



November 2, 2023

## Consolidated Financial Results for the Six Months Ended March 31, 2024 (Under Japanese GAAP)

Company name: TOKAI Holdings Corporation Listing: Tokyo Stock Exchange  
 Securities code: 3167 URL: <https://www.tokaiholdings.co.jp/english/>  
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Scheduled date to file quarterly securities report: November 13, 2023  
 Scheduled date to commence dividend payments: November 30, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

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

### 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

|                    | Net sales       |     | Operating profit |       | Ordinary profit |       | Profit attributable to owners of parent |         |
|--------------------|-----------------|-----|------------------|-------|-----------------|-------|---|---------|
|                    | Millions of yen | %   | Millions of yen  | %     | Millions of yen | %     | Millions of yen                         | %       |
| Six months ended   |                 |     |                  |       |                 |       |   |         |
| September 30, 2023 | 105,226         | 1.1 | 4,254            | 0.0   | 4,355           | 79.1  | 2,219                                   | 1,403.4 |
| September 30, 2022 | 104,110         | 8.4 | 4,523            | -18.6 | 2,432           | -54.0 | 147                                     | -93.5   |

Note: Comprehensive income For the six months ended September 30, 2023: ¥4,553 million [307.5%]  
 For the six months ended September 30, 2022: ¥1,117 million [-65.6%]

|                    | Basic earnings per share |  | Diluted earnings per share |  |
|--------------------|--------------------------|--|----------------------------|--|
|                    | Yen                      |  | Yen                        |  |
| Six months ended   |                          |  |                            |  |
| September 30, 2023 | 17.00                    |  | -                          |  |
| September 30, 2022 | 1.13                     |  | -                          |  |

#### (2) Consolidated financial position

|                    | Total assets    | Net assets      | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
|                    | Millions of yen | Millions of yen | %                     |
| As of              |                 |                 |                       |
| September 30, 2023 | 190,820         | 84,800          | 42.3                  |
| March 31, 2023     | 193,339         | 82,304          | 41.5                  |

Reference: Equity  
 As of September 30, 2023: ¥82,608 million  
 As of March 31, 2023: ¥80,184 million

### 2. Cash dividends

|  | Annual dividends per share |           |           |          |       |
|--|----------------------------|-----------|-----------|----------|-------|
|  | End of Q1                  | End of Q2 | End of Q3 | Year-end | Total |
|  | Yen                        | Yen       | Yen       | Yen      | Yen   |
| Fiscal year ended March 31, 2023             | -                          | 16.00     | -         | 16.00    | 32.00 |
| Fiscal year ending March 31, 2024            | -                          | 16.00     |           |          |       |
| Fiscal year ending March 31, 2024 (Forecast) |                            |           | -         | 16.00    | 32.00 |

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

### 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% figures represent year-on-year changes)

|                            | Net sales       |     | Operating profit |     | Ordinary profit |      | Profit attributable to owners of parent |      | Net Income per Share |
|----------------------------|-----------------|-----|------------------|-----|-----------------|------|---|------|----------------------|
|                            | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %    | Millions of yen                         | %    | Yen                  |
| Year ending March 31, 2024 | 240,000         | 4.3 | 15,000           | 0.5 | 15,000          | 12.9 | 8,500                                   | 31.5 | 65.10                |

#### \*Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

#### (4) Number of issued shares (common shares)

##### (i) Total number of issued shares at the end of the period (including treasury shares)

|                          |                    |
|--------------------------|--------------------|
| As of September 30, 2023 | 139,679,977 shares |
| As of March 31, 2023     | 139,679,977 shares |

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

|                          |                  |
|--------------------------|------------------|
| As of September 30, 2023 | 9,054,519 shares |
| As of March 31, 2023     | 8,819,780 shares |

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

|                                 |                    |
|---------------------------------|--------------------|
| Six months ended March 31, 2024 | 130,591,637 shares |
| Six months ended March 31, 2023 | 130,871,825 shares |

(Note) Board benefit trust shares (BBT) is included in the number of year-end treasury stock.(730,500 stocks at Q2 FYE3/2024, 782,100 stocks at FYE3/2023)

In addition, the treasury stock to be deducted in the calculation of the average number of shares during the period includes the Company's stock held by the Board Benefit Trust (BBT) (764,618 stocks at Q2 FYE3/2024, 485,109 stocks at Q2 FYE3/2023).

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

#### \* Explanation regarding the Appropriate Uses of Earnings Forecasts and Other Notes

All earnings forecasts provided within this document are based on the most accurate information available at the time of the release of this document. Actual results may differ from forecasts due to various factors going forward.

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## 1. Qualitative Information on Financial Results for the Period Under Review

### (1) Explanation of Consolidated Operating Results

During the first six months of the fiscal year under review, the economy staged a mild recovery following the normalization of economic activities and the effects of various packages. However, the business circumstances surrounding the Group included the accelerated depreciation of the Japanese currency and a continued hike in energy prices amid the ongoing conflict in Ukraine. In addition, the outlook remained uncertain with an increasingly severe labor shortage and rising prices.

In this environment, the Group developed Medium-Term Management Plan 2025 and announced it in May 2023. Aimed at achieving sustained growth, this plan has set out three key themes. The first is growth of earning power, the second is strengthening of the foundations for sustainable growth, and the third is the full energization of human capital and organizations.

For the first six months of the fiscal year under review, the Group saw the number of continuing customers rise by 28,000, to 3,328,000, compared with growth of 49,000 in the same period of the previous fiscal year. The number of TLC members rose 30,000 to 1,188,000. For the same period a year earlier, the figure surged 36,000. With the increase in the number of customers in the Group and other factors, net sales stood at 105,226 million yen to exceed the level attained in the same period a year earlier by 1.1%. Meanwhile, operating profit was almost unchanged year on year at 4,254 million yen, which is explained mainly by a decrease in household unit consumption under high air temperature conditions. Ordinary profit stood at 4,355 million yen, up 79.1% year on year, and profit attributable to owners of parent at 2,219 million yen, up 1,403.4% year on year. Significant increases resulted mainly from a decrease in the burden arising from the share of profit of entities accounted for using equity method.

Notable events during the first six months of the fiscal year under review include an investment made in July 2023 by TOKAI Corporation in the group led by Pure Energy Holdings Corporation, which operates a business of generating power from renewable energy sources in the Philippines, as part of the initiatives to achieve carbon neutrality.

Another event is the new opening of a sales office for LP gas sales in the city of Ise in Mie Prefecture in August 2023. The office is making steady progress in expanding the business base.

Performance by segment is indicated below. From the first quarter of the fiscal year under review onwards, a new order of statement of segments applies.

#### (Energy)

In the LP gas business, the number of customers increased 16,000 from the end of the previous fiscal year, to 762,000, reflecting sustained Group efforts to attract customers. Meanwhile, net sales were 34,417 million yen (down 4.3% year on year). This is attributable to a reduction in selling prices in associated with the purchase prices and a decrease in gas sales volume for households for reasons including high air temperatures.

In the city gas business, the number of customers remained at 75,000, the same level as the end of the previous fiscal year. Net sales reached 8,535 million yen (up 5.3%) due to the effects of the gas rate adjustment system.

In this segment, net sales stood at 42,952 million yen (down 2.5%) and operating loss at 740 million yen (operating loss of 216 million was posted for the same period in the previous fiscal year).

#### (Information and Communications)

In the business for consumers, it worked to gain customers in collaboration with major telecommunications carriers in the ISP business. In the mobile business, the Group broadened the LIBMO service lineup and introduced package plans with fixed lines. As a result of these measures, the number of broadband customers increased 1,000 from the end of the previous fiscal year to 666,000, while the number of LIMBO customers rose 4,000 from end of the preceding fiscal year to 75,000. Net sales reached 12,100 million yen (up 0.6% year on year).

In the business for corporate clients, net sales came to 15,356 million yen, up 9.3% year on year, reflecting steady growth in career services and cloud services.

Net sales in this segment stood at 27,457 million yen (up 5.3%), and operating profit came to 2,125 million yen (up 32.0%).

#### (CATV)

In the CATV business, the Group focused on providing local information and the production of programs as a community-based service provider. The Group collaborated with major video distributors and made other efforts to enhance content. Due to aggressive sales activities, the broadcasting services customer count rose to 916,000, an increase of 3,000 from the end of the previous fiscal year. The communications services customer count increased to 384,000, a rise of 11,000 from the end of the previous fiscal year.

Net sales in this segment stood at 17,732 million yen (up 7.0%), and operating profit came to 2,795 million yen (up 2.6%).

#### (Construction, Equipment, and Real Estate)

In the Construction, Equipment and Real Estate business, net sales stood at 10,943 million yen (down 4.7% year on year), and operating profit at 203 million yen (down 10.6%). These results are attributable chiefly to delays in the receipt of orders for facility construction projects and for equipment sales.

#### (Aqua)

In the Aqua (bottled drinking water delivery) business, the Group began dealing with pure water dispensers in an effort to continuously expand its customer base. The Group also conducted marketing activities at events in large commercial facilities as well as non-face-to-face sales activities, including online promotion and telemarketing. The number of customers grew 1,000 from the end of the previous fiscal year to 166,000.

Net sales in this segment stood at 3,883 million yen (up 1.2%), and operating profit came to 192 million yen (up 140.3%).

#### (Others)

Net sales in the nursing care business stood at 697 million yen (up 0.4%), reflecting an increase in the number of users. In the ship repair business, net sales amounted to 637 million (up 9.6%) as the number of ships that the Group repaired soared. In the bridal events business, net sales reached 549 million yen (up 37.9%), following a recovery in weddings and receptions.

As a consequence of these initiatives, net sales in this segment stood at 2,257 million yen (up 8.7% year on year) with an operating loss of 47 million yen (compared with an operating profit of 23 million yen in the same period of the previous fiscal year), reflecting a rise in costs associated with the ship repair business.

## (2) Explanation of Consolidated Financial Position

### 1) Assets, Liabilities, and Net Assets

Total assets at the end of the first six months under review stood at 190,820 million yen, a decrease of 2,518 million yen from the end of the previous fiscal year. The decrease was attributable primarily to a decline of 7,677 million yen in notes and accounts receivable - trade and contract assets mainly for seasonal reasons, which was partially offset by an increase of 1,828 million in Other as part of current assets after a rise in derivative valuations, an increase of 1,463 million yen in Other as part of investments and other assets, an increase of 1,009 million yen in property, plant and equipment and an increase of 896 million yen in cash and deposits.

Total liabilities came to 106,020 million yen, a decrease of 5,014 million yen from the end of the previous fiscal year. This was due to a fall of 4,367 million yen in notes and accounts payable-trade due to seasonal and other factors and a decline of 2,643 million yen in other in current assets, which were partially offset by an increase of 1,756 million yen in short-term borrowings.

Total net assets were 84,800 million yen, an increase of 2,496 million yen from the end of the previous fiscal year. This was chiefly due to profit attributable to owners of the parent posted at 2,219 million yen, an increase of 1,490 million yen in deferred gains or losses on hedges and an increase of 760 million yen in the valuation difference on available-for-sale securities despite dividends of surplus of 2,101 million yen.

### 2) Cash Flows

Cash and cash equivalents ("cash") as of September 30, 2023 were 5,086 million yen, an increase of 1,058 million yen from the end of the previous fiscal year.

Cash flows in the first six months under review and major contributing factors are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities was 13,765 million yen (5,808 million yen higher year on year). Cash inflows were attributable primarily to decreases in profit before income taxes and in trade receivables and depreciation as a non-cash account title, which were partially offset by income taxes paid and a decrease in notes and accounts payable-trade, among other cash outflows.

Net cash used in operating activities increased substantially year on year. This is due mainly to a greater decrease in trade receivables and to contracting increase in inventories and of income taxes paid.

#### (Cash flows from investing activities)

Net cash used in investing activities 9,704 million yen (2,843 million yen less year on year). The cash outflows were attributable primarily to purchases of property, plant and equipment and intangible assets and to expenses for acquisition of securities.

(Cash flows from financing activities)

Net cash used in financing activities was 3,018 million yen (1,309 million yen less year on year). Loans payable and other cash inflows were more than offset by cash outflows, including repayment of loans payable, repayments of lease obligations and payment of cash dividends.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information

Results in the first six months of the fiscal year under review were roughly as forecast. The earnings forecasts for the fiscal year ending March 31, 2024 announced on May 9, 2023 remain unchanged.

The earnings forecasts are based on information available at the time of publication. Actual results may differ from the forecasts due to a variety of factors.

1. Quarterly Consolidated Financial Statements and Notes  
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

|  | Fiscal Year Ended<br>March 31, 2023 | Six Months Ended<br>September 30, 2023 |
|--|-------------------------------------|--|
| <b>Assets</b>  |                                     |  |
| Current assets   |                                     |  |
| Cash and deposits  | 4,359                               | 5,256                                  |
| Notes and accounts receivable - trade, and contract assets | 29,899                              | 22,222                                 |
| Merchandise and finished goods                             | 5,448                               | 5,360                                  |
| Work in process  | 1,130                               | 1,572                                  |
| Raw materials and supplies                                 | 1,589                               | 1,522                                  |
| Other  | 9,850                               | 11,679                                 |
| Allowance for doubtful accounts                            | -454                                | -440                                   |
| Total current assets                                       | 51,824                              | 47,172                                 |
| Non-current assets   |                                     |  |
| Property, plant and equipment                              |                                     |  |
| Buildings and structures, net                              | 36,188                              | 36,563                                 |
| Machinery, equipment and vehicles, net                     | 26,038                              | 26,067                                 |
| Land   | 24,841                              | 24,884                                 |
| Other, net   | 23,316                              | 23,878                                 |
| Total property, plant and equipment                        | 110,384                             | 111,394                                |
| Intangible assets  |                                     |  |
| Goodwill   | 5,904                               | 5,814                                  |
| Other  | 4,588                               | 4,404                                  |
| Total intangible assets                                    | 10,492                              | 10,219                                 |
| Investments and other assets                               |                                     |  |
| Net defined benefit asset                                  | 4,092                               | 4,122                                  |
| Other  | 16,785                              | 18,248                                 |
| Allowance for doubtful accounts                            | -243                                | -338                                   |
| Total investments and other assets                         | 20,634                              | 22,032                                 |
| Total non-current assets                                   | 141,511                             | 143,645                                |
| Deferred assets  | 3                                   | 3                                      |
| <b>Total assets</b>  | <b>193,339</b>                      | <b>190,820</b>                         |

(Millions of yen)

|   | Fiscal Year Ended<br>March 31, 2023 | Six Months Ended<br>September 30, 2023 |
|---|-------------------------------------|--|
| <b>Liabilities</b>                                    |                                     |  |
| Current liabilities                                   |                                     |  |
| Notes and accounts payable–trade                      | 19,801                              | 15,434                                 |
| Short-term borrowings                                 | 15,753                              | 17,509                                 |
| Income taxes payable                                  | 2,247                               | 2,007                                  |
| Other provisions                                      | 1,570                               | 1,815                                  |
| Other   | 21,673                              | 19,029                                 |
| Total current liabilities                             | 61,046                              | 55,796                                 |
| Non-current liabilities                               |                                     |  |
| Long-term borrowings                                  | 30,855                              | 30,758                                 |
| Other provisions                                      | 342                                 | 295                                    |
| Retirement benefit liability                          | 1,377                               | 1,445                                  |
| Other   | 17,412                              | 17,723                                 |
| Total non-current liabilities                         | 49,988                              | 50,223                                 |
| Total liabilities                                     | 111,034                             | 106,020                                |
| <b>Net assets</b>                                     |                                     |  |
| Shareholders' equity                                  |                                     |  |
| Capital stock   | 14,000                              | 14,000                                 |
| Capital surplus                                       | 25,566                              | 25,566                                 |
| Retained earnings                                     | 38,526                              | 38,644                                 |
| Treasury stock  | -2,601                              | -2,561                                 |
| Total shareholders' equity                            | 75,492                              | 75,650                                 |
| Accumulated other comprehensive income                |                                     |  |
| Valuation difference on available-for-sale securities | 1,458                               | 2,218                                  |
| Deferred gains or losses on hedges                    | —                                   | 1,490                                  |
| Foreign currency translation adjustment               | 741                                 | 916                                    |
| Remeasurements of defined benefit plans               | 2,492                               | 2,332                                  |
| Total accumulated other comprehensive income          | 4,692                               | 6,958                                  |
| Share acquisition rights                              | 36                                  | 50                                     |
| Non-controlling interests                             | 2,083                               | 2,141                                  |
| Total net assets                                      | 82,304                              | 84,800                                 |
| Total liabilities and net assets                      | 193,339                             | 190,820                                |



(2) Quarterly Consolidated Statements of Income, Consolidated Statements of Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(Six-months Ended September 30, 2023)

(Millions of yen)

|  | Six Months Ended<br>September 30, 2022<br>(April 1, 2022 to<br>September 30, 2022) | Six Months Ended<br>September 30, 2023<br>(April 1, 2023 to<br>September 30, 2023) |
|--|--|--|
| Sales  | 104,110  | 105,226  |
| Cost of sales  | 64,874   | 64,715   |
| Gross profit   | 39,236   | 40,510   |
| Selling, general and administrative expenses                   | 34,982   | 36,255   |
| Operating profit   | 4,253  | 4,254  |
| Non-operating profit   |  |  |
| Interest income  | 10   | 5  |
| Dividend income  | 122  | 133  |
| Commission fee   | 14   | 13   |
| Other  | 192  | 172  |
| Total non-operating profit                                     | 339  | 325  |
| Non-operating expenses   |  |  |
| Interest expenses  | 132  | 147  |
| Share of loss of entities accounted for using equity method    | 1,963  | 37   |
| Other  | 64   | 39   |
| Total non-operating expenses                                   | 2,160  | 224  |
| Recurring profit   | 2,432  | 4,355  |
| Extraordinary income   |  |  |
| Gain on sales of non-current assets                            | 27   | 167  |
| Gain on sale of investment securities                          | 64   | —  |
| Transmission line equipment subsidy                            | 60   | 23   |
| Subsidy income   | 3  | 2  |
| Total extraordinary income                                     | 156  | 193  |
| Extraordinary losses   |  |  |
| Loss on sales of non-current assets                            | 0  | —  |
| Loss on retirement of non-current assets                       | 401  | 597  |
| Loss on valuation of investment securities                     | 314  | 33   |
| Total extraordinary losses                                     | 716  | 630  |
| Quarterly net income before income taxes                       | 1,873  | 3,918  |
| Income taxes (current)   | 1,614  | 1,831  |
| Income taxes (deferred)  | 22   | -199   |
| Total income taxes   | 1,637  | 1,632  |
| Quarterly net income   | 236  | 2,286  |
| Quarterly net income attributable to non-controlling interests | 88   | 66   |
| Quarterly net income attributable to owners of the parent      | 147  | 2,219  |

(Consolidated Statements of Comprehensive Income)  
(Six-months Ended September 30, 2023)

(Millions of yen)

|   | Six Months Ended<br>September 30, 2022<br>(April 1, 2022 to<br>September 30, 2022) | Six Months Ended<br>September 30, 2023<br>(April 1, 2023 to<br>September 30, 2023) |
|---|--|--|
| Quarterly net income  | 236  | 2,286  |
| Other comprehensive income  |  |  |
| Valuation difference on available-for-sale securities                             | 516  | 760  |
| Deferred gains (losses) on hedges   | —  | 1,490  |
| Foreign currency translation adjustment   | -2   | 10   |
| Remeasurements of defined benefit plans, net of tax                               | -161   | -159   |
| Share of other comprehensive income of entities accounted for using equity method | 529  | 165  |
| Total other comprehensive income  | 881  | 2,267  |
| Quarterly comprehensive income  | 1,117  | 4,553  |
| (Breakdown)   |  |  |
| Quarterly comprehensive income attributable to owners of the parent               | 1,025  | 4,486  |
| Quarterly comprehensive income attributable to non-controlling interests          | 91   | 67   |

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

|  | Six Months Ended<br>September 30, 2022<br>(April 1, 2022 to<br>September 30, 2022) | Six Months Ended<br>September 30, 2023<br>(April 1, 2023 to<br>September 30, 2023) |
|--|--|--|
| <b>Cash flows from operating activities</b>                          |  |  |
| Quarterly net income before income taxes                             | 1,873  | 3,918  |
| Depreciation   | 7,498  | 7,800  |
| Amortization of goodwill   | 489  | 483  |
| Increase (decrease) in net defined benefit asset and liability       | -204   | -189   |
| Interest and dividend income   | -132   | -139   |
| Loss (gain) on sales of investment securities                        | -64  | —  |
| Interest expenses  | 132  | 147  |
| Share of loss (profit) of entities accounted for using equity method | 1,963  | 37   |
| Loss (gain) on sale of property, plant and equipment                 | -27  | -167   |
| Loss (gain) on valuation of investment securities                    | 314  | 33   |
| Loss on retirement of non-current assets                             | 401  | 597  |
| Decrease (increase) in trade receivables                             | 5,625  | 8,127  |
| Decrease (increase) in inventories                                   | -2,471   | -26  |
| Increase (decrease) in trade payables                                | -2,310   | -4,377   |
| Other  | -1,992   | -1,006   |
| Subtotal   | 11,094   | 15,239   |
| Income taxes paid  | -3,137   | -1,474   |
| Net cash provided by (used in) operating activities                  | 7,956  | 13,765   |
| <b>Cash flows from investing activities</b>                          |  |  |
| Interest and dividend income received                                | 172  | 165  |
| Purchase of securities   | -1,150   | -1,014   |
| Proceeds from sales of securities                                    | 95   | —  |
| Purchase of tangible and intangible assets                           | -6,699   | -8,663   |
| Proceeds from sales of tangible and intangible assets                | 251  | 504  |
| Loan advances  | —  | -560   |
| Proceeds from collection of loans receivable                         | 601  | 6  |
| Other  | -132   | -142   |
| Net cash provided by (used in) investing activities                  | -6,861   | -9,704   |
| <b>Cash flows from financing activities</b>                          |  |  |
| Interest expenses paid   | -135   | -151   |
| Net increase (decrease) in short-term loans payable                  | 2,300  | 1,784  |
| Repayments of lease obligations                                      | -2,294   | -2,417   |
| Proceeds from long-term loans payable                                | 5,950  | 5,400  |
| Repayment of long-term loans payable                                 | -5,288   | -5,525   |
| Payments for acquisition of treasury stock                           | -0   | -0   |
| Cash dividends paid  | -2,231   | -2,099   |
| Other  | -8   | -9   |
| Net cash provided by (used in) financing activities                  | -1,709   | -3,018   |
| Effect of exchange rate change on cash and cash equivalents          | 5  | 16   |
| Net increase (decrease) in cash and cash equivalents                 | -608   | 1,058  |
| Cash and cash equivalents at beginning of period                     | 4,447  | 4,028  |
| Cash and cash equivalents at end of period                           | 3,838  | 5,086  |

(4) Notes on Quarterly Consolidated Financial Statements  
(Notes on Going Concern Assumptions)  
Not applicable

(Notes on Significant Changes in Shareholders' Equity)  
Not applicable

(Segment Information, etc.)

We have changed the order of the reporting segments from the first consolidated accounting period. As a result, we have also changed the order of the reporting segments for the second consolidated cumulative period in the same way.

[Segment Information]

I. Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)

Information on net sales and profit or loss by reportable segment

(Millions of yen)

|                                  | Reportable segments |  |        |   |       |          | Other<br>*1 | Total   | Adjustments<br>*2 | Amount in<br>quarterly<br>consolidated<br>statement of<br>income *3 |
|----------------------------------|---------------------|--|--------|---|-------|----------|-------------|---------|-------------------|---|
|                                  | Energy              | Information<br>and<br>Communicat<br>ions | CATV   | Construction<br>,<br>Equipment,<br>and Real<br>Estate | Aqua  | Subtotal |             |         |                   |   |
| Net sales                        |                     |  |        |   |       |          |             |         |                   |   |
| Sales to external customers      | 44,053              | 26,078                                   | 16,574 | 11,486  | 3,838 | 102,033  | 2,077       | 104,110 | —                 | 104,110   |
| Intra-segment sales and transfer | 98                  | 2,038                                    | 245    | 479   | 125   | 2,987    | 177         | 3,165   | -3,165            | —   |
| Subtotal                         | 44,152              | 28,117                                   | 16,820 | 11,966  | 3,964 | 105,021  | 2,254       | 107,276 | -3,165            | 104,110   |
| Segment profit (loss)            | -216                | 1,609                                    | 2,724  | 227   | 80    | 4,425    | 23          | 4,449   | -195              | 4,253   |

(Notes) 1. The "Others" category is a business segment not included in the reportable segments. This category includes businesses such as weddings, ship repair, insurance, and nursing care.

2. Adjustments to segment profit (loss) are eliminations due to intra-segment transactions.

3. Segment profit (loss) is adjusted to match operating profit in the quarterly consolidated statements of income.

II. Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

Information on net sales and profit or loss by reportable segment

(Millions of yen)

|                                  | Reportable segments |  |        |   |       |          | Other<br>*1 | Total   | Adjustments<br>*2 | Amount in<br>quarterly<br>consolidated<br>statement of<br>income *3 |
|----------------------------------|---------------------|--|--------|---|-------|----------|-------------|---------|-------------------|---|
|                                  | Energy              | Information<br>and<br>Communicat<br>ions | CATV   | Construction<br>,<br>Equipment,<br>and Real<br>Estate | Aqua  | Subtotal |             |         |                   |   |
| Net sales                        |                     |  |        |   |       |          |             |         |                   |   |
| Sales to external customers      | 42,952              | 27,457                                   | 17,732 | 10,943  | 3,883 | 102,968  | 2,257       | 105,226 | —                 | 105,226   |
| Intra-segment sales and transfer | 78                  | 2,692                                    | 209    | 475   | 139   | 3,595    | 164         | 3,760   | -3,760            | —   |
| Subtotal                         | 43,030              | 30,150                                   | 17,941 | 11,419  | 4,022 | 106,564  | 2,422       | 108,986 | -3,760            | 105,226   |
| Segment profit (loss)            | -740                | 2,125                                    | 2,795  | 203   | 192   | 4,576    | -47         | 4,529   | -274              | 4,254   |

(Notes) 1. The "Others" category is a business segment not included in the reportable segments. This category includes businesses such as weddings, ship repair, insurance, and nursing care.

2. Adjustments to segment profit (loss) are eliminations due to intra-segment transactions.

3. Segment profit (loss) is adjusted to match operating profit in the quarterly consolidated statements of income.