

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 9, 2022

## Consolidated Financial Results for the Three Months Ended June 30, 2022 <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, Group Chief Financial Officer and Head of Group Functions  
 TEL: +81-3-3275-6300

Scheduled date to file quarterly securities report: August 12, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

(Millions of yen with fractional amounts rounded down)

### 1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

#### (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	%
Three months ended								
June 30, 2022	70,378	46.2	1,516	60.6	2,753	54.1	2,099	63.4
June 30, 2021	48,145	5.2	944	(57.9)	1,787	(39.0)	1,284	(33.6)

Note: Comprehensive income For the three months ended June 30, 2022: ¥4,518 million [122.4%]  
 For the three months ended June 30, 2021: ¥2,031 million [(43.5)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	35.00	–
June 30, 2021	20.98	–

#### (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, 2022	156,137	90,692	57.8	1,505.72
March 31, 2022	154,735	87,689	56.4	1,455.33

Reference: Equity

As of June 30, 2022: ¥90,298 million      As of March 31, 2022: ¥87,276 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, 2022	–	–	–	25.00	25.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		–	–	25.00	25.00

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

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	280,000	12.0	3,100	276.7	4,700	60.1	2,700	41.4	45.02

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, 2022 after taking into consideration the seasonal factors.

\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly included: –

Excluded: –

- (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, Changes in accounting policies” of “2. Quarterly consolidated financial statements and significant notes” on page 12 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, 2022	60,634,566 shares
As of March 31, 2022	60,634,566 shares

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

As of June 30, 2022	664,094 shares
As of March 31, 2022	664,091 shares

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

Three months ended June 30, 2022	59,970,474 shares
Three months ended June 30, 2021	61,225,405 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) (567,900 shares as of March 31, 2022, 567,900 shares as of June 30, 2022). 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 (267,900 shares for three months ended June 30, 2021, 567,900 shares for three months ended June 30, 2022).

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

\* 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. Qualitative information regarding financial results for the period” on page 7 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

## Attached Material

### Index

1. Qualitative information regarding financial results for the period .....	2
(1) Explanation regarding operating results .....	2
(2) Explanation regarding the financial position .....	6
(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements .....	7
2. Quarterly consolidated financial statements and significant notes.....	8
(1) Quarterly consolidated balance sheet .....	8
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income .....	10
Quarterly consolidated statement of income .....	10
Quarterly consolidated statement of comprehensive income .....	11
(3) Notes to quarterly consolidated financial statements.....	12
Notes on the premise of going concerns .....	12
Changes in accounting policies .....	12
Notes on significant changes in the amount of shareholders' equity .....	12
Segment information .....	12

## 1. Qualitative information regarding financial results for the period

### (1) Explanation regarding operating results

During the three months ended June 30, 2022, the uncertain situation in the Japanese economy continued due to the number of people infected increasing again because of the emergence of new, highly infectious variants (BA.5 strain) of the novel coronavirus disease (COVID-19) despite seeing signs toward socioeconomic activities normalizing, such as the loosening of restrictions on movement as a result of the rollout of vaccinations against COVID-19 and thorough measures against infection.

Since the liberalization of electricity and gas, a comprehensive energy market that crosses the boundaries of the energy market has been created, and the improvement of consumer convenience has advanced, such as expansion of the level of freedom in the choice of energy and reductions in tariffs, through innovations such as the introduction of innovative technologies, development of competition between business operators and integration of different services. Moreover, there has been rapid change to the Group's business environment, such as requests for decarbonization on a global scale and increased demand to strengthen the infrastructure for stable energy supply associated with the increase in frequency and intensity of natural disasters in addition to surging resource prices due to the situation in Ukraine, changes in the international demand and supply structure, changes in demand associated with the aging society and declining population, and lifestyle changes associated with the COVID-19 pandemic.

Under such circumstances, energy business operators need to make advanced and swift progress from the perspective of being environmentally-friendly, ensuring stable supply and economic efficiencies. This includes reducing carbon emissions and decarbonization for a sustainable society, strengthening resilience for a safe and secure society, and strengthening the business foundation for ongoing stable supply and business continuity.

The Group's core Energy Solutions Business takes various initiatives to accommodate diversified customer needs and preferences. As an entity responsible for stable supply in the regions, the Group also maintains and improves supply infrastructure to ensure the supply even in case of emergencies. Those should be achieved by the Group's solid business foundation and integrated competence rooted in the regions. The Company's consolidated subsidiary Mitsuuroko Vessel Co., Ltd. began selling "carbon neutral LPG," which offsets the CO<sub>2</sub> generated from LPG mining until combustion, using carbon credit certified by an international NGO from the U.S.

Moreover, aiming to further enhance digital transformation (DX) to improve the entire Mitsuuroko Group's customer experience (CX), the Company concluded a DX strategy promotion partnership with giftee, Inc., which develops the e-gift platform business, on May 31, 2022, and began selling "Shared eGift," which can be used at a number of brands within the Group. The Company will promote across-the-group marketing projects to improve the Group's integrated competitiveness. This will be achieved through constructing an ecosystem by digitally integrating services and tangible/ intangible assets in various fields that the Group provides, such as Energy Solutions, Power & Electricity, Foods, Living & Wellness and Others.

In order to continue creating new value with our diverse stakeholders and contribute to building a sustainable society, the Company has identified six material issues that management should prioritize from among all social issues, taking into consideration the business of our Group in long-term view from an ESG (Environment, Social, and Governance) perspective. The Company takes initiatives for environmental issues and the entire Mitsuuroko Group is promoting ESG initiatives to achieve a sustainable society through the more use of renewable energy, suppressing the use of fuel, and reducing CO<sub>2</sub> emissions. They are driven by providing services for customers concerned with CO<sub>2</sub> emissions with the growing environmental awareness; environmentally-friendly electricity plan, "Mitsuuroko Green Plan" addressing both CO<sub>2</sub> emissions and renewable energy; a newly launched planning tool, "SmartOWL delivery operation streamlining solution," which offers optimal tank replacement timing and delivery plans by applying remotely measured meter data through LPWA connection. We have also introduced initiatives to promote health-focused management to construct and maintain a safe and secure work environment for employees.

Tokyo Stock Exchange, Inc. (TSE) restructured its stock market segments on April 4, 2022. Considering market trends and the speed and condition of changes to the Company's business environment, the Company has decided to focus limited management resources not only on the existing core businesses, but also new business investments, business developments, organizational strengthening and human resources development in the "environmental business field," "realization of carbon neutral" and "global field" to increase medium- to long-term corporate value. As the Company believes the focus should

increase its shareholders value, it moved to the “Standard Market” in April. The Company continues to take initiatives for sustainable growth and improving corporate value through further advancing corporate governance and sustainability.

To improve operational efficiency of the entire Group, we have been reducing indirect operational costs within the Group through the automation of operations using the Robotic Process Automation (RPA) under the DX concept at the Mitsuuroko Administration Center, the Group’s shared center. We have also shifted toward paperless operations through the use of AI-OCR, and realized the transition to remote work at the shared center. We will continue to promote the use of operational efficiency tools with cutting-edge technologies and strive to further improve the Group’s productivity.

With regard to financial results in the three months ended June 30, 2022, although purchase prices remained at a high level continuing from the prior year in the Company’s core Energy Solutions Business and Power & Electricity Business, net sales increased 46.2% year on year to ¥70,378 million, operating profit increased 60.6% year on year to ¥1,516 million, ordinary profit increased 54.1% year on year to ¥2,753 million, and profit attributable to owners of parent increased 63.4% year on year to ¥2,099 million against the backdrop of the improvement and normalization of sales prices as well as contributions to the entire Group by the strong results, etc. of General Storage Company Pte. Ltd. and Shizuoka Mitsuuroko Foods Co., Ltd., which were added to the Group’s consolidated financial results from the fourth quarter ended March 31, 2022.

Net sales, gross profit and profit attributable to owners of parent were at record highs for the first quarter.

Operating results by segment are as follows.

Effective from the fourth quarter ended March 31, 2022, the “Overseas Business,” which was previously included in the “Others” segment, has been presented a reportable segment because its quantitative importance has increased due to the start of consolidation of overseas subsidiaries. With regard to the following comparisons to the same period of the previous fiscal year, the figures in the same period of the previous fiscal year were compared and analyzed against the reclassified figures after changes to segment classifications.

### Energy Solutions Business

In the LPG Business, as demand for commercial use including restaurants has been on a recovery trend under the COVID-19 pandemic, the LPG sales volume for commercial use was 107% of the prior year’s level. Although the Company has been actively engaged in new customer acquisition, LPG retail sales volume for home use was 98% of the prior year’s level due to the dissipation of the prior year’s stay-at-home demand.

In the petroleum business, gasoline sales volume was 91% of the prior year’s level and household heating oil sales volume was 95% of the prior year’s level due to declining demand because of a rise in sales prices linked to the long-term soaring crude oil prices. However, diesel sales volume recovered significantly to 117% for direct demand due to the increase of demand for diesel associated with the overall recovery of the economy.

In the residential equipment business, net sales were 100.1% of the prior year’s level due to gradually improvement despite the delivery delays of overall gas appliances that occurred around last September. Although the delivery period for water heaters was extended, kitchen equipment recovered to the normal delivery period for the most part.

Although the purchase price of fuel remained at a high level from the prior year, due to passing these high prices on to sales prices, net sales increased 18.4% year on year to ¥32,806 million and operating profit increased 21.7% year on year to ¥284 million.

As environmental awareness continues to rise, the Company will continue to steadily implement its decarbonization growth strategy by beginning to handle carbon neutral LPG, as well as selling solar power for private consumption and installing storage batteries in order to alleviate the increasing burden on businesses as electricity prices continue to soar.

## Power & Electricity Business

In the retail electricity business, the fact that customers chose “Mitsuuroko electricity” not only because of their desire to cut costs, but also because of the growing trend regarding measures against global warming, led to an increase in the number of electricity contracts.

Furthermore, although the Company improved the unit sales price, the Japanese government issued a power usage warning in the service areas of Tokyo Electric Power Company and Tohoku Electric Power Company in March 2022. In July, for the first time in seven years, authorities switched to a request for the entire Japan for electricity conservation, and the supply-demand environment for electric power continues to be tight. Although the Company reduced the impact of price hikes by diversifying its power supply procurement sources as the procurement price of electricity in the Japanese electricity wholesale market has remained high due to soaring prices of crude oil, LNG, and coal, which are used as power sources, prices have remained at high levels to date. As a result of the above factors, net sales increased 89.3% year on year to ¥31,072 million, and operating profit increased 34.1% year on year to ¥1,126 million.

With the increasing gravity of the impact of climate change, CO<sub>2</sub> reduction has become a major issue. In order to balance the supply and demand of electricity by decreasing or increasing the consumption of electricity, we have started offering “Demand Response Service,” a system that allows consumers to change their electricity consumption patterns in response to electricity pricing or incentive payments in order to curb the use of electricity during times of high wholesale market prices or low grid reliability, starting with special high voltage and high voltage customers. We will contribute to the stability of electricity and economical use of energy through power saving, peak shifting, and energy efficiency and conservation, and expand the introduction of renewable energy toward a decarbonized society. We will also deliver electricity to as many customers as possible as “A Lifestyle Producer” and provide services that are useful to society and customers’ lifestyles.

## Foods Business

In the beverage business, Shizuoka Mitsuuroko Foods Co., Ltd., which joined the Group in November 2021, expanded its mineral water manufacturing line that uses the famous water of Shimizu (Shizuoka Prefecture), in addition to the outsourced production of various soft drinks. We rapidly strengthened facilities, while there was full operation of existing mineral water manufacturing lines within the Group. In addition, the hot days that started earlier this year, created high demand and shipment volumes were at a much higher pace than originally planned. Sales of soft drinks also performed well as shipments of our newly developed own brand 100% juice “Sun and Orange” and “Sun and Apple” commenced, while our products were also adopted by major supermarket chains.

The shipment volume of Mitsuuroko Beverage Co., Ltd., which operates in the mineral water business, was steady at about 115% of the prior year’s level with full operation at the Yamanakako and Gifu Yoro Factories, increased production at alliance companies and the start of production at the Shizuoka Factory. This is attributed to the recognition given to the “safety and security” initiatives that the entire Group has advocated for many years. In addition, the extension of the products menu through the inclusion of Shizuoka Mitsuuroko Foods Co., Ltd. has been well received by many customers, and we will aim to continue expanding business performance by building up services from a customer perspective.

The e-commerce site of AzabuJuban Mont-Thabor, a bakery with stores all over Japan, focuses on sales of frozen bread made with wheat grown in Japan. The wheat transportation distance is short and drugs such as antifungal agents are not used during transportation. Furthermore, wheat grown in Japan that has been milled with special technology (stone grinding) is an ingredient, with the bread delivered to customers utilizing the latest in freezing technology. We will expand the new value created by AzabuJuban Mont-Thabor by delivering products to customers that have been made with obsessive focus on the environment, health and taste (aroma). We also commenced sales of bread products through vending machines. While this is a trial to overcome the previous concerns about bread sales, we are striving to expand the business itself by trialing a constant approach to new customers who have been unable to access the products.

Shops and restaurants run by Mitsuuroko Provisions Co., Ltd. and “Carl’s Jr. Japan,” a hamburger chain, continue to enhance in-store hygiene management, placing “customer safety as the top priority.” On the sales front, Carl’s Jr. Japan has been introducing new menus using a mobile app, stamp cards and distributing discount coupons. We will continue our efforts to encourage customers to use our stores with confidence even during the COVID-19 pandemic.

For the Foods Business as a whole, net sales increased by 61.2% year on year to ¥4,849 million, and operating profit increased by 1,829.6% year on year to ¥202 million, primarily because of capturing increased demand in the bottled water business due to the expansion of manufacturing capacity, although the food sales business centered on stores was affected to some extent by the spread of COVID-19.

### Living & Wellness Business

SPA EAS and Hamabowl in the wellness business saw recovery trends in both the number of visitors and sales following the lifting of the semi-state of emergency in March 2022. During the community based event “Thank you event for Yokohama citizens” that was held from June 1 to 3, 2022 to cultivate new customers, SPA EAS recorded outstanding results during the three days compared to the average of weekdays with a 212.9% increase in the number of visitors and 163.6% increase in sales (77.1% increase by unit price per customer), bringing potential customers back even in the COVID-19 pandemic. In addition, male customers are increasing due to the demand for sauna, which has been trending in recent years, and consolidation has also been seen in co-working space users.

At Hamabowl, preparation has been made for “Health Bowling Classes” (commencing in August 2022), a measure to increase members, aimed at stable visitor numbers and sales even during the COVID-19 pandemic.

At the Wellness Lab, the Rain-Bowling project is being developed to reuse “discarded bowling pins.” There were 161 general proposals in the “Reuse Contest,” a public call for reuse ideas (cooperative project with Kanagawa Shimbun), which generated a big reaction.

We will continue our efforts to improve the value and presence of our facilities in the Yokohama area and recover the number of customers and sales.

The real estate business has strived to maintain and improve profitability such as by continuing to defray additional capital expenditure to the existing buildings. As part of this, we renovated rental condominium (some offices and stores) owned in Aoba-ku, Sendai City. In addition to remodeling the rooms, we created a lounge with a theater room and library in the common area, renewing it as a space where users can relax. We are making efforts to minimize disposal and other environmental burdens by utilizing subscription services for interiors while creating high-quality spaces. In addition, we will proactively pursue the acquisition of new properties to expand our portfolio.

The HAMABOWL EAS Building has been on a recovery trend as sales and the number of visitors from April to June both exceeded levels in FY2020 and FY2021 after the lifting of the semi-state of emergency in March 2022. We will also undertake sales promotions in the current fiscal year while confirming the COVID-19 situation, etc.

Based on the above reasons, for the Living & Wellness Business as a whole, net sales increased 10.0% year on year to ¥591 million and operating profit increased 12.9% year on year to ¥104 million.

### Overseas Business

Profits and losses from the self-storage business of General Storage Company Pte. Ltd. and six other companies, which joined the Mitsuuroko Group in December 2021, were included in the consolidated financial statements from the fourth quarter ended March 31, 2022. During the three months ended June 30, 2022, net sales were ¥581 million (¥– million in the same period of the previous fiscal year), operating profit was ¥60 million (¥– million in the same period of the previous fiscal year).

The business performance of Siamgas & Petrochemicals Public Company Limited, with which the Company has concluded a strategic business alliance agreement, was favorable due to the impact of soaring crude oil prices, and dividend income from the said company in the first quarter ended June 30, 2022 increased by 114.4% year on year to ¥922 million, and recorded non-operating income.

### Others

In the information system development and sales business, we expanded sales of the “COSMOS Series,” an LPG sales management system designed to further improve reliability and customer engagement in the



age of energy liberalization.

In the leasing business, expansion of sales has been focused on ESG-related leases that obtain certification of specified lease operators and vehicle leases.

For other business as a whole, net sales decreased by 1.5% year on year to ¥477 million, while operating loss was ¥4 million (compared to an operating profit of ¥14 million in the same period of the previous fiscal year) mainly due to a decrease in the profit margin on sales in the leasing business under the COVID-19 pandemic.

## (2) Explanation regarding the financial position

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022	Change
Assets	154,735	156,137	1,402
Liabilities	67,045	65,445	(1,600)
Net assets	87,689	90,692	3,002
Shareholders' equity	87,276	90,298	3,021
Equity ratio (%)	56.4	57.8	1.4

### Assets

Total assets increased by ¥1,402 million compared to the end of the previous fiscal year to ¥156,137 million.

The main factors for change were a decrease of ¥1,082 million in cash and deposits resulting from payment of dividends, etc., a decrease of ¥912 million in notes and accounts receivable - trade resulting from seasonal changes in the sales amount in the Energy Solutions Business, etc., an increase of ¥498 million in merchandise and finished goods resulting from an increase in the unit purchase price for fuel, and an increase of ¥2,712 million in investment securities resulting from an increase in the market price of shares.

### Liabilities

Total liabilities decreased by ¥1,600 million compared to the end of the previous fiscal year to ¥65,445 million.

The main factors for change were a decrease of ¥1,806 million in notes and accounts payable – trade resulting from seasonal changes to the purchase amount in the Energy Solutions Business, etc., a decrease of ¥518 million in provisions resulting from a decrease in the amount of performance-linked bonuses paid, etc., and an increase of ¥810 million in deferred tax liabilities resulting from an increase in the amount of investment securities.

### Net assets

Net assets increased by ¥3,002 million compared to the end of the previous fiscal year to ¥90,692 million.

The main factors for change were an increase of ¥583 million in retained earnings, an increase of ¥1,768 million in valuation difference on available-for-sale securities resulting from an increase in the amount of investment securities, and an increase of ¥656 million in foreign currency translation adjustment.

As a result, the equity ratio increased by 1.4 percentage point from the end of the previous fiscal year to 57.8%.

**(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 10, 2022, due to some uncertain factors arising from future trends in fuel prices and temperatures.

With regard to the impact of the spread of COVID-19, we expect that although the Foods Business and Living & Wellness Business will be affected to a certain extent, the impact on the Group as a whole will be limited and is not expected to have a significant impact on our business performance, cash flow, or financial position.

## 2. Quarterly consolidated financial statements and significant notes

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	21,502	20,420
Notes and accounts receivable - trade	28,337	27,424
Merchandise and finished goods	5,331	5,829
Raw materials and supplies	631	703
Other	7,975	7,224
Allowance for doubtful accounts	(90)	(87)
<b>Total current assets</b>	<b>63,687</b>	<b>61,515</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,601	13,719
Machinery, equipment and vehicles, net	3,895	3,880
Land	15,979	16,225
Construction in progress	36	25
Other, net	4,750	4,989
<b>Total property, plant and equipment</b>	<b>38,264</b>	<b>38,840</b>
Intangible assets		
Goodwill	3,970	4,292
Other	1,158	1,143
<b>Total intangible assets</b>	<b>5,129</b>	<b>5,436</b>
Investments and other assets		
Investment securities	38,916	41,629
Deferred tax assets	1,669	1,667
Other	7,265	7,261
Allowance for doubtful accounts	(197)	(212)
<b>Total investments and other assets</b>	<b>47,654</b>	<b>50,346</b>
<b>Total non-current assets</b>	<b>91,047</b>	<b>94,622</b>
<b>Total assets</b>	<b>154,735</b>	<b>156,137</b>

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,003	23,196
Short-term borrowings	5,522	5,476
Income taxes payable	869	506
Provisions	910	391
Other	8,445	8,949
Total current liabilities	40,751	38,520
Non-current liabilities		
Long-term borrowings	7,852	7,534
Deferred tax liabilities	6,595	7,405
Provisions	540	491
Retirement benefit liability	2,493	2,535
Asset retirement obligations	1,278	1,281
Other	7,533	7,674
Total non-current liabilities	26,293	26,924
Total liabilities	67,045	65,445
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,077	7,077
Capital surplus	320	320
Retained earnings	68,084	68,667
Treasury shares	(533)	(533)
Total shareholders' equity	74,949	75,532
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,894	13,663
Deferred gains or losses on hedges	(121)	(110)
Foreign currency translation adjustment	572	1,229
Remeasurements of defined benefit plans	(19)	(16)
Total accumulated other comprehensive income	12,327	14,765
Non-controlling interests	413	394
Total net assets	87,689	90,692
<b>Total liabilities and net assets</b>	<b>154,735</b>	<b>156,137</b>

**(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, 2021	Three months ended June 30, 2022
Net sales	48,145	70,378
Cost of sales	40,301	61,452
Gross profit	7,843	8,925
Selling, general and administrative expenses	6,899	7,408
Operating profit	944	1,516
Non-operating income		
Interest income	5	6
Dividend income	655	1,130
Share of profit of entities accounted for using equity method	159	175
Compensation income	20	16
Other	121	137
Total non-operating income	962	1,466
Non-operating expenses		
Interest expenses	43	76
Commission expenses	49	59
Loss on derivatives trading	6	43
Other	19	50
Total non-operating expenses	119	229
Ordinary profit	1,787	2,753
Extraordinary income		
Gain on sale of non-current assets	2	83
Total extraordinary income	2	83
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	29	18
Loss on store closings	4	3
Loss on COVID-19	5	-
Total extraordinary losses	39	21
Profit before income taxes	1,750	2,816
Income taxes - current	916	729
Income taxes - deferred	(429)	6
Total income taxes	486	735
Profit	1,263	2,080
Loss attributable to non-controlling interests	(20)	(18)
Profit attributable to owners of parent	1,284	2,099

## Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	1,263	2,080
Other comprehensive income		
Valuation difference on available-for-sale securities	782	1,768
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	(0)	656
Remeasurements of defined benefit plans, net of tax	2	2
Share of other comprehensive income of entities accounted for using equity method	(18)	11
Total other comprehensive income	767	2,438
Comprehensive income	2,031	4,518
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,052	4,537
Comprehensive income attributable to non-controlling interests	(20)	(18)

### (3) Notes to quarterly consolidated financial statements

#### Notes on the premise of going concerns

Not applicable.

#### Changes in accounting policies

##### Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the first quarter ended June 30, 2022. And it has applied the new accounting policy provided for by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures provided for in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no impact of this on the quarterly consolidated financial statements.

#### Notes on significant changes in the amount of shareholders' equity

Not applicable.

#### Segment information

[Segment information]

I Three months ended June 30, 2021 (From April 1, 2021, to June 30, 2021)

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

(Millions of yen)

	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	27,702	16,411	3,008	538	–	47,660	484	48,145	–	48,145
Intersegment sales or transfers	35	42	0	2	–	79	44	124	(124)	–
Total	27,737	16,454	3,008	540	–	47,740	529	48,270	(124)	48,145
Segment profit	233	839	10	92	–	1,176	14	1,191	(246)	944

(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 adjustment of ¥(246) million includes intersegment eliminations of ¥(5) million, corporate expenses of ¥(241) 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 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, 2022 (From April 1, 2022, to June 30, 2022)

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

(Millions of yen)

	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	32,806	31,072	4,849	591	581	69,900	477	70,378	–	70,378
Intersegment sales or transfers	36	167	0	2	–	207	52	259	(259)	–
Total	32,842	31,240	4,849	594	581	70,108	529	70,638	(259)	70,378
Segment profit	284	1,126	202	104	60	1,778	(4)	1,774	(257)	1,516

(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 adjustment of ¥(257) million includes intersegment eliminations of ¥(4) million, corporate expenses of ¥(253) 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 is adjusted with operating profit in the quarterly consolidated statement of income.

2. Notes to changes in reportable segments, etc.

Effective from the fourth quarter ended March 31, 2022, the Overseas Business, which was previously included in the “Others” segment, has been presented a reportable segment because its quantitative importance has increased due to the start of consolidation of overseas subsidiaries.

Please note that the segment information disclosed for the three months ended June 30, 2021 was prepared based on the new reporting segment classification.

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

Not applicable.