | | | – | | 67 |
| Net changes in items other than shareholders' equity | 3,215 | 53 | 1,157 | 147 | 4,573 | △5 | 4,568 |
| Total changes during period | 3,215 | 53 | 1,157 | 147 | 4,573 | △5 | 6,667 |
| Balance as of March 31, 2026 | 8,521 | 87 | 3,428 | 140 | 12,177 | 103 | 105,357 |

## Notes on Consolidated Financial Statements

### 1. Notes on Significant Accounting Policies for the Preparation of Consolidated Financial Statements

(1) Scope of Consolidation

(i) Status of consolidated subsidiaries

| | |
|---|---|
| • Number of consolidated subsidiaries: | 42 |
| • Names of major consolidated subsidiaries: | Mitsuuroko Vessel Co., Ltd.<br>Logitri Holdings Co., Ltd.<br>Mitsuuroko Green Energy Co., Ltd.<br>Mitsuuroko Foods Co., Ltd.<br>MITSUUROKO Co., Ltd.<br>Mitsuuroko Creative Solutions Co., Ltd.<br>Triforce Investments Pte. Ltd. |
| • Changes in the scope of consolidation: | Excluded from the scope of consolidation starting from the current fiscal year:<br>- Mitsuuroko Vessel Kusatsu Co., Ltd. (merged with Mitsuuroko Vessel Co., Ltd.)<br>- Daiichi Gas Co., Ltd. (merged with Mitsuuroko Vessel Co., Ltd.)<br>Added to the scope of consolidation starting from the current fiscal year:<br>- Mitsuuroko Agri Co., Ltd. (newly established)<br>Furthermore, as a result of the acquisition of shares of Gluck Co., Ltd. and the additional acquisition of shares of Tanno Shouten Co., Ltd., which had been an equity-method associate, each company has been included in the scope of consolidation. |

(ii) Un-consolidated Subsidiaries

Not applicable.

(2) Application of Equity Method

(i) Status of associates to which equity method is applied

| | |
|---|---|
| • Number of associates to which equity method is applied: | 8 |
| • Names of associates: | Niigata Sanrin Co., Ltd.<br>Futtsu Solar Co., Ltd.<br>Suigo-Itako Solar Co., Ltd.<br>IRUMA GAS CO., LTD.<br>Japan Enagic Co., Ltd.<br>Daijyou Energy Co., Ltd.<br>SunPro Energies Pte. Ltd.<br>INPEX Mitsuuroko Electric, LTD. |
| • Changes in the scope of equity-method application: | In the current consolidated fiscal year, Tanno Shouten Co., Ltd., which had been an equity-method associate, has been excluded from the scope of equity method application as a result of the additional acquisition of its shares. In addition, INPEX Mitsuuroko Electric, LTD., which was newly established, has been included in the scope of equity method application. |

(ii) Status of non-consolidated subsidiaries and associates to which equity method is not applied

| | |
|---|---|
| • Names of major companies: | Ikaho Gas Co., Ltd.<br>Higashimatsuyama Gas Co., Ltd. |
| • Reason for not applying the equity-method: | The impact of excluding these companies from the scope of the equity method on the consolidated financial statements is immaterial, including their effect on net income, retained earnings, and other equity-related items. |

(3) Fiscal Years of Consolidated Subsidiaries

All consolidated subsidiaries have the same fiscal year-end as the Company.

(4) Accounting Policies

(i) Valuation Standards and Methods for Securities

| | |
|---|---|
| Associates | The shares of associates to which equity method is not applied are valued at moving-average cost. |

Available-for-sale securities

| | |
|---|---|
| Securities other than shares that do not have a quoted market price | Carried at fair value (Unrealized gains and losses are recognized directly in net assets, and the cost of securities sold is determined by the moving average method) |
| Shares that do not have a market price | Carried at moving average cost |

(ii) Valuation Standards and Methods for derivatives

| | |
|---|---|
| Derivatives | Carried at fair value |

(iii) Valuation Standards and Methods for inventories

Valued at cost (carrying amounts on the balance sheet is written down to reflect lower profitability).

| | |
|---|---|
| Merchandise | Primarily measured using the moving-average method |
| Finished goods | Primarily measured using the moving-average method |
| Raw materials and supplies | Primarily measured using the first-in, first-out method |

(iv) Depreciation method for non-current assets

| | |
|---|---|
| Property, plant and equipment (excluding leased assets) | The Company and its domestic consolidated subsidiaries primarily apply the declining-balance method. However, the straight-line method is applied for: buildings (excluding attached facilities) acquired on or after April 1, 1998, facilities attached to buildings and structures acquired on or after April 1, 2016. Additionally, certain consolidated subsidiaries engaged in Power & Electricity Business use the straight-line method for machinery and equipment.<br>Overseas consolidated subsidiaries apply the straight-line method.<br>Useful lives and residual values are generally based on standards prescribed by the Corporation Tax Act. |
| Intangible assets (excluding leased assets) | The straight-line method is applied.<br>Goodwill is amortized on a straight-line basis over its effective period. Software for sale is amortized using the greater of (a) estimated sales volume or (b) straight-line over the remaining effective period (within three years), while software for internal use is amortized on a straight-line basis over its estimated useful life (five years). Leasehold interests in land are amortized on a straight-line basis over the contract term. Trademark rights are not amortized at overseas subsidiaries as they have indefinite useful lives. |
| Leased assets | Depreciated on a straight-line basis over the lease term with no residual value. |

(v) Accounting method for deferred assets

Bond issuance costs are fully recognized as expenses when incurred.

(vi) Accounting method for provisions

| | |
|---|---|
| Allowance for doubtful accounts | An allowance is recorded to cover potential non-payment of trade receivables, loans receivable, and other receivables. For general receivables, the historical default rate is applied, while for receivables identified as potentially irrecoverable, actual default amounts on an individual claim basis are used. |
| Provision for bonuses | A provision is recognized for employee bonuses based on the amount required for payment in accordance with the Company's rules and regulations. |
| Provision for bonuses for directors | Certain consolidated subsidiaries record provisions for bonuses for directors and other officers based on the estimated amount payable for the current fiscal year. |
| Provision for share awards | To cover stock-based benefits for officers, the Company accrues an estimated amount based on the awards required at the end of the current fiscal year, in accordance with internal regulations. |
| Provision for retirement benefits for directors | Certain consolidated subsidiaries recognize provisions for retirement benefits for directors and other officers based on the amount payable at the end of the current fiscal year, in accordance with internal regulations. |

(vii) Basis for Recognition of Significant Revenues and Expenses

Basis of Revenue Recognition

A. Energy Solutions Business

Energy Solutions Business includes sales of LPG, petroleum products such as gasoline, diesel fuel and heating oil, and housing equipment.

For transactions other than LPG, revenue is recognized at the point in time when control of the goods transfers to the customer, generally upon delivery. At that point, legal title, physical possession, and the significant risks and rewards of ownership transfer to the customer, and the Company becomes entitled to consideration. Consideration is based on the price specified in the contract and does not contain a significant financing component because payment is typically received within one year after delivery.

For LPG, the Company recognizes revenue over time based on the supply of LPG during the contractual period, as the Company's performance obligations are satisfied over time under the terms of the contract. Consideration is based on the price specified in the contracts, net of rebates and other adjustments, and does not contain a significant financing component because payment is typically received within one year after delivery.

Revenue for LPG usage is recognized based on the meter-reading date. When the meter-reading date differs from the fiscal year-end, revenue between the most recent meter-reading date and the fiscal year-end is estimated using reasonable methods.

B. Power & Electricity Business

Power & Electricity Business is engaged in the wholesale of wind power and retail sales to general consumers.

For these transactions, the Company recognizes revenue over time based on the supply of power during the contractual period, as the Company's performance obligations are satisfied over time under the terms of the contract. Consideration is based on the price specified in the contract, net of rebates and other adjustments, and does not contain a significant financing component because payment is typically received within one year after delivery.

Revenue for power usage is recognized based on the meter-reading date. When the meter-reading date differs from the fiscal year-end, revenue between the most recent meter-reading date and the fiscal year-end is estimated using reasonable methods.

Renewable energy surcharge collected on behalf of third parties are excluded from transaction price and corresponding payments are not included in cost of sales.

C. Foods Business

Foods Business includes the production and sale of bottled water and beverages, the operation of in-facility stores and cafeterias, and the operation of fresh bakeries and café restaurants.

Revenue is recognized when control of the goods transfers to the customer, generally upon delivery, at which point legal title, physical possession, and significant risks and rewards of ownership transfer to the customer, and the Company becomes entitled to consideration. Consideration is based on the price specified in the contract and does not contain a significant financing component because payment is typically received within one year after delivery.

D. Living & Wellness Business

Living & Wellness Business leases office buildings and rental apartments and operates spa and other living and wellness-related facilities.

Except for the real estate leasing business, revenue is recognized when the customer receives the benefit of the services, which corresponds to the point when the Company renders the service and becomes entitled to consideration. Consideration is based on the price specified in the contract and does not contain a significant financing component because payment is typically received within one year after delivery.

Revenue from real estate leasing is recognized over the lease term.

Revenues from the real estate leasing are recognized for the leasing period.

E. Overseas Business

Overseas Business includes self-storage and warehouse services in Asia.

Revenue is recognized over the lease term.

F. Other Businesses

Other Businesses includes sales of goods and services not included in the above reportable segments.

For transactions other than leasing, revenue is recognized at the point in time when control of the goods transfers to the customer, generally upon delivery. At that point, legal title, physical possession, and the significant risks and rewards of ownership transfer to the customer, and the Company becomes entitled to consideration. Consideration is based on the price specified in the contract and does not contain a significant financing component because payment is typically received within one year after delivery.

(viii) Hedge accounting method

| | |
|---|---|
| Hedge accounting method | In principle, deferred hedge accounting is applied.<br>Also, if the requirements for special treatment are met for interest rate swaps, special treatment is applied. |

Hedging instruments and hedged items

| Hedging instruments | Hedged items |
|---|---|
| Interest rate swaps | Interest on borrowings |

| | |
|---|---|
| Hedging policy | All hedge transactions are executed in accordance with the Market Risk Management Regulations and require approval by the Board of Directors. Execution and management of these transactions are centralized under Finance & Control. |
| Method of assessing hedge effectiveness | Hedge effectiveness is generally assessed semi-annually by comparing cumulative changes in cash flows of the hedging instrument and the hedged item, based on the amount of fluctuations and other factors.<br>For interest rate swaps outstanding at the end of the current fiscal year, effectiveness testing is omitted as the hedge effect is considered highly effective. |

(ix) Other basic policies and important items for the preparation of Consolidated Financial Statements

| | |
|---|---|
| Basis for recording revenues related to finance lease transactions | Net sales and cost of sales are recorded upon receipt of lease payments. |
| Accounting for retirement benefits | To make allowances for the payment of retirement benefits to employees, a provision for retirement benefits is recorded in the amount deemed to be accrued at the end of the current fiscal year, based on the amount of projected liabilities as of the end of the consolidated fiscal year under review. When calculating retirement benefit liabilities, the method for attributing expected benefit payments for the period to the end of the consolidated fiscal year under review is as per the benefit formula basis. Actuarial gains and losses are treated as expenses in the consolidated fiscal year following the fiscal year in which they arise, in an amount proportionally divided using the straight-line method over a fixed number of years (in mainly ten years) that is within the average number of years of remaining service of employees at the time the differences emerge each fiscal year. Unrecognized actuarial gains and losses are adjusted for tax effect, and recorded under net assets as remeasurements of defined benefit plans in accumulated other comprehensive income. Further, in the calculation of retirement benefit liability and retirement benefit expenses, some consolidated subsidiaries apply the simplified method that uses the amount of retirement benefits required for voluntary resignations at the end of the term as retirement benefit liabilities. |

## 2. Notes on Unapplied Accounting Standards

Accounting Standard for Leases

- Accounting Standard for Leases (Accounting Standards Board of Japan (ASBJ) Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

(1) Overview

As part of efforts by the ASBJ to align Japanese standards with international standards, a lease accounting standard has been developed that requires lessees to recognize assets and liabilities for all leases. This standard is based on international accounting standards, specifically IFRS 16. However, instead of adopting all provisions of IFRS 16, only the main provisions are incorporated to create a simpler and more convenient standard. This approach aims to ensure that when IFRS 16 provisions are applied to individual financial statements, no significant adjustments are necessary.

For lessee accounting, the method of expense allocation for leases follows the single accounting model of IFRS 16. Under the lessee accounting model, all leases—whether classified as finance leases or operating leases—will be accounted for by recognizing depreciation on right-of-use assets and interest expense on lease liabilities.

(2) Scheduled Date of Application

The standards are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of Application

The impact of applying the Accounting Standard for Leases and related guidance on the consolidated financial statements is currently under evaluation.

Accounting Standard for Subsequent Events, etc.

- Accounting Standard for Subsequent Events” (ASBJ Statement No. 41, January 9, 2026)
- Implementation Guidance on Accounting Standard for Subsequent Events” (ASBJ Guidance No. 35, January 9, 2026)

(1) Overview

The “Accounting Standard for Subsequent Events,” etc. establish a comprehensive accounting standard addressing the definition, accounting treatment, and disclosure of subsequent events as a priority issue. As a basic policy, the standards incorporate, in principle, the accounting-related content set forth in the Japanese Institute of Certified Public Accountants’ Auditing and Assurance Standards Committee, Auditing Standards Report No. 560, Practical Guideline No. 1, “Audit Considerations Relating to Subsequent Events,” and transfer it to the Accounting Standards Board of Japan. In addition, revisions have been made to the wording and the evaluation period of subsequent events has been clarified. The standards also newly require disclosures regarding the approval of the issuance of financial statements, thereby prescribing the accounting treatment and disclosure of subsequent events.

(2) Scheduled Date of Application

The standards are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

## 3. Notes on Accounting Estimates

Important Accounting Estimates

Accounting estimates are determined based on information available at the time of preparing the consolidated financial statements and calculated on a reasonable basis.

Among the amounts recorded in the consolidated financial statements based on accounting estimates, the following items may have a significant impact on the consolidated financial statements for the next fiscal year.

1. Estimated Revenue for LPG Usage between Meter Reading Date and Fiscal Year-End

(1) Amount recorded in the Consolidated Financial Statements for the current fiscal year

Net sales generated by consumers using LPG were recognized based on the meter reading date, but if the meter reading date differs from the end of the fiscal year, the net sales for the period spanning from the meter reading date to the end of the fiscal year were recorded by using a reasonable estimate. In the current fiscal year, the net sales of LPG were recorded at ¥1,892 million.

(2) Additional Information for Users' Understanding

Estimation methodology and assumptions are consistent with the prior fiscal year. Estimated revenue for the unbilled period is calculated by estimating usage volume based on assumptions that LPG consumption correlates with temperature and user count, using regression analysis under the least squares method.

Difference between actual results and these estimates may affect revenue recognized in the following fiscal year.

2. Assessment of Impairment Losses on Trademark Rights and Goodwill in Overseas Self-Storage Businesses

(1) Amount Recorded in Current Consolidated Financial Statements

Following the business combination on December 22, 2021, involving Triforce Investments Pte. Ltd., a consolidated subsidiary of the Company, and General Storage Company Pte. Ltd. and its six subsidiaries, the trademark rights and goodwill related to Overseas Business were recognized. The trademark represents a long-established brand with high market recognition. Considering the low risk of technological obsolescence and high entry barriers in the self-storage business, the trademark is classified as an intangible asset with an indefinite useful life. Book values: Trademark rights ¥3,503 million; Goodwill ¥362 million. Triforce Investments Pte. Ltd. performed its annual impairment test and determined that no impairment loss was required, as the recoverable amount (value in use) exceeded the carrying amount of the cash-generating unit including these assets.

(2) Additional Information for Readers' Understanding

The "Lock+Store" brand of General Storage Company Pte. Ltd. is used in Singapore and Malaysia, and trademark rights and goodwill arise from subsidiaries in Singapore and Malaysia. Accordingly, these subsidiaries are grouped as a single cash generating unit.

Impairment testing on trademark rights and goodwill compares the discounted future cash flows of the unit with its carrying amount. If discounted cash flows fall below the carrying amount, the latter is reduced to the recoverable amount, and the difference is recognized as an impairment loss. Discount rates applied are based on the weighted average cost of capital calculated by external specialists.

Future cash flow estimates are based on business plans and long-term average growth rates beyond the planning period. Changes in economic conditions or market environment may require revisions to these assumptions, potentially resulting in impairment losses in future periods.

## 4. Additional Information

Performance-Based Stock Remuneration Plan for Directors

The Company has introduced a performance-based stock remuneration plan, the Board Benefit Trust (BBT) (hereinafter referred to as "the Plan"), for Directors other than Audit and Supervisory Committee Members and External Directors (hereinafter referred to

as "Eligible Directors"). The purpose of the Plan is to enhance awareness of contributing to medium- to long-term improvement in performance and corporate value.

(1) Overview of Transactions

Under the Plan, funds contributed by the Company are used by a trust to acquire shares of the Company.

In accordance with the Company's Officer Share Benefit Regulations, the trust delivers Company shares and cash equivalent to the market value of such shares to Eligible Directors. In principle, delivery of shares occurs upon the Eligible Director's retirement.

(2) Company Shares Remaining in the Trust

Company shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding incidental costs). The book value and number of shares were ¥405 million and 482,300 shares for the current fiscal year.

## 5. Notes on the Consolidated Balance Sheet

(1) Pledged Assets and Collateral-Related Liabilities

(i) Pledged assets

| | |
|---|---|
| Buildings and structures | ¥805 million |
| Land | ¥607 million |
| Total | ¥1,413 million |

(ii) Collateral-related liabilities

| | |
|---|---|
| Current portion of long-term borrowings | ¥43 million |
| Long-term borrowings | ¥154 million |
| Total | ¥197 million |

Apart from the above, shares of subsidiaries and associates worth ¥945 million are provided as collateral for liabilities, in accordance with the loan agreements that were concluded between associates to which equity method is applied and financial institutions.

(2) Accumulated Depreciation of Property, Plant and Equipment ¥65,194 million

(3) Accumulated Tax Purpose Reduction Entry due to Receipt of National Subsidies Pertaining to Property, Plant and Equipment, etc.

The accumulated tax purpose reduction entry due to the receipt of government subsidies pertaining to property, plant and equipment, etc. was ¥152 million for buildings and structures, ¥2,025 million for machinery, equipment and vehicles, and ¥62 million for others, which in total amounted to ¥2,240 million.

## 6. Notes on the Consolidated Statement of Income

(1) Major Items and Amounts among Selling, General and Administrative Expenses

| | |
|---|---|
| Salaries | ¥9,143 million |
| Provision for bonuses | ¥1,158 million |
| Provision for bonuses for directors (and other officers) | ¥7 million |
| Provision for retirement benefits for directors (and other officers) | ¥35 million |
| Provision for share awards | ¥50 million |
| Retirement benefit expenses | ¥375 million |
| Depreciation | ¥1,870 million |
| Provision of allowance for doubtful accounts | ¥16 million |
| Amortization of goodwill | ¥76 million |
| Outsourcing fees | ¥3,922 million |

(2) Breakdown of Gain on Sale of Non-Current Assets

| | |
|---|---|
| Buildings and structures | ¥0 million |
| Machinery, equipment and vehicles | ¥3 million |
| Other | ¥13 million |
| Total | ¥16 million |

(3) Breakdown of Loss on Sale of Non-Current Assets

| | |
|---|---|
| Buildings and structures | ¥3 million |
| Machinery, equipment and vehicles | ¥0 million |
| Land | ¥4 million |
| Other | ¥0 million |
| Total | ¥8 million |

(4) Breakdown of Loss on Retirement of Non-Current Assets

| | |
|---|---|
| Buildings and structures | ¥134 million |
| Machinery, equipment and vehicles | ¥32 million |
| Software | ¥7 million |
| Other | ¥30 million |
| Removal expenses associated with retirement | ¥299 million |
| Total | ¥504 million |

(5) Impairment Losses

In the current fiscal year, the Group recorded impairment losses for the following asset groups.

| Company | Use | Type | Location | Impairment losses (Millions of Yen) |
|---|---|---|---|---|
| Mitsuuroko Group Holdings Co., Ltd. | Business assets Leased assets | Land, buildings, etc. | Yokohama-shi, Kanagawa etc. | 75 |
| MITSUUROKO Co., Ltd. | Business assets | Copyrights | Chiyoda-ku, Tokyo | 6 |
| Mitsuuroko Drive Co., Ltd. | Business assets | Buildings, etc. | Noda-shi, Chiba, etc. | 6 |
| Mitsuuroko Iwakuni Power Plant Co., Ltd. | Business assets | Buildings, etc. | Iwakuni-shi, Yamaguchi | 422 |
| Mitsuuroko Provisions Co., Ltd. | Business assets | Buildings, etc. | Koto-ku, Tokyo | 8 |
| Mitsuuroko Partners Co., Ltd. | Business assets | Buildings, etc. | Chita, Aichi, etc. | 22 |
| Lock+Store (Tanjong Pagar) Pte. Ltd. | Business assets | PP&E, etc. | Singapore, Singapore | 34 |
| Lock+Store Self Storage Pte. Ltd. | Business assets | PP&E, etc. | Singapore, Singapore | 16 |

In recognizing impairment losses, the Group organizes: assets in the Energy Solutions Business and Other Businesses mainly by branch group, which is a unit used for investment decision-making; idle assets, and assets in the Power & Electricity Business, Foods Business, Living & Wellness Business, and Overseas Business by property. In addition, the headquarters and welfare facilities of the Company are treated as shared assets since they do not generate independent cash flow.

As for business assets, the investment amount was projected to be unrecoverable due to a decline in profitability. Therefore, the book values were reduced to their recoverable amounts and the decrease was recorded as an impairment loss. The main breakdown thereof is as follows: ¥181 million for buildings and structures, ¥117 million for machinery, equipment and vehicles, ¥165 million for land, ¥58 million for property, plant and equipment and others, ¥57 million for intangible assets, and ¥10 million for investment and others.

Further, the recoverable amount of asset group was measured in terms of its net selling value or value in use. Net selling value is estimated based on real estate appraisal standards for highly significant assets. Some assets have negative future cash flows, and the entire book value of the assets is recognized as an impairment loss.

(6) Loss on Store Closings

This is the loss on disposal of inventories, loss on retirement of non-current assets, and costs of removing closed stores, etc., associated with the closings of stores in the consolidated subsidiaries.

## 7. Notes on Consolidated Statement of Changes in Equity

(1) Matters Concerning Class and Total Number of Issued Shares

(Thousands of shares)

| Class of shares | Number of shares at beginning of current fiscal year | Number of shares increased in current fiscal year | Number of shares decreased in current fiscal year | Number of shares at end of current fiscal year |
|---|---|---|---|---|
| Common shares | 57,061 | – | – | 57,061 |

(2) Matters Concerning Class And Number Of Treasury Shares

(Thousands of shares)

| Class of shares | Number of shares at beginning of current fiscal year | Number of shares increased in current fiscal year | Number of shares decreased in current fiscal year | Number of shares at end of current fiscal year |
|---|---|---|---|---|
| Common shares | 625 | 1,828 | 38 | 2,416 |

Notes: 1. The increase in the numbers of treasury shares was due to the purchases of fractional share of 0 thousand shares and the acquisition of treasury shares of 1,828 thousand shares pursuant to the Board decision

2. The decrease of 38 thousand treasury shares of common shares was due to delivery under the Board Benefit Trust (BBT).

3. The number of shares at the end of the current fiscal year includes 482 thousand shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E account) in relation to the Board Benefit Trust (BBT).

(3) Matters concerning Dividends of Surplus

(i) Dividend payment amounts

Matters concerning dividends determined by the resolution of the Board of Directors meeting held on May 9, 2025

• Matters concerning dividends of common shares

| | |
|---|---|
| Total amount of dividends | ¥3,194 million |
| Dividend per share | ¥56 |
| Record date | March 31, 2025 |
| Effective date | June 18, 2025 |

Note: The total dividends include the ¥29 million dividends for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E account).

(ii) Among dividends with a record date that falls under the consolidated fiscal year, for those with an effective date in the subsequent period

At the Board of Directors meeting held on May 8, 2026, a resolution was made as follows:

• Matters concerning dividends of common shares

| | |
|---|---|
| Total amount of dividends | ¥3,644 million |
| Dividend per share | ¥66 |
| Record date | March 31, 2026 |
| Effective date | June 18, 2026 |

Note: The total dividends include the ¥31 million dividends for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E account).

## 8. Notes on Financial Instruments

(1) Matters concerning the Status of Financial Instruments

(i) Policy on dealing with financial instruments

The Group secures necessary funds (mainly bank loans) in accordance with its capital investment plans. Temporary surplus funds are managed in highly secure financial assets, and short-term working capital needs are met through bank loans. Derivative transactions are mainly used to deter the risk of interest rate fluctuations for loans and the risk of price fluctuations for petroleum products, etc.

(ii) Details of financial instruments and risk management system

Notes and accounts receivable, lease receivables and investments in leases, which are all trade receivables, are exposed to the credit risk of customers. With regard to this risk, the Sales Representative manages the settlement dates and balances of each trade partner on a monthly basis, in accordance with the "Group Accounting Rules."

Shares, which are investment securities, are exposed to the risk of fluctuations in market prices. However, these are primarily the shares of companies with which the Group has a business relationship, and are reported to the Board of Directors at their fair values, which are analyzed periodically.

Payment terms of notes and accounts payable, which are trade payables, are primarily no longer than one month.

Among borrowings and bonds payable, short-term borrowings primarily represent the financing relating to business transactions and long-term borrowings mainly concern the funding relating to capital investment. Bonds payable primarily represent the financing relating to acquisition of leased real estate. Borrowings with variable interest rates are exposed to the risk of cash flow fluctuations, but are hedged through derivative transactions (interest rate swaps) for each individual contract.

In addition to interest rate swaps, other derivative transactions such as commodity futures trading are carried out, for the purpose of avoiding the risk of price fluctuations in petroleum products, etc. Based on the "Rules on Managing Market Risk," derivative transactions are executed and managed in accordance with the approval of the Board of Directors of the Company. Interest rate swaps are principally performed and managed at the Company's Finance & Control, while commodity futures trading and other derivative transactions are principally performed at consolidated subsidiaries, and managed at Finance & Control and consolidated subsidiaries.

In addition, trade payables, borrowings, bonds payable, and lease liabilities are exposed to liquidity risk, but in the Group, each company manages them through means such as creating a cash flow plan on a monthly basis.

(iii) Supplementary explanation on matters concerning the fair values of financial instruments, etc.

The fair values of financial instruments are measured based on market prices or prices calculated by other rational valuation methodologies if market prices are not available. Since the calculation of said prices incorporates variable factors, they may fluctuate when different preconditions, etc. are adopted. Further, in "(2) Matters concerning the fair values of financial instruments," the contract amount, etc. with respect to derivative transactions do not indicate the market risk that is exposed to derivative transactions.

(2) Matters Concerning the Fair Values of Financial Instruments

The carrying amounts, the fair values, and the differences between them as of March 31, 2026 (the consolidated account closing date of the fiscal year) are as follows. Note that shares that do not have market prices are not included in the following table (Refer to "(Note) 1."). Also, for cash the notes are omitted, and for deposits, notes receivable - trade, accounts receivable - trade, notes and accounts payable - trade, and short-term borrowings, because the fair values approach the book values since they are settled in the short term, the notes are omitted.

(Millions of Yen)

| | Carrying amount | Fair value | Difference |
|---|---|---|---|
| (i) Lease receivables and investments in leases | 3,289 | 3,289 | (0) |
| (ii) Investment securities | | | |
| Other securities | 31,811 | 31,811 | — |
| Total assets | 35,101 | 35,100 | (0) |
| (i) Long-term borrowings | 28,293 | 27,539 | (754) |
| (ii) Bonds payable | 5,006 | 4,743 | (262) |
| (iii) Lease liabilities | 4,485 | 4,350 | (135) |
| Total liabilities | 37,785 | 36,633 | (1,151) |
| Derivative transactions (*) | | | |
| (i) Those to which hedge accounting was not applied | (132) | (132) | — |
| (ii) Those to which hedge accounting was applied | 17 | 17 | — |
| Total derivative transactions | (114) | (114) | — |

(*) The receivables and payables that arose from derivative transactions on a net basis are shown in net amounts.

Note 1. Shares, etc. without a market price

(Millions of Yen)

| Classification | Amount recorded on Consolidated Balance Sheet |
|---|---|
| Investment securities | |
| Unlisted shares, etc. (*1) | 1,111 |
| Shares of subsidiaries and associates | |
| Unlisted shares, etc. (*2) | 4,310 |

(*1) Among investment securities, unlisted shares, etc. are not included in "(ii) Investment securities" as their market prices are not available.

(*2) The shares of subsidiaries and associates are not included in the above table as their market prices are not available.

Note 2. Derivative transactions

(i) Transactions not subject to hedge accounting

(Millions of Yen)

| Type | Contract amount, etc. | Portion due after 1 year | Fair value | Valuation gain or loss |
|---|---|---|---|---|
| Market transactions<br>Commodity futures transactions<br>Petroleum products<br>Long positions<br>Short positions | <br><br><br><br>225<br>269 | <br><br><br><br>–<br>– | <br><br><br><br>7<br>(140) | <br><br><br><br>7<br>(140) |
| Total | 494 | – | (132) | (132) |

(ii) Transactions subject to hedge accounting

For derivative transactions subject to hedge accounting, the contract amount (or principal equivalents specified in the contracts) by hedge accounting method as of each consolidated balance sheet date are as follows.

(Millions of Yen)

| Classification | Derivative transaction type, etc. | Main hedged item | Contract amount, etc. | | Fair value | Method of calculating the relevant fair value |
|---|---|---|---|---|---|---|
| | | | | Over 1 year | | |
| Interest rate swaps<br>Special treatment | Interest rate swap (pay-fixed, received-floating | Long-term borrowings | 761 | 530 | 17 | Based on the price offered by the counterparty financial institution. |
| Total | | | 761 | 530 | 17 | |

Note 3. Amount of monetary claims and securities with maturity dates to be redeemed after the consolidated settlement date

(Millions of Yen)

| Classification | 1 year or below | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years |
|---|---|---|---|---|---|---|
| Lease receivables and investments in leases | 1,028 | 874 | 646 | 407 | 195 | 136 |
| Total | 1,028 | 874 | 646 | 407 | 195 | 136 |

Note 4. Amount of long-term borrowings, bonds payable, lease liabilities and other interest-bearing liabilities to be repaid after the consolidated settlement date

(Millions of Yen)

| Classification | 1 year or below | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years |
|---|---|---|---|---|---|---|
| Long-term borrowings | 4,693 | 7,349 | 3,751 | 5,014 | 3,840 | 3,644 |
| Bonds payable | 1,001 | 1,001 | 601 | 601 | 601 | 1,198 |
| Lease liabilities | 1,172 | 945 | 535 | 410 | 374 | 1,047 |
| Total | 6,867 | 9,296 | 4,888 | 6,027 | 4,816 | 5,890 |

(3) Breakdown of Fair Value of Financial Instruments by Level

The fair values of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 inputs: Fair value measured using unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs.

Level 3 inputs: Fair value measured using significant unobservable inputs.

When multiple inputs that significantly affect the fair value measurement are used, the fair value is categorized within the level of the lowest-priority input among those applicable levels.

(i) Financial instruments carried on the consolidated balance sheet at fair value

(Millions of Yen)

| Classification | Fair value | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Investment securities | | | | |
| Other securities | | | | |
| Shares | 31,793 | — | — | 31,793 |
| Other | — | 17 | — | 17 |
| Derivative transactions | | | | |
| Interest rate related | — | 17 | — | 17 |
| Commodity related | — | (132) | — | (132) |
| Total assets | 31,793 | (96) | — | 31,696 |

(ii) Financial instruments other than those carried on the consolidated balance sheet at fair value

(Millions of Yen)

| Classification | Fair value | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Lease receivables and investments in leases | – | 3,289 | – | 3,289 |
| Total assets | – | 3,289 | – | 3,289 |
| Long-term borrowings | – | 27,539 | – | 27,539 |
| Bonds payable | | 4,743 | | 4,743 |
| Lease liabilities | – | 4,350 | – | 4,350 |
| Total liabilities | – | 36,633 | – | 36,633 |

Note: Explanation of valuation techniques used and inputs related to the calculation of fair value

Lease receivables and investments in leases

The fair value of lease receivables and investments in leases is measured using the present value of total principal and interest, discounted at the interest rate applicable to a new similar lease transaction. These are classified as Level 2 fair value.

Investment securities

The fair value of listed stocks is classified as Level 1, as they are traded in active markets. For investment trusts, since no market trading prices exist and there are no significant restrictions on redemption, the reference prices provided by correspondent financial institutions are used as fair value, and these are classified as Level 2.

Derivative transactions

The fair values of futures and interest rate swaps are measured based on closing market prices for futures and price information provided by correspondent financial institutions. These are classified as Level 2 fair values.

Lease liabilities

The fair value of lease liabilities is measured using the present value of future cash flows discounted at the interest rate applicable to a new similar borrowing. These are classified as Level 2.

Long-term borrowings

The fair value of long-term borrowings with fixed interest rates is measured using the present value of future cash flows discounted at the interest rate applicable to a new similar borrowing. For borrowings with floating interest rates, the carrying amount is used as fair value because it approximates fair value, as the floating rate reflects market interest rates over a short period and the Group's credit conditions have not changed significantly since inception. These are classified as Level 2.

Bonds payable

The fair value of bonds payable is measured using the present value of future cash flows discounted at the interest rate applicable to a new similar transaction. These are classified as Level 2.

## 9. Notes on Leasing Properties

The Company and certain consolidated subsidiaries own health- and sports-related facilities such as spa facility, as well as lease apartments and self-storage facilities (including land) located in Kanagawa and other areas in Japan, as well as overseas (mainly Singapore). In the current fiscal year, the rent income from the real estate for rent, etc. amounted to ¥2,031 million (rental income is recorded in net sales, and main rental expenses are recorded in cost of sales, as well as selling, general and administrative expenses).

The carrying amount on the consolidated balance sheet, changes during the fiscal year, and fair value of such rental real estates are as follows.

(Millions of Yen)

| Carrying amount on Consolidated Balance Sheet | | | Fair value at end of current fiscal year |
|---|---|---|---|
| Balance at beginning of current fiscal year | Increase/decrease in the current fiscal year | Balance at end of current fiscal year | |
| 24,675 | 1,620 | 26,296 | 40,219 |

Notes: 1. The carrying amount on the consolidated balance sheet is the acquisition cost less accumulated depreciation and accumulated impairment.

2. The increase in the current fiscal year was mainly attributable to acquisition of properties in overseas

3. The fair value at the end of the current fiscal year was attributed to the following.

(1) For domestic real estate, it was the amount based mainly on the "Real Estate Appraisal Standards."

(2) For overseas real estate, it was the appraisal value given by a local appraisers.

## 10. Asset Retirement Obligations Recorded on the Consolidated Balance Sheet

(1) Outline of such asset retirement obligations

Asbestos removal costs, restoration costs for leased offices and leased land; soil remediation costs; and other related obligations

(2) Calculation method of the amount of such asset retirement obligations

The amount of asset retirement obligations is measured using the expected period of use—based on the depreciation periods of the related buildings (generally 17 to 28 years)—and discount rates derived from government bond yields corresponding to those periods (primarily 0.1% to 3.0%).

(3) Total increase/decrease in the relevant asset retirement obligations in the current fiscal year

The changes in the balance of asset retirement obligations are as follows.

| | |
|---|---|
| Balance at beginning of term | ¥3,333million |
| Increase due to acquisition of property, plant and equipment | ¥48 million |
| Adjustment due to passage of time | ¥7 million |
| Increase/decrease due to change in estimate | ¥42 million |
| Decrease due to fulfillment of asset retirement obligations | (¥80 million) |
| Other increases (decreases) | ¥23 million |
| Balance at end of term | ¥3,375 million |

(4) Change in estimate of the amount of such asset retirement obligations

The Company revised its estimate for asset retirement obligations previously recorded as demolition costs for buildings on leased land, based on newly obtained information regarding the cost of restoring original condition following the closure of a plant and LPG filling facility. As a result of this change in estimate, ¥42 million was recognized as asset retirement obligations. In connection with this revision, operating profit, ordinary profit, and profit before income taxes for the current consolidated fiscal year decreased by ¥22 million.

## 11. Notes on Revenue Recognition

(1) Breakdown of revenues arising from contracts with customers

(Millions of Yen)

| | Reportable segments | | | | | | Other Businesses (Note) 1 | Total |
|---|---|---|---|---|---|---|---|---|
| | Energy Solutions Business | Power & Electricity Business | Foods Business | Living & Wellness Business | Overseas Business | Subtotal | | |
| Gas | 60,318 | — | — | — | — | 60,318 | — | 60,318 |
| Petroleum | 70,798 | — | — | — | — | 70,798 | — | 70,798 |
| Electricity | — | 165,801 | — | — | — | 165,801 | — | 165,801 |
| Piped gas | 548 | 2,127 | — | — | — | 2,676 | — | 2,676 |
| Other | 11,971 | — | 20,028 | 89 | — | 32,089 | 1,436 | 33,526 |
| Revenue recognized from contracts with customers | 143,636 | 167,929 | 20,028 | 89 | — | 331,685 | 1,436 | 333,121 |
| Revenue recognized from other sources (Note) 4 | — | — | — | 1,952 | 3,054 | 5,007 | 1,369 | 6,376 |
| Net sales to external customers | 143,636 | 167,929 | 20,028 | 2,042 | 3,054 | 336,692 | 2,806 | 339,498 |

Notes: 1. The "Other Businesses" category is a business segment that is not included in the reportable segments and includes leasing business, insurance agency business and sales of miscellaneous services.

2. Amount are presented net of intercompany transactions among Group companies.

3. Revenue recognized from contracts with customers in the Power & Electricity Business includes subsidies of

¥4,970 million received under the “Comprehensive Economic Measures to Ensure Public Safety and Security and Achieve Sustainable Growth” and the “Comprehensive Economic Measures to Realize a ‘Strong Economy,’” specifically for the “Support Program to Reduce Electricity and Gas Fee Burdens.”

4. Revenue recognized from other sources includes real estate rental income, lease income, income from self-storage business etc.

(2) Basis for understanding revenues from contracts with customers

The major performance obligations and the timing of revenue recognition in each significant business are as follows.

(i) Energy Solutions Business

Energy Solutions Business includes sales of LPG, petroleum products such as gasoline, diesel fuel and heating oil, and housing equipment.

For these transactions other than LPG, revenue is recognized at the point in time when control of the goods transfers to the customer, generally upon delivery. At that point, legal title, physical possession, and the significant risks and rewards of ownership transfer to the customer, and the Company becomes entitled to consideration. Consideration is based on the price specified in the contract and does not contain a significant financing component because payment is typically received within one year after delivery.

For LPG, the Company recognizes revenue over time based on the supply of LPG during the contractual period, as the Company’s performance obligations are satisfied over time under the terms of the contract. Consideration is based on the price specified in the contract, net of rebates and other adjustments, and does not contain a significant financing component because payment is typically received within one year after delivery.

Revenue for LPG usage is recognized based on the meter-reading date. When the meter-reading date differs from the fiscal year-end, revenue between the most recent meter-reading date and the fiscal year-end is estimated using reasonable methods.

(ii) Power & Electricity Business

Power & Electricity Business is engaged in the wholesale of wind power and retail sales to general consumers.

For these transactions, the Company recognizes revenue over time based on the supply of power during the contractual period, as the Company’s performance obligations are satisfied over time under the terms of the contract. Consideration is based on the price specified in the contract, net of rebates and other adjustments, and does not contain a significant financing component because payment is typically received within one year after delivery.

Revenue for power usage is recognized based on the meter-reading date. When the meter-reading date differs from the fiscal year-end, revenue between the most recent meter-reading date and the fiscal year-end is estimated using reasonable methods.

Renewable energy surcharge collected on behalf of third parties are excluded from transaction price and corresponding payments are not included in cost of sales

(iii) Foods Business

Foods Business includes the production and sale of bottled water and beverages, the operation of in-facility stores and cafeterias, and the operation of fresh bakeries and café restaurants.

Revenue is recognized when control of the goods transfers to the customer, generally upon delivery, at which point legal title, physical possession, and significant risks and rewards of ownership transfer to the customer, and the Company becomes entitled to consideration. The transaction price does not contain a significant financing component because payment is typically received within one year after delivery.

(iv) Living & Wellness Business

Living & Wellness Business leases office buildings and rental apartments and operates spa and other living and wellness related facilities.

Except for the real estate leasing business, revenue is recognized when the customer receives the benefit of the services, which corresponds to the point when the Company renders the service and becomes entitled to consideration. Consideration is based on the price specified in the contract and does not contain a significant financing component because payment is typically received within one year after delivery.

(v) Other Businesses

Other Businesses includes sales of goods and services not included in the above reportable segments.

For these transactions other than leasing, revenue is recognized at the point in time when control of the goods transfers to the customer, generally upon delivery. At that point, legal title, physical possession, and the significant risks and rewards of ownership transfer to the customer, and the Company becomes entitled to consideration. Consideration is based on the price specified in the contract and does not contain a significant financing component because payment is typically received within one year after delivery.

(3) Information that aids understanding of the revenues for the current fiscal year, the following fiscal year and beyond

(i) Balance of contract assets and contractual liabilities

(Millions of Yen)

| | |
|---|---|
| Receivables arising from contracts with customers (beginning balance) | 33,460 |
| Receivables arising from contracts with customers (ending balance) | 32,943 |
| Contractual assets (beginning balance) | – |
| Contractual assets (ending balance) | – |
| Contractual liabilities (beginning balance) | 214 |
| Contractual liabilities (ending balance) | 304 |

The contract liabilities mainly represent advances received from customers in Energy Solutions Business based on individual payment terms stipulated in sales contracts in which revenue is recognized upon the delivery of goods and products. Contract liabilities are reversed and recognized as revenue when the related performance obligations are satisfied.

(ii) Revenue recognized that was included in the beginning balance of contract liabilities, and revenue recognized from performance obligations satisfied in prior periods

The contract liabilities outstanding at the beginning of the current fiscal year were generally recognized as revenue during the current fiscal year, and the amount carried forward was not material. In addition, the amount of revenue recognized in the current fiscal year from performance obligations satisfied in prior periods was also not material.

(iii) Transaction price allocated to remaining performance obligations

Information on remaining performance obligations has been omitted, as there are no significant contracts with a contract period exceeding one year.

## 12. Notes on Per Share Information

(1) Net assets per share ¥1,926.14

(2) Basic earnings per share ¥164.68

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) (482,300 shares at the end of the current fiscal year). 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 (494,273 shares for the current fiscal year).

## 13. Notes on Significant Subsequent Events

Not applicable.

Note: The amounts stated in the Consolidated Financial Statements are rounded down to the nearest unit presented, and the ratios are rounded to the nearest unit presented.

## Statement of Changes in Equity

(From April 1, 2025 to March 31, 2026)

(Millions of Yen)

| | Shareholders' equity | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Capital surplus | | | Retained earnings | | | | | | |
| | | | | | | Other retained earnings | | | | | |
| | Shared capital | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Reserve for tax purpose reduction entry of non-current assets | General reserve | Retained earnings brought forward | Total retained earnings | Treasury shares | Total shareholders' equity |
| Balance as of April 1, 2025 | 7,077 | 366 | － | 366 | 1,411 | 2,584 | 37,742 | 10,393 | 52,131 | (453) | 59,121 |
| Changes during period: | | | | | | | | | | | |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | | | － | | (66) | | 66 | － | | － |
| Dividends of surplus | | | | － | | | | (3,194) | (3,194) | | (3,194) |
| Profit | | | | － | | | | 2,223 | 2,223 | | 2,223 |
| Acquisition of treasury shares | | | | － | | | | | － | (3,970) | (3,970) |
| Disposal of treasury shares | | | 35 | 35 | | | | | | 31 | 67 |
| Net changes in items other than shareholders' equity | | | | － | | | | | － | － | － |
| Total changes during period | － | － | 35 | 35 | － | (66) | － | (905) | (971) | (3,938) | (4,874) |
| Balance as of March 31, 2026 | 7,077 | 366 | 35 | 401 | 1,411 | 2,517 | 37,742 | 9,488 | 51,159 | (4,392) | 54,247 |

(Millions of Yen)

| | Valuation and translation adjustments | | Total net assets |
|---|---|---|---|
| | Valuation difference on available-for-sale securities | Total valuation and translation adjustments | |
| Balance as of April 1, 2025 | 5,009 | 5,009 | 64,130 |
| Changes during period: | | | |
| Reversal of reserve for tax purpose reduction entry of non-current assets | | － | － |
| Dividends of surplus | | － | (3,194) |
| Profit | | － | 2,223 |
| Acquisition of treasury shares | | － | (3,970) |
| Disposal of treasury shares | | － | 67 |
| Net changes in items other than shareholders' equity | 3,044 | 3,044 | 3,044 |
| Total changes during period | 3,044 | 3,044 | (1,829) |
| Balance as of March 31, 2026 | 8,054 | 8,054 | 62,301 |

## Notes on Non-consolidated Financial Statements

### 1. Notes on Significant Accounting Policies

(1) Valuation Standards and Methods for Securities

| | |
|---|---|
| Subsidiaries and associates | Moving average cost method is used. |
| Available-for-sale securities | |
| Securities other than shares that do not have a quoted market price | Carried at fair value (Unrealized gains and losses are recognized directly in net assets, and the cost of securities sold is determined by the moving average method. |
| Shares that do not have a market price | Carried at moving average cost |

(2) Valuation Standards and Methods for derivatives

| | |
|---|---|
| Derivatives | Carried at fair value |

(3) Depreciation method for non-current assets

| | |
|---|---|
| Property, plant and equipment (excluding leased assets) | The declining balance method is applied. However, the straight-line method is applied for buildings (excluding facilities) acquired on or after April 1, 1998, and for facilities attached to buildings and for structures acquired on or after April 1, 2016.<br>Useful lives and residual values are generally based on standards prescribed by the Corporation Tax Act. |
| Intangible assets (excluding leased assets) | The straight-line method is applied.<br>For software used in-house, the straight-line method based on the usable period (five years) within the company is used, and for leasehold interests in land, the straight-line method based on the contract period is used. |
| Leased assets | Depreciated on a straight-line basis over the lease term with no residual value. |

(4) Accounting method for deferred assets

Bond issuance costs are fully recognized as expenses when incurred.

(5) Accounting method for provisions

| | |
|---|---|
| Allowance for doubtful accounts | An allowance is recorded to cover potential non-payment of trade receivables, loans receivable, and other receivables. For general receivables, the historical default rate is applied, while for receivables identified as potentially irrecoverable, actual default amounts on an individual claim basis are used. |
| Provision for bonuses | A provision is recognized for employee bonuses based on the amount required for payment in accordance with the Company's rules and regulations. |
| Provision for share awards | To cover stock-based benefits for officers, the Company accrues an estimated amount based on the awards required at the end of the current fiscal year, in accordance with internal regulations. |
| Provision for retirement benefits | To provide for employee retirement benefits, the Company recognizes retirement benefit obligations based on the estimated amount as of the end of the current fiscal year.<br>Actuarial gains and losses are amortized on a straight-line basis over a fixed period (14 years), which does not exceed the average remaining service period of employees at the time of occurrence. Amortization begins in the fiscal year following the year in which they arise. |
| Provision for loss on guarantees | To provide for potential losses on guarantees provided to subsidiaries and associates, the Company recognizes an estimated amount of such losses, taking into account the financial condition of the guaranteed parties and other relevant factors. |

(6) Recognition criteria for revenues and expenses

The Company's revenues consist of group management income, real estate lease revenue, and dividends from subsidiaries and associates. Group management income and real estate lease revenue are recognized when the related performance obligations are satisfied in accordance with the terms of the relevant contracts, as the Company is obligated to provide services to its subsidiaries and such obligations are fulfilled as the services are performed.. Therefore, revenues and expenses were recognized during the performance of entrusted services. Also, the dividend income of subsidiaries and associates was recognized on the effective date of dividends.

(7) Hedge accounting method

| | |
|---|---|
| Hedge accounting method | In principle, deferred hedge accounting is applied.<br>Also, if the requirements for special treatment are met for interest rate swaps, special treatment is applied. |

Hedging instruments and hedged items

| Hedging instruments | Hedged items |
|---|---|
| Interest rate swaps | Interest on borrowings |

| | |
|---|---|
| Hedging policy | All hedge transactions are executed in accordance with the Market Risk Management Regulations and require approval by the Board of Directors. Execution and management of these transactions are centralized under Finance & Control. |
| Method of assessing hedge effectiveness | Hedge effectiveness is generally assessed semi-annually by comparing cumulative changes in cash flows of the hedging instrument and the hedged item, based on the amount of fluctuations and other factors.<br>For interest rate swaps outstanding at the end of the current fiscal year, effectiveness testing is omitted as the hedge effect is considered highly effective. |

(8) Other basic policies and important items for the preparation of Non-Consolidated Financial Statements

Accounting for retirement benefits

The method of accounting for unrecognized actuarial gains and losses related to retirement benefits is different from the method of accounting used for Consolidated Financial Statements.

## 2. Notes on Accounting Estimates

Important accounting estimates

Accounting estimates are determined based on information available at the time of preparing the consolidated financial statements and calculated on a reasonable basis.

Among the amounts recorded in the consolidated financial statements based on accounting estimates, the following items may have a significant impact on the consolidated financial statements for the next fiscal year.

Valuation of Shares of Subsidiaries and Associates

(1) Amount recorded in the Non-consolidated Financial Statements for the current fiscal year

Shares of subsidiaries and associates amounted to ¥32,138 million at the end of the current fiscal year and include an investment of ¥7,340 million in Triforce Investments Pte. Ltd.

(2) Additional Information for Readers' Understanding

Shares of subsidiaries and associates with no quoted market prices are impaired when their real value declines significantly, unless the recoverability of such shares is supported by sufficient evidence. Significant estimates in the valuation of shares of Triforce Investments Pte. Ltd. are excess earning power, etc. based on the issuing company's business plan, etc. The key assumptions are described in "Notes on Accounting Estimates (Important accounting estimates), 2. Assessment of Impairment Losses on Trademark Rights and Goodwill in Overseas Self-Storage Businesses" described in the Consolidated Financial Statements.

## 3. Additional Information

Performance-based stock remuneration plan for Directors

The Company has introduced a performance-based stock remuneration plan, the Board Benefit Trust (BBT) (hereinafter, referred to as the Plan"), for Directors other than Audit and Supervisory Committee Members and External Directors (hereinafter referred toas "Eligible Directors"). The purpose of the Plan is to enhance awareness of contributing to medium- to long-term improvement in performance and corporate value.

(1) Overview of transactions

Under the Plan, funds contributed by the Company are used by a trust to acquire shares of the Company. In accordance with the Company's Officer Share Benefit Regulations, the trust delivers Company shares and cash equivalent to the market value of such shares to Eligible Directors. In principle, delivery of shares occurs upon the Eligible Director's retirement.

(2) Company shares remaining in the trust

Company shares remaining in the trust are recorded as treasury shares under net assets at their book value in the trust (excluding incidental costs). The book value and number of shares were ¥405 million and 482,300 shares for the current fiscal year.

## 4. Notes on Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment ¥23,631 million

(2) Guarantee obligations

The Company provides debt guarantees worth ¥940 million for loans received from the financial institutions of its subsidiaries and associates.

(3) Monetary claims and obligations to subsidiaries and associates (excluding items presented separately)

| | |
|---|---|
| (i) Short-term monetary claims | ¥164 million |
| (ii) Short-term monetary obligations | ¥80 million |
| (iii) Long-term monetary obligations | ¥208 million |

## 5. Notes on Non-consolidated Statement of Income

(1) Amount of transactions with subsidiaries and associates

| | |
|---|---|
| (i) Operating revenue | ¥6,902 million |
| (ii) Operating expenses | ¥712 million |
| (iii) Amount other than operating transactions | ¥229 million |

(2) Breakdown of operating revenue

| | |
|---|---|
| (i) Group operating income, etc. | ¥2,603 million |
| (ii) Real estate rental income | ¥2,352 million |
| (iii) Dividend income from subsidiaries and associates | ¥2,021 million |

(3) Breakdown of operating expenses

| | |
|---|---|
| (i) Real estate rental expenses | ¥1,624 million |
| (ii) General administrative costs | ¥3,568 million |

(4) Breakdown of loss on sale of non-current assets

| | |
|---|---|
| Building | ¥3 million |
| Tools, furniture and fixtures | ¥0 million |
| Land | ¥4 million |
| Total | ¥7 million |

(5) Breakdown of loss on retirement of non-current assets

| | |
|---|---|
| Buildings | ¥126 million |
| Structures | ¥1 million |
| Machinery and equipment | ¥0 million |
| Tools, furniture and fixtures | ¥0 million |
| Removal expenses associated with retirement | ¥289 million |
| Total | ¥418 million |

## 6. Notes on Non-consolidated Statement of Changes in Equity

Matters concerning class and number of treasury shares

(Thousands of shares)

| Class of shares | Number of shares at beginning of current fiscal year | Number of shares increased in current fiscal year | Number of shares decreased in current fiscal year | Number of shares at end of current fiscal year |
|---|---|---|---|---|
| Common shares | 530 | 1,828 | 38 | 2,321 |

Notes: 1. The increase of 1,828 thousand shares in the number of treasury shares of common shares was due to: increase of 0 thousand shares due to the purchases of fractional shares, and increase of 1,828 thousand shares pursuant to the Board decision.

2. The decrease of 38 thousand treasury shares of common shares was due to delivery under the Board Benefit Trust (BBT).

3. The number of shares at the end of the current fiscal year includes 482 thousand shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E account) in relation to the Board Benefit Trust (BBT).

## 7. Notes on Tax Effect Accounting

Breakdown of deferred tax assets and liabilities by main causes

| | (Millions of Yen) |
|---|---|
| Deferred tax assets | |
| Shares of subsidiaries | 1,881 |
| Loss on valuation of shares of subsidiaries | 689 |
| Loss on valuation of investment securities | 308 |
| Asset retirement obligations | 137 |
| Impairment losses | 310 |
| Allowance for doubtful accounts | 31 |
| Accrued enterprise tax | 6 |
| Provision for share awards | 104 |
| Other | 75 |
| Subtotal of deferred tax assets | 3,545 |
| Valuation allowance | (2,941) |
| Total of deferred tax assets | 603 |
| Deferred tax liabilities | |
| Reserve for tax purpose reduction entry of non-current assets | (1,143) |
| Valuation difference on available-for-sale securities | (3,501) |
| Shares of subsidiaries | (51) |
| Removal costs for asset retirement obligations | (26) |
| Other | (64) |
| Total of deferred tax liabilities | (4,788) |
| Net amount of deferred tax liabilities | (4,184) |

## 8. Notes on Transactions with Related Parties

Subsidiary, etc.

| Category | Company name | Location | Share capital (Millions of Yen) | Business details | Voting rights ownership (owned) ratio (%) | Relationship with related party | Transaction details | Transaction amount (Millions of Yen) | Description | Balance at end of term (Millions of Yen) |
|---|---|---|---|---|---|---|---|---|---|---|
| Subsidiary | MITSUUROKO Co., Ltd. | Chiyoda-ku, Tokyo | 10 | Living & Wellness | (Owned) Directly 100.0 | Concurrent directorship, etc. | Real estate rent income*4 | 763 | – | – |
| | | | | | | | Borrowing of funds*1,*2,*3 | 1,890 | Short-term borrowings from subsidiaries and associates | 1,972 |
| Subsidiary | Mitsuuroko Vessel Co., Ltd. | Chuo-ku, Tokyo | 25 | Energy Solutions | (Owned) Directly 100.0 | Concurrent directorship, etc. | Income from management fees*5 | 1,455 | – | – |
| | | | | | | | Real estate rent income*4 | 952 | – | – |
| | | | | | | | Borrowing of funds*1,*3 | 4,994 | Short-term borrowings from subsidiaries and associates | 5,459 |
| Subsidiary | Mitsuuroko Vessel Tohoku Co., Ltd. | Aoba-ku, Sendai-shi, Miyagi | 10 | Energy Solutions | (Owned) Indirectly 100.0 | Concurrent directorship, etc. | Borrowing of funds*1,*3 | 1,540 | Short-term borrowings from subsidiaries and associates | 1,425 |
| Subsidiary | Mitsuuroko Foods Co., Ltd. | Chuo-ku, Tokyo | 100 | Foods | (Owned) Directly 100.0 | Concurrent directorship, etc. | Lending of funds*3,*6 | 1,859 | Long-term loans receivable from subsidiaries and associates | 1,859 |
| Subsidiary | Mitsuuroko Lease Co., Ltd. | Chuo-ku, Tokyo | 200 | Other | (Owned) Directly 100.0 | Concurrent directorship, etc.. | Lending of funds *3,*6 | 1,400 | Long-term loans receivable from subsidiaries and associates | 1,400 |
| Subsidiary | Mitsuuroko Green Energy Co., Ltd. | Chuo-ku, Tokyo | 450 | Power & Electricity | (Owned) Directly 100.0 | Concurrent directorship, etc. | Lending of funds*1,*3 | 4,320 | Short-term borrowing from subsidiaries and associates | 7,029 |

Note: Transaction terms and policy on determination transaction terms

1. Funds were borrowed through the Cash Management System (CMS). Transaction amount represents the average outstanding borrowing balance during the fiscal year.
2. In addition to Note 1, the Company also borrowed funds from a subsidiary. The borrowing terms are comparable to those in external market transactions and are on an arm's-length basis, with no special treatment.
3. The interest rate is determined with reference to market interest rates.
4. Rental income from real estate is determined based on acquisition cost, valuation, and profitability.
5. Management fees are determined based on operating expenses incurred.
6. Fund lending terms are determined with reference to market interest rates and through discussions with the relevant operating companies.

## 9. Asset Retirement Obligations Recorded on Non-consolidated Balance Sheet

(1) Outline of such asset retirement obligations

Asbestos removal costs, restoration costs for leased offices

(2) Calculation method of the amount of such asset retirement obligations

The amount of asset retirement obligations is measured using the expected period of use—based on the depreciation periods of the related buildings (generally 18 to 28 years)—and discount rates derived from government bond yields corresponding to those periods (primarily 0.6% to 2.6%)..

(3) Total increase/decrease in the relevant asset retirement obligations in the current fiscal year

| | |
|---|---|
| Balance at beginning of term | ¥435 million |
| Adjustment due to passage of time | ¥3 million |
| Decrease due to fulfillment of asset retirement obligations | (¥30 million) |
| Increase due to change in estimates | ¥29 million |
| Balance at end of term | ¥437 million |

(4) Change in estimate of the amount of such asset retirement obligations

The Company revised its estimate for asset retirement obligations previously recorded as demolition costs for buildings on leased land, based on newly obtained information regarding the cost of restoring original condition following the closure of a plant and LPG filling facility. As a result of this change in estimate, ¥29 million was recognized as asset retirement obligations. In connection with this revision, operating profit, ordinary profit, and profit before income taxes for the current consolidated fiscal year decreased by ¥22 million.

## 10. Notes on Revenue Recognition

Basis for understanding revenues from contracts with customers As stated in "(6) Recognition criteria for revenues and expenses" in "Notes on Significant Accounting Policies."

## 11. Notes on Per Share Information

(1) Net assets per share ¥1,138.13

(2) Basic earnings per share ¥39.84

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) (482,300 shares at the end of the current fiscal year). 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 (494,273 shares for the current fiscal year).

Note: The amounts stated in the Non-consolidated Financial Statements are rounded down to the nearest unit presented, and the ratios are rounded to the nearest unit presented.