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

August 13, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under IFRS)

Company name: HIKARI TSUSHIN, INC.
Listing: Tokyo Stock Exchange
Securities code: 9435
URL: http://www.hikari.co.jp/en/
Representative: Hideaki Wada, President and Representative Director
Inquiries: Naomi Imoto, Head of Financial Strategy, Investor Relations, and Public Relations
Telephone: +81-3-6863-0124 for overseas institutional investors
Scheduled date to commence dividend payments: September 12, 2026
Preparation of supplementary material on financial results: Yes
Holding of earnings conference call: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	192,563	15.2	29,181	6.1	49,952	40.5	37,683	28.9
June 30, 2025	167,172	14.4	27,503	1.1	35,548	(45.9)	29,240	(37.6)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Million yen	%	Million yen	%	Yen	Yen
June 30, 2026	36,656	30.1	78,750	49.4	837.15	837.08
June 30, 2025	28,168	(38.6)	52,712	(29.9)	641.83	640.60

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Million yen	Million yen	Million yen	%
June 30, 2026	2,881,583	1,283,985	1,252,340	43.5
March 31, 2026	2,853,866	1,217,650	1,185,668	41.5

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	181.00	185.00	190.00	195.00	751.00
Fiscal year ending March 31, 2027	200.00				
Fiscal year ending March 31, 2027 (Forecast)		200.00	200.00	200.00	800.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated earnings forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	775,000	5.5	130,000	11.4	120,000	(20.5)	2,742.77

Note: Revisions to the forecast of financial result most recently announced: None

Notes

(1) Significant changes in the scope of consolidation during the period: None
Newly included: –
Excluded: –

(2) Changes in accounting policies and changes in accounting estimates
(i) Changes in accounting policies required by IFRS: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)
(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2026	43,989,642 shares
As of March 31, 2026	43,989,642 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	238,189 shares
As of March 31, 2026	167,178 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	43,776,445 shares
Three months ended June 30, 2025	43,877,438 shares

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

- Proper use of earnings forecasts and other special matters

  (Note to the forward-looking statements, etc.)

  The forward-looking statements including earnings forecasts contained in this document are based on information currently available to us and certain assumptions that we believe to be reasonable. Accordingly, the Company does not guarantee the achievement of the forecast, and the actual results may differ materially due to various factors. Please refer to “1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the Attachments for the assumptions that form the basis for the earnings forecasts and cautions concerning the use of earnings forecasts.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

<Summary of financial results>

For the three months ended June 30, 2026 (the “current period”), the Japanese economy remained on a moderate recovery trend, with personal consumption showing resilience amid continued improvement in the employment and income environment, while some weakness was observed in capital investment. However, the situation requires continued close monitoring due to the effects of trends surrounding United States trade policy, the situation in the Middle East, and fluctuations in financial and capital markets.

The HIKARI TSUSHIN, INC. (“the Company”) and its subsidiaries (collectively “the Group”) leverage its strength in sales to engage in businesses where we can expect stable long-term revenue such as electricity and gas, internet communication line services, water delivery, insurance, and finance.

In addition, to realize a decarbonized society and achieve the SDGs (Sustainable Development Goals), we undertake specific measures and initiatives to fulfill our social responsibility. These initiatives include developing environmentally friendly electricity services that provide virtually renewable energy using Non-Fossil Certificates, preserving sustainable water resources, and reducing resources and waste.

As a result, revenue amounted to 192,563 million yen, up 15.2% year on year, for the three months ended June 30, 2026, mainly attributable to solid business performance, with recurring operating profit* increasing, which is a stable source of future revenue driven by an increase in the number of customer contracts for the Group’s in-house products. Operating profit was 29,181 million yen, up 6.1% year on year. Profit before tax was 49,952 million yen, up 40.5% year on year, due to an increase in financial income because of the weaker yen. Profit attributable to owners of parent was 36,656 million yen, up 30.1% year on year.

*Recuring operating profit refers to the profit excluding customer retention costs and service provision costs from revenue (basic subscription fees, usage fees, and insurance fees, etc.) which are paid every month by users once they subscribe to our services. Revenue may be received from telecommunications carriers or directly from users.

(Million yen unless otherwise stated)

	Three months ended June 30, 2025	Three months ended June 30, 2026	Change	Change (%)
Revenue	167,172	192,563	25,391	15.2
Operating profit	27,503	29,181	1,677	6.1
Profit before tax	35,548	49,952	14,403	40.5
Profit attributable to owners of parent	28,168	36,656	8,487	30.1

<Financial results by segment>

Electricity and Gas segment

The Electricity and Gas segment mainly sells and provides electricity and gas to small-and-medium-sized enterprises (SMEs) and individual customers.

The segment recorded revenue of 83,290 million yen, up 29.5% year on year, and operating profit of 6,420 million yen, down 17.9% year on year for the current period. This was due to the growth in the number of customer contracts and higher unit sales prices, resulting in an increase in revenue, however, expenses related to customer acquisition were strategically incurred as an investment in future growth.

Telecommunication segment

The Telecommunication segment mainly provides SMEs and individual customers with internet communication line services and associated services.

The segment recorded revenue of 32,921 million yen, up 3.0% year on year, and operating profit of 8,338 million yen, up 8.2% year on year for the current period, due to the growth in the number of customer contracts, resulting in an increase in recurring operating profit, which will be a source of stable revenue in the future

Beverage segment

The Beverage segment primarily involves producing natural mineral water products and selling them to individual customers through home delivery.

The segment recorded revenue of 21,765 million yen, up 5.1% year on year, and operating profit of 2,743 million yen, up 5.1% year on year for the current period, due to the growth in the number of customer contracts, resulting in an increase in recurring operating profit.

Insurance segment

The Insurance segment mainly provides non-life insurance, life insurance, and warranty services to SMEs and individual customers.

The segment recorded revenue of 9,794 million yen, up 20.6% year on year, and operating profit of 1,679 million yen, down 16.2% year on year for the current period. This was due to an increase in the number of customer contracts, resulting in an increase in recurring operating profit, however customer acquisition costs also increased in line with strong sales performance.

Finance segment

The Finance segment mainly provides microfinance and other financial services to SMEs and individual customers.

The segment recorded revenue of 13,266 million yen, up 42.3% year on year, and operating profit of 7,810 million yen, up 69.3% year on year for the current period, due steady business performance.

Solution segment

The Solution segment mainly provides SMEs with industry-specific solution services through various tools that utilize information and communication services, including platforms such as customer management systems and settlement management platforms.

The segment recorded revenue of 6,156 million yen, down 9.2% year on year, and operating profit of 1,184 million yen, down 11.8% year on year for the current period, although the business remained generally firm.

Commission-based Sales segment

The Commission-based Sales segment mainly engages in commission-based sale targeting SMEs and individual customer of various information and communications services-related products, such as products offered by telecommunications carriers and manufacturers.

The segment recorded revenue of 25,368 million yen, down 2.3% year on year, and operating profit of 2,733 million yen, down 2.3% year on year for the current period.

(2) Explanation of Financial Position

Assets, liabilities, and net assets

(Million yen)

	As of March 31, 2026	As of June 30, 2026	Change
Assets	2,853,866	2,881,583	27,716
Liabilities	1,636,216	1,597,598	(38,618)
Equity	1,217,650	1,283,985	66,335

Assets were 2,881,583 million yen, up 27,716 million yen from March 31, 2026, due to factors including the acquisition of financial assets.

Liabilities were 1,597,598 million yen, down 38,618 million yen from March 31, 2026, due to factors including an increase in interest-bearing liabilities and a decrease in income taxes payable.

Equity was 1,283,985 million yen, up 66,335 million yen from March 31, 2026, due to factors including an increase in retained earnings.

Cash flows

(Million yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities	14,431	(18,083)
Cash flows from investing activities	(94,667)	(90,753)
Cash flows from financing activities	(58,693)	(1,679)
Cash and cash equivalents at end of period	325,345	433,609

Cash flows from operating activities resulted in a net cash outflow of 18,083 million yen due to factors including a smaller increase in trade receivables an increase in income tax payments.

Cash flows from investment activities resulted in a net cash outflow of 90,753 million yen due factors including the purchase of investment securities.

Cash flows from financing activities resulted in a net cash outflow of 1,679 million yen due factors including an increase in interest-bearing liabilities and the acquisition of treasury shares.

As a result, cash and cash equivalents as of June 30, 2026 was 433,609 million yen.

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

The financial results forecast for the fiscal year ending March 31, 2027 has not been revised from forecast in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026" announced on May 13, 2026.

The forward-looking information including earnings forecasts contained in this document are based on the judgement of the Company's management, based on currently available information. Investors are therefore cautioned not to unduly rely on the forecasts provided.

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Million yen)

	Notes	Fiscal year ended March 31, 2026 (As of March 31, 2026)	First quarter ended June 30, 2026 (As of June 30, 2026)
Assets			
Current assets			
Cash and cash equivalents		539,854	433,609
Trade and other receivables		411,499	410,759
Reinsurance contract asset		409	180
Inventories		1,789	1,926
Other financial assets		51,682	84,949
Other current assets		14,405	17,234
Total assets held for sale	6	-	8,054
Total current assets		1,019,640	956,713
Non-current assets			
Property, plant and equipment		41,744	40,996
Right-of-use assets		5,988	6,616
Goodwill		18,395	18,395
Intangible assets		6,671	6,725
Investments accounted for using equity method	7	319,720	309,096
Other financial assets		1,366,170	1,468,759
Deferred tax assets		8,368	7,785
Contract costs		60,637	60,836
Insurance contract asset		6,447	5,463
Other non-current assets		81	195
Total non-current assets		1,834,225	1,924,869
Total assets		2,853,866	2,881,583

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

(Million yen)

	Notes	Fiscal year ended March 31, 2026 (As of March 31, 2026)	First quarter ended June 30, 2026 (As of June 30, 2026)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		263,788	240,038
Insurance contract liabilities		5,763	6,026
Interest-bearing liabilities	8	161,307	181,565
Income taxes payable		35,150	10,211
Other financial liabilities		389	1,315
Other current liabilities		16,197	13,632
Total current liabilities		482,597	452,790
Non-current liabilities			
Interest-bearing liabilities	8	927,165	926,107
Provisions		570	524
Other non-current liabilities		15,169	11,495
Deferred tax liabilities		210,714	206,679
Total non-current liabilities		1,153,619	1,144,807
Total liabilities		1,636,216	1,597,598
Equity			
Share capital		54,259	54,259
Capital surplus		1,716	1,817
Retained earnings		1,108,757	1,169,424
Treasury shares		(6,215)	(8,906)
Accumulated other comprehensive income		27,150	35,745
Total equity attributable to owners of parent		1,185,668	1,252,340
Non-controlling interests		31,982	31,645
Total equity		1,217,650	1,283,985
Total liabilities and equity		2,853,866	2,881,583

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

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

Condensed Quarterly Consolidated Statements of Profit or Loss

Three months ended June 30, 2025 and 2026

(Million yen)

	Notes	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
Revenue		167,172	192,563
Cost of sales		80,022	99,462
Gross profit		87,149	93,101
Other income		1,308	625
Selling, general and administrative expenses		61,030	63,898
Other expenses		(76)	646
Operating profit		27,503	29,181
Finance income		18,678	24,187
Finance costs		13,295	10,520
Share of profit (loss) of investments accounted for using equity method	7	4,228	6,503
Other non-operating income and expenses		(1,566)	599
Profit before tax		35,548	49,952
Income tax expense		6,308	12,269
Profit		29,240	37,683
Profit attributable to			
Owners of parent		28,168	36,656
Non-controlling interests		1,071	1,027
Profit		29,240	37,683
Earnings per share			
Basic earnings per share (Yen)	10	641.83	837.15
Diluted earnings per share (Yen)	10	640.60	837.08

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

Condensed Quarterly Consolidated Statements of Comprehensive Income

Three months ended June 30, 2025 and 2026

(Million yen)

	Notes	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
Profit		29,240	37,683
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income		25,161	31,409
Share of other comprehensive income of investments accounted for using equity method		503	1,477
Total		25,665	32,886
Items that may be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income		-	(219)
Exchange differences on translation of foreign operations		(1,736)	6,183
Share of other comprehensive income of investments accounted for using equity method		(456)	59
Cash flow hedge		-	2,156
Total		(2,192)	8,180
Other comprehensive income, net of tax		23,472	41,067
Comprehensive income		52,712	78,750
Comprehensive income attributable to			
Owners of parent		51,508	77,950
Non-controlling interests		1,203	800
Comprehensive income		52,712	78,750

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

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(Million yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total		
Balance at beginning of period		54,259	984	863,716	(10,864)	6,672	914,768	28,800	943,569
Comprehensive income									
Profit		-	-	28,168	-	-	28,168	1,071	29,240
Other comprehensive income		-	-	-	-	23,339	23,339	132	23,472
Comprehensive income		-	-	28,168	-	23,339	51,508	1,203	52,712
Transactions with owners									
Dividends of surplus		-	-	(7,767)	-	-	(7,767)	(785)	(8,552)
Change in scope of consolidation		-	-	-	-	-	-	1,806	1,806
Changes in ownership interest in subsidiaries		-	4	-	-	-	4	(25)	(21)
Purchase and disposal of treasury shares		-	-	-	(1)	-	(1)	-	(1)
Share-based payment transactions		-	(105)	-	126	-	21	38	59
Transfer from other components of equity to retained earnings		-	-	25,467	-	(25,467)	-	-	-
Total transactions with owners		-	(101)	17,700	124	(25,467)	(7,744)	1,035	(6,708)
Balance at end of period		54,259	883	909,585	(10,739)	4,544	958,532	31,039	989,572

Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

(Million yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Share capital	Capital surplus	Retained earnings	Treasury shares	Accumulated other comprehensive income	Total		
Balance at beginning of period		54,259	1,716	1,108,757	(6,215)	27,150	1,185,668	31,982	1,217,650
Comprehensive income									
Profit		-	-	36,656	-	-	36,656	1,027	37,683
Other comprehensive income		-	-	-	-	41,294	41,294	(226)	41,067
Comprehensive income		-	-	36,656	-	41,294	77,950	800	78,750
Transactions with owners									
Dividends of surplus		-	-	(8,545)	-	-	(8,545)	(1,134)	(9,679)
Change in scope of consolidation		-	-	-	-	-	-	0	0
Changes in ownership interest in subsidiaries		-	116	-	-	-	116	96	212
Purchase and disposal of treasury shares		-	(57)	(142)	(2,691)	-	(2,891)	-	(2,891)
Share-based payment transactions		-	42	-	-	-	42	(99)	(56)
Transfer from other components of equity to retained earnings		-	-	32,699	-	(32,699)	-	-	-
Total transactions with owners		-	101	24,011	(2,691)	(32,699)	(11,278)	(1,137)	(12,415)
Balance at end of period		54,259	1,817	1,169,424	(8,906)	35,745	1,252,340	31,645	1,283,985

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

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Notes	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 To June 30, 2026)
Cash flows from operating activities			
Profit (loss) before tax		35,548	49,952
Depreciation and amortization		4,253	4,415
Finance income		(18,678)	(24,187)
Finance costs		13,295	10,520
Share of loss (profit) of investments accounted for using equity method	6	(4,228)	(6,503)
Decrease (increase) in contract costs		(3,985)	(199)
Decrease (increase) in trade and other receivables		15,167	902
Increase (decrease) in trade and other payables		(19,183)	(25,866)
Decrease (increase) in inventories		35	(73)
Other		(2,202)	(2,725)
Subtotal		20,023	6,233
Interest received		3,147	2,532
Dividends received		15,926	20,314
Interest paid		(3,613)	(3,179)
Income taxes refund (paid)		(21,052)	(43,985)
Net cash provided by (used in) operating activities		14,431	(18,083)
Cash flows from investing activities			
Purchase of property, plant and equipment, and intangible assets		(5,639)	(3,734)
Proceeds from sale of property, plant and equipment, and intangible assets		71	0
Purchase of investment securities		(129,355)	(148,512)
Proceeds from sale of investment securities		39,986	60,724
Proceeds from obtaining control of subsidiaries		1,080	2,403
Proceeds from loss of control of subsidiaries		(84)	(8)
Payments for loans receivable		(3,567)	(1,589)
Collection of loans receivable		1,344	872
Outflows from deposits into time deposits		-	(1,290)
Inflows from withdrawals from time deposits		-	2,000
Other		1,496	(1,618)
Net cash provided by (used in) investing activities		(94,667)	(90,753)
Cash flows from financing activities			
Proceeds from short-term interest-bearing debt		(48,250)	13,318
Proceeds from long-term interest-bearing debt		6,663	26,569
Repayment of long-term interest-bearing debt		(6,902)	(25,934)
Capital contribution from non-controlling interests		205	205
Purchase of treasury shares		(1)	(3,880)
Dividends paid		(7,403)	(8,164)
Dividends paid to non-controlling interests		(764)	(1,117)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(170)	(228)
Other		(2,068)	(2,447)
Net cash provided by (used in) financing activities		(58,693)	(1,679)
Effect of exchange rate changes on cash and cash equivalents		(5,998)	4,271
Net increase (decrease) in cash and cash equivalents		(144,928)	(106,244)
Cash and cash equivalents at beginning of period		470,273	539,854
Cash and cash equivalents at end of period		325,345	433,609

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

(5) Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

HIKARI TSUSHIN, INC. (“the Company”) is a corporation domiciled in Japan, whose shares are listed on the Tokyo Stock Exchange. The address of the Company’s registered headquarters is 1-4-10 Nishi-Ikebukuro, Toshima-ku, Tokyo. The accompanying condensed quarterly consolidated financial statements for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026) comprise the Company and its subsidiaries (“the Group”). The ultimate parent company of the Group is the Company. The Group operates various businesses, mainly in the field of information and communications.

Details are provided in “Note 5. Operating segments.”

2. Basis of preparation of condensed quarterly consolidated financial statements

(1) Financial reporting framework

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

(2) Basis for measurement

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

(3) Functional currency and presentation currency

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

(4) Published standards that are not yet applied

The following standards are the principal standards for which their new establishment or revision has been announced prior to the approval date of the accompanying condensed quarterly consolidated financial statements. However, as of June 30, 2026, the application of these standards is not compulsory, and the Group has not applied them early.

The effect of the application of these standards on the Group is under consideration.

Standard	Standard name	Time of compulsory application (Fiscal years starting after)	Time of application by the Group	Overview of new clauses and revisions
IFRS 18	*Presentation and Disclosure in Financial Statements*	January 1, 2027	Fiscal year ending March 31, 2028	New standard as a replacement for IAS 1 “Presentation of Financial Statements,” the existing accounting standard for presentation and disclosure in financial statements

3. Material accounting policy information

Material accounting policies the Group has adopted in preparing the accompanying condensed quarterly consolidated financial statements are the same as those applied in the previous fiscal year.

4. Significant accounting estimates and judgements on estimates

In the preparation of condensed quarterly consolidated financial statements, management is required to make judgements, estimates, and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results could differ from those estimates depending on the nature of the situation.

These estimates and their underlying assumption are continuously reviewed. The impact of revisions to accounting estimates is prospectively recognized in the accounting period when the revision is made and in the subsequent period thereafter.

Significant accounting estimates and assumptions used in the condensed quarterly consolidated financial statements are the same as those used in the consolidated financial statements for the previous fiscal year.

5. Operating segments

(1) Outline of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, regular evaluation by the Board of Directors is performed in order to make decisions about resources to be allocated, and to assess their performance.

The Company manages the Group as a holding company to formulate business strategies for the products and services handled by each company and develop business activities. As such, the Group is composed of segments separated by product and service based on those companies and operates in 7 reporting segments: "Electricity and Gas," "Telecommunication," "Beverage," "Insurance," "Finance," and "Solution," where we provide products and services designed and developed in-house, and "Commission-based Sales," in which we sell products of other companies.

Reportable segments and its businesses are as follows:

Segment	Major business
Electricity and Gas	Selling and providing electricity and gas
Telecommunication	Providing internet communication line services and associated services
Beverage	Producing natural mineral water products and selling them through home delivery
Insurance	Providing non-life insurance, life insurance, and warranty services, etc.
Finance	Providing microfinance and other financial services
Solution	Providing industry-specific solution services through the provision of customer management system and settlement management system platforms and various other tools
Commission-based Sales	Commission-based sale of various products, such as products offered by telecommunications carriers and manufacturers

(2) Method of calculating revenue, profit or loss, and other items for each reportable segment

The information for each reportable segment of the Group is as follows. Segment profit is based on operating profit.

Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)

(Million yen)

	Reportable segment								Other	Total	Adjustment (Note)	Condensed quarterly consolidated financial statements
	Electricity and Gas	Telecommuni-cation	Beverage	Insurance	Finance	Solution	Commission -based Sales	Total				
Revenue												
Sales to external customers	64,317	31,955	20,710	8,121	9,325	6,780	25,962	167,172	－	167,172	－	167,172
Intersegment sales and transfers	－	－	－	－	－	－	－	－	－	－	－	－
Total	64,317	31,955	20,710	8,121	9,325	6,780	25,962	167,172	－	167,172	－	167,172
Segment profit	7,818	7,707	2,610	2,002	4,614	1,342	2,797	28,893	－	28,893	(1,389)	27,503
Finance income												18,678
Finance costs												13,295
Share of profit (loss) of investments accounted for using equity method												4,228
Other non-operating income and expenses												(1,566)
Profit before tax												35,548

Notes:

1. The adjustment for segment profit includes corporate profit or loss that have not been allocated to reportable segments.
2. Revenue of each segment include the revenue from sources other than revenue from contracts with customers under IFRS 15 as follows:

   The Electricity and Gas segment recognized 363 million yen of government grants under IAS 20.

   The Beverage segment included lease income under IFRS 16.

   The Insurance segment recognized 5,874 million yen of insurance revenue under IFRS 17. Corresponding insurance service expenses of 4,487 million yen and losses related to reinsurance of 26 million yen compose the segment profit of the Insurance segment.

   The Finance segment recognized revenue, including finance income, calculated using the effective interest rate under IFRS 9.

Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)

(Million yen)

	Reportable segment								Other	Total	Adjustment (Note)	Condensed quarterly consolidated financial statements
	Electricity and Gas	Telecommuni-cation	Beverage	Insurance	Finance	Solution	Commission -based Sales	Total				
Revenue												
Sales to external customers	83,290	32,921	21,765	9,794	13,266	6,156	25,368	192,563	—	192,563	—	192,563
Intersegment sales and transfers	—	—	—	—	—	—	—	—	—	—	—	—
Total	83,290	32,921	21,765	9,794	13,266	6,156	25,368	192,563	—	192,563	—	192,563
Segment profit	6,420	8,338	2,743	1,679	7,810	1,184	2,733	30,910	—	30,910	(1,729)	29,181
Finance income												24,187
Finance costs												10,520
Share of profit (loss) of investments accounted for using equity method												6,503
Other non-operating income and expenses												599
Profit before tax												49,952

Notes:
1. The adjustment for segment profit includes corporate profit or loss that have not been allocated to reportable segments.
2. Revenue of each segment include the revenue from sources other than revenue from contracts with customers under IFRS 15 as follows:
   The Electricity and Gas segment recognized 263 million yen of government grants under IAS 20.
   The Beverage segment included lease income under IFRS 16.
   The Insurance segment recognized 8,420 million yen of insurance revenue under IFRS 17. Corresponding insurance service expenses of 7,845 million yen and losses related to reinsurance of 11 million yen compose the segment profit of the Insurance segment.
   The Finance segment recognized revenue, including finance income, calculated using the effective interest rate under IFRS 9.

6. Assets held for sale

The amount of assets held for sale and liabilities directly related to assets held for sale is as follows:

(Million Yen)

	Fiscal year ended March 31, 2026 (As of March 31, 2026)	First quarter ended June 30, 2026 (As of June 30, 2026)
Assets held for sale		
Investments accounted for using equity method	−	8,054
Total	−	8,054

Assets held for sale for the three months ended June 30, 2026 consist of investments in associates accounted for using the equity method. The Group has committed to a plan to sell these assets and expects the sale to be completed within one year from the date of classification. Accordingly, they have been classified as assets held for sale, and, as their fair value less costs to sell is lower than their carrying amount, they are measured at fair value less costs to sell.

7. Investments accounted for using equity method

The carrying amount of investments in associates is as follows:

(Million yen)

	Fiscal year ended March 31, 2026 (As of March 31, 2026)	First quarter ended June 30, 2026 (As of June 30, 2026)
Total carrying amount	319,720	309,096

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

(Million yen)

	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
Profit	4,228	6,503
Other comprehensive income	46	1,537
Comprehensive income	4,275	8,040

Note: Share of profit (loss) of investments accounted for using equity method in the condensed quarterly consolidated statement of profit or loss for the three months ended June 30, 2025 includes a gain on bargain purchase of 929 million yen, arising from a newly affiliated company accounted for using the equity method. The corresponding gain on bargain purchase for the current period was 278 million yen.

8. Bonds payable

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Not applicable.

Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

The Company issued bonds payable of 20,000 million yen in the three months ended June 30, 2026. The breakdown is as follows:

The fifty-sixth unsecured bond of 10,000 million yen (Annual interest rate: 2.823%, Date of issue: May 1, 2026, Term of redemption: May 1, 2031)

The fifty-seventh unsecured bond of 10,000 million yen (Annual interest rate: 3.51%, Date of issue: May 1, 2026, Term of redemption: April 28, 2033),

9. Capital and reserves

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Not applicable.

Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

Not applicable.

10. Earnings per share

Basic earnings per share and the basis of its calculation, and diluted earnings per share and the basis of its calculation are as follows:

	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (From April 1, 2026 to June 30, 2026)
(1) Basic earnings per share	641.83 yen	837.15 yen
(Basis of calculation)		
Profit attributable to owners of parent (million yen)	28,168	36,656
Amount not attributable to ordinary equity holders of the parent (million yen)	7	8
Amount used in calculation of basic earnings per share (million yen)	28,161	36,647
Weighted average number of ordinary shares (thousand shares)	43,877	43,776
(2) Diluted earnings per share	640.60 yen	837.08 yen
(Basis of calculation)		
Amount used in calculation of basic earnings per share (million yen)	28,161	36,647
Adjustment to profit for potential shares in subsidiaries and associates (million yen)	(33)	(0)
Amount used in calculation of diluted earnings per share (million yen)	28,128	36,646
Weighted average number of ordinary shares (thousand shares)	43,877	43,776
Increase in ordinary shares from share acquisition rights (thousand shares)	31	2
Weighted average number of ordinary shares used in calculation of diluted earnings per share (thousand shares)	43,909	43,779

11. Significant subsequent events

Not applicable.

12. Notes on going concern assumption

Not applicable.

13. Date of approval

The accompanying condensed quarterly consolidated financial statements were approved by the Board of Directors on August 13, 2026.