

2. Dividends

	Annual Dividend					Total Dividends	Payout Ratio (Consolidated)	Dividend on Equity (Consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ending March 31, 2023	—	16.00	—	16.00	33.00	4,203	64.8	5.3
Year ending March 31, 2024	—	16.00		17.00	33.00	4,334	50.8	5.1
Year ending March 31, 2025 (Forecast)		17.00	—	17.00	34.00		49.3	

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% figures represent year-on-year changes)

	Sales		Operating Profit		Recurring Profit		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2025	244,000	5.4	16,000	3.2	16,000	3.0	9,000	6.1	68.90

*Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries affecting the scope of consolidation): No

(2) Changes in accounting policies, estimates, and restatements

1) Changes in accounting policies accompanying revisions in accounting standards, etc.: No

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatements: No

(3) Number of shares issued (common stock)

1) Shares issued at the end of each period (including treasury stock):

FY3/2024	139,679,977 shares	FY3/2023	139,679,977 shares
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2) Number of shares of treasury stock at the end of each period:

FY3/2024	9,051,754 shares	FY3/2023	9,105,687 shares
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3) Average number of shares during the period (cumulative):

FY3/2024	130,608,722 shares	FY3/2023	130,865,731 shares
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(Note) The number of treasury shares at the end of the period includes the company's shares held by the Board Benefit Trust (BBT) (730,500 shares for the fiscal year ending March 2024, and 782,100 shares for the fiscal year ending March 2023). Also, the treasury shares deducted in the calculation of the average number of shares during the period include the company's shares held by the Board Benefit Trust (BBT) (747,559 shares for the fiscal year ending March 2024, and 491,023 shares for the fiscal year ending March 2023).

(Reference) Overview of Non-Consolidated Operating Performance

Operating Performance for the Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results

(% figures represent year-on-year changes)

	Sales		Operating Profit		Recurring Profit		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	9,161	-6.0	3,132	-30.2	3,177	-30.8	3,337	-20.9
Year ended March 31, 2023	9,751	-3.7	4,490	-7.7	4,590	-5.9	4,220	-14.1

	Net Income per Share		Net Income per Share (Diluted)	
	Yen		Yen	
Year ended March 31, 2024	25.56		25.55	
Year ended March 31, 2023	32.25		-	

(2) Non-Consolidated financial Position

	Total Assets		Net Assets		Equity Ratio	Net Assets per Share
	Millions of yen		Millions of yen		%	Yen
Year ended March 31, 2024	103,010		40,042		38.8	306.15
Year ended March 31, 2023	102,682		41,040		39.9	314.03

(Reference) Equity: 39,992 million yen for the Year ended March 31, 2024

41,003 million yen for the Year ended March 31, 2023

* The financial results brief is not subject to audit by a certified public accountant or an audit corporation.

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

(Note on Descriptions Regarding the Future)

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.

Contents

1. Overview of Operating Results and Financial Position.....	2
(1) Overview of Operating Results	2
(2) Overview of Financial Position	4
(3) Overview of Cash Flows	4
(4) Future Outlook.....	5
(5) Basic Profit Distribution Policies and Dividends for the Current and Next Fiscal Years	5
2. Basic Perspective on Selection of Accounting Standards	6
3. Consolidated Financial Statements	7
(1) Consolidated Balance Sheets.....	7
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	9
(3) Statement of Changes in Consolidated Shareholders' Equity	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes to the Consolidated Financial Statements.....	15
(Notes on Going Concern Assumptions)	15
(Segment Information).....	15
(Per-Share Information)	18
(Important Subsequent Events)	19
4. Other	20
(1) Changes in Executive Positions.....	20

1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results

Consolidated operating results for the fiscal year under review

In the current consolidated fiscal year, the business environment surrounding our group has been on a moderate recovery trend, with improvements in employment and income conditions and the effects of various policies. On the other hand, the situation remains uncertain, with concerns about further increases in energy prices due to the tense situation in the Middle East and the depreciation of the yen.

Under such circumstances, our group announced the "Medium-Term Management Plan 2025" in May 2023. In this medium-term management plan, we have set three key messages for the sustainable growth of our group: ① growth of business profitability, ② strengthening of the foundation for sustainable growth, and ③ maximization of human resources and organizational vitality.

As for the performance in the current consolidated fiscal year, the number of our group's ongoing transaction customers increased by 59,000 (an increase of 106,000 in the previous consolidated fiscal year), reaching 3,358,000. The number of TLC members increased by 56,000 (an increase of 71,000 in the previous consolidated fiscal year), reaching 1,214,000. As a result of the increase in the number of group customers, sales reached a record high of 231,513 million yen (an increase of 0.6% compared to the previous consolidated fiscal year), marking the seventh consecutive year of sales growth. Operating profit was 15,511 million yen (an increase of 4.0%). In addition, ordinary profit was 15,531 million yen (an increase of 16.9%) due to a decrease in the burden of equity-method investment losses, and net profit attributable to owners of the parent company was 8,481 million yen (an increase of 31.2%).

As for the topics in the current consolidated fiscal year, in July 2023, as part of our efforts to achieve carbon neutrality, we invested in REPOWER ENERGY DEVELOPMENT CORPORATION, a subsidiary of the Pure Energy Holdings Corporation group, which operates a renewable energy generation business in the Republic of the Philippines. In addition, we made an additional investment in the company in February 2024 and made it an equity-method affiliate. In August 2023, we established a new business base for LP gas sales in Ise City, Mie Prefecture, and have been steadily achieving results in expanding our business foundation. In October of the same year, we were promoted to the highest level of "AWS Premier Tier Service Partner" in the AWS Partner Network, a partner certification program of Amazon Web Services (AWS)*, becoming the 14th company in Japan to do so. In December of the same year, we invested in Albatross Technology Co., Ltd. (Chuo-ku, Tokyo), which is working on the development of floating offshore wind power generation and will use it to promote our group's GX (Green Transformation). In addition, in January 2024, we made UIS Co., Ltd. (Chiyoda-ku, Tokyo), which is engaged in contract development of systems and application development for medical institutions, a consolidated subsidiary. Furthermore, in March of the same year, we signed a stock transfer agreement to acquire the shares of Fuji Pro Co., Ltd. (Chigasaki City, Kanagawa Prefecture), which operates an LP gas business, and will make it a consolidated subsidiary from April of the same year.

We will continue to actively pursue business investments such as expanding our share and M&A, and strive for sustainable growth.

*Amazon Web Services (AWS): A cloud service provided by Amazon Web Services, Inc.

Performance by segment is indicated below. Starting from the current consolidated fiscal year, the order of segment descriptions has changed.

(Energy)

Regarding our LP gas business, we continued to promote customer acquisition, resulting in an increase of 33,000 households from the end of the previous fiscal year, bringing the total to 778,000 households. Despite a decrease in per-unit consumption of household gas due to high temperatures, the increase in the number of households led to a sales revenue of 83,688 hundred million yen (an increase of 0.9% compared to the previous fiscal year).

As for our city gas business, the number of households remained the same as the end of the previous fiscal year at 75,000. Also, due to the impact of the raw material cost adjustment system linked to procurement costs, sales revenue was 17,285 hundred million yen (a decrease of 11.8% compared to the same period).

As a result, the sales revenue of this segment was 100,974 hundred million yen (a decrease of 1.5% compared to the same period), but the operating profit was 5,086 hundred million yen (an increase of

18.7% compared to the same period) due to the increase in the number of LP gas households and other factors.

(Information and Communications)

Regarding our consumer business, we strengthened customer acquisition in our ISP business through partnerships with major mobile carriers, and in our mobile business, we promoted customer acquisition through expanding the service menu of LIBMO and offering set plans with fixed lines. As a result of these measures, the number of broadband customers increased by 3,000 from the end of the previous fiscal year to 668,000, and the number of LIBMO customers increased by 9,000 to 80,000. However, due to a decrease in ARPU, sales revenue was 24,226 hundred million yen (a decrease of 0.7% compared to the same period).

Regarding our corporate business, sales revenue was 32,442 hundred million yen (an increase of 9.8% compared to the same period) due to the steady progress of carrier services and cloud services.

As a result, the sales revenue of this segment was 56,669 hundred million yen (an increase of 5.0% compared to the same period), and the operating profit was 4,223 hundred million yen (an increase of 10.0% compared to the same period).

(CATV)

Regarding our CATV business, as a local business operator, we have been focusing on local information dissemination and program production, as well as striving to enrich our content through partnerships with major video distribution operators. In addition, by actively conducting sales activities in new areas, the number of broadcasting service customers increased by 5,000 from the end of the previous fiscal year to 919,000, and the number of communication service customers increased by 21,000 to 394,000.

As a result, the sales revenue of this segment was 35,761 hundred million yen (an increase of 3.7% compared to the same period), and due to the upfront investment related to customer acquisition, the operating profit was 5,509 hundred million yen (a decrease of 0.2% compared to the same period).

(Construction, Equipment, and Real Estate)

Regarding our building facilities and real estate business, although the sale of subdivision lots proceeded smoothly, factors such as a decrease in large-scale civil engineering and facility construction led to a sales revenue of this segment of 25,038 hundred million yen (a decrease of 6.6% compared to the same period), and an operating profit of 1,172 hundred million yen (a decrease of 10.7% compared to the same period).

(Aqua)

Regarding our Aqua business, we started handling water dispensers with built-in purifiers in April 2023 and worked to expand our customer base further. In addition, through event sales at large commercial facilities, web acquisitions, telemarketing, etc., the number of customers increased by 2,000 from the end of the previous fiscal year to 167,000.

As a result of these efforts, the sales revenue of this segment was 7,743 hundred million yen (an increase of 2.8% compared to the same period), and due to the reduction of acquisition costs, the operating profit was 352 hundred million yen (an increase of 34.3% compared to the same period).

(Others)

Among other businesses, in our nursing care business, an increase in the number of users led to a sales revenue of 1,411 hundred million yen (an increase of 3.6% compared to the same period). In our ship repair business, an increase in the number of repairs led to a sales revenue of 1,800 hundred million yen (an increase of 5.3% compared to the same period). In our wedding event business, a recovery in usage led to a sales revenue of 1,273 hundred million yen (an increase of 25.8% compared to the same period).

As a result of these, the sales revenue of this segment was 5,325 hundred million yen (an increase of 9.2% compared to the same period), but due to an increase in operating expenses, the operating profit was 34 hundred million yen (a decrease of 79.3% compared to the same period).

(2) Overview of Financial Position

The total assets at the end of the current fiscal year were 205,301 million yen, an increase of 11,961 million yen compared to the end of the previous fiscal year. This was mainly due to increases in investment securities of 4,966 million yen, tangible fixed assets of 3,913 million yen, and assets related to retirement benefits of 2,356 million yen.

The total liabilities were 114,000 million yen, an increase of 2,965 million yen compared to the end of the previous fiscal year. This was mainly due to increases in long-term loans payable of 1,249 million yen, unpaid corporation taxes of 809 million yen, and an increase in other current liabilities due to an increase in accounts payable of 802 million yen.

The total net assets were 91,300 million yen, an increase of 8,996 million yen compared to the end of the previous fiscal year. This was mainly due to the fact that while dividends from surplus of 4,203 million yen were paid, the current net income attributable to the parent company shareholders of 8,481 million yen was recorded, in addition to increases in other securities valuation difference of 1,905 million yen, accumulated adjustment for retirement benefits of 1,281 million yen, and deferred hedge losses of 1,143 million yen.

(3) Overview of Cash Flows

The cash and cash equivalents (hereinafter referred to as "funds") at the end of the current fiscal year increased by 1,576 million yen from the end of the previous fiscal year to 5,604 million yen.

The status of each cash flow during the current fiscal year and the factors for them are as follows:

(Cash flows from operating activities)

Cash flows from operating activities resulted in an increase in funds of 30,066 million yen (an increase of 8,872 million yen compared to the previous period). This was due to an increase in funds due to factors such as profit before tax for the current period, a decrease in inventories, and non-cash items such as depreciation expenses, while funds decreased due to payments such as corporate taxes.

(Cash flows from investing activities)

Cash flows from investing activities resulted in a decrease in funds of 18,831 million yen (a decrease of 4,678 million yen compared to the same period). This was due to expenditures such as the acquisition of tangible and intangible fixed assets and the acquisition of shares of related companies.

(Cash flows from financing activities)

Cash flows from financing activities resulted in a decrease in funds of 9,669 million yen (a decrease of 2,210 million yen compared to the same period). This was due to repayments of borrowings and lease liabilities and payment of dividends, while funds were procured through borrowings.

The trend of cash flow-related indicators of our group is as follows.

	FY03/20	FY03/21	FY03/22	FY03/23	FY03/24
Equity ratio (%)	38.0	41.6	41.9	41.5	43.4
Equity ratio on a market-value basis (%)	72.2	70.0	61.1	59.0	62.9
Ratio of interest-bearing debt to cash flow (times)	2.1	1.3	2.1	2.2	1.5
Interest coverage ratio(times)	72.3	108.2	75.4	77.5	96.5

(Notes) Equity ratio: Shareholders' equity / Total assets

Equity ratio on a market-value basis: Total value of shares at market price/Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest payments

* All financial indicators are calculated on a consolidated basis

* Market capitalization is based on the year-end closing share price multiplied by the number of shares outstanding at year-end (excluding treasury stock).

* Operating cash flow is based on cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debt covers bonds payable and loans payable in the consolidated balance sheets. Interest payments are based on the interest expenses paid shown in the consolidated statements of cash flows.

(4) Future outlook

Our group has formulated the TOKAI Group "Medium-Term Management Plan 2025" for the three years from fiscal 2023 to 2025. In this medium-term plan, we have set the themes of (1) growth of business profitability, (2) strengthening of the foundation for sustainable growth, and (3) maximization of human resources and organizational vitality as the issues to be addressed for the sustainable growth of our group.

For the fiscal year 2024, we plan to increase sales by increasing the number of customers and expanding the area mainly in our main businesses, and we expect to increase operating profit, ordinary profit, and net profit attributable to owners of the parent company, while incorporating appropriate business strategy costs and other expenses.

The consolidated earnings forecast for FY2024 is as follows.

<Consolidated earnings forecast for FY2024>

Net sales	244,000 million yen (+5.4% year on year)
Operating profit	16,000 million yen (+3.2% year on year)
Ordinary profit	16,000 million yen (+3.0% year on year)
Profit attributable to owners of parent	9,000 million yen (+6.1% year on year)

These earnings forecasts are based on information currently available to the Company. Actual results may differ from forecasts due to a variety of factors.

(5) Basic Profit Distribution Policies and Dividends for the Current and Next Fiscal Years

The Company's basic policy on profit distribution is to maintain stable dividends that reflect consolidated earnings, as well as a dividend payout ratio of 40–50%.

The dividend per share for the current period is planned to be 33 yen per year, adding the year-end dividend of 17 yen to the already implemented interim dividend of 16 yen. For the next period's dividend, we plan to have an annual dividend of 34 yen, with an interim dividend of 17 yen and a year-end dividend of 17 yen.

2. Basic Perspective on Selection of Accounting Standards

As the Group conducts its operations primarily in Japan, with little overseas activity, we intend to comply with Japanese Generally Accepted Accounting Principles (J-GAAP) for the foreseeable future. However, we will consider the adoption of International Financial Reporting Standards (IFRS), taking into account various situations in Japan and overseas.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,359	5,758
Notes and accounts receivable - trade and contract assets, net	29,899	30,241
Merchandise and finished goods	5,448	4,627
Work in process	1,130	959
Raw materials and supplies	1,589	1,530
Other	9,850	12,080
Allowance for doubtful accounts	- 454	- 478
Total current assets	51,824	54,719
Non-current assets		
Property, plant and equipment		
Buildings and structures	139,650	142,533
Accumulated depreciation	- 103,462	- 105,187
Buildings and structures, net	36,188	37,345
Machinery, equipment and vehicles	112,439	115,455
Accumulated depreciation	- 86,401	- 88,585
Machinery, equipment and vehicles, net	26,038	26,869
Land	24,841	24,909
Leased assets	29,035	31,761
Accumulated depreciation	- 12,318	- 13,975
Leased assets, net	16,716	17,785
Construction in progress	1,378	1,868
Other	17,698	18,721
Accumulated depreciation	- 12,477	- 13,202
Other, net	5,221	5,519
Total property, plant and equipment	110,384	114,298
Intangible assets		
Goodwill	5,904	5,422
Leased assets	599	512
Other	3,988	4,158
Total intangible assets	10,492	10,093
Investments and other assets		
Investment securities	9,829	14,796
Long-term loans receivable	66	64
Deferred tax assets	2,286	658
Retirement benefit asset	4,092	6,448
Other	4,603	4,497
Allowance for doubtful accounts	- 243	- 280
Total investments and other assets	20,634	26,185
Total non-current assets	141,511	150,578
Deferred assets	3	3
Total assets	193,339	205,301

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable–trade	19,801	19,825
Short-term loans payable	15,753	14,190
lease obligations	4,479	4,896
Income taxes payable	2,247	3,056
Provision for bonuses	1,525	1,614
Other accruals	45	182
Other	17,193	17,995
Total current liabilities	61,046	61,761
Non-current liabilities		
Long-term borrowings	30,855	32,105
Lease obligations	13,823	14,338
Other accruals	342	398
Net defined benefit liability	1,377	1,523
Other	3,588	3,872
Total non-current liabilities	49,988	52,238
Total liabilities	111,034	114,000
Net assets		
Shareholders' equity		
Capital stock	14,000	14,000
Capital surplus	25,566	25,570
Retained earnings	38,526	42,804
Treasury stock	-2,601	-2,562
Total shareholders' equity	75,492	79,812
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,458	3,363
Deferred Hedge Gains and Losses	—	1,143
Foreign currency translation adjustment	741	939
Remeasurements of defined benefit plans	2,492	3,773
Total accumulated other comprehensive income	4,692	9,221
Share acquisition rights	36	50
Non-controlling interests	2,083	2,216
Total net assets	82,304	91,300
Total liabilities and net assets	193,339	205,301

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Sales	230,190	231,513
Cost of sales	144,129	141,561
Gross profit	86,060	89,951
Selling, general and administrative expenses	71,141	74,440
Operating profit	14,919	15,511
Non-operating profit		
Interest income	12	16
Dividend income	226	256
Commission income	34	47
Other	445	397
Total non-operating income	719	717
Non-operating expenses		
Interest expenses	271	310
Share of loss of entities accounted for using equity method	1,977	294
Other	101	92
Total non-operating expenses	2,349	697
Recurring profit	13,289	15,531
Extraordinary income		
Gain on sales of non-current assets	36	172
Gain on sale of investment securities	146	3
Gain on bargain purchase	51	—
Transmission line facility subsidies	118	111
Subsidy income	12	9
Total extraordinary income	364	297
Extraordinary losses		
Loss on sales of non-current assets	3	0
Loss on retirement of non-current assets	845	1,297
Impairment loss	373	618
Loss on valuation of investment securities	224	33
Special Investigation Expense	324	—
Foreign Exchange Conversion Adjustment Account Write-off Loss	—	45
Total extraordinary losses	1,772	1,996
Net income before income taxes	11,882	13,833
Income taxes (current)	4,991	5,219
Income taxes (deferred)	240	—
Total income taxes	5,231	5,219
Net income	6,650	8,622
Net income attributable to non-controlling interests	185	141
Net income attributable to owners of the parent	6,465	8,481

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	6,650	8,622
Other comprehensive income		
Valuation difference on available-for-sale securities	852	1,905
Deferred gains (losses) on hedges	—	1,143
Foreign currency translation adjustment	0	44
Remeasurements of defined benefit plans, net of tax	- 151	1,281
Share of other comprehensive income of entities accounted for using the equity method	373	155
Total other comprehensive income	1,074	4,530
Comprehensive income	7,725	13,153
(Breakdown)		
Comprehensive income attributable to owners of the parent	7,538	13,010
Comprehensive income attributable to non-controlling interests	186	142

(3) Statement of Changes in Consolidated Shareholders' Equity
 Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Restated balance	14,000	25,552	36,395	- 2,332	73,615
Change during the year					
Dividends of surplus			(4,334)		(4,334)
Net income attributable to owners of the parent			6,465		6,465
Acquisition of treasury shares				(278)	(278)
Disposition of treasury shares		14		9	23
Net changes of items other than shareholders' equity					-
Total change during the year	-	14	2,130	- 268	1,876
Balance at end of period	14,000	25,566	38,526	- 2,601	75,492

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Restated balance	605	-	369	2,643	3,619	9	1,702	78,946
Change during the year								
Dividends of surplus								- 4,334
Net income attributable to owners of the parent								6,465
Acquisition of treasury shares								- 278
Disposition of treasury shares								23
Net changes of items other than shareholders' equity	852	-	371	- 151	1,073	27	381	1,481
Total change during the year	852	-	371	- 151	1,073	27	381	3,358
Balance at end of period	1,458	-	741	2,492	4,692	36	2,083	82,304

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Restated balance	14,000	25,566	38,526	- 2,601	75,492
Change during the year					
Dividends of surplus			- 4,203		- 4,203
Net income attributable to owners of the parent			8,481		8,481
Acquisition of treasury shares				- 0	- 0
Disposition of treasury shares		3		39	43
Net changes of items other than shareholders' equity					-
Total change during the year	-	3	4,277	38	4,320
Balance at end of period	14,000	25,570	42,804	- 2,562	79,812

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Restated balance	1,458	-	741	2,492	4,692	36	2,083	82,304
Change during the year								
Dividends of surplus								- 4,203
Net income attributable to owners of the parent								8,481
Acquisition of treasury shares								- 0
Disposition of treasury shares								43
Net changes of items other than shareholders' equity	1,905	1,143	198	1,281	4,529	13	133	4,676
Total change during the year	1,905	1,143	198	1,281	4,529	13	133	8,996
Balance at end of period	3,363	1,143	939	3,773	9,221	50	2,216	91,300

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Net income before income taxes and minority interests	11,882	13,833
Depreciation	15,239	15,738
Amortization of goodwill	985	957
Gain on bargain purchase	- 51	—
Impairment loss	373	618
Increase in net defined benefit asset and liability	- 422	- 393
Interest and dividend income	- 239	- 273
(Gain) loss on sale of investment securities	- 146	- 3
Interest expenses	271	310
Share of loss (profit) of entities accounted for using equity method	1,977	294
(Gain) loss on sales of non-current assets	- 32	- 172
Loss (gain) on valuation of investment securities	224	33
Loss on retirement of non-current assets	845	1,297
Increase (decrease) in notes and accounts payable	- 655	- 140
(Increase) decrease in inventories	- 1,918	1,324
Increase (decrease) in notes and accounts payable—trade	1,048	- 54
Increase (decrease) in accounts payable - other	80	397
Other	- 1,694	242
Subtotal	27,767	34,010
Income taxes paid	- 6,573	- 3,944
Net cash provided by operating activities	21,193	30,066
Cash flows from investing activities		
Interest and dividend income received	310	322
Proceeds from withdrawal of time deposits	5	193
Purchase of securities	- 1,156	- 102
Proceeds from sales of securities	199	18
Purchase of tangible and intangible assets	- 13,963	- 16,371
Proceeds from sales of tangible and intangible assets	378	582
Payments for retirement of non-current assets	- 299	- 616
Proceeds from contribution received for construction	173	290
Purchase of shares of subsidiaries resulting in change in scope of consolidation	- 285	- 276
Purchase of shares of subsidiaries and associates	—	- 2,345
Loan advances	—	- 560
Collection of loans receivable	607	29
Other	- 117	3
Net cash provided by (used in) in investing activities	- 14,152	- 18,831

(Millions of yen)

	Fiscal Year Ended March 31, 2023	Fiscal Year Ended March 31, 2024
Cash flows from financing activities		
Interest expenses paid	- 273	- 311
Net increase (decrease) in short-term loans payable	1,165	- 1,815
Repayments of lease obligations	- 4,581	- 4,836
Proceeds from long-term loans payable	11,600	12,350
Repayment of long-term loans payable	- 10,750	- 10,847
Payments for acquisition of treasury stock	- 278	- 0
Cash dividends paid	- 4,333	- 4,201
Other	- 8	- 6
Net cash provided by (used in) financing activities	- 7,459	- 9,669
Effect of exchange rate change on cash and cash equivalents	- 0	10
Net increase (decrease) in cash and cash equivalents	- 418	1,576
Cash and cash equivalents at beginning of period	4,447	4,028
Cash and cash equivalents at end of period	4,028	5,604

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

(Segment Information)

[Segment Information]

From this consolidated fiscal year, we have changed the order of the reporting segments. Accordingly, we have also changed the order of the reporting segments for the previous consolidated fiscal year in the same manner.

1. Outline of reportable segments

The Group's reportable segments are constituent units of the Group for which discrete financial information can be obtained, and for which the Board of Directors can decide on the allocation of management resources and evaluate operating performance. Consequently, the segments are principal categories that allow for regular consideration.

The Group establishes operational headquarters by product and service. Each operational headquarters drafts comprehensive strategies for the products and services it handles, and conducts business activities accordingly.

Consequently, in principle the product- and service-specific operational headquarters that form this base comprise the Group's five reportable segments: Energy; Information and Communications; CATV; Construction, Equipment, and Real Estate; and Aqua.

In the Energy segment, the Group sells LP gas, liquefied natural gas (LNG), and other high-pressure gases; markets petroleum products; supplies city gas; sells relevant products; performs construction of energy-related facilities and equipment; and provides security services.

In the Information and Communications segment, the Group develops computer software; processes information; provides Internet connectivity; sells communications equipment; and performs agent operations.

In the CATV segment, the Group provides broadcasting and Internet connectivity services utilizing CATV networks.

In the Construction, Equipment, and Real Estate segment, the Group constructs residential facilities and other buildings; develops, sells, and leases real estate; sells construction materials and residential equipment; installs pre-furnished equipment and appliances in buildings; and operates home renovation, civil engineering, and electrical construction businesses.

In the Aqua segment, the Group produces and sells bottled drinking water.

2. Method of Calculation of Amounts in Sales, Profit and Losses, Assets, Liabilities, and Other Items for Each Reportable Segment

The accounting methods used in reportable business segments are the same as specified in "Significant Matters Forming the Basis of Preparing the Consolidated Financial Statements."

Profit for reportable segments is based on operating profit, and intra-segment sales and transfers are conducted at prevailing market prices.

3. Information Related to Sales, Profit and Losses, Assets, Liabilities, and Other Items for Each Reportable Segment

For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Reportable segments						Other (note 1)	Total	Adjustments (note 2)	Amount in consolidated statements of income (note 13)
	Energy	Information and Communications	CATV	Building facilities Real estate	Aqua	Total				
Net sales										
Sales to external customers	102,528	53,945	34,500	26,809	7,529	225,313	4,876	230,190	—	230,190
Intra-segment sales and transfer	207	4,344	467	1,253	254	6,526	366	6,893	-6,893	—
Total	102,735	58,289	34,968	28,062	7,783	231,840	5,243	237,083	-6,893	230,190
Segment profit (loss)	4,285	3,841	5,523	1,312	262	15,224	169	15,394	-474	14,919
Segment assets	75,902	32,277	42,111	28,120	5,221	183,633	4,946	188,579	4,760	193,339
Other items										
Depreciation	4,734	3,009	5,559	757	673	14,733	73	14,807	432	15,239
Amortization of goodwill	299	55	344	228	—	929	56	985	—	985
Increase in tangible and intangible assets	7,152	4,296	7,091	696	848	20,085	89	20,175	248	20,424

(Notes) 1. The “others” category is a business segment not included in the reportable segments. This category includes businesses such as bridal events, ship repair, nursing care, and insurance.

2. Adjustments are as follows:

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

(2) Adjustments to segment assets, depreciation, and increase in tangible and intangible assets are due to companywide assets, depreciation, and increase in tangible and intangible assets that are not allocated to individual reportable segments.

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

For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Reportable segments						Other (note 1)	Total	Adjustments (note 2)	Amount in consolidated statements of income (note 3)
	Energy	Information and Communications	CATV	Construction, Equipment, and Real Estate	Aqua	Total				
Net sales										
Sales to external customers	100,974	56,669	35,761	25,038	7,743	226,187	5,325	231,513	—	231,513
Intra-segment sales and transfer	193	5,908	387	1,201	274	7,964	347	8,311	-8,311	—
Total	101,168	62,577	36,148	26,239	8,017	234,151	5,673	239,824	-8,311	231,513
Segment profit (loss)	5,086	4,223	5,509	1,172	352	16,344	34	16,379	-868	15,511
Segment assets	84,124	34,537	42,585	27,871	5,377	194,497	5,709	200,206	5,094	205,301
Other items										
Depreciation	5,150	2,823	5,795	802	700	15,272	104	15,377	361	15,738
Amortization of goodwill	263	73	337	228	—	903	54	957	—	957
Increase in tangible and intangible assets	7,982	3,943	7,277	1,142	845	21,190	526	21,717	303	22,021

- (Notes) 1. The “others” category is a business segment not included in the reportable segments. This category includes businesses such as bridal events, ship repair, nursing care, and insurance.
2. Adjustments are as follows:
- (1) Adjustments to segment profit (loss) are eliminations due to intra-segment transactions.
 - (2) Adjustments to segment assets, depreciation, and increase in tangible and intangible assets are due to companywide assets, depreciation, and increase in tangible and intangible assets that are not allocated to individual reportable segments.
3. Segment profit (loss) is adjusted to match operating profit in the consolidated statements of income.

Reference Information

For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

1. Information by Product and Service

This information is omitted because the same information is disclosed in the Segment Information section.

2. Information by Region

(1) Sales

This information is omitted because sales to customers in Japan account for more than 90% of sales in the consolidated statements of income.

(2) Property, Plant and Equipment

This information is omitted because property, plant and equipment in Japan account for more than 90% of property, plant and equipment in the consolidated balance sheets.

3. Information by Major Customer

This information is omitted because no customers account for 10% or more of sales in the consolidated statements of income.

For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

1. Information by Product and Service

This information is omitted because the same information is disclosed in the Segment Information section.

2. Information by Region

(1) Sales

This information is omitted because sales to customers in Japan account for more than 90% of sales in the consolidated statements of income.

(2) Property, Plant and Equipment

This information is omitted because property, plant and equipment in Japan account for more than 90% of property, plant and equipment in the consolidated balance sheets.

3. Information by Major Customer

This information is omitted because no customers account for 10% or more of sales in the consolidated statements of income.

Information Related to Impairment Losses of Non-current Assets by Reportable Segment

For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Energy	Information and Communications	CATV	Building facilities Real estate	Aqua	Other	Corporate or elimination	Total
Impairment losses	198	—	—	—	—	10	164	373

For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Energy	Information and Communications	CATV	Building facilities Real estate	Aqua	Other	Corporate or elimination	Total
Impairment losses	544	—	—	—	—	16	57	618

Information Related to Amortization of Goodwill and Unamortized Balance by Reportable Segment
For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Energy	Information and Communications	CATV	Building facilities Real estate	Aqua	Other	Corporate or elimination	Total
Amortization during the period	299	55	344	228	—	56	—	985
Balance at end of period	1,332	542	2,297	1,623	—	108	—	5,904

For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(Millions of yen)

	Energy	Information and Communications	CATV	Building facilities Real estate	Aqua	Other	Corporate or elimination	Total
Amortization during the period	263	73	337	228	—	54	—	957
Balance at end of period	1,309	631	1,960	1,395	—	126	—	5,442

Information on Negative Goodwill Generated for Each Reportable Segment
For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)
The information is omitted because it has little significance.

For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
Not applicable

(Per-Share Information)

	For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)	For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
Net assets per share (yen)	614.09	681.58
Profit per share	49.41	64.94
Diluted profit per share	—	64.93

(Notes) 1. The basis of calculating the profit per share and diluted profit per share is as follows:

	For the fiscal year ended March 31, 2023 (April 1, 2022 – March 31, 2023)	For the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)
(1) Profit per share (yen)	49.41	64.94
(Basis for calculation)		
Profit attributable to owners of parent (millions of yen)	6,465	8,481
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of the parent available to common shareholders (millions of yen)	6,465	8,481
Average number of common shares outstanding during the period (thousands of shares)	130,865	130,608
(2) Diluted profit per share	—	64.93
(Basis for calculation)		
Adjustments to profit attributable to owners of parent (millions of yen)	—	—
Increase in Number of Common Shares (thousands)		22
A summary of those residual shares not included in calculation of diluted profit per share due to the absence of a dilution effect which involves material changes from the end of the previous consolidated fiscal year	Stock Acquisition Rights by the resolution of the Board of Directors held on October 28, 2021 Number of Stock Acquisition Rights: 7,739 (Common Shares: 773,900 shares)	—

2. The number of common shares outstanding at the end of the fiscal year used in the calculation of net assets per share excludes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) (782,100 shares for the fiscal year ended March 31, 2023; 730,500 shares for the fiscal year ended March 31, 2024). The average number of common shares outstanding used in the calculation of profit per share excludes the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) (491,023 shares for the fiscal year ended March 31, 2023; 747,559 shares for the fiscal year ended March 31, 2024).
3. Diluted profit per share in the fiscal year under review is not presented because there are no dilutive shares.

(Important Subsequent Events)

Not applicable

4. Other

(1) Changes in Executive Positions

1) Change of representative director

No items to report

2) Other Changes in Executive Positions (Scheduled for June 26, 2024)

1. Newly Appointed Director Candidates

Director: Tsuyoshi Takahashi (Current Executive Managing Officer)

Director: Hiroshi Tsunemine

* Hiroshi Tsunemine is a candidate for an external director position.

2. Retiring Planned Director

Director: Yasuhiro Fukuda

Director: Masahiro Goto

* Masahiro Goto is an external director position.

3. Newly Appointed Auditor Candidates

Auditor: Yoichi Obuchi

* Yoichi Obuchi is candidate for external auditor positions.

4. Retiring Planned Auditors

Auditor: Yoshio Ito

* Yoshio Ito is an external auditor.