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Translation



May 10, 2023

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2023
<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 of ordinary general meeting of shareholders: June 16, 2023
 Scheduled date to commence dividend payments: June 19, 2023
 Scheduled date to submit Securities Report: June 16, 2023
 Preparation of supplementary materials on financial results: None
 Holding of financial results presentation meeting: None

(Millions of yen with fractional amounts rounded down)

**1. Consolidated financial results for the fiscal year ended March 31, 2023
(from April 1, 2022 to March 31, 2023)**

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	323,700	29.5	12,317	–	14,056	381.2	7,789	308.3
March 31, 2022	250,033	10.4	819	(84.3)	2,921	(51.3)	1,907	(43.4)

Note: Comprehensive income
 Fiscal year ended March 31, 2023: ¥7,298 million [– %]
 Fiscal year ended March 31, 2022: ¥(3,984) million [– %]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
March 31, 2023	Yen 130.06	Yen –	% 8.6	% 8.5	% 3.8
March 31, 2022	Yen 31.26	Yen –	% 2.1	% 1.9	% 0.3

Reference: Share of profit (loss) of entities accounted for using equity method
 Fiscal year ended March 31, 2023: ¥404 million
 Fiscal year ended March 31, 2022: ¥511 million

Note: During the fiscal year ended March 31, 2023, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2022, reflect the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	173,999	92,884	53.4	1,561.61
March 31, 2022	155,170	87,687	56.2	1,455.30

Reference: Equity

As of March 31, 2023: ¥92,869 million

As of March 31, 2022: ¥87,274 million

Note: During the fiscal year ended March 31, 2023, the Company finalized the provisional accounting treatment for business combinations. As a result, figures as of March 31, 2022, reflect the finalization of the provisional accounting treatment.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	12,462	(7,932)	5,459	31,450
March 31, 2022	5,013	(8,417)	(759)	21,267

Note: During the fiscal year ended March 31, 2023, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2022, reflect the finalization of the provisional accounting treatment.

2. Cash dividends

	Annual dividends per share					Total dividend payments (Total)	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	–	–	25.00	25.00	1,515	80.0	1.7
Fiscal year ended March 31, 2023	–	–	–	37.00	37.00	2,224	28.4	2.5
Fiscal year ending March 31, 2024 (Forecast)	–	–	–	39.00	39.00		32.2	

Note: During the fiscal year ended March 31, 2023, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2022, reflect the finalization of the provisional accounting treatment.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	360,000	11.2	11,400	(7.4)	12,000	(14.6)	7,200	(7.6)	121.07

Note: The Company has announced only the full-year consolidated earnings forecasts after taking into consideration the seasonal factors (increased demand in the second half) in financial results in the Energy Solutions Business, which is a core business of the Group. For more details, please refer to the section of “(4) Future outlook” of “1. Overview of Operating Results and Others” on page 9 of the attached material.

* 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) 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: Yes
 - d. Restatement: None

Note: For more details, please refer to the section of “(5) Notes to consolidated financial statements, Changes in accounting policies and Changes in accounting estimates” of “5. Consolidated financial statements and significant notes” on page 25 of the attached material.

- (3) Number of shares issued (common shares)

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

As of March 31, 2023	60,134,401 shares
As of March 31, 2022	60,634,566 shares

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

As of March 31, 2023	664,091 shares
As of March 31, 2022	664,091 shares

- c. Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	59,889,547 shares
Fiscal year ended March 31, 2022	61,022,469 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 March 31, 2023). 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 (316,392 shares for fiscal year ended March 31, 2022, 567,900 shares for fiscal year ended March 31, 2023).

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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. Actual business and other results may differ substantially due to various factors. Please refer to “(4) Future outlook” in “1. Overview of Operating Results and Others” on page 9 for the suppositions that form the assumptions for earnings forecasts.

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1. Overview of Operating Results and Others

In the current fiscal year, since the provisional accounting treatment for the business combination conducted was finalized, comparisons and analyses with the previous fiscal year are based on the amount after the reflection of a significant review of the acquisition cost amounts initially allocated due to the finalization of the provisional accounting treatment.

(1) Summary of operating results

During the fiscal year under review, economic conditions in Japan were characterized by the easing of COVID-19 restrictions and the progressive normalization of social and economic activity, leading to signs of a recovery. However, the economic outlook remains uncertain due mainly to soaring resource prices globally following the prolongation of the situation in Ukraine and rising prices caused by sharp fluctuations in foreign exchange rates.

In the domestic energy market, there has been a rapid change of the Group's business environment, such as demand for decarbonization on a global scale and demand to strengthen the infrastructure for stable energy supply, which is becoming stronger with the increase in frequency and intensity of natural disasters, as well as the changes in demand due to the low birth rate and aging society and population decline, and lifestyle changes owing to the COVID-19 pandemic.

Under such circumstances, we believe that energy business operators need to make advanced and swift progress from the perspective of ensuring environmental friendliness, 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 desire for choices. 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 Liquefied Petroleum Gas (LPG) which offsets the CO₂ generated from LPG mining until combustion, using carbon credit certified by an international NGO in the U.S. Mitsuuroko Vessel Co., Ltd. and Mitsuuroko Green Energy Co., Ltd., which is also a consolidated subsidiary of the Company, are participating in the Ministry of Economy, Trade and Industry's "Operation to Mitigate Sudden Fluctuations in Electricity and Gas Prices," and are cooperating to the maximum extent possible for this project in order to relieve the burden of electricity rates on customers.

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 help create a sustainable society by continuing to co-create new value with a diverse range of stakeholders, the Company has examined the business of the Group from a long-term, ESG (Environmental, Social, and Governance) perspective, and considered which of the various social issues it should engage with as priorities. As a result, the Company has identified six important issues (materiality): 1 Contribution to the environment; 2 Contribution to local communities; 3 Thorough compliance; 4 Enhancement of safety and disaster response measures; 5 Health-focused management; 6 Promotion of diversity.

The Company continues to take initiatives for sustainable growth and improving corporate value through enhancement of corporate governance and sustainability.

For the operation streamlining 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 operation streamlining tools with cutting-edge technologies and strive to further improve the Group's productivity.

With regard to business performance for the fiscal year ended March 31, 2023, in the Power & Electricity Business, one of the Company's core businesses, profits increased due to our efforts at decentralization of our electricity suppliers, thereby effectively reducing the percentage of electricity procured from the

electric power exchange where prices have soared, our progress made in improving and normalizing sales prices in response to rising purchase prices, and an increase in the number of retail users. Furthermore, there were contributions to the entire Group's business performance by the strong results 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 of the fiscal year ended March 31, 2022. Against the backdrop of those factors, net sales increased by 29.5% year on year to ¥323,700 million, operating profit increased by 1,402.9% year on year to ¥12,317 million, ordinary profit increased by 381.2% year on year to ¥14,056 million, and profit attributable to owners of parent increased by 308.3% year on year to ¥7,789 million.

Operating results by segment are as follows.

Energy Solutions Business

In the LPG business, as demand for use including restaurants was on a mild recovery trend, the LPG sales volume for commercial use grew to 103% of the level of the previous fiscal year. Although we actively undertook measures to acquire new customers, sales volume for home use fell to 93% of the level of the previous fiscal year due to a year-on-year decline in stay-at-home demand, as well as due to an increase in average temperatures and soaring prices that have resulted in a strengthening tendency to economize. On the other hand, due to the increase in sales prices as a result of the increase in LPG price, net sales for the LPG business increased overall.

In the petroleum business, gross margin per unit continued to increase from the previous fiscal year due to an increase in the delivered unit price of household heating oil, but the strengthening tendency to economize that has affected all petroleum products in the same way as LPG, together with the decline in demand caused by higher temperatures, resulted in sales volume for household heating oil declining to 94% of the level of the previous fiscal year.

In the housing equipment business, we actively worked to increase the ratio of ecologically friendly water heaters with the aim of reducing CO₂ emissions, resulting in year-on-year increases in sales by 47 units to 83 units for hybrid water heaters (retail only) and by 1,127 units to 2,729 units for high-efficiency water heaters (retail only), as well as in sales of 427 fuel conversion systems for switching from petroleum fuels to LPG water heaters (retail only). These achievements resulted in reductions in CO₂ emissions of about 320 tons over the course of the year, and also resulted in net sales for the housing equipment business of 109% of the level of the previous fiscal year.

In response to purchase prices for energy that have continued to increase since the previous fiscal year, we made progress in passing these onto sales prices. As a result, net sales rose 2.3% year on year to ¥141,072 million, and operating profit declined 2.1% year on year to ¥2,733 million.

With environmental awareness rising both in Japan and overseas, we have formulated a growth strategy for the Energy Solutions Business in preparation for a decarbonized society, and are promoting the spread of high-efficiency gas equipment and the installation of ENE FARM (fuel cells). In addition to reducing the amount of primary energy used, ENE FARM is equipped with resilience functions and thus offers outstanding functionality from the perspective of environmental friendliness and disaster prevention. We will actively promote our growth strategy toward decarbonization, with an eye to achieving carbon neutrality.

Power & Electricity Business

In the electricity retail 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.

However, the situation for electric power supply was extremely difficult throughout the fiscal year ended March 31, 2023, with the government issuing a power usage warning for the areas serviced by Tokyo Electric Power Company and Tohoku Electric Power Company in March 2022, which was followed by the first national summer power saving request in seven years for the period from July to September, and in turn by the issuing of a winter power saving request from December. In addition, soaring prices for crude oil, LNG, and coal, which are power sources, led to average electricity procurement costs remaining at high levels on the Japan Electric Power Exchange ("JEPX"). In the Power & Electricity Business, as well as proceeding with the diversification of our electricity suppliers to mitigate the impact of soaring prices, we also worked to improve unit selling prices.

As a result of the above factors, net sales increased by 67.1% year on year to ¥157,181 million, and operating profit was ¥10,037 million (compared to an operating loss of ¥1,343 million in the previous fiscal year).

Based on our participation in the Ministry of Economy, Trade and Industry's "Operation to Mitigate Sudden Fluctuations in Electricity and Gas Prices," we implemented discounts for electricity and gas charges, using the discounted selling price set by the government, in accordance with the respective amounts of energy used between January and September 2023 (based on meter readings, between February and October). We will continue to cooperate to the maximum extent possible for this project in order to mitigate the burden of electricity charges on customers.

With the increasing gravity of the impact of climate change, CO₂ emissions have become a major issue. In order to balance the supply and demand of electricity by decreasing or increasing the consumption of electricity, we have offered 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 stable supply of electricity and economical use of energy through power saving, peak shifting, and energy efficiency and conservation, and we will contribute to the expansion of renewable energy with the aim of achieving a decarbonized society, provide electricity to many customers as "a Lifestyle Producer," and endeavor to provide services that are beneficial to society and people's lives.

Foods Business

In the bottled water business, Shizuoka Mitsuuroko Foods Co., Ltd., which joined the Group in November 2021, made a significant contribution to business performance. Previously this company had specialized in the production of beverages, but by increasing manufacturing capacity for mineral water, it has succeeded in expanding the range of products it can offer to major distributors. Due to the positive reception at a major convenience store chain to the coffee drink that we developed under contract, proposals for selling mineral water as a set with our in-house developed green tea that uses only tea leaves from Shizuoka, and other successful initiatives, sales volume for beverages as a whole recorded an increase. In addition, the water source owned by Shizuoka Mitsuuroko Foods has been rated highly by customers, which has generated a virtuous circle whereby increases in production of mineral water products have led to further increases in orders. As a result, sales volume of mineral water, which is the core product of Mitsuuroko Beverage Co., Ltd., reached approximately 117% of the level of the previous fiscal year.

Despite coming under pressure from soaring prices for resources and energy, significant increases in prices for its main ingredients caused by the depreciation of the yen, and rising personnel expenses, the business was able to improve its performance due to improved efficiencies resulting from the expansion in sales and the normalization of product prices.

In the foods business, "Azabujuban Mont-Thabor," a bakery with stores all over Japan, worked on collaborations with external brands and actively participated in major food events in the metropolitan area. Employees of the chain also won prizes in the Bakery Japan Cup 2023, in which participants compete in bread production technique, which is testimony to the company's high level of technical expertise. In addition to using improvements in bread production technique to focus on creating products that please our customers and developing new products, we seek to increase the number of visitors to our stores and to the EC sales site through the repetition of such initiatives that raise brand awareness and brand value.

By introducing products for each season in collaboration with Azabujuban Mont-Thabor, Motomachi Coffee, which operates a café business, was able to raise the number of visitors to its stores to approximately 104% of the level of the previous fiscal year, and improve its business performance. By focusing on the post-COVID-19 landscape for the shops and restaurants that it operates, Mitsuuroko Provisions Co., Ltd. has concentrated on renewing existing stores, developing new stores, and also developing and introducing new menus, with the result that net sales rose to approximately 109% of the level of the previous fiscal year.

The Carl's Jr. Japan burger chain has seen an improvement in its business performance due to a recovery in inbound tourist demand and an increase in visitor numbers.

For the Foods Business as a whole, although the COVID-19 pandemic had an impact on the foods business, net sales increased by 36.1% year on year to ¥18,346 million, and operating profit increased by 310.3% year on year to ¥524 million, due to reinforced shipment capacity and increased sales mainly in the bottled water business.

Living & Wellness Business

In the real estate business, rental real estate consisting primarily of residential properties has performed well, and is securing stable sales. The three rental apartment complexes that we acquired in September 2022 (“Prasio Hirao,” “View Heights Takayama,” and “Cosmos Reid Kokubunji”) are operating without problems, and occupancy rates have increased at “VIP Sendai Futsukamachi,” which benefited from a renovation of its common area and some rooms during the fiscal year under review. As a result, net sales rose 12.2% year on year.

In addition to implementing an ongoing program of repairs and upgrades prioritizing safety for all properties, including existing assets, we are steadily investing in facilities to ensure that properties keep pace with the values of the times. We place particular emphasis on sustainability, centered on decarbonization, resource conservation, etc., by switching to the use of electricity generated using renewable energy, installing water-saving facilities, and implementing other initiatives. While bearing the optimal portfolio structure in mind, we will actively acquire and develop new revenue-generating properties going forward.

The number of visitors to the HAMABOWL EAS Building has been recovering steadily, and particularly in March 2023, the building as a whole saw more customer footfall than it has since the beginning of the COVID-19 pandemic. We implemented a receipt marketing campaign using LINE app during the year-end and New Year holiday season. As prizes, we also introduced SPA EAS entry gifts, Hamabowl pair gifts for a single play, and eGift certificates that can be used on our “solemo” e-commerce site, with the goal of generating synergies within the Group and promoting sales for the building as a whole, and the number of LINE friends also increased.

In the wellness and sports business, thanks to the steady recovery in visitor numbers and sales for both SPA EAS and Hamabowl, sales rose to 120.8% and 138.2% of the level of the previous fiscal year, respectively. We have seen a recovery in consumer spending in the leisure and service industries as a result of the COVID-19 pandemic being brought under control and the easing of governmental restrictions on movement.

A sales promotion that used commemorative coupons to celebrate SPA EAS winning 3rd place in the “17th Annual Nifty Hot Spring Rankings (2022)” in December 2022 was well received, and resulted in a significant increase in visitor numbers. Given that the number of new registrations for the official SPA EAS app increased by around 6,000 users, it is possible that this helped to acquire new customers. In terms of sales promotion, in March 2023, as well as promoting a stage version of the “Nobunaga Miman” television drama as a collaborative event with the Company’s Content Division, we held a talk show by the cast and a special löyly, throwing water on hot stone in sauna, that attracted widespread attention. SPA EAS entry gift cards were also selected for use in Kanagawa and Yokohama-shi as “thank-you gifts” for hometown tax payments, with the objective of conveying the appeal of the regions and revitalizing their economies.

In January 2023, Hamabowl held the second “Health Bowling Class,” and the number of members increased by 95 during the fiscal year ended March 31, 2023. Signs of the easing of COVID-19 pandemic restrictions have had a significant impact not only on the recovery in general use but also on bookings by corporations, and sales are growing at a pace unseen since before the COVID-19 pandemic. As with SPA EAS, Hamabowl gift cards were selected for use in Yokohama-shi as “thank-you gifts” for hometown tax payments.

In the sports business, the “EIGHT ANGLE” sports studio, the first studio in the world to use internationally patented “SwipeVideo” technology, was launched as a new business on April 12, 2023 (Jiyugaoka, Tokyo). The “EIGHT ANGLE” allows customers to film their golf swing from eight viewing angles, enabling a 360-degree view that makes it possible to provide form guidance from a specialist coach, which leads to improved flight distance and lower handicaps. In addition, aside from golf lessons, this has promising applications for other competition, such as baseball, tennis, and dancing. By broadening the scope of use to include various scenes, we expect to generate new value as a sports studio that can be used both online and offline.

At the Wellness Lab, in order to summarize the “Rain-Bowling” project implemented during the fiscal year under review, February 2023 we again visited Yamoto Elementary School in Yokohama-shi to award prizes to the fourth-grade students who won first prize in the “Reuse Contest,” and to attend a debriefing session of integrated study by the students (learning about SDGs, including the reuse of bowling pins). Based on the above reasons, for the Living & Wellness Business as a whole, although net sales increased by 13.9% year on year to ¥2,512 million, operating loss was ¥38 million (compared to an operating profit of ¥324 million in the previous fiscal year) as a result of recording the costs associated with the

acquisition of the aforementioned three new rental apartment complexes as prior investment tied to future net sales.

Overseas Business

Profits and losses from the self-storage business of General Storage Company Pte. Ltd. (“GSC”) and six other companies, which joined the Mitsuuroko Group in December 2021, were included in the consolidated financial statements from the fourth quarter of the previous fiscal year. In the fiscal year ended March 31, 2023, net sales increased by 382.9% year on year to ¥2,456 million, and operating profit was ¥207 million (compared to an operating loss of ¥81 million in the previous fiscal year). The business performance of Siamgas & Petrochemicals Public Company Limited (“Siamgas”), with which the Company has concluded a strategic business alliance agreement, was favorable due to the impact of soaring crude oil prices, etc., and dividend income from Siamgas for the fiscal year ended March 31, 2023, increased by 81.9% year on year to ¥1,163 million, and was recorded in non-operating income.

Others

In the information systems development and sales business, we are developing various services for SmartOWL®, an LPG operation streamlining solution utilizing AI and IoT, and in addition to the service that read and provide LPG meter data remotely, we are effectively utilizing daily measurements to offer a delivery streamlining solution that offers the most efficient delivery day. Mitsuuroko Creative Solutions Co., Ltd. has obtained four patents for this delivery streamlining solution, and in demonstration tests conducted over a one-year period, the number of deliveries was reduced by 29.1%, and delivery operation time was reduced by 30.9%. As a result, feedback and inquiries are being received from many operators. In addition, sales are being expanded for the COSMOS Series, an LPG sales management system with improved reliability and closer relationship to customers in mind.

In the leasing business, MITSUUROKO LEASE Co., Ltd. was selected by the Ministry of the Environment as a designated leasing business operator for ESG lease promotion projects. By promoting initiatives that take into account the elements of ESG (Environment, Social, and Governance), we support leasing demand among small and medium-sized enterprises that contribute to decarbonization in the supply chains as a whole.

In the content business, which was started as a new business in the fiscal year ended March 31, 2020, we are co-producing TV programs and movies, planning TV dramas and theatrical performances, etc. The TV drama “Nobunaga Miman,” which we co-produced with Television Kanagawa Inc. and other partners, broke records for the greatest number of TVer (streaming service) viewers for a Television Kanagawa show, and the drama was broadcast nationwide on BS Nippon Television. A stage version of “Nobunaga Miman” was also produced, which was a hit show that was seen by 4,000 people at performances over four days. In addition, the streaming drama “Kono Doga wa Saisei Dekimasen (This Video Is Not Available),” a fully original MITSUUROKO production that became a hit project, surpassing three million views on Amazon Prime and other platforms, helping the business attain a favorable rate of growth.

For Other Business as a whole, net sales increased by 9.6% year on year to ¥2,130 million, while operating profit decreased by 69.3% year on year to ¥14 million, mainly due to a decrease in the profit margin on sales in the leasing business under the COVID-19 pandemic.

(2) Summary of financial position

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023	Change
Assets	155,170	173,999	+18,828
Liabilities	67,483	81,115	+13,631
Net assets	87,687	92,884	+5,196
Shareholders' equity	87,274	92,869	+5,594
Equity ratio (%)	56.2	53.4	(2.9)

Assets

Total assets as of the end of the fiscal year ended March 31, 2023, increased by ¥18,828 million compared to the end of the previous fiscal year to ¥173,999 million.

The main factors for change were an increase of ¥11,036 million in cash and deposits resulting from borrowings for long-term funds for operations, an increase in current balance, etc., an increase of ¥2,648 million in accounts receivable - trade resulting from an increase in net sales, etc., an increase of ¥1,248 million in buildings and structures and an increase of ¥2,200 million in land resulting from acquisition of rental properties, etc., and a decrease of ¥1,465 million in investment securities following a drop in the market price of shares.

Liabilities

Total liabilities increased by ¥13,631 million compared to the end of the previous fiscal year to ¥81,115 million.

The main factors for change included an increase of ¥2,486 million in income taxes payable resulting from higher taxable income, an increase of ¥3,479 million in long-term borrowings and an increase of ¥4,698 million in bonds payable resulting from increased demand for capital to acquire rental properties, etc., and an increase of ¥1,784 million in asset retirement obligations recognized at the Azuchi-Oshima Wind Power Plant, etc.

Net assets

Net assets increased by ¥5,196 million compared to the end of the previous fiscal year to ¥92,884 million. The main factors for change included an increase in retained earnings of ¥5,710 million, a decrease in valuation differences on available-for-sale securities of ¥995 million associated with a decrease in value of investment securities, and an increase in foreign currency translation adjustment of ¥818 million resulting from fluctuation in foreign exchange rates.

As a result, the equity ratio decreased by 2.9 percentage points from the end of the previous fiscal year to 53.4%.

(3) Summary of cash flows

The status of cash flows for the current fiscal year and the factors behind them are as follows.

(Millions of yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Change
Cash flows from operating activities	5,013	12,462	7,448
Cash flows from investing activities	(8,417)	(7,932)	485
Cash flows from financing activities	(759)	5,459	6,218
Effect of exchange rate change on cash and cash equivalents	133	193	59
Net increase (decrease) in cash and cash equivalents	(4,030)	10,182	14,212
Cash and cash equivalents at beginning of period	25,297	21,267	(4,030)
Cash and cash equivalents at end of period	21,267	31,450	10,182

Cash flows from operating activities

Net cash provided by operating activities was ¥12,462 million (compared to ¥5,013 million net cash provided in the previous fiscal year). This was mainly due to profit before income taxes of ¥11,678 million, depreciation of ¥4,631 million, impairment losses of ¥2,297 million, an increase in trade receivables of ¥2,621 million, and income taxes paid of ¥2,211 million.

Cash flows from investing activities

Net cash used in investing activities was ¥7,932 million (compared to ¥8,417 million net cash used in the previous fiscal year). This was mainly due to expenditures for the acquisition of rental property, plant and equipment in the Living & Wellness Business.

Cash flows from financing activities

Net cash provided by financing activities was ¥5,459 million (compared to ¥759 million net cash used in the previous fiscal year). This was mainly due to financing through long-term borrowings and issuance of bonds for the acquisition of rental properties.

In addition, the effect of exchange rate change on cash and cash equivalents increased by ¥193 million. As a result, the balance of cash and cash equivalents at the end of current fiscal year increased by ¥10,182 million compared to the end of the previous fiscal year to ¥31,450 million.

Trends in the Group's cash flow indicators and other indicators are shown below.

(Trends in cash flow-related indicators)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio (%)	62.1	64.0	56.2	53.4
Equity ratio based on market value (%)	56.1	57.2	40.0	44.2
Ratio of interest-bearing debt to cash flow (years)	1.4	2.4	3.8	2.3
Interest coverage ratio (times)	39.5	27.3	29.0	42.8

Equity ratio: shareholders' equity/total assets

Equity ratio based on market value: market capitalization/total assets

Ratio of interest-bearing debt to cash flow: interest-bearing debt/cash flow

Interest coverage ratio: cash flow/interest payments

(Note 1) All calculations are based on consolidated financial figures.

- (Note 2) Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.
- (Note 3) Cash flows from operating activities are used for cash flows.
- (Note 4) Interest-bearing debt includes all liabilities on the consolidated balance sheets for which interest is paid.

(4) Future outlook

Energy Solutions Business

The business environment surrounding the Group's mainstay LPG and petroleum products is extremely challenging due to such factors as the prolonged rise in crude oil prices and a decrease in demand caused by growing awareness of energy efficiency and conservation through decarbonization. However, we will work to become an energy provider that can be responsible for 10% of family consumption expenditure by expanding our new menu of service options centered on the provision of lifestyle infrastructure products while aggressively promoting the "further evolution of the Energy Solution Business" and driving expansion of user accounts and also quickly responding to changes in the business environment. As an energy provider we will also promote initiatives aimed at reducing carbon in the LPG supply chain. In addition to promoting the spread of high-efficiency water heaters, we are focusing on collaborating with home construction companies to increase the number of ENE FARM (fuel cell) installations to enable us to reduce CO₂ emissions while increasing sales of LPG by promoting our ENE FARM project, and building a management foundation that takes both the environment and economics into account.

Power & Electricity Business

In the Power & Electricity Business, we have steadily gained customers for Mitsuuroko Electricity in line with the full liberalization of electricity retail that started in April 2016. However, with the prolongation of the situation in Ukraine, prices for energy that constitutes power sources have remained volatile, and market prices on JEPX have remained at high levels. In situations where the progress of global warming results in the occurrence of abnormal weather and other symptoms becoming both more frequent and more intense, unforeseen levels of heat and other factors are expected to result in extreme increases in demand for electricity.

To address the risk of market fluctuations on JEPX, we will continue to conclude bilateral contracts with power generation business operators to increase procurement and reduce our dependency on the market as much as possible, while also working to utilize load-following power sources that can increase or decrease the amount of electricity generated at different times of the day. Furthermore, we are installing grid storage batteries in Tahara-shi, Aichi and Sendai-shi, Miyagi to enable "storing electricity during daytime hours when solar power generation is high, and discharging it during the morning and evening hours when the electricity demand is rapidly rising." Aiming for operation within the next fiscal year, we will work on contributing to the stabilization of the power grid and achieve a better balance between supply and demand as well as cost control.

In this business, we have been offering the Mitsuuroko Green Plan, which involves the sale of electricity derived entirely from renewable energy, and we expect the recent increase in attention to result in a further increase in customer numbers. To seize the opportunities associated with measures against global warming, we will grow the new renewable energy aggregation business, such as by expanding the menu of electricity with low environmental impact, and promote initiatives to address climate change in order to help achieve a sustainable society.

Foods Business

Increases in mineral water production capacity at Shizuoka Mitsuuroko Foods, which has become a wholly owned subsidiary of Mitsuuroko Beverage Co., Ltd., have enabled it to respond to rising demand for online sales resulting from lifestyle changes. However, with post-COVID-19 economic activity gathering pace and online procurement taking root, further increases in demand are expected and we anticipate that it will be necessary to revise the current production structure and further increase production capacity. Although it will be difficult for the foods business, which operates Azabujuban Mont-Thabor and Carl's Jr. Japan, to completely erase the impact of the pandemic, we expect business

performance to trend toward recovery following the downgrading in May this year of COVID-19 from the “equivalent of Category II Infectious Diseases” to “Category V Infectious Diseases” (the same category as influenza).

Living & Wellness Business

In the real estate business, we will expand the portfolio to support the profitability of the Group as a whole. While strengthening the relevant procurement structures for new properties, we will dispose of properties as needed following portfolio reviews. Going forward, we will continue to build and operate properties that are not only profitable but also environmentally friendly, with the aim of sustainable real estate management. At the Hamabowl EAS building, we will strive to increase the added value of the building as a whole while facilitating a building management that pays attention to making the building appealing, so that customers can feel at ease and use the building comfortably. In addition, the Company will conduct building-wide sales promotion activities to recover customer traffic.

In the wellness and sports business, our perception is that the various changes brought about by the spread of COVID-19 have resulted in a heightening of health awareness among the public, and an increase in expectations for the wellness market. At SPA EAS, we will propose content related to well-being, beginning with beauty and health, while at Hamabowl and in the sports business we will work to convey the appeal of a variety of sports, helping customers to follow healthy and fulfilling lifestyles, and contributing to the further development of the industry. Moreover, at the Wellness Lab in the coming fiscal year, we aim to expand the “Rain-Bowling” project along the three axes of “education,” “sports,” and “art,” approaching elementary schools and educational organizations in Yokohama-shi, and moving forward with contributions to local communities. In addition, we take a proactive stance in establishing collaboration with group companies with the goal of generating synergies within the Group.

We will continue to strive to improve our corporate value and attract customers by implementing new measures that reflect the contemporary needs, based on the premise of providing the value of peace of mind so that we can contribute to the sustainable and fulfilling lifestyles of our customers.

Overseas Business

In the Overseas Business, we are expanding primarily in Asia. In Asian cities, demand for self storage among individual users is currently increasing, driven by a move towards smaller homes and changes in lifestyles. GSC, which operates a self-storage business with a total of 19 sites in Singapore, Malaysia and Hong Kong under the Lock+Store brand, is working to improve corporate value by expanding market share. Because GSC also owns warehousing facilities for corporate users, it also plans to offer new services that add value for such clients.

Siamgas, with which the Company has concluded a strategic business alliance agreement, has the second largest market share in Thailand after the state-owned PTT Public Company Limited, and also operates in Vietnam, Singapore, China, and Malaysia. By joining together the knowledge and experience of Siamgas and the Group, we seek to promote the development of new businesses in the Energy Solutions Business in Asia, centered on LPG.

Going forward, through consolidated subsidiary TRIFORCE INVESTMENTS PTE. LTD., we will explore business opportunities related to emerging and social infrastructure business, primarily in Asian economies, as well as developing new businesses with a view to further business tie-ups and M&A.

Others

Through SmartOWL®, operators can expect to realize automatic meter reading while reducing delivery operation time. This service contributes to reducing CO₂ emissions by shortening the operating time and travel distance of service vehicles and trucks. In addition, as a measure to help alleviate the labor shortage, it is an initiative linked to promoting ESG as one way of helping solve social issues. In the future, we plan to expand this service so that it can be used by as many LPG companies as possible. Moreover, we will further expand sales of the COSMOS Series, an easy-to-operate LPG sales management system that responds to the diversification of invoices and LPG rates, on the strength of its meticulous support for customers. In addition to the use of RPA technology, we are currently focusing on the active use of AI-OCR, which can read and convert printed text on paper and in images to digital data, and we will continue

to contribute to the reduction of indirect costs throughout the Group by improving productivity through the upgrade of our operations.

As for the leasing business, the Group contributes to the promotion of ESG through its leasing operations by promoting initiatives targeting leasing of decarbonization equipment while expanding the share of EV vehicles in the vehicles it leases. We are also actively promoting the energy-saving projects being advocated by various government ministries and LPG organizations, as well as the use of leasing to streamline business.

In the content business, many new projects are planned, including a sequel of the streaming drama “Kono Doga wa Saisei Dekimasen (This Video Is Not Available),” a fully original MITSUUROKO production that became a hit project, and going forward, we will work to deliver excellent content to viewers across Japan as “a Lifestyle Producer.”

In addition to the aforementioned, taking into account the continuing risks from rising fuel prices and electricity prices and other future uncertainty, and also comprehensively considering an increase in personnel expenses associated with a higher basic wage rate, and the interest burden of long-term borrowings and bonds payable, which increased during the current fiscal year, for the financial results for the fiscal year ending March 31, 2024, we project consolidated net sales of ¥360,000 million, operating profit of ¥11,400 million, ordinary profit of ¥12,000 million, and profit attributable to owners of parent of ¥7,200 million. The Company has announced only the full-year consolidated earnings forecasts after taking into consideration the seasonal factors (increased demand in the second half) in financial results in the Energy Solutions Business, which is a core business of the Group.

(5) Basic policy on profit distribution and dividends for the current and next fiscal years

Our basic policy is to implement measures to provide stable dividends with a target payout ratio of 40%, while positioning the return of profits to shareholders as one of the most important management issues, and taking into consideration the enhancement of internal reserves necessary for strengthening our financial position and aggressive business development.

During the fiscal year ended March 31, 2023, the business performance was driven mainly by the Power & Electricity Business, and we achieved record highs for net sales, operating profit, ordinary profit and profit attributable to owners of parent.

Taking into account our policy of bolstering shareholder returns, we propose an increase in the year-end ordinary dividend of ¥10 from the previous fiscal year, to ¥35 per share.

Furthermore, the Company celebrated the 60th anniversary of its listing on August 1, 2022. To express our unceasing gratitude to shareholders, it has been decided to pay a commemorative dividend of ¥2 per share in addition to the above-mentioned ordinary dividend for the fiscal year under review.

Together with the ordinary dividend, this results in a total year-end dividend for the fiscal year ended March 31, 2023, of ¥37 per share, and a payout ratio of 28.4%. In addition, the Company purchased treasury shares of ¥577 million in the current fiscal year in order to further enhance shareholder returns and improve capital efficiency and this results in a total return ratio of 36.0%. Regarding the cancellation of treasury shares, the Company cancelled all the remaining shares after retaining the minimum number of shares necessary for the Board Benefit Trust (BBT), etc.

For the next fiscal year, we plan to pay a dividend of ¥39 per share, an increase of ¥2 from the current fiscal year.

The payout ratio for the current fiscal year and the next fiscal year will fall below 40%. However, the reasoning behind this is to secure investment surplus for further enhancing the corporate value in the future and from the standpoint of implementing a policy to provide stable dividends.

We will continue to strive for sustainable growth, improvement of corporate value, and increase of shareholder value by allocating management resources to business fields where growth is expected from a medium- to long-term perspective.

2. Status of the Corporate Group

The Group comprises the Company, 45 subsidiaries, and 16 affiliates. The Group's main businesses and the positioning of each company within the Group's business are as follows. The following business segments are the same as "reportable segments."

(1) Energy Solutions Business

- Wholesale Division: Mitsuuroko Vessel Co., Ltd. and seven other consolidated subsidiaries mainly conduct wholesale of various fuels such as LPG and petroleum, and housing equipment, etc.
- Retail Division: Mitsuuroko Vessel Co., Ltd. and 11 other consolidated subsidiaries conduct sale of LPG, city gas, petroleum-related products, and environmental energy products, such as solar power generation systems and storage cells, to general customers. In addition, they also sell, install and provide renovation services for various types of housing equipment centered on gas appliances.
- Service Station Division: Mitsuuroko Drive Co., Ltd. mainly conducts sale of petroleum products procured from Mitsuuroko Vessel Co., Ltd., sale of gasoline, diesel fuel, etc. and provision of automobile maintenance services at service stations, renting of recreational vehicles, purchase of pre-owned vehicles, etc.
- Logistics Division: Logitri Holdings Co., Ltd. and three other consolidated subsidiaries, as well as Japan Enagic Co., Ltd., conduct logistics services related to LPG, etc., and operation of LPG filling stations and automobile service stations.
- Other Division: Mitsuuroko Creative Solutions Co., Ltd., Mitsuuroko Tech Co., Ltd. and MEC Service Co., Ltd., conduct energy-related support activities.

(2) Power & Electricity Business:

Mitsuuroko Green Energy Co., Ltd. conducts electricity wholesale from wind power generation to power companies, and electricity retail to general consumers. Azuchi-Oshima Wind Power Plant Co., Ltd. conducts electricity wholesale from wind power generation to power companies. Mitsuuroko Iwakuni Power Plant Co., Ltd. conducts biomass power generation as an energy source of electricity retail for Mitsuuroko Green Energy Co., Ltd. Mitsuuroko Vessel Co., Ltd. conducts electricity retail to general customers. Futtsu Solar Co., Ltd. and Suigo-Itako Solar Co., Ltd. provide power from solar power generation for electricity retail by Mitsuuroko Green Energy Co., Ltd. and conduct electricity wholesale to power companies.

(3) Foods Business:

Mitsuuroko Beverage Co., Ltd. and Shizuoka Mitsuuroko Foods Co., Ltd. manufacture and sell bottled water and beverages. Mitsuuroko Vessel Co., Ltd. sells bottled water to general customers. Mitsuuroko Provisions Co., Ltd. operates stores in facilities and cafeterias, and manages DELICATERIA (a new format of delicatessens directly under Mitsuuroko Grocery) and voluntary chain stores, with the business theme of "Natural Handmade DELICATERIA." Carl's Jr. Japan Inc. operates a burger restaurant chain. Sweet Style Co., Ltd. operates fresh bakery stores. Motomachi Coffee Co., Ltd. operates cafe stores.

(4) Living & Wellness Business:

MITSUUROKO Co., Ltd. and Hama Estate Co., Ltd. lease office buildings and rental apartments, etc., to general customers. Mitsuuroko Sports Co., Ltd. operates health and sporting facilities such as "SPA EAS: Yokohama Tennen Onsen" at the Yokohama amusement facility HAMABOWL EAS.

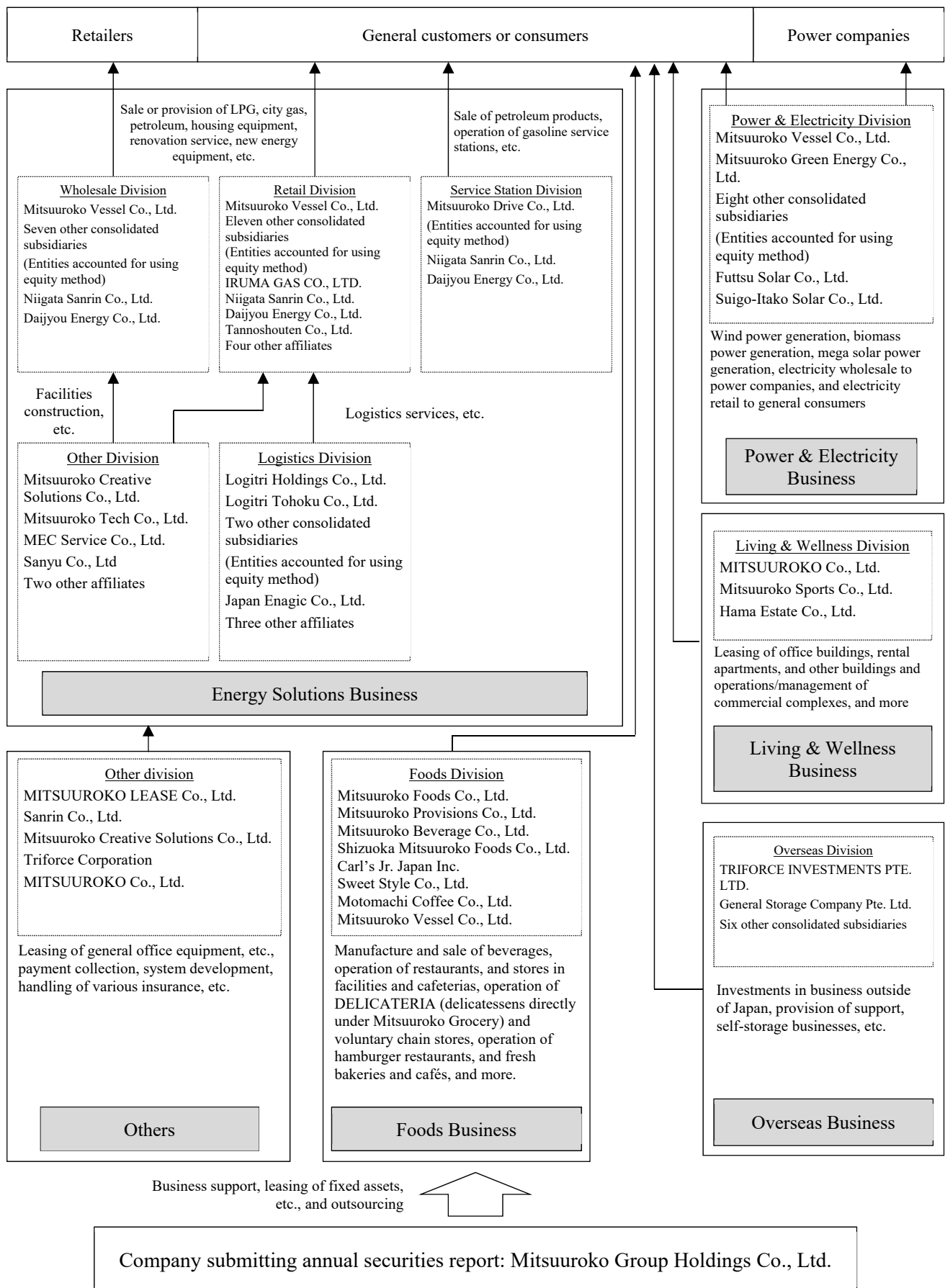
(5) Overseas Business:

TRIFORCE INVESTMENTS PTE. LTD. conducts investments and provides support outside of Japan. General Storage Company Pte. Ltd. and six other consolidated subsidiaries operate self-storage businesses in Asia.

(6) Others:

MITSUUROKO LEASE Co., Ltd. conducts leasing operations. Sanrin Co., Ltd. operates an insurance agency. Mitsuuroko Creative Solutions Co., Ltd. conducts sale of information equipment. Triforce Corporation operates a printing business and an e-commerce business. MITSUUROKO Co., Ltd. operates a content business.

The business organizational chart is as follows.



On April 1, 2023, Ichihara Mitsuuroko Co., Ltd. conducted a merger with Mitsuuroko Vessel Tohoku Co., Ltd. In addition, MEC Service Co., Ltd. is scheduled to conduct a merger with Mitsuuroko Tech Co., Ltd. on June 1, 2023.

3. Management policy

(1) Basic policy of corporate management

Within our Group management philosophy, we state that “as ‘a Lifestyle Producer,’ we consistently conduct our business with integrity and from the customer’s perspective.” Our aim is to enhance services related to everyday lifestyles centered on energy.

Beyond continually expanding new services from the customer’s perspective, we will continue to contribute to conservation of the global environment by utilizing natural energy and promoting the installation of energy-saving housing equipment.

We will also continually enhance our security and quality control initiatives so that we can provide “safety and peace of mind” as our top priority and will fulfill our corporate social responsibility based on high ethical standards.

(2) Medium- to long-term corporate management strategy

The Energy Solutions Business, which is the Group’s core business, and especially LPG, which continues to be highly profitable, has gained attention as a form of disaster-resistant distributed energy. However, the market has reached maturity, and because the population is expected to decline, a dramatic increase in the size of the market is unlikely. Demand for petroleum products such as heating oil and gasoline is on the decline.

To maintain competitiveness under these circumstances and secure stable profits, it will be important not only to reduce business costs through thorough streamlining but also to cultivate the markets for businesses that have the potential to be core businesses in the next generation and to prepare a growth strategy through expansion of profitability.

We will focus primarily on the points below while maintaining the competitiveness of our core energy-related businesses to become “a Lifestyle Producer” as set forth in our management philosophy.

(i) Expansion of profitability in Power & Electricity Business leveraging strengths of our power sources

To fully leverage the competitive advantages of our power sources, we will strive to maximize the profitability of our Power & Electricity Business, especially electricity sales and electricity supply, and focus on popularizing residential-use fuel cells and electric storage equipment.

(ii) Expansion of customer base leveraging strengths of our Lifestyle Services

As a Group possessing strengths in Lifestyle Services, the basis of our sales activities in both our existing businesses and our next-generation businesses is our customers, so increasing the number of customers is foundational to our management. As such, we will continue working to increase the number of our customers as much as possible.

(iii) Active store development in the Foods Business and further enhancement of quality control and hospitality

We will work to further stabilize our business foundation through aggressive store development in our foods business and expansion of sales channels in our bottled water business. Going forward, we will provide our customers with satisfying products and further enhance our quality control and hospitality.

(iv) Contributing to the creation of a sustainable society

Taking a long-term view of the Group’s businesses from an ESG perspective, we have identified the following six materialities and set KPIs for each of them, based on our consideration of issues that management ought to give priority from among all social issues in existence.

- (1) Contribution to the environment
- (2) Contribution to local communities
- (3) Thorough compliance
- (4) Enhancement of safety and disaster response measures
- (5) Health-focused management

(6) Promotion of diversity

By setting quantitative targets and target years for each KPI and aiming to achieve them, we will continue to create new value with our diverse stakeholders and contribute to the creation of a sustainable society.

(v) Further evolution of global business, especially in Asia

We will conduct investment and support for global businesses through TRIFORCE INVESTMENTS PTE. LTD., which is a consolidated subsidiary of the Company, and work to provide sustainable value to people around the world, particularly in Asia.

(3) Issues to be addressed

To continue creating new value with our diverse stakeholders as well as to contribute to fulfilling lifestyles and prosperity of society, the Company has identified six important issues (materiality) prioritized from among all social issues, taking into consideration the business of the Company in long-term view.

(i) Contribution to the environment

The Mitsuuroko Group is aware that it receives various benefits from the earth, including the resources necessary for its business activities, and that it is its responsibility to preserve the global environment in a better state. The purpose of the Mitsuuroko Group's existence is to build a better society through its daily business activities, and it places utmost importance on making proactive efforts to solve social issues. As measures to address climate change, which is a common challenge facing the world, the Mitsuuroko Group is working to reduce the CO₂ emissions from its business activities and those from its customers' use of products and services, as well as contribute to the improvement of energy efficiency, aiming to achieve carbon neutral by FY2050. In order to reduce CO₂ emissions in business activities, we are working to decrease the need for service vehicle use and streamline delivery operations (shortening the operating time and travel distance of trucks) using the automatic meter reading of SmartOWL®, eliminating the issue of complicated delivery and promoting eco-driving activities, as well as changing sales cars to EVs and expanding the use of renewable energy and environmentally friendly energy sources. Moreover, in order to contribute to our customers' reduction of CO₂ emissions, we will expand our LPG delivery streamlining service, switch to highly efficient housing equipment, promote the Mitsuuroko Green Plan, and work toward the transition of label-less PET bottles for mineral water.

(ii) Contribution to local communities

The business operation of the Mitsuuroko Group has been supported by many stakeholders until now. Within these stakeholders, it must not forget the indispensable role of local communities. The Mitsuuroko Group has traditionally built relationships of trust with local communities through not only its business relationships but also through connecting with them in other ways, such as by participating in community cleanup activities and events as well as charity activities and sports. The Mitsuuroko Group aims to coexist and prosper together with these local communities through working as hard as possible on initiatives that it can and should do in serving them as a corporate citizen, no matter how small.

(iii) Thorough compliance

In the management philosophy, the Mitsuuroko Group has set forth that it consistently conducts its business with integrity and from the customer's perspective, advocating the need for legal compliance in management and business operation. While thoroughly maintaining internal controls that have been effective and appropriate so far, we continuously maintain our legal compliance system through means such as conducting various types of compliance training, producing original training videos on non-compliance cases, and ensuring employees carry compliance cards. Going forward, we will continue to strive for sincere management and business activities based on high ethical standards, always from the perspective of corporate social responsibility.

(iv) Enhancement of safety and disaster response measures

Safety is indispensable element because of the nature of all businesses the Mitsuuroko Group promotes. With its mainstay energy-related products directly linked to our lives as lifelines, the Mitsuuroko Group's mission is to contribute to society through the stable supply of energy as well as

safe, reliable, and prompt logistics services. In light of the experience and lessons of the Great East Japan Earthquake and the impact of frequent large-scale natural disasters occurring in recent years, such as typhoons, floods, and heat waves, it recognizes the necessity and importance of disaster prevention and is working to enhance disaster response measures, including disaster prevention measures and support systems, BCP, etc.

(v) Health-focused management

Understanding that human resources are our greatest asset, the Mitsuuroko Group considers the health management of employees, who are the source of its future growth as an important management issue. Based on the “Mitsuuroko Group Healthcare Declaration,” it respects the fact that each individual faces a variety of life stages, and it supports its employees in enabling them to autonomously and proactively manage their health through a variety of initiatives and information dissemination. As a leading company in health-focused management, it will continue to provide support and engage in even more comprehensive initiatives through further promoting physical and mental health to prevent illnesses, and promoting work styles in line with new normal, including those that address the COVID-19 pandemic.

(vi) Promotion of diversity

The Mitsuuroko Group has grown from its principle of evolving and changing with the times as an “environmentally adaptive enterprise” whose subsistence derives from requirements of respective eras. Going forward, rather than having to catch up and adapt to its surroundings, it must propose solutions and create new and beneficial conditions to achieve sustainable growth. It is therefore essential that the Mitsuuroko Group fosters a corporate culture that embraces diversity as a strength, creating an organization not bounded by precepts such as new graduate or mid-career, form of employment, nationality, gender, and age. The Mitsuuroko Group aspires to shaping a new era by being “an enterprise that creates favorable cycle” and “seeking continuous change.”

We will continue to strive for sincere management and business activities based on high ethical standards, and contribute to the sustainable development of society as “a Lifestyle Producer,” while constantly taking the perspective of corporate social responsibility.

We appreciate our shareholders’ understanding of the Group’s management activities and ongoing support.

4. Basic approach to the selection of accounting standards

For the time being, the Group’s policy is to prepare consolidated financial statements in accordance with Japanese generally accepted accounting principles (GAAP) in consideration of comparability of consolidated financial statements from between period to period and between companies. The Company intends to consider the application of International Financial Reporting Standards (IFRS) in consideration of various domestic and overseas circumstances in the future.

5. Consolidated financial statements and significant notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	21,502	32,538
Notes receivable - trade	224	272
Accounts receivable - trade	28,112	30,761
Lease receivables and investments in leases	2,187	2,407
Merchandise and finished goods	5,331	6,175
Raw materials and supplies	631	795
Other	5,788	7,221
Allowance for doubtful accounts	(90)	(30)
Total current assets	63,687	80,141
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,554	38,430
Accumulated depreciation	(22,960)	(23,588)
Buildings and structures, net	13,593	14,842
Machinery, equipment and vehicles	26,386	26,934
Accumulated depreciation	(22,490)	(23,079)
Machinery, equipment and vehicles, net	3,895	3,855
Land	15,979	18,179
Leased assets	2,748	2,558
Accumulated depreciation	(1,628)	(1,670)
Leased assets, net	1,120	887
Construction in progress	36	56
Other	11,222	13,140
Accumulated depreciation	(7,031)	(8,811)
Other, net	4,191	4,328
Total property, plant and equipment	38,817	42,150
Intangible assets		
Trademark right	2,559	2,845
Goodwill	1,167	1,341
Other	1,285	1,254
Total intangible assets	5,012	5,441
Investments and other assets		
Investment securities	35,193	33,727
Shares of subsidiaries and associates	3,723	3,778
Insurance funds	906	968
Deferred tax assets	1,669	1,664
Other	6,359	6,396
Allowance for doubtful accounts	(197)	(269)
Total investments and other assets	47,654	46,266
Total non-current assets	91,483	93,858
Total assets	155,170	173,999

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,003	24,573
Short-term borrowings	2,420	2,440
Current portion of bonds payable	–	764
Current portion of long-term borrowings	3,102	3,051
Lease liabilities	1,102	1,201
Income taxes payable	869	3,356
Accrued consumption taxes	720	1,441
Provision for bonuses	905	1,083
Provision for bonuses for directors (and other officers)	4	4
Asset retirement obligations	87	118
Other	6,533	7,018
Total current liabilities	40,751	45,054
Non-current liabilities		
Bonds payable	–	4,698
Long-term borrowings	7,852	11,331
Lease liabilities	3,004	2,767
Deferred tax liabilities	7,033	6,654
Provision for share awards	227	219
Provision for retirement benefits for directors (and other officers)	312	278
Retirement benefit liability	2,493	2,559
Asset retirement obligations	1,278	3,062
Other	4,528	4,488
Total non-current liabilities	26,731	36,060
Total liabilities	67,483	81,115
Net assets		
Shareholders' equity		
Share capital	7,077	7,077
Capital surplus	320	307
Retained earnings	68,083	73,793
Treasury shares	(533)	(533)
Total shareholders' equity	74,948	80,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,894	10,899
Deferred gains or losses on hedges	(121)	(61)
Foreign currency translation adjustment	572	1,391
Remeasurements of defined benefit plans	(19)	(5)
Total accumulated other comprehensive income	12,326	12,224
Non-controlling interests	413	15
Total net assets	87,687	92,884
Total liabilities and net assets	155,170	173,999

(2) Consolidated statement of income and consolidated statement of comprehensive income**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	250,033	323,700
Cost of sales	221,217	281,382
Gross profit	28,816	42,317
Selling, general and administrative expenses	27,996	29,999
Operating profit	819	12,317
Non-operating income		
Interest income	21	30
Dividend income	1,068	1,569
Purchase discounts	41	50
Share of profit of entities accounted for using equity method	511	404
Insurance claim income	425	47
Compensation income	86	68
Gain on derivatives trading	51	–
Other	454	316
Total non-operating income	2,661	2,488
Non-operating expenses		
Interest expenses	168	296
Commission expenses	348	271
Loss on derivatives trading	–	2
Bond issuance costs	–	82
Other	43	97
Total non-operating expenses	560	749
Ordinary profit	2,921	14,056
Extraordinary income		
Gain on sale of non-current assets	5	141
Gain on receipt of donated non-current assets	–	48
Gain on sale of investment securities	768	24
Insurance claim income	140	–
Total extraordinary income	914	213
Extraordinary losses		
Loss on sale of non-current assets	2	0
Loss on retirement of non-current assets	93	205
Impairment losses	147	2,297
Loss on store closings	22	64
Loss on subsidy repayment	–	13
Litigation settlement	–	10
Loss on disaster	127	–
Loss on COVID-19	9	–
Total extraordinary losses	401	2,591
Profit before income taxes	3,433	11,678
Income taxes - current	2,040	4,294
Income taxes - deferred	(539)	(17)
Total income taxes	1,501	4,277
Profit	1,932	7,401
Profit (loss) attributable to non-controlling interests	24	(387)
Profit attributable to owners of parent	1,907	7,789

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,932	7,401
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,587)	(997)
Deferred gains or losses on hedges	3	–
Foreign currency translation adjustment	572	818
Remeasurements of defined benefit plans, net of tax	16	14
Share of other comprehensive income of entities accounted for using equity method	78	61
Total other comprehensive income	(5,917)	(102)
Comprehensive income	(3,984)	7,298
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,009)	7,686
Comprehensive income attributable to non-controlling interests	24	(387)

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,077	2,275	66,471	(1,160)	74,664
Cumulative effects of changes in accounting policies			1,120		1,120
Restated balance	7,077	2,275	67,591	(1,160)	75,784
Changes during period					
Dividends of surplus			(1,416)		(1,416)
Profit attributable to owners of parent			1,907		1,907
Capital increase of consolidated subsidiaries		(6)			(6)
Purchase of treasury shares				(1,321)	(1,321)
Cancellation of treasury shares		(1,947)		1,947	–
Net changes in items other than shareholders' equity					–
Total changes during period	–	(1,954)	491	626	(836)
Balance at end of period	7,077	320	68,083	(533)	74,948

	Accumulated other comprehensive income					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		
Balance at beginning of period	18,481	(201)	0	(36)	18,243	382	93,289
Cumulative effects of changes in accounting policies					–		1,120
Restated balance	18,481	(201)	0	(36)	18,243	382	94,410
Changes during period							
Dividends of surplus					–		(1,416)
Profit attributable to owners of parent					–		1,907
Capital increase of consolidated subsidiaries					–		(6)
Purchase of treasury shares					–		(1,321)
Cancellation of treasury shares					–		–
Net changes in items other than shareholders' equity	(6,586)	80	572	16	(5,917)	30	(5,886)
Total changes during period	(6,586)	80	572	16	(5,917)	30	(6,722)
Balance at end of period	11,894	(121)	572	(19)	12,326	413	87,687

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,077	320	68,083	(533)	74,948
Changes during period					
Dividends of surplus			(1,515)		(1,515)
Profit attributable to owners of parent			7,789		7,789
Capital increase of consolidated subsidiaries		(0)			(0)
Purchase of treasury shares				(577)	(577)
Cancellation of treasury shares		(13)	(564)	577	–
Net changes in items other than shareholders' equity					–
Total changes during period	–	(13)	5,710	(0)	5,696
Balance at end of period	7,077	307	73,793	(533)	80,645

	Accumulated other comprehensive income					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		
Balance at beginning of period	11,894	(121)	572	(19)	12,326	413	87,687
Changes during period							
Dividends of surplus					–		(1,515)
Profit attributable to owners of parent					–		7,789
Capital increase of consolidated subsidiaries					–		(0)
Purchase of treasury shares					–		(577)
Cancellation of treasury shares					–		–
Net changes in items other than shareholders' equity	(995)	60	818	14	(102)	(397)	(499)
Total changes during period	(995)	60	818	14	(102)	(397)	5,196
Balance at end of period	10,899	(61)	1,391	(5)	12,224	15	92,884

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,433	11,678
Depreciation	3,125	4,631
Amortization of goodwill	37	54
Impairment losses	147	2,297
Loss on subsidy repayment	–	13
Loss on store closings	22	64
Loss on COVID-19	9	–
Increase (decrease) in provision for share awards	87	39
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2	(53)
Increase (decrease) in allowance for doubtful accounts	(11)	(0)
Increase (decrease) in retirement benefit liability	43	28
Gain on receipt of donated non-current assets	–	(48)
Insurance claim income	(566)	–
Interest and dividend income	(1,090)	(1,600)
Interest expenses	168	296
Share of loss (profit) of entities accounted for using equity method	(511)	(404)
Loss (gain) on sale of investment securities	(768)	(24)
Loss (gain) on sale and retirement of non-current assets	90	64
Decrease (increase) in trade receivables	(9,633)	(2,621)
Decrease (increase) in investments in leases	83	(219)
Decrease (increase) in inventories	(531)	(991)
Increase (decrease) in trade payables	6,877	(473)
Increase (decrease) in accrued consumption taxes	160	717
Other, net	3,893	(758)
Subtotal	5,069	12,690
Interest and dividends received	1,485	2,009
Interest paid	(172)	(291)
Proceeds from insurance income	566	–
Loss on COVID-19 paid	(8)	–
Income taxes paid	(2,345)	(2,211)
Income taxes refund	419	265
Net cash provided by (used in) operating activities	5,013	12,462

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(184)	(999)
Proceeds from withdrawal of time deposits	184	150
Purchase of property, plant and equipment	(2,637)	(6,084)
Proceeds from sale of property, plant and equipment	33	217
Payments for retirement of property, plant and equipment	(12)	(58)
Purchase of intangible assets	(1,068)	(730)
Payments for asset retirement obligations	(45)	(145)
Purchase of investment securities	(214)	(112)
Proceeds from sale of investment securities	1,315	144
Purchase of shares of subsidiaries and associates	(12)	–
Long-term loan advances	(27)	(25)
Proceeds from collection of long-term loans receivable	34	12
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,786)	(301)
Other, net	2	1
Net cash provided by (used in) investing activities	(8,417)	(7,932)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,852	6,760
Repayments of long-term borrowings	(2,021)	(3,383)
Proceeds from issuance of bonds	–	5,562
Redemption of bonds	–	(182)
Repayments of lease liabilities	(768)	(1,181)
Purchase of treasury shares	(1,321)	(577)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(9)	(10)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	10	–
Dividends paid	(1,410)	(1,504)
Other, net	(90)	(24)
Net cash provided by (used in) financing activities	(759)	5,459
Effect of exchange rate change on cash and cash equivalents	133	193
Net increase (decrease) in cash and cash equivalents	(4,030)	10,182
Cash and cash equivalents at beginning of period	25,297	21,267
Cash and cash equivalents at end of period	21,267	31,450

(5) Notes to 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 fiscal year under review. 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 consolidated financial statements.

Changes in accounting estimates

Change in estimates for asset retirement obligations

In the fiscal year under review, there was a change in estimates as a result of updated information on the cost of repair to original condition following the decision on removal of the wind turbine blade damaged by the major typhoons No. 9 (Maysak) and No. 10 (Haishen) that struck in September 2020 at the consolidated subsidiary Azuchi-Oshima Wind Power Plant Co., Ltd. An amount of ¥1,750 million due to the change in the estimate was recorded as asset retirement obligations.

Note that part of the property, plant and equipment recorded as part of this change in the estimate was recorded under impairment losses, and profit before income taxes for the fiscal year under review, was reduced by ¥1,687 million.

Business combinations

Finalization of the provisional accounting treatment for business combinations

With regard to the business combination with General Storage Company Pte. Ltd. and its six subsidiaries conducted on December 22, 2021, although provisional accounting treatment was carried out in the previous consolidated fiscal year, it was finalized in the fiscal year under review.

Following the finalization of the provisional accounting treatment, comparative information included in the consolidated financial statements for the fiscal year under review, reflects the material revisions to the acquisition cost amounts initially allocated. As a result, the final calculation for goodwill amounted to ¥197 million, which was a decrease of ¥2,678 million from the provisional calculation of ¥2,875 million. In addition, amounts as of the end of the fiscal year ended March 31, 2022, were increased ¥560 million for other property, plant and equipment, ¥2,559 million for trademark right, ¥126 million for other intangible assets and ¥439 million for deferred tax liabilities.

Note that the impact of this on the consolidated statements of income for the previous fiscal year was immaterial.

Segment information, etc.

[Segment information]

1. Overview of reportable segments

The Group’s reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group has established business divisions by product and service at its headquarters, and each division formulates comprehensive strategies for the products and services it handles and develops business activities.

Accordingly, the Group has five reportable segments: Energy Solutions Business, Power & Electricity Business, Foods Business, Living & Wellness Business, and Overseas Business, which are aggregated business segments with similar economic characteristics by products and services based on business divisions.

The Energy Solutions Business mainly sells LPG, petroleum products, and housing equipment, and also provides related services; the Power & Electricity Business wholesales wind-generated electricity and retails electricity to general consumers, mainly through biomass power generation; the Foods Business manufactures and sells beverages, operates stores in facilities and cafeterias, operates voluntary chain stores, and operates hamburger restaurants, fresh bakeries and cafés; the Living & Wellness Business leases office buildings, rental apartments, and other real estate, and also operates and manages commercial complexes; the Overseas Business is engaged in business investment, support service, and self-storage business outside of Japan. The Others sells products and services that are not included in the aforementioned reportable segments.

2. Method of calculating net sales, profit (loss), assets and other items by reportable segment

The accounting method for reported business segments is in accordance with the accounting policies used to prepare the consolidated financial statements.

Profit by reportable segment is based on operating profit.

Intersegment revenues and transfers within the Group are based on prevailing market prices.

3. Information on net sales, profit (loss), assets and other items by reportable segment

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

	Reportable segments						Others (Note 1)	Total	Adjustments (Note 3)	Amount in the consoli- dated financial statements (Note 4)
	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business (Note 2)	Subtotal				
Net sales										
Sales to external customers	137,840	94,057	13,476	2,206	508	248,089	1,943	250,033	–	250,033
Intersegment sales or transfers	161	207	9	10	–	389	189	578	(578)	–
Total	138,002	94,264	13,486	2,217	508	248,478	2,132	250,611	(578)	250,033
Segment profit (loss)	2,791	(1,343)	127	324	(81)	1,819	46	1,866	(1,046)	819
Segment assets	50,324	22,292	8,237	12,591	26,671	120,117	3,845	123,963	31,207	155,170
Other items										
Depreciation	1,351	539	300	450	309	2,952	63	3,016	109	3,125
Amortization of goodwill	29	2	1	–	2	37	–	37	–	37
Investments in entities accounted for using equity method	2,989	686	–	–	–	3,676	–	3,676	–	3,676
Increase in property, plant and equipment and intangible assets	1,537	524	207	870	12	3,151	106	3,258	658	3,916

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments						Others (Note 1)	Total	Adjustments (Note 3)	Amount in the consolidated financial statements (Note 4)
	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business (Note 2)	Subtotal				
Net sales										
Sales to external customers	141,072	157,181	18,346	2,512	2,456	321,569	2,130	323,700	–	323,700
Intersegment sales or transfers	186	754	12	9	–	962	257	1,220	(1,220)	–
Total	141,259	157,936	18,359	2,521	2,456	322,532	2,388	324,921	(1,220)	323,700
Segment profit (loss)	2,733	10,037	524	(38)	207	13,464	14	13,479	(1,161)	12,317
Segment assets	50,058	34,087	8,652	15,899	24,933	133,631	4,024	137,655	36,343	173,999
Other items										
Depreciation	1,462	524	383	543	1,454	4,368	76	4,445	186	4,631
Amortization of goodwill	43	2	–	–	8	54	–	54	–	54
Investments in entities accounted for using equity method	3,007	723	–	–	–	3,731	–	3,731	–	3,731
Increase in property, plant and equipment and intangible assets	1,731	1,988	565	3,946	953	9,185	199	9,385	82	9,467

- (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 Overseas Business posted the segment losses in the previous fiscal year due to one-time expenses (¥107 million in the previous fiscal year) such as due diligence costs incurred at the time of acquiring shares of subsidiaries.
3. The details of adjustments are as follows

(1) Segment profit (loss)

(Millions of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Elimination of intersegment transactions	(27)	(14)
Corporate expenses (Note)	(1,019)	(1,146)
Other adjustments	0	0
Total	(1,046)	(1,161)

(Note) Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

(2) Segment assets

(Millions of yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Elimination of receivables from corporate administrative departments	(98)	(121)
Corporate assets (Note)	31,287	36,447
Other adjustments	18	18
Total	31,207	36,343

(Note) Corporate assets consist mainly of surplus operating funds (cash and deposits), long-term investment funds (investment securities), and assets related to administrative departments that do not belong to the reportable segments.

- (3) Adjustment of increase in property, plant and equipment and intangible assets (¥658 million in the previous consolidated fiscal year and ¥82 million in the current consolidated fiscal year) represents capital investment in head office and other facilities.
4. Segment profit (loss) is adjusted with operating profit in the consolidated statement of income.

5. The increase in property, plant and equipment and intangible assets does not include the increase in assets from business combinations.
6. Following the finalization of provisional accounting treatment, amounts disclosed in segment information for the previous fiscal year, reflect material revisions to the acquisition cost amounts initially allocated described in “Business combinations” under “Notes.”

[Related information]

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

1. Information about products and services

The information is omitted because the same information is disclosed in “[Segment information].”

2. Information about geographical areas

(1) Net sales

This information is omitted because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Total
30,776	8,041	38,817

3. Information about main customers

This information is omitted because there were no business partners who accounted for 10% or more of net sales in the consolidated statement of income among sales to external customers.

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

1. Information about products and services

The information is omitted because the same information is disclosed in “[Segment information].”

2. Information about geographical areas

(1) Net sales

This information is omitted because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Total
33,784	8,365	42,150

3. Information about main customers

This information is omitted because there were no business partners who accounted for 10% or more of net sales in the consolidated statement of income among sales to external customers.

[Information about impairment losses of non-current assets by reportable segment]

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business	Others	Corporate and elimination	Total
Impairment losses	–	–	147	–	–	–	–	147

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business	Others	Corporate and elimination	Total
Impairment losses	–	1,901	200	107	87	–	–	2,297

[Information about amortization and unamortized balance of goodwill by reportable segment]

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business	Others	Corporate and elimination	Total
Amortization in the fiscal year	29	2	1	–	2	–	–	37
Unamortized balance at end of the fiscal year	178	10	–	–	206	–	–	395

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Energy Solutions Business	Power & Electricity Business	Foods Business	Living & Wellness Business	Overseas Business	Others	Corporate and elimination	Total
Amortization in the fiscal year	43	2	–	–	8	–	–	54
Unamortized balance at end of the fiscal year	273	8	–	–	151	–	–	432

[Information about gain on bargain purchase by reportable segment]

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

Not applicable.

Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)

Not applicable.

Per share information

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)		Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)	
Net assets per share	1,455.30 yen	Net assets per share	1,561.61 yen
Profit per share	31.26 yen	Profit per share	130.06 yen

(Notes) 1. Diluted profit per share adjusted is not shown because there are no latent shares.

2. 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 at the end of the previous fiscal year, 567,900 shares at the end of the current fiscal year). 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 (316,392 shares for the previous fiscal year, 567,900 shares for the current fiscal year).

3. The Company finalized the provisional accounting treatment for the business combination in the fiscal year under review. As a result, figures for the previous fiscal year reflect the finalization of the provisional accounting treatment.

4. The basis for calculating profit per share is as follows

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Millions of yen)	1,907	7,789
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	1,907	7,789
Average number of shares outstanding during the period (Thousand shares)	61,022	59,889

Significant subsequent events

Not applicable.

6. Other

(1) Change of Directors and Executive Officers

(i) Change of Representative

Not applicable.

(ii) Change of other Directors and Executive Officers

New candidate for Director

Takashi Matsumoto, Director

Retiring Director

Atsushi Futami, Director

(iii) Scheduled appointment and retirement date

June 16, 2023

The aforementioned changes are subject to approval at the Ordinary General Meeting of Shareholders to be held on June 16, 2023.

Note that following Mr. Futami's retirement, he will be appointed as Special Advisor to the Company.