

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 8, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 <under Japanese GAAP>

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

Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Millions of yen with fractional amounts rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

Three months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	73,628	9.9	753	(82.8)	1,316	(73.3)	1,083	(69.4)
June 30, 2023	66,985	(4.8)	4,381	190.0	4,932	79.5	3,546	69.2

Note: Comprehensive income For the three months ended June 30, 2024: ¥851 million [(73.5)%]
 For the three months ended June 30, 2023: ¥3,209 million [(28.9)%]

Three months ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
June 30, 2024	18.46	—
June 30, 2023	59.64	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	178,660	98,318	55.0	1,674.25
March 31, 2024	180,866	99,898	55.2	1,701.24

Reference: Equity

As of June 30, 2024: ¥98,277 million As of March 31, 2024: ¥99,861 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	–	–	41.00	41.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		–	–	41.00	41.00

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

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

(Percentages indicate year-on-year changes)

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

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

The Company has not prepared the earnings forecasts for the six months ending September 30, 2024 after taking into consideration the seasonal factors.

* Notes

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

Note: For more details, please refer to the section of “(3) Notes to quarterly consolidated financial statements, Notes on changes in accounting policies” of “2. Quarterly consolidated financial statements and significant notes” on page 11 of the attached material.

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

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

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

As of June 30, 2024	1,435,338 shares
As of March 31, 2024	1,435,170 shares

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

Three months ended June 30, 2024	58,699,130 shares
Three months ended June 30, 2023	59,470,275 shares

Note: The number of treasury shares at the end of the period includes the Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account E) (520,300 shares as of March 31, 2024, 520,300 shares as of June 30, 2024). Also, the Company’s shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares that are deducted for calculation of the average number of shares outstanding during the period (567,900 shares for three months ended June 30, 2023, 520,300 shares for three months ended June 30, 2024).

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

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements contained in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual business and other results may differ substantially due to various factors. Please refer to “(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” in “1. Overview of Operating Results and Others” on page 6 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Attached Material

Index

1. Overview of Operating Results and Others.....	2
(1) Summary of operating results for the period	2
(2) Summary of financial position for the period	6
(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements	6
2. Quarterly consolidated financial statements and significant notes.....	7
(1) Quarterly consolidated balance sheet	7
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	9
Quarterly consolidated statement of income	9
Quarterly consolidated statement of comprehensive income	10
(3) Notes to quarterly consolidated financial statements.....	11
Notes on changes in accounting policies	11
Notes on significant changes in the amount of shareholders' equity	11
Notes on the premise of going concerns	11
Notes on quarterly consolidated statement of cash flows	11
Shareholders' equity	12
Notes on segment information, etc.	12
Revenue recognition	13
Per share information.....	14
Significant subsequent events.....	14

1. Overview of Operating Results and Others

(1) Summary of operating results for the period

During the three months ended June 30, 2024, economic conditions in Japan showed a moderate recovery trend against the backdrop of expanding demand from inbound tourists and a recovery in consumer spending driven by improvement in the labor and income environment, despite the impact of rising prices. On the other hand, the economic outlook remains uncertain due to factors that include the unstable international situation such as the deteriorating situation in the Middle East, the continued weakness of the yen in foreign exchange markets, and price hikes.

There have been rapid changes in the Group's business environment. Amid a globally accelerating move toward decarbonization and large changes in the energy landscape caused by Russia's attack on Ukraine, the domestic energy market faced strained conditions in the form of electricity supply constraints and soaring energy prices. It is essential to strike a balance between decarbonization initiatives and the stable supply of energy.

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

Among the Group's main highlights for the three months ended June 30, 2024 are those of Mitsuuroko Green Energy Co., Ltd. of the Power & Electricity Business having opened Hokkaido branch in June 2024 with the aim of further expanding operation. In the Others business segment, Mitsuuroko Tec Co., Ltd. worked jointly with the Company's Lifestyle Planning Department to launch in Fujioka-shi, Gunma the cultivation of 100% Japanese-produced specialty coffee beans by "Smart Greenhouses," a new business operating since April 2024.

Moreover, the Company was selected for the first time as a constituent of the indices used by Japan's Government Pension Investment Fund (GPIF) for ESG investment, the FTSE Blossom Japan Sector Relative Index and the Morningstar Japan ex-REIT Gender Diversity Tilt Index. The Company will continue to pursue activities aimed at improving the Group's corporate value and realizing a sustainable society.

To streamline groupwide operations, we promoted digital transformation (DX) at the Group's administration center, thereby automating 90% or more of input work for order sending and receiving operations. Comparing the same operations with when the administration center was established, approximately three times more data was processed per person, and unit costs were reduced by more than 50%.

With regard to financial results in the three months ended June 30, 2024, in the Energy Solutions Business and Power & Electricity Business, the Group's core businesses, although net sales increased due to sales measures, both businesses experienced increased sales but decreased profits with the impact of increased investment expenses into human resources and facilities, as well as contributions to the capacity market in the Power & Electricity Business. Meanwhile, in the beverage business, results continue to expand as our business development strategies and expanded facilities have helped control soaring costs, while the wellness business has also recovered from the COVID-19 pandemic, contributing to consolidated results. As a result of the above, net sales increased 9.9% year on year to ¥73,628 million, operating profit decreased 82.8% year on year to ¥753 million, ordinary profit decreased 73.3% year on year to ¥1,316 million, and profit attributable to owners of parent decreased 69.4% year on year to ¥1,083 million. In the three months ended June 30, 2024, the Company recorded our highest net sales ever.

Operating results by segment are as follows.

Energy Solutions Business

In the LPG business, LPG sales volume trended steadily for both home and commercial use. With contribution from an increase in the number of retail users as a result of our having actively engaged in sales efforts, LPG sales volume for home use increased to 103% of the level of the same period of the previous fiscal year. LPG sales volume for commercial use for accommodation establishments and restaurants also increased to 102% of the level of the same period of the previous fiscal year. For the business as a whole, gross profit increased to 105% of the level of the same period of the previous fiscal year due to the contribution from the increased sales volume and improved unit selling prices for LPG. Although the LPG business faces a changing business environment particularly in terms of rising average temperatures and mounting awareness of decarbonization throughout society, we will continue to work to

improve the quality of our services as we prioritize contributions to local communities and stable supply of LPG to our customers.

In the petroleum business, total sales volume gained to 101% of the level of the same period of the previous fiscal year as a result of our having fortified sales of fuel oil other than heating oil amid a fall in sales volume of heating oil due to customers' tendency to economize and increase in average temperatures. Furthermore, gross profit increased to 105% of the level of the same period of the previous fiscal year as we successfully passed on the increases in shipping costs and tank expenses from April 2024 to our selling prices and acquired new customers in the Kanto area.

In the directly operated service station business, a strategy to acquire customers using social media resulted in sales quantities of fuel oil increasing to 112% of the level of the same period of the previous fiscal year, while gross profit in the overall business was 98% of the level of the same period of the previous fiscal year amid declining nationwide sales volume and margins of fuel oil.

In the housing equipment business, sales of equipment focused on functionality such as value-added water heaters and high-performance air purifiers were strong, and the sales volume of electric heat pump combination-type instant gas water heaters (hybrid water heaters) increased to 205% of the level of the same period of the previous year. However, in terms of the overall business, gross profit decreased to 95% of the level of the same period of the previous fiscal year due to a rebound decline in sales after the shipping delays for water heaters in the previous fiscal year were alleviated.

As a result, for the Energy Solutions Business as a whole, net sales increased 9.6% year on year to ¥33,132 million. However, due to increases in SG&A expenses from human resources investment expenses mainly to increase base salaries, and upfront investment expenses in SmartOWL®, a solution for streamlining container exchanges and LPG operations in the LPG business, operating loss was ¥286 million (compared to an operating loss of ¥63 million in the same period of the previous fiscal year).

Power & Electricity Business

In the electricity retail business, the impact from soaring resource prices has temporarily eased, and costs of producing electricity have regained stability while resource prices are gradually trending downward. Due to the fuel cost adjustment system, there is a time lag for adjustments to fuel costs to be reflected in sales prices. As a result of the price difference between the fuel-cost-adjusted sales price and the purchase price being smaller in the current fiscal year compared to the previous fiscal year, increased shared costs from office consolidation and increased in base salaries, and the capacity contributions paid since fiscal 2024, revenue declined compared to the same period of the previous fiscal year.

As a result, net sales increased 11.9% year on year to ¥32,941 million, and operating profit decreased 79.5% year on year to ¥904 million.

We will continue to work to expand our business scale by promoting increased customer numbers by acquiring new customers and by increasing electricity sales volume.

In this business, we have been working to mitigate the impact of cost volatility and consequently achieve stable profits by supplying power according to the amount procured, as before, while also reducing our dependency on electricity procured from the electric power exchange and proceeding with the diversification of our electricity suppliers.

Based on our participation in the Ministry of Economy, Trade and Industry's "Operation to Mitigate Sudden Fluctuations in Electricity and Gas Prices," we implemented discounts for electricity and gas charges, using the discounted selling price set by the government, in accordance with the respective amounts of energy used between October 2023 and May 2024 (based on meter readings, between November 2023 and June 2024). Japan is already experiencing an extremely hot summer, and as "Emergency Assistance for Overcoming Extreme Heat," a form of emergency aid to help customers make it through the hot summer, electricity and gas subsidies are being provided to customers for the three months from August to October 2024 (based on meter readings, between September to November 2024).

In utilizing the grid storage batteries, which the Company began operating last fiscal year, we are newly entering the "supply-demand adjustment market." Together with the implementation of the Demand Response Service that the Group excels in, we seek to stabilize the power grid. Also, we will further engage in initiatives to introduce more renewable energy power generation equipment with an eye to achieving carbon neutrality. In so doing, we will contribute to balancing supply and demand in the process of expanding renewable energy, as well as saving electricity and energy leading to the reduction of the burden of electricity charges.

Foods Business

In the bottled water business, we are expanding our production facilities, strengthening our sales activities, and introducing unique new products, while simultaneously minimizing the impact of rising production costs such as personnel expenses, significantly boosting our business performance continuing from last fiscal year. The sales volume of mineral water sold by Mitsuuroko Beverage Co., Ltd. increased to 104% of the level of the same period of the previous fiscal year. Against the backdrop of growth in domestic demand, in addition to strengthening our marketing directed at major clients, this was result of expanded manufacturing production capacity in our renewed Ihara Factory (Shizuoka). In the field of beverages, inquiries were strong mostly from distribution companies highly aware of safety for barley tea made using 100% domestically grown barley developed independently by the Company without the use of emulsifiers, a type of food additive. This, combined with green tea made with 100% Shizuoka-grown tea leaves, contributed to the increase in sales.

In the foods business, the shop business operated by Mitsuuroko Provisions Co., Ltd. has seen the growth in hotel demand from inbound tourism continue from the previous fiscal year, contributing to strong business performance. “MGMG Bakery,” a new initiative in the bakery business, has been well received for pricing its entire product lineup at ¥150 (tax excluded), and we plan to continue to expand the business step-by-step while analyzing regional demographics.

Mitsuuroko Partners Co., Ltd.’s Motomachi Coffee, being developed by the FC business, has focused both on introducing new items each season and on the development of new business categories, expanding its business while proactively seeking out growth models.

In July 2024, Carl’s Jr. Japan Inc. transferred its hamburger restaurant business to Aleph Inc., and the companies are engaged in discussion with a constructive partnership in mind.

For the Foods Business as a whole, mainly as a result of expansion of sales volume in the bottled water business and reduced cost of production owing to reinforcement of some factory facilities, net sales increased 2.7% year on year to ¥5,613 million, and operating profit increased 80.4% year on year to ¥352 million.

Living & Wellness Business

In the real estate business, revenue from residential and other properties has performed well, and net sales rose 2.8% year on year. The start of operations of the rental apartments Oju Takayama (Setagaya-ku) acquired in August 2023 and the high occupancy of Cosmos Reid Kokubunji (Kokubunji-shi), at which some units were renewed and appropriate rents set based on the market, contributed to the increase in net sales.

In this business, in addition to implementing repairs and replacement prioritizing improvement in resident habitability and safety for all properties, we will also aim to enhance the value of our property holdings by promoting investment in facilities to ensure that the properties align with contemporary needs. Furthermore, we promoted the use of renewable energy and the establishment of sharing service ports for electric micromobility vehicles, working to reduce CO2 emissions. We will work to actively acquire and develop new revenue-generating properties while seeking to achieve optimal portfolio structure.

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

In the wellness business, thanks to the steady recovery in visitor numbers and sales for both SPA EAS and Hamabowl, sales rose to 110.1% and 104.5% of the level of the same period of the previous fiscal year, respectively. This May was the first Golden Week period (period of consecutive national holidays) after Japan reclassified COVID-19 to a less serious Class 5 infectious disease, and group use of facilities increased.

At SPA EAS, the “Thank you event for Yokohama citizens” (June 1-3) was held for the third time this year, aimed at developing new customers and making local contributions. The response to the “Half-Price Entrance Coupon” distributed only on June 3 (Monday) was particularly strong and succeeded in promoting the use of the facility by local customers.

At Hamabowl, both individual and group reservations experienced a strong recovery. Between April and June, there were 913 group reservations made up of a total of 4,504 people, and sales for reservations alone grew to 125.3% of the level of the same period of the previous fiscal year. At the Health Bowling Class, launched in 2022, 135 class members became Hamabowl members. This represents 26.1% of the 517 total members in fiscal 2024, as more younger members were added to the member rolls. The Health

Bowling Class is also preparing to hold introductory courses for graduating students to begin running tournaments. In addition to energizing the member base, we aim to provide an environment that acts as an easy step toward a lifelong sports practice.

In our sports business, at our sports studio EIGHT ANGLE (Jiyugaoka), our complete private golf lessons given by popular golf professionals have been well received, and net sales were 115.4% of the level of the same period a year ago. Furthermore, as a new business aimed at increasing studio occupancy rates, we launched “vision training” for elementary school students in May. We will run the studio in a way that supports the daily learning and exercise of children and that adds a richness to everyday life.

At the Wellness Lab, we held the “Craft Art Born from Bowling Pins and Sauna Stones” for the second year. The art exhibit, which was held as part of the “Rain-Bowling Project,” launched to reuse bowling pins, which are discarded in large quantities each year, was also supported by JR Yokoyama Tower, and ran through June 9, the final day of the Yokohama Triennale. The exhibition, which also took place within SPA EAS and Hamabowl, welcomed 69,222 guests, creating broad PR for the significance of this initiative.

For the Living & Wellness Business as a whole, net sales increased 9.0% year on year to ¥711 million and operating profit increased 87.8% year on year to ¥104 million, mainly due to the recovery in business performance of SPA EAS.

Overseas Business

In this business, mainly General Storage Company Pte. Ltd. and six other companies operate the self-storage business in Asia.

At the Self Storage Awards Asia 2024, which recognizes excellent self-storage businesses, three sites (The Store House Hong Kong, Lock+Store Malaysia, Lock+Store Singapore), all run by subsidiaries of the Company, were awarded Site Manager of the Year. Moreover, we have started construction to convert the 36 Kaki Bukit Place facilities, acquired previously as a leasehold, to a new self-storage location in Singapore, and we also expanded the self-storage facilities of Ap Lei Chau in Hong Kong. We plan to continue to develop and expand locations to further expand our business.

During the three months ended June 30, 2024, net sales increased 15.0% year on year to ¥723 million due to the impact of yen depreciation and other factors. However, against the backdrop of rising amortization expenses associated with properties acquired last year and newly leased properties, as well as rising personnel expenses, operating profit decreased 55.0% year on year to ¥34 million.

Dividend income from Siamgas & Petrochemicals Public Company Limited, with which the Company has concluded a strategic business alliance agreement, for the three months ended June 30, 2024, decreased 17.7% year on year to ¥206 million mainly due to the company’s decrease in profit, and was recorded in non-operating income.

Others

In the ICT telecommunications business, the number of installations of “Mitsuuroko net,” an Internet service for entire buildings targeting rental apartments and condominiums, remained steady. As a result, the number of household installations of the service amounted to 116% of the level of the same period of the previous fiscal year. We will continue to promote the adoption of this service as an effective solution closely aligned with customer challenges in terms of vacancy measures and property value improvement, including real estate rental properties, university dormitories, hotels, and senior living facilities.

In the information system development and sales business, in addition to strong sales of the “COSMOS Series,” an LPG sales management system, since the launch of our “SmartOWL® delivery operation streamlining solution” for streamlining LPG deliveries, we have continued to reduce the number of LPG deliveries to consumers’ residences that have LPWA devices installed by around 30%, realizing the streamlining of LPG deliveries for approximately 100,000 home consumers. In addition, according to a calculated estimate based on the average travel distance for LPG deliveries, there is a potential reduction of 1.189 kg in CO2 emissions per delivery, and we expect even greater reductions in CO2 emissions in the future by promoting installation of LPWA devices and the use of the SmartOWL® delivery operation streamlining solution.

In the leasing business, the Group company was selected as a designated leasing business operator to contribute to the preservation of the global environment by promoting the widespread use of decarbonization equipment. Leveraging such strengths, we have been providing support from the perspective of the leasing business to small and medium-sized enterprises that are seeking to achieve decarbonization across their entire supply chains.

In the content business, we are co-producing TV programs and movies, planning theatrical performances, etc. Over the three months of April to July 2024, we achieved firm results in sales generated from video streaming primarily of the “Kono Doga wa Saisei Dekimasen (This Video Is Not Available)” series, and from July, “Hakko Danshi 3” also started airing on Television KANAGAWA (TVK).

For other business as a whole, net sales decreased 12.1% year on year to ¥507 million, while operating profit decreased 37.7% year on year to ¥17 million, mainly due to a decrease in sales to external customers in the leasing business and the rise in purchase costs.

(2) Summary of financial position for the period

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Change
Assets	180,866	178,660	(2,206)
Liabilities	80,967	80,341	(626)
Net assets	99,898	98,318	(1,580)
Shareholders' equity	99,861	98,277	(1,584)
Equity ratio (%)	55.2	55.0	(0.2)

Assets

Total assets decreased ¥2,206 million compared to the end of the previous fiscal year to ¥178,660 million.

The main factors for change were an increase of ¥2,555 million in cash and deposits resulting from increased sales in the Power & Electricity Business, a decrease of ¥3,286 million in notes and accounts receivable - trade resulting from seasonal changes in the sales amount and a lull in fuel procurement price hikes, etc., a decrease of ¥1,629 million in other under current assets, and a decrease of ¥765 million in investment securities following a drop in the market price of shares.

Liabilities

Total liabilities decreased ¥626 million compared to the end of the previous fiscal year to ¥80,341 million.

The main factors for change included an increase of ¥72 million in notes and accounts payable - trade due to increased contributions to the capacity market of the electricity market and seasonal changes in the purchase amount and a lull in fuel procurement price hikes, etc., an increase of ¥1,794 million in other under current liabilities, a decrease of ¥1,481 million in income taxes payable due to tax payment, etc., and a decrease of ¥479 million in provisions due to bonus payment, etc.

Net assets

Net assets decreased ¥1,580 million compared to the end of the previous fiscal year to ¥98,318 million.

The main factors for change were a decrease of ¥1,348 million in retained earnings, a decrease of ¥809 million in valuation difference on available-for-sale securities resulting from a decrease in the amount of investment securities, and an increase of ¥560 million in foreign currency translation adjustment.

As a result, the equity ratio decreased 0.2 percentage points from the end of the previous fiscal year to 55.0%.

(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements

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

2. Quarterly consolidated financial statements and significant notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	33,128	35,683
Notes and accounts receivable - trade	31,064	27,778
Merchandise and finished goods	5,439	5,379
Raw materials and supplies	808	829
Other	11,320	9,691
Allowance for doubtful accounts	(30)	(35)
Total current assets	81,730	79,326
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,033	12,988
Machinery, equipment and vehicles, net	3,869	3,957
Land	17,052	17,094
Construction in progress	930	1,206
Other, net	8,044	8,205
Total property, plant and equipment	42,931	43,452
Intangible assets		
Trademark right	3,171	3,355
Goodwill	1,611	1,601
Other	4,771	4,827
Total intangible assets	9,555	9,784
Investments and other assets		
Investment securities	37,576	36,810
Deferred tax assets	1,921	2,102
Other	7,396	7,428
Allowance for doubtful accounts	(244)	(245)
Total investments and other assets	46,649	46,096
Total non-current assets	99,136	99,333
Total assets	180,866	178,660

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,312	24,385
Short-term borrowings	4,423	4,391
Current portion of bonds payable	1,001	1,001
Income taxes payable	2,075	593
Provisions	1,006	527
Other	8,441	10,236
Total current liabilities	41,261	41,134
Non-current liabilities		
Bonds payable	6,007	5,748
Long-term borrowings	13,688	13,697
Deferred tax liabilities	6,376	6,039
Provisions	563	572
Retirement benefit liability	2,622	2,619
Asset retirement obligations	3,230	3,270
Other	7,217	7,260
Total non-current liabilities	39,706	39,206
Total liabilities	80,967	80,341
Net assets		
Shareholders' equity		
Share capital	7,077	7,077
Capital surplus	336	336
Retained earnings	80,999	79,651
Treasury shares	(1,621)	(1,622)
Total shareholders' equity	86,792	85,444
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,874	10,064
Deferred gains or losses on hedges	(25)	(13)
Foreign currency translation adjustment	2,220	2,780
Remeasurements of defined benefit plans	(0)	1
Total accumulated other comprehensive income	13,068	12,832
Non-controlling interests	37	41
Total net assets	99,898	98,318
Total liabilities and net assets	180,866	178,660

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	66,985	73,628
Cost of sales	54,476	64,115
Gross profit	12,508	9,513
Selling, general and administrative expenses	8,126	8,759
Operating profit	4,381	753
Non-operating income		
Interest income	16	26
Dividend income	468	443
Share of profit of entities accounted for using equity method	124	159
Compensation income	19	14
Gain on valuation of derivatives	12	2
Other	81	96
Total non-operating income	722	743
Non-operating expenses		
Interest expenses	81	94
Commission expenses	64	62
Other	25	23
Total non-operating expenses	171	180
Ordinary profit	4,932	1,316
Extraordinary income		
Gain on sale of non-current assets	1	6
Gain on receipt of donated non-current assets	–	22
Total extraordinary income	1	29
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	22	43
Loss on store closings	11	1
Total extraordinary losses	33	45
Profit before income taxes	4,900	1,300
Income taxes - current	1,466	412
Income taxes - deferred	(110)	(199)
Total income taxes	1,355	213
Profit	3,544	1,087
Profit (loss) attributable to non-controlling interests	(1)	3
Profit attributable to owners of parent	3,546	1,083

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	3,544	1,087
Other comprehensive income		
Valuation difference on available-for-sale securities	(855)	(813)
Foreign currency translation adjustment	530	560
Remeasurements of defined benefit plans, net of tax	0	1
Share of other comprehensive income of entities accounted for using equity method	(11)	15
Total other comprehensive income	(335)	(235)
Comprehensive income	3,209	851
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,210	847
Comprehensive income attributable to non-controlling interests	(1)	3

(3) Notes to quarterly consolidated financial statements

The quarterly consolidated financial statements are prepared in accordance with Article 4, paragraph 1 of the Standard for Preparation of the Quarterly Consolidated Financial Statements established by Tokyo Stock Exchange, Inc. and the accounting standards for quarterly consolidated financial statements generally accepted in Japan.

Notes on changes in accounting policies

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

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

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

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

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on the premise of going concerns

Not applicable.

Notes on quarterly consolidated statement of cash flows

Quarterly consolidated statement of cash flows is not prepared for the three months ended June 30, 2024. Furthermore, the amounts of depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill are as follows.

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	1,115	1,270
Amortization of goodwill	14	18

Shareholders' equity

I Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

Dividends

Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors meeting on May 10, 2023	Common shares	2,224	37	March 31, 2023	June 19, 2023	Retained earnings

(Note) The total dividends include the ¥21 million dividends for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E account).

II Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

Dividends

Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors meeting on May 9, 2024	Common shares	2,431	41	March 31, 2024	June 19, 2024	Retained earnings

(Note) The total dividends include the ¥21 million dividends for the shares of the Company owned by Custody Bank of Japan, Ltd. (Trust E account).

Notes on segment information, etc.

I Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

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

	Reportable segments						Others (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business	Subtotal				
Net sales										
Sales to external customers	30,217	29,445	5,463	652	629	66,408	577	66,985	–	66,985
Intersegment sales or transfers	37	216	–	2	–	256	97	354	(354)	–
Total	30,255	29,661	5,463	654	629	66,664	674	67,339	(354)	66,985
Segment profit (loss)	(63)	4,407	195	55	76	4,671	27	4,699	(317)	4,381

(Notes) 1. The “Others” category is a business segment that is not included in the reportable segments and includes Leasing Business, Insurance Agency Business and sales of other services.

2. The segment profit (loss) adjustment of ¥(317) million includes intersegment eliminations of ¥(3) million, corporate expenses of ¥(313) million that are not allocated to each reportable segment, and other adjustments of ¥0 million. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information regarding loss on impairment of non-current assets and goodwill by reportable segment

Not applicable.

II Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

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

	Reportable segments						Others (Note 1)	Total	Adjustments (Note 2)	Amount in the quarterly consolidated statement of income (Note 3)
	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business	Subtotal				
Net sales										
Sales to external customers	33,132	32,941	5,613	711	723	73,121	507	73,628	–	73,628
Intersegment sales or transfers	34	178	0	2	–	215	96	311	(311)	–
Total	33,167	33,119	5,613	713	723	73,336	603	73,940	(311)	73,628
Segment profit (loss)	(286)	904	352	104	34	1,110	17	1,127	(374)	753

- (Notes) 1. The “Others” category is a business segment that is not included in the reportable segments and includes Leasing Business, Insurance Agency Business and sales of other services.
2. The segment profit (loss) adjustment of ¥(374) million includes intersegment eliminations of ¥(8) million, corporate expenses of ¥(365) million that are not allocated to each reportable segment, and other adjustments of ¥0 million. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.
3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information regarding loss on impairment of non-current assets and goodwill by reportable segment

Not applicable.

Revenue recognition

Disaggregation of revenue

Disaggregation of revenue recognized from contracts with customers is as follows:

I Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)

	Reportable segments						Others (Note 1)	Total
	Energy Solutions Business	Power & Electricity Business (Note 3)	Foods Business	Living & Wellness Business	Overseas Business	Total		
Gas	11,776	–	–	–	–	11,776	–	11,776
Petroleum	15,528	–	–	–	–	15,528	–	15,528
Electricity	–	29,004	–	–	–	29,004	–	29,004
City gas	25	441	–	–	–	466	–	466
Other	2,887	–	5,463	153	–	8,504	298	8,802
Revenue recognized from contracts with customers	30,217	29,445	5,463	153	–	65,279	298	65,578
Revenue recognized from other sources (Note 4)	–	–	–	498	629	1,128	279	1,407
Sales to external customers	30,217	29,445	5,463	652	629	66,408	577	66,985

- (Notes) 1. The “Others” category is a business segment that is not included in the reportable segments and includes Leasing Business, Insurance Agency Business and sales of other services.
2. The amount obtained after deducting internal transactions between Group companies is displayed.
3. Revenue recognized from contracts with customers in the Power & Electricity Business includes subsidies of ¥3,132 million received through the “Operation to Mitigate Sudden Fluctuations in Electricity and Gas Prices” implemented based on the “Comprehensive Economic Measures for Overcoming Price Increases and Revitalizing the Economy.”
4. Revenue recognized from other sources includes real estate rent income, lease payment income, income from self-storage business etc.

II Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Reportable segments						Others (Note 1)	Total
	Energy Solutions Business	Power & Electricity Business (Note 3)	Foods Business	Living & Wellness Business	Overseas Business	Total		
Gas	13,709	–	–	–	–	13,709	–	13,709
Petroleum	16,660	–	–	–	–	16,660	–	16,660
Electricity	–	32,506	–	–	–	32,506	–	32,506
City gas	32	434	–	–	–	466	–	466
Other	2,730	–	5,613	168	–	8,512	259	8,771
Revenue recognized from contracts with customers	33,132	32,941	5,613	168	–	71,855	259	72,114
Revenue recognized from other sources (Note 4)	–	–	–	542	723	1,266	248	1,514
Sales to external customers	33,132	32,941	5,613	711	723	73,121	507	73,628

- (Notes) 1. The “Others” category is a business segment that is not included in the reportable segments and includes Leasing Business, Insurance Agency Business and sales of other services.
2. The amount obtained after deducting internal transactions between Group companies is displayed.
3. Revenue recognized from contracts with customers in the Power & Electricity Business includes subsidies of ¥1,694 million received through the “Operation to Mitigate Sudden Fluctuations in Electricity and Gas Prices” implemented based on the “Comprehensive Economic Measures for Overcoming Price Increases and Revitalizing the Economy.”
4. Revenue recognized from other sources includes real estate rent income, lease payment income, income from self-storage business etc.

Per share information

The basis for calculating basic earnings per share is as follows

	Three months ended June 30, 2023	Three months ended June 30, 2024
Basic earnings per share (Yen)	59.64	18.46
Basis for calculation		
Profit attributable to owners of parent (Millions of yen)	3,546	1,083
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	3,546	1,083
Average number of common shares during the period (Thousand shares)	59,470	58,699

- (Notes) 1. Diluted earnings per share is not shown because there are no dilutive shares.
2. In calculating basic earnings per share, 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 (567,900 shares for the three months ended June 30, 2023, 520,300 shares for the three months ended June 30, 2024).

Significant subsequent events

Not applicable.