

**SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022 [IFRS] (English Translation, UNAUDITED)**

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(Fractions of millions have been truncated)

**1. Consolidated operating results and financial positions for the six months of the current fiscal year (January 1, 2022 - June 30, 2022)**

(1) Operating results (% figures represent change from the same period of the previous fiscal year)

	Revenue (including excise taxes)		Revenue (excluding excise taxes)		Operating income		Profit before income taxes		Profit for the period		Profit attributable to owners of the Company	
	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%
Six months ended												
June 30, 2022	1,373,031	15.2	1,230,226	15.1	150,641	19.4	144,768	16.7	103,107	40.2	73,977	40.2
June 30, 2021	1,191,958	7.8	1,069,173	8.6	126,117	33.4	124,074	42.6	73,537	28.6	52,747	16.6

Reference: Adjusted operating income for the fiscal year ending June 30, 2022 136,218¥million 6.9%  
 Adjusted operating income for the fiscal year ending June 30, 2021 127,401¥million 33.3%  
 Adjusted operating income was calculated as operating income excluding non-recurring items.

	Basic earnings per share	Diluted earnings per share
Six months ended	¥	¥
June 30, 2022	107 .88	—
June 30, 2021	76 .92	—

## (2) Financial positions

	Total assets	Total equity	Equity attributable to owners of the Company	Equity attributable to owners of the Company ratio
As of	¥million	¥million	¥million	%
June 30, 2022	5,606,273	2,628,378	2,135,281	38.1
December 31, 2021	4,934,010	2,147,392	1,710,005	34.7

**2. Consolidated earnings forecast for the fiscal year ending December 31, 2021 (January 1, 2022 - December 31, 2022)**

	Revenue (including excise taxes)		Revenue (excluding excise taxes)		Operating income		Profit before income taxes		Profit attributable to owners of the Company		Basic earnings per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥
Fiscal year ended											
December 31, 2022	2,778,000	8.5	2,480,000	8.5	248,000	0.2	235,000	(1.0)	115,000	0.9	167 .70

Reference: Adjusted operating income for the fiscal year ending December 31, 2022 252,000¥million 0.0%

(Note) Change in consolidated earnings forecast during the period: No

**SUMMARY OF NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF  
JUNE 30, 2022 (English Translation, UNAUDITED)**

(1) Operating results (% figures represent change from the same period of the previous fiscal year)

	Operating revenue		Operating income		Ordinary income	
	¥million	%	¥million	%	¥million	%
Six months ended						
June 30, 2022	83,854	6.1	50,625	(9.5)	53,489	(14.5)
June 30, 2021	79,057	(24.5)	55,968	(31.5)	62,547	(24.3)

	Net income		Basic net earnings per share
	¥million	%	¥
Six months ended			
June 30, 2022	48,253	(20.1)	70 .37
June 30, 2021	60,382	(27.8)	88 .05

(2) Financial positions

	Total assets	Net assets	Ratio of equity to total assets	Total equity per share
As of	¥million	¥million	%	¥
June 30, 2022	2,462,426	989,770	40.2	1,443.33
December 31, 2021	2,278,693	948,817	41.6	1,383.61

## Operating Results

### 1. Overview of the Six-Month Period Ended June 30, 2022

The Suntory Group has actively expanded business in each of three segments, “Beverages and Foods,” “Alcoholic Beverages,” and “Others,” both domestically and abroad. In the six-month period ended June 30, 2022, revenue including excise taxes was 1.3730 trillion yen (up 15.2% year on year), revenue excluding excise taxes was 1.2302 trillion yen (up 15.1% year on year), operating income was 150.6 billion yen (up 19.4% year on year), and profit attributable to owners of the Company was 74.0 billion yen (up 40.2% year on year), marking an increase in both revenue and income.

#### <Beverages and Foods Segment>

Suntory Beverage & Food Limited focused on strengthening brands and creating new demand with the aim of proposing unique, high-quality products that capture the customer's tastes and needs based on the vision to “always start from consumers, pursue to create new taste, well-being and joy, and aim to be the most locally beloved company,” as well as on improving product quality. The Company also took steps to enhance profitability in each area.

In Japan, the Company engaged in strengthening core brands, mainly in the categories of water, coffee, and sugar-free tea, and greatly exceeded the same period of the previous year as a result of new product launches and marketing activities. *The Suntory Tennensui* brand as a whole reported record-high sales volume in the six-month period ended June 30. Sales volume of the *BOSS* brand as a whole exceeded the levels of the previous year. The renewed *Craft BOSS* coffee and black tea series continued to grow. In the sugar-free tea category, *Iyemon* reported record-high sales volume for the brand as a whole in the six-month period ended June 30. In addition to the *Iyemon Kyoto Blend*, *Iyemon Koi Aji* launched in February as a product with functional claims also grew. Furthermore, Tokucha, which was renewed in April, had a significant recovery in sales trends, exceeding the same period of the previous year.

In the Asia-Pacific region, the Company continued activities concentrated on core brands. In Vietnam, *Sting* energy drink and *TEA+* in particular grew, and *Pepsi* was strong in Thailand. In the health and wellness products business, sales volume of the mainstay *BRAND'S Essence of Chicken* exceeded that of the previous year as a result of reinforced marketing activities. In Oceania, the flagship *V* brand of energy drink exceeded the same period of the previous year.

In Europe, the core brand of Oasis continued to grow in France, where sales volumes of *Orangina* and *Schweppes* significantly exceeded previous-year levels. In the United Kingdom, sales volume of the flagship *Lucozade* brands significantly exceeded previous-year levels, with *Lucozade Sport* performing particularly well. In Spain, sales volume of the flagship *Schweppes* brand recorded a significant year-on-year increase.

In the Americas, in addition to efforts to further boost sales of its flagship carbonated beverage brands, the Company also focused on non-carbonated drinks and revenue exceeded that of the previous year.

As a result of the above, revenue for the Beverages and Foods Segment increased by 12.5% year on year to 676.5 billion yen, while operating income rose by 29.1% to 90.8 billion yen.

#### <Alcoholic Beverages Segment>

Comparable revenue for the spirits business, excluding the impact of currency, increased year on year at a low double-digit rate both including and excluding excise taxes. Sales growth benefited from success of the company's premiumization strategy and stronger-than-expected shipments. Growing consumer preference for premium brands helped drive strong volume growth for brands such as *Maker's Mark*, *Basil Hayden* and *Knob Creek* bourbon, *Toki* Japanese whisky, *Laphroaig* Scotch whisky, Japanese craft gin *ROKU*, and *Hornitos* tequila, while volumes for *On The Rocks* premium cocktails nearly doubled. Sales increased at healthy rates in key markets including the United States, Japan, Canada, Mexico, EMEA, Oceania, India, Emerging Asia and Global Travel Retail.

In Japan, the spirits business's revenue including excise taxes rose by 8% year on year, and revenue excluding excise taxes rose by 9% year on year. In the whiskies category, major brands *Kakubin* and *Ao*, along with canned highball products such as *Kaku Highball Can*, performed well. RTD beverage sales volume grew by 2% year on year due to active marketing activities such as the launch of *CRAFT -196°C*. *SUI* Suntory gin presented the new value of *SUI Gin Soda* that pairs well with everyday meals to address the challenge of creating a new market as a "third type of soda mix". In particular, *SUI Gin Soda Can*, which was launched in March, reached its initial annual sales target in May and is performing well.

Sales volume of the beer business\*<sup>1</sup> increased by 2% year on year driven by the beer category, and beer excluding alcohol-free beer-type beverages grew by 3% year on year.

In *The Premium Malt's* brand products, in line with changing customer awareness, the Company engaged in activities to highlight the brand's value as a classic brand of premium beer, and sales increased by 31% year on year. The sales volume of *The Premium Malt's MASTER'S DREAM Unfiltered*, launched in April, reached 50% of the annual sales target and is performing well.

*Perfect Suntory Beer* gained popularity for maintaining the delicious taste of authentic beer while containing zero Toshiitsu<sup>2</sup>, and sales increased by 42% year on year.

*The Kin-Mugi* brand is aimed at creating a new genre of beer that is most suited to drinking regularly at home, and the Company conducted promotions on the theme of having an evening drink, reinforcing its ability to propose products to enjoy with seasonal ingredients and dishes.

\*1. Including alcohol-free beer-type beverages

\*2. Based on the Food Labeling Standards, less than 0.5 g of sugar per 100 ml is considered zero Toshitsu.

The wine business's revenue including excise taxes rose by 19% year on year, and revenue excluding excise taxes rose by 22% year on year.

Domestic wine sales volume grew significantly. The mainstay *Sankaboshizai Mutenka* series grew year on year, and *Suntory Wine Café Wine Soda* launched in February also performed well. For Japanese wine, sales of the *Tomino Oka Winery*, *Shiojiri Winery* and *Japan Premium* series saw significant growth thanks to their highly acclaimed flavors, a result of the Company's thorough quality management processes.

In imported wine, the *Santa by Santa Carolina* series performed well thanks to contributions by *Santa Gold* launched in March. The Italian organic wine *Tavernello Organico* also grew significantly.

In the non-alcoholic beverage category, the Company engaged in realization of compelling flavor, expansion of the lineup and proposals communicating appeal with the aim of creating a culture that can be enjoyed by people who drink alcohol and those who do not, which can be achieved with an alcohol content of 0.00%.

Expansion of the lineup involved the *All Free* brand of beer-type beverages, in addition to the launch of *Non-Aru-Banshaku Lemon Sour Non-Alcoholic* offering the flavor of an authentic lemon sour without alcohol, and *Non-Alcoholic Wine Holiday* providing flavor like real wine. Furthermore, the Company presented the appeal of non-alcoholic beverages such as opening *Non-aru Sakaba* for a limited time in April as a place that can be enjoyed by people who drink alcohol and those who do not.

As a result of the above, revenue including excise taxes for the Alcoholic Beverages Segment was 564.3 billion yen, up 18.5% year on year, while revenue excluding excise taxes was 422.0 billion yen, up 19.2% year on year, and operating income was 68.9 billion yen, up 9.5% year on year.

#### <Others Segment>

For the health and wellness products business, products such as *Locomore* and *Omega A.D.E.* posted strong revenue, growing by 8% year on year. Revenue for the restaurant business increased significantly.

Revenue including excise taxes for the Others Segment was 132.2 billion yen, up 15.8% year on year, revenue excluding excise taxes was 131.7 billion yen, up 15.9% year on year, and operating income was 15.9 billion yen, up 5.2% year on year.

Additionally, the breakdown between domestic and overseas revenues was as follows.

Revenue (including excise taxes)

Japan: 693.1 billion yen (up 6.2% year on year) Overseas 679.9 billion yen (up 26.1% year on year)

Overseas ratio: 49.5%

Revenue (excluding excise taxes)

Japan: 600.3 billion yen (up 6.1% year on year) Overseas 629.9 billion yen (up 25.2% year on year)

Overseas ratio: 51.2%

Ever since its founding, Suntory has aggressively expanded its business while also contributing to society through cultural activities, community work, and environmental efforts, based on Suntory's founding spirit of "Giving Back to Society." In addition, Suntory conducts various activities aimed at coexistence with society and nature based on its promise to stakeholders of "Mizu To Ikiru" (literally meaning living with water), and its corporate mission of "To create harmony with people and nature."

Water

With regard to water, which is essential for the Company's craftsmanship, based on the Suntory Group's Sustainable Water Philosophy, Suntory Natural Water Sanctuaries are now present at 21 locations in 15 prefectures nationwide, with a total space of approximately 12,000 hectares, cultivating water resources equivalent to more than double the amount of groundwater pumped up in the Suntory Group's plants in Japan. The Company also conducts next-generation environmental education program known as Mizuiku in Japan, Vietnam, Thailand, Indonesia, France, China and Spain, and also engages in water conservation activities in countries where it operates such as the US, France, India, Mexico, and Scotland. Suntory is the only company to have plants certified in Japan by the Alliance for Water Stewardship (AWS)<sup>\*3</sup>—a leading authority on international water standards that promotes global water sustainability—and it is accelerating efforts as an AWS member company. The Company revised its Environmental Targets toward 2030 in January, setting new targets to reduce the water intensity of production at our owned plants<sup>\*4</sup> by 35%<sup>\*5</sup> globally, and replenish more than 100% of water used in at least 50% of our owned plants through water resource cultivation.

Greenhouse Gases (GHG)

Suntory aims to achieve net zero GHG emissions across the whole value chain by 2050. To achieve this, reducing GHG emissions from our direct operations by 50%<sup>\*6</sup> and reducing GHG emissions across our entire value chain by 30%<sup>\*6</sup> were set in the Environmental Targets

toward 2030, and we are conducting a variety of initiatives globally. In April, we switched the power purchased in all 30 of the Company's production and research sites in Japan related to the beverages and foods and the alcoholic beverages businesses to 100% renewable energy. We also aim to switch purchased power in all production and research sites to 100% renewable energy in the Americas and Europe as well. Suntory will continue to reduce carbon emissions through active introduction of additional energy-saving technologies and the use of renewable energy in its facilities, both in its operations and throughout the entire value chain.

## Packaging

Suntory regards plastics as an important issue. In order to provide strong leadership for the transformation to a circular and zero-carbon society, Suntory aims to switch all the PET bottles used globally in its products to be made of 100% recycled or plant-based material by 2030, achieving zero use of virgin petroleum-based materials. In Japan, we have implemented the new "Bottles are resources! Switch to sustainable bottles<sup>\*7</sup>" logo mark in all PET bottle products<sup>\*8</sup> in Japan since March to communicate that PET bottles can be recycled numerous times. This year, Suntory aims to make one in two non-alcoholic beverage bottles "100% sustainable bottles." In Vietnam, the Group began implementing sustainable bottles for the first time in Asia outside Japan in April. In Spain, all "*Schweppes*" bottles were switched to sustainable bottles in May. We will proceed with initiatives aimed at the practical application of 100% plant-based PET bottles, which we succeeded in developing last year. In addition, the number of companies participating in the joint venture called R Plus Japan Ltd., which is engaged in the recycling of used plastics, has grown to 40 as of the present time. Suntory will continue its efforts to reduce its environmental impact such as through the promotion of bottle-to-bottle horizontal recycling, reduction of weight in containers and packaging, and the Japanese soft drink industry's first F-to-P Direct Recycling Technology<sup>\*9</sup>.

\*3.Certification acquired at three plants: the Suntory Tennensui Okudaisen Buna no Mori Water Plant (2018), the Suntory Kyushu Kumamoto Plant (2019), and the Suntory Tennensui Minami Alps Hakushu Plant (2021)

\*4.Suntory Group plants manufacturing products

\*5.Reduction in intensity assuming the business areas in 2015

\*6.Based on 2019 emissions

\*7.100% recycled or plant-based PET bottles

\*8.Excluding products without labels

\*9.A technology in which "flake" created by pulverizing and washing recovered PET bottles is treated at high temperature in a vacuum for a fixed period and which, after being melted and filtered, can be used to manufacture the preform directly.

The Group is engaged in a variety of initiatives based on the approach of humanism in which people are the most important foundation and capital for management. In addition to implementing a variety of programs for human resource development with the aim of being a

company where people grow the most, we are also focusing on health and productivity management with the view that all employees vibrantly working with a healthy body and mind are a source of the company's competitiveness. Based on the value of "people" that we have placed importance on since the Company was founded, we aim to evolve into a company in which all employees continue to further innovate and embrace challenge.

## 2. Full-Year Forecast

In the fiscal year ending December 31, 2022, the forecast for revenue including excise taxes is 2.7780 trillion yen (up 8.5% year on year), revenue excluding excise taxes is 2.4800 trillion yen (up 8.5% year on year), operating income is 248billion yen (up 0.2% year on year), and profit attributable to owners of the Company is 115billion yen (up 0.9% year on year).

(There are no changes to the results forecasts announced on February 18, 2022.)

End



### Status of Major Shareholders

As of June 30, 2022

Name of shareholders	Address	Number of shares held (Thousands)	Percentage of common stock issued (excluding Treasury stock) (%)
Kotobuki Realty Co., Ltd.	2-1-40, Dojimahama, Kita-ku, Osaka	613,818	89.50
Employees Share Ownership Plan of Suntory	2-1-40, Dojimahama, Kita-ku, Osaka	34,581	5.04
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Sumitomo Mitsui Banking Corporation	1-1-2, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Sumitomo Mitsui Trust Bank, Limited	1-4-1, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Suntory Foundation for Life Sciences	8-1-1, Seikadai, Seika-cho, Souraku-gun, Kyoto	3,590	0.52
Nobutada Saji	Minato-ku, Tokyo	652	0.09
Shingo Torii	Higashinada-ku, Kobe	539	0.07
Takeshi Niinami	Minato-ku, Tokyo	190	0.02
Sho Semba	Chofu-city, Tokyo	177	0.02
Nobuhiro Torii	Minato-ku, Tokyo	173	0.02
Total	—	681,208	99.33

### Members of the Board of Directors and Audit & Supervisory Board Members

There are no changes in Directors and Audit & Supervisory Board Members after the date of submission of the annual securities report for the previous fiscal year.

## Consolidated statement of financial position

(Millions of yen)

	As at December 31, 2021	As at June 30, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	297,717	338,000
Trade and other receivables	478,517	528,842
Other financial assets	17,236	35,494
Inventories	529,105	650,010
Other current assets	60,263	54,304
Subtotal	1,382,839	1,606,652
Assets held for sale	—	6,035
Total current assets	1,382,839	1,612,687
Non-current assets:		
Property, plant and equipment	750,780	812,261
Right-of-use assets	122,657	122,727
Goodwill	907,119	1,040,784
Intangible assets	1,468,423	1,677,405
Investments accounted for using the equity method	52,756	60,197
Other financial assets	168,513	200,126
Deferred tax assets	48,332	46,351
Other non-current assets	32,586	33,733
Total non-current assets	3,551,170	3,993,585
Total assets	4,934,010	5,606,273

(Millions of yen)

	As at December 31, 2021	As at June 30, 2022
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Current liabilities:		
Bonds and borrowings	249,255	322,423
Trade and other payables	635,625	712,620
Other financial liabilities	100,340	94,007
Accrued income taxes	20,255	36,919
Provisions	9,020	7,870
Other current liabilities	91,119	71,589
Subtotal	1,105,616	1,245,431
Liabilities directly associated with assets held for sale	—	2,975
Total current liabilities	1,105,616	1,248,406
Non-current liabilities:		
Bonds and borrowings	1,131,736	1,134,601
Other financial liabilities	153,735	147,792
Post-employment benefit liabilities	40,488	43,501
Provisions	10,184	10,799
Deferred tax liabilities	328,966	376,383
Other non-current liabilities	15,888	16,409
Total non-current liabilities	1,681,001	1,729,487
Total liabilities	2,786,617	2,977,894
<b>Equity</b>		
Share capital	70,000	70,000
Share premium	127,856	127,879
Retained earnings	1,525,260	1,589,943
Treasury shares	(938)	(938)
Other components of equity	(12,173)	348,396
Total equity attributable to owners of the Company	1,710,005	2,135,281
Non-controlling interests	437,387	493,097
Total equity	2,147,392	2,628,378
Total liabilities and equity	4,934,010	5,606,273

**Consolidated statement of profit or loss**

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Revenue (including excise taxes)	1,191,958	1,373,031
Less: excise taxes	<u>(122,785)</u>	<u>(142,804)</u>
Revenue (excluding excise taxes)	1,069,173	1,230,226
Cost of sales	<u>(561,470)</u>	<u>(668,253)</u>
Gross profit	507,702	561,972
Selling, general and administrative expenses	(385,408)	(430,733)
Gain on investments accounted for using the equity method	2,748	3,513
Other income	4,352	19,856
Other expenses	<u>(3,272)</u>	<u>(3,967)</u>
Operating income	126,117	150,641
Finance income	6,402	2,280
Finance costs	<u>(8,446)</u>	<u>(8,153)</u>
Profit before income taxes	124,074	144,768
Income tax expenses	<u>(50,536)</u>	<u>(41,661)</u>
Profit for the period	<u>73,537</u>	<u>103,107</u>
Attributable to:		
Owners of the Company	52,747	73,977
Non-controlling interests	<u>20,789</u>	<u>29,129</u>
Profit for the period	<u>73,537</u>	<u>103,107</u>
Earnings per share (Yen)	76.92	107.88

## Reconciliation from operating income to adjusted operating income

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Operating income	126,117	150,641
Gain on sale of shares of subsidiaries and associates	—	(15,842)
Other	<u>1,283</u>	<u>1,419</u>
Total	1,283	(14,423)
Adjusted operating income	127,401	136,218

## Segment Information

### (1) Overview of reportable segments

The reportable segments are components of the Group for which separate financial information is available and regularly reviewed by management to make decisions about the allocation of resources and to assess segment performance.

The Group applies a holding company structure and operating companies have been established by product or service. The management of each operating company focuses on the type of products and services delivered or provided when establishing its own strategy for domestic and international operations. Therefore, the Group determined and identified “Beverages and foods” and “Alcoholic Beverages” as a reportable segment based on the types of products and services delivered or provided. The classification of the Group’s primary products and services have been defined as below.

Reportable segment	Primary products
Beverages and foods	Non-alcoholic beverages, healthy drinks, processed foods, other products
Alcoholic Beverages	Spirits, beer, wine and other alcoholic beverages
Others	Healthy foods, ice cream, restaurants, flowers, operations in China and other operations

### (2) Profit or loss for each reportable segment

Profit or loss for each reportable segment of the Group was as follows.

Six months ended June 30, 2021

(Millions of yen)

	Reportable segment			Segment total	Reconciliations *2	Consolidated *1
	Beverages and foods	Alcoholic Beverages	Others			
Revenue (including excise taxes)	601,544	476,272	114,141	1,191,958	—	1,191,958
Revenue (excluding excise taxes)						
External customers	601,544	353,977	113,650	1,069,173	—	1,069,173
Intersegment	2,290	1,489	5,686	9,467	(9,467)	—
Total revenue	603,835	355,467	119,337	1,078,640	(9,467)	1,069,173
Segment profit (loss)	70,316	62,858	15,131	148,307	(22,189)	126,117

(Note) \*1. Segment profit agrees with operating income presented in the consolidated statement of profit or loss.

\*2. “Reconciliations” to segment profit or loss represent overhead costs incurred by the Company to manage the Group’s operations and are not allocated to the reportable segments.

Six months ended June 30, 2022

(Millions of yen)

	Reportable segment			Segment total	Reconciliations *2	Consolidated *1
	Beverages and foods	Alcoholic Beverages	Others			
Revenue (including excise taxes)	676,464	564,334	132,232	1,373,031	—	1,373,031
Revenue (excluding excise taxes)						
External customers	676,464	422,019	131,742	1,230,226	—	1,230,226
Intersegment	2,545	2,032	6,406	10,984	(10,984)	—
Total revenue	679,009	424,052	138,148	1,241,210	(10,984)	1,230,226
Segment profit (loss)	90,765	68,858	15,913	175,536	(24,895)	150,641

(Note) \*1. Segment profit agrees with operating income presented in the consolidated statement of profit or loss.

\*2. “Reconciliations” to segment profit or loss represent overhead costs incurred by the Company to manage the Group’s operations and are not allocated to the reportable segments.

## Balance Sheet

(Millions of yen)

	As of December 31, 2021	As of June 30, 2022
<b>ASSETS</b>		
Current assets	1,312,543	1,504,510
Cash and deposits	47,819	70,016
Accounts receivable-trade	4,251	5,857
Supplies	70	99
Short-term loans receivable	1,234,597	1,183,889
Accounts receivable - other	19,564	185,154
Other current assets	6,881	60,222
Allowance for doubtful accounts	(640)	(729)
Non-current assets	965,390	957,033
Property, plant and equipment	34,586	34,950
Intangible assets	3,840	3,914
Investments and other assets	926,964	918,168
Shares of subsidiaries and associates	517,556	513,744
Long-term loans receivable from subsidiaries and associates	369,655	361,472
Other	43,770	46,971
Allowance for doubtful accounts	(4,019)	(4,019)
Deferred assets	759	882
<b>TOTAL ASSETS</b>	<b>2,278,693</b>	<b>2,462,426</b>

(Millions of yen)

	As of December 31, 2021	As of June 30, 2022
<b>LIABILITIES</b>		
Current liabilities	384,140	480,999
Short-term loans payable	73,728	103,402
Current portion of bonds payable	67,295	60,000
Income taxes payable	1,504	1,838
Deposits received	115,542	97,227
Provision for bonuses	6,242	5,335
Other	119,827	213,194
Non-current liabilities	945,735	991,657
Bonds payable	275,505	300,514
Long-term loans payable	654,326	675,062
Provision for retirement benefits	9,276	9,347
Asset retirement obligations	2,871	2,878
Other	3,755	3,854
<b>TOTAL LIABILITIES</b>	<b>1,329,876</b>	<b>1,472,656</b>
<b>NET ASSETS</b>		
Shareholders' equity	945,698	985,042
Capital stock	70,000	70,000
Capital surplus	286,367	286,367
Legal capital surplus	17,500	17,500
Other capital surplus	268,867	268,867
Retained earnings	590,269	629,613
Other retained earnings	590,269	629,613
Reserve for special depreciation	6	12
Reserve for advanced depreciation of non-current assets	1,916	2,047
Reserve for purchase of specific shares	52	52
General reserve	312,700	315,279
Retained earnings brought forward	275,594	312,223
Treasury stock	(938)	(938)
Valuation and translation adjustments	3,118	4,727
Valuation difference on available-for-sale securities	5,326	6,165
Deferred gains or losses on hedges	(2,207)	(1,438)
<b>TOTAL NET ASSETS</b>	<b>948,817</b>	<b>989,770</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,278,693</b>	<b>2,462,426</b>

## Statement of Income

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Operating revenue	79,057	83,854
Operating expenses	23,088	33,228
Operating income	55,968	50,625
Non-operating income	10,518	6,693
Non-operating expenses	3,939	3,830
Ordinary income	62,547	53,489
Extraordinary income	—	1,945
Extraordinary loss	718	8,654
Income before income taxes	61,829	46,780
Income taxes-current	1,447	(1,473)
Net income	60,382	48,253