

# Suntory Holdings Limited

August 10, 2023

## SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 [IFRS] (English Translation, UNAUDITED)

Company Name: Suntory Holdings Limited  
(URL: <https://www.suntory.com/>)

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(Fractions of millions have been truncated)

### 1. Consolidated operating results and financial positions for the six months of the current fiscal year (January 1, 2023 - June 30, 2023)

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

	Revenue (including liquor tax)		Revenue (excluding liquor tax)		Operating income		Profit before income taxes		Profit for the period		Profit attributable to owners of the Company	
	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%
Six months ended												
June 30, 2023	1,547,015	12.7	1,390,915	13.1	167,721	11.3	159,824	10.4	112,792	9.4	86,008	16.3
June 30, 2022	1,373,031	15.2	1,230,226	15.1	150,641	19.4	144,768	16.7	103,107	40.2	73,977	40.2

Reference: Adjusted operating income for the fiscal year ending June 30, 2023 163,753¥million 20.2%  
Adjusted operating income for the fiscal year ending June 30, 2022 136,218¥million 6.9%  
Adjusted operating income was calculated as operating income excluding non-recurring items.

	Basic earnings per share	Diluted earnings per share
Six months ended	¥	¥
June 30, 2023	125 .42	—
June 30, 2022	107 .88	—

### (2) Financial positions

	Total assets	Total equity	Equity attributable to owners of the Company	Equity attributable to owners of the Company ratio
As of	¥million	¥million	¥million	%
June 30, 2023	6,023,166	3,037,758	2,492,488	41.4
December 31, 2022	5,480,390	2,622,832	2,131,561	38.9

### 2. Consolidated earnings forecast for the fiscal year ending December 31, 2022 (January 1, 2023 - December 31, 2023)

	Revenue (including liquor tax)		Revenue (excluding liquor tax)		Operating income		Profit before income taxes		Profit attributable to owners of the Company		Basic earnings per share
	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥
Fiscal year ended											
December 31, 2023	3,120,000	5.0	2,810,000	5.7	280,000	1.3	267,000	2.0	140,000	2.8	204 .15

Reference: Adjusted operating income for the fiscal year ending December 31, 2023 280,000¥million 3.5%

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

**SUMMARY OF NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF  
JUNE 30, 2023 (English Translation, UNAUDITED)**

(1) Operating results

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

	Operating revenue		Operating income		Ordinary income	
	¥million	%	¥million	%	¥million	%
Six months ended						
June 30, 2023	102,273	22.0	64,697	27.8	68,089	27.3
June 30, 2022	83,854	6.1	50,625	(9.5)	53,493	(14.5)

	Net income		Basic net earnings per share
	¥million	%	¥
Six months ended			
June 30, 2023	72,281	49.8	105 .40
June 30, 2022	48,258	(20.1)	70 .37

(2) Financial positions

	Total assets	Net assets	Ratio of equity to total assets	Total equity per share
As of	¥million	¥million	%	¥
June 30, 2023	2,486,610	1,056,094	42.5	1,540.04
December 31, 2022	2,354,477	991,479	42.1	1,445.82

# Operating Results

## 1. Overview of the Six-Month Period Ended June 30, 2023

The Suntory Group has actively expanded business in each of three segments, “Beverages and Foods,” “Alcoholic Beverages,” and “Others,” both domestically and abroad. In the six-month period ended June 30, 2023, revenue including excise taxes was 1.5470 trillion yen (up 12.7% year on year), revenue excluding excise taxes was 1.3909 trillion yen (up 13.1% year on year), operating income was 167.7 billion yen (up 11.3% year on year), and profit attributable to owners of the Company was 86.0 billion yen (up 16.3% year on year), marking an increase in both revenue and income. Revenue, operating income, and profit attributable to owners of the Company all marked their highest-ever levels.

### <Beverages and Foods Segment>

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

In Japan, the Company engaged in strengthening core brands, mainly in the categories of water, coffee, and sugar-free tea, and greatly exceeded the same period of the previous year as a result of new product launches and marketing activities. It also achieved record-high sales volume. In terms of specific brands, as well as strong sales volume for mineral water, *Suntory Tennensui* benefited from the contribution of *Suntory Tennensui Kiritto Kajitsu Pink Grapefruit & Muscat*, which was launched in March, and achieved record-high sales volume. Sales volume of *BOSS* was flat year on year. In addition to strong sales volume for SOT cans, new products such as *Craft BOSS Amakunai Italiano* and *BOSS Caffeine* also contributed to the increase. In *Suntory Green Tea Iyemon*, *Suntory Iyemon Koi Aji*, which was launched as a food with functional claims, performed well.

In the Asia-Pacific region, the Company continued activities concentrated on core brands in the soft drink business and the health and wellness products business. Particularly in Vietnam, activities to strengthen brands, including the energy drink *Sting* and the tea beverage *TEA+*, resulted in growth in sales volume. In Thailand, *Pepsi* and *TEA+* performed strongly. In the health and wellness business, we focused on brand development for the *BRAND'S Essence of Chicken* brand. In Oceania, due to strengthening our marketing activities for the energy drink *V*, and achieving significant growth in sales volume for *BOSS*, sales volumes exceeded previous-year levels.

In Europe, core brands expanded, with sales volumes for Oasis in France and Lucozade in the United Kingdom recording year-on-year growth. Performance was strong.

In the Americas, as well as strengthening activities for core carbonated brands and for the non-carbonated beverage category, the expansion of sales channels for Gatorade contributed to solid sales volume performance.

As a result of the above, revenue for the Beverages and Foods Segment increased by 10.3% year on year to 745.9 billion yen, while operating income fell by 11.8% to 80.0 billion yen.

#### <Alcoholic Beverages Segment>

Comparable revenue for the spirits business increased year on year at a low double-digit rate both including and excluding excise taxes.

Beam Suntory's premiumization strategy continued to drive value over volume while also delivering strong net sales and operating income growth. Jim Beam and Maker's Mark bourbon delivered growth, and the House of Suntory delivered strong growth as we celebrate 100 Years of Japanese whisky. The company also continues to achieve global RTD growth as it expands offerings tailored to local taste preferences, leading to the strong success of -196 in Australia and China, growth of Horoyoi in Asian markets.

The group's geographic diversity and global footprint are an important advantage for its business with strong performance in APAC as the region rebounds post-COVID, and solid sales growth in other international regions such as Mexico and India. This helped balance out a challenging market in North America which was flat versus the first half last year as the region contends with a slowdown in consumer demand in the US and the category resets post-Covid.

In Japan, the spirits business's revenue including excise taxes rose by 14% year on year, revenue excluding excise taxes rose by 16% year-on-year. This year, Suntory Whisky celebrates its 100th anniversary. We will implement capital investments at the Yamazaki Distillery and the Hakushu Distillery through to 2024, with the primary aim of further enhancing quality and strengthening the appeal of the distilleries. In core brands, Jim Beam and Ao, along with Kaku Highball Can, performed well. In RTD we took on the challenge of creating new demand by launching such products as *-196°C chu-hi Shunkan Toketsu* and *Kodawari Sakaba no Tako-hi*. *Kodawari Sakaba no Tako-hi* exceeded the initial annual sales plan within four months, being highly rated by consumers as a taste suitable for drinking with food, and the annual sales plan has been revised up to 5 million cases\*<sup>1</sup>, double the initial figure. *SUI* Suntory gin is strengthening its presentation of the new value of *SUI* Gin Soda that pairs well with everyday meals to address the challenge of creating a new market as a "third type of soda mix."

\*1. A case contains 24 cans of 250 ml

Sales volume of the beer business<sup>\*2</sup> increased by 11% year on year driven by the beer category, and beer excluding alcohol-free beer-type beverages grew by 14% year on year.

*The Suntory Draft Beer* that was launched in April has been rated highly by consumers for its thoroughly satisfying mouth feel and its unprecedented drinkability<sup>\*3</sup>. With sales volume having surpassed 2 million cases<sup>\*4</sup> within three months of the launch, we have revised up the annual sales plan to approximately 1.3 times the initial figure, to 4 million cases. *The Premium Malt's* brand has undergone a major renewal with the aim of creating a new premium product that matches the times, leading to growing 11% year on year. With the aim of creating the beer most suited to drinking regularly at home for those who appreciate the umami of barley, the *Kin-Mugi* brand rolled out promotions on the theme of “evening drinks” to go with seasonal ingredients and cooking, and sales rose 1% year on year. For *Beer Ball*, a special beer made for mixing with carbonated water, we developed original “Local Beer Ball” variations using elements derived from local specialties from all over the country with the goal of communicating to even greater numbers of consumers the value of freely enjoying something true to oneself, and these were well-received.

\*2. Beer, including alcohol-free beer-type beverages, on a volume basis

\*3 Internal feedback

\*4 Calculation based on 20 bottles of 633ml per case

The wine business's revenue including excise taxes rose by 1% year on year, and revenue excluding excise taxes rose by 2% year on year. In domestic wine, we conducted a renewal of the core *Sanka Boshizai Mutenka no Oishii Wine* brand in March, which resulted in strong sales volume. The new SUNTORY FROM FARM wine brand, launched in September 2022, has caught on due to a flavor profile ensured by strict quality control, and recorded significant growth. In imported wine, the Tetra Pak<sup>®</sup> version, launched in March, of the Italian organic wine *Tavernello Organico* brand has been ranked highly by consumers, leading to considerable expansion in sales volume.

In the non-alcoholic beverage category, the Company engaged in realization of compelling flavor, expansion of the lineup and proposals communicating appeal with the aim of creating a culture that can be enjoyed by people who drink alcohol and those who do not, which can be achieved with an alcohol content of 0.00%. In addition to the non-alcoholic beer *All-Free* and *Non-Aru Banshaku Lemon Sour Non-alcohol*, which allows consumers to enjoy the taste of a real lemon sour, in June we expanded our lineup by selling *Ashita wo Omou All-Free*, which is a food with functional claims focused on memory, and *Non-Aru Banshaku Highball Non-alcohol* throughout the following year. Moreover, by rolling out our Non-aruru Sakaba nationwide as places that can be enjoyed both by people who drink alcohol and those who do not, we communicated the appeal of non-alcoholic beverages to consumers.

As a result of the above, revenue including excise taxes for the Alcoholic Beverages Segment was 642.2 billion yen, up 13.8% year on year, while revenue excluding excise taxes was 486.6 billion yen, up 15.3% year on year, and operating income was 90.2 billion yen, up 31.0% year on year.

<Others Segment>

For the health and wellness products business, products such as *Locomore* and *Omega A.D.E.* posted strong revenue, growing by 7% year on year. Revenue in the restaurant business was firm.

Revenue including excise taxes for the Others Segment was 159.0 billion yen, up 20.2% year on year, revenue excluding excise taxes was 158.4 billion yen, up 20.3% year on year, and operating income was 23.2 billion yen, up 45.5% year on year.

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

Revenue (including excise taxes)

Japan 771.1 billion yen (up 11.3% year on year)

Overseas 775.9 billion yen (up 14.1% year on year)

Overseas ratio: 50.2%

Revenue (excluding excise taxes)

Japan 666.4 billion yen (up 11.0% year on year)

Overseas 724.5 billion yen (up 15.0% year on year)

Overseas ratio: 52.1%

In accordance with the corporate philosophy of the Suntory Group, our goal is to inspire the brilliance of life, by creating rich experiences for people, in harmony with nature, and our values are Growing for Good, Yatte Minahare, and Giving Back to Society.

With regard to sustainability management, as a multifaceted beverages company that depends upon water, agricultural products, and other benefits of the natural environment, Suntory is striving to help create a society in which people and nature benefit each other in a sustainable way. Our goal is to enrich people's lives while still protecting the natural environment.

#### <Water>

This year is the 20th anniversary of the Suntory Natural Water Sanctuaries forest maintenance activities, which currently cultivate more than twice the amount of water as the groundwater drawn up by our factories in Japan. In February we established the new Suntory Natural Water Sanctuary Tokyo Hinohara, bringing the total to 22 locations covering a surface area of 12,000 hectares across 15 prefectures nationwide, and we continue to engage in activities to cultivate water resources and enhance biodiversity. Also in February, the Suntory Kyushu Kumamoto Plant obtained the highest “Platinum” level of certification from the Alliance for Water Stewardship (AWS)<sup>\*5</sup>, in relation to sustainable water usage for the watershed around the factory. This level of assessment is the highest that has been achieved from 258 certified locations globally. The Suntory Mizuiku - Education Program for Nature and Water exists not only in Japan but also in overseas countries where the Suntory Group operates its businesses. This year such activities will take place in a total of nine countries in Asia, Europe, and Oceania, with the United Kingdom and New Zealand being new additions. The Company continues to work to achieve its Environmental Targets toward 2030, which sets targets to reduce the water intensity of production at our own plants<sup>\*6</sup> by 35%<sup>\*7</sup> globally, and replenish more than 100% of water used in at least 50% of our owned plants through water resource cultivation.

#### <Greenhouse Gases (GHG)>

Under our Environmental Vision 2050, which seeks to reduce greenhouse gas emissions to net zero throughout the value chain by 2050, Environmental Targets toward 2030 sets a goal of reducing greenhouse gas emissions by 50%<sup>\*8</sup> by 2030. The Yamanashi Model P2G System for the production of green hydrogen has passed stage gate inspections by the New Energy and Industrial Technology Development Organization (NEDO), and the decision to proceed to demonstration experiments has been made. We continue to work with Yamanashi Prefecture with a target of deployment by 2025. Going forward, Suntory will continue to reduce carbon emissions through active introduction of additional energy-saving technologies and the use of renewable energy in its facilities, both in its operations and throughout the entire value chain.

#### <Packaging>

The Group aims to switch all the plastic bottles used globally in its products to be made of 100% sustainable (recycled or plant-based) material by 2030, achieving zero use of virgin petroleum-based materials. In 2022, the proportion of such materials was 46% by weight of all plastic bottles used by the Company in the domestic soft drink business. In April, we developed and introduced a new container for *Suntory Tennensui* that can be folded into approximately one-sixth of the volume of a 2L plastic bottle. In addition, we have also begun

introducing plastic bottles containing 30% plant-derived materials, with the aim of completing the transition to these by the autumn of this year. Suntory will continue its efforts to reduce its environmental impact such as through the promotion of bottle-to-bottle horizontal recycling, reduction of weight in containers and packaging, and the Japanese soft drink industry's first F-to-P Direct Recycling Technology<sup>\*9</sup>.

Elsewhere, in terms of nature-positive initiatives aimed at preventing and reversing the loss of biodiversity and natural habitats, Suntory was the only company in Japan chosen for the pilot scheme for science-based guidance on how companies should act in relation to the natural environment, which was announced in a world-first by the Science-based Targets Network (SBTN). In March, our human rights due diligence initiatives were recognized in the Sedex Sustainability Awards 2023, where we won the Best Data & Insights Award for the APAC region. This is the first time a Japanese company has won this award. We consider these assessments of our sustainability management to be very meaningful, and the Suntory Group will work as one to further strengthen such activities.

<sup>\*5</sup> In 2018, the Suntory Tennensui Okudaisen Buna no Mori Plant became the first in Japan to obtain AWS certification. In 2022, the Suntory Tennensui Minami-Alps Hakushu Plant also obtained certification. In Japan, only three factories have obtained AWS certification, namely these two factories and the Suntory Kyushu Kumamoto Plant

<sup>\*6</sup> Suntory Group plants that manufacture products

<sup>\*7</sup> Per-unit production reduction based business areas for 2015

<sup>\*8</sup> Based on 2019 emissions

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

Ever since the founding of the Group, we have taken a human capital management in which people are the most important foundation for management. In addition to providing opportunities for growth and promoting a variety of programs for human resource development with the aim of being a company where people grow the most, we are also focusing on the promotion of health and productivity management with the view that all employees vibrantly working with a healthy body and mind are a source of the company's competitiveness. Based on our view that it is important to actively incorporate diverse human resources and diverse values, and utilize them while guaranteeing equality, we are proceeding with DEI (Diversity Equity & Inclusion) initiatives.



## 2. Full-Year Forecast

In the fiscal year ending December 31, 2023, the forecast for revenue including excise taxes is 3.120 trillion yen (up 5.0% year on year), revenue excluding excise taxes is 2.810 trillion yen (up 5.7% year on year), operating income is 280 billion yen (up 1.3% year on year), and profit attributable to owners of the Company is 140 billion yen (up 2.8% year on year).

(There are no changes to the results forecasts announced on February 15, 2023.)

## Consolidated statement of financial position

(Millions of yen)

	As at December 31, 2022	As at June 30, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	301,938	253,280
Trade and other receivables	528,880	593,911
Other financial assets	18,802	17,763
Inventories	656,879	795,831
Other current assets	52,864	62,049
Subtotal	1,559,365	1,722,835
Assets held for sale	6,144	—
Total current assets	1,565,509	1,722,835
Non-current assets:		
Property, plant and equipment	825,613	895,454
Right-of-use assets	114,596	122,078
Goodwill	1,015,862	1,099,975
Intangible assets	1,628,232	1,795,859
Investments accounted for using the equity method	55,886	68,224
Other financial assets	196,716	235,575
Deferred tax assets	37,199	35,999
Other non-current assets	40,773	47,161
Total non-current assets	3,914,880	4,300,330
Total assets	5,480,390	6,023,166

### Status of Major Shareholders

As of June 30, 2023

Name of shareholders	Address	Number of shares held (Thousands)	Percentage of common stock issued (excluding Treasury stock) (%)
Kotobuki Realty Co., Ltd.	2-1-40, Dojimahama, Kita-ku, Osaka	613,818	89.50
Employees Share Ownership Plan of Suntory	2-1-40, Dojimahama, Kita-ku, Osaka	34,563	5.04
MUFG Bank, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Sumitomo Mitsui Banking Corporation	1-1-2, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Sumitomo Mitsui Trust Bank, Limited	1-4-1, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	6,871	1.00
Suntory Foundation for Life Sciences	8-1-1, Seikadai, Seika-cho, Souraku-gun, Kyoto	3,590	0.52
Nobutada Saji	Minato-ku, Tokyo	652	0.09
Shingo Torii	Higashinada-ku, Kobe	539	0.07
Takeshi Niinami	Minato-ku, Tokyo	200	0.02
Sho Semba	Chofu-city, Tokyo	182	0.02
Nobuhiro Torii	Minato-ku, Tokyo	173	0.02
Total	—	681,205	99.33

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

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

(Millions of yen)

	As at December 31, 2022	As at June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities:		
Bonds and borrowings	236,137	184,150
Trade and other payables	698,360	761,143
Other financial liabilities	103,130	89,541
Accrued income taxes	24,985	41,289
Provisions	9,291	9,004
Other current liabilities	95,884	81,317
Subtotal	1,167,789	1,166,446
Liabilities directly associated with assets held for sale	3,419	—
Total current liabilities	1,171,208	1,166,446
Non-current liabilities:		
Bonds and borrowings	1,113,588	1,200,294
Other financial liabilities	137,741	142,862
Post-employment benefit liabilities	37,546	39,441
Provisions	11,613	11,891
Deferred tax liabilities	366,176	406,240
Other non-current liabilities	19,682	18,231
Total non-current liabilities	1,686,349	1,818,961
Total liabilities	2,857,558	2,985,407
Equity		
Share capital	70,000	70,000
Share premium	127,741	127,741
Retained earnings	1,652,296	1,729,537
Treasury shares	(938)	(938)
Other components of equity	282,461	566,147
Total equity attributable to owners of the Company	2,131,561	2,492,488
Non-controlling interests	491,270	545,269
Total equity	2,622,832	3,037,758
Total liabilities and equity	5,480,390	6,023,166

**Consolidated statement of profit or loss**

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Revenue (including liquor tax)	1,373,031	1,547,015
Less: liquor tax	(142,804)	(156,100)
Revenue (excluding liquor tax)	1,230,226	1,390,915
Cost of sales	(668,253)	(762,617)
Gross profit	561,972	628,297
Selling, general and administrative expenses	(430,733)	(472,164)
Gain on investments accounted for using the equity method	3,513	6,867
Other income	19,856	7,896
Other expenses	(3,967)	(3,176)
Operating income	150,641	167,721
Finance income	2,280	2,729
Finance costs	(8,153)	(10,626)
Profit before income taxes	144,768	159,824
Income tax expenses	(41,661)	(47,031)
Profit for the period	103,107	112,792
Attributable to:		
Owners of the Company	73,977	86,008
Non-controlling interests	29,129	26,783
Profit for the period	103,107	112,792
Earnings per share (Yen)	107.88	125.42

## Reconciliation from operating income to adjusted operating income

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Operating income	150,641	167,721
Gain on sale of shares of subsidiaries and associates	(15,842)	(4,312)
Other	1,419	344
Total	(14,423)	(3,967)
Adjusted operating income	136,218	163,753

## Segment Information

### (1) Overview of reportable segments

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

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

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

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

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

Six months ended June 30, 2022

(Millions of yen)

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

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

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

Six months ended June 30, 2023

(Millions of yen)

	Reportable segment			Segment total	Reconciliations *2	Consolidated *1
	Beverages and foods	Alcoholic Beverages	Others			
Revenue (including liquor tax)	745,854	642,177	158,984	1,547,015	—	1,547,015
Revenue (excluding liquor tax)						
External customers	745,854	486,617	158,443	1,390,915	—	1,390,915
Intersegment	3,281	2,937	9,158	15,377	(15,377)	—
Total revenue	749,135	489,554	167,601	1,406,292	(15,377)	1,390,915
Segment profit (loss)	80,033	90,231	23,156	193,420	(25,699)	167,721

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

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

## Balance Sheet

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
<b>ASSETS</b>		
Current assets	1,399,289	1,546,490
Cash and deposits	49,493	19,753
Accounts receivable-trade	5,610	6,516
Supplies	114	103
Short-term loans receivable	1,157,805	1,250,413
Accounts receivable - other	179,807	196,031
Other current assets	7,265	73,671
Allowance for doubtful accounts	(807)	—
Non-current assets	954,480	939,158
Property, plant and equipment	34,011	33,553
Intangible assets	4,031	4,004
Investments and other assets	916,436	901,599
Shares of subsidiaries and associates	512,783	512,004
Long-term loans receivable from subsidiaries and associates	360,214	345,865
Other	47,292	48,357
Allowance for doubtful accounts	(3,854)	(4,627)
Deferred assets	706	962
<b>TOTAL ASSETS</b>	<b>2,354,477</b>	<b>2,486,610</b>

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
<b>LIABILITIES</b>		
Current liabilities	371,986	347,471
Short-term loans payable	48,642	20,708
Current portion of bonds payable	60,000	—
Income taxes payable	1,423	—
Deposits received	65,686	67,673
Provision for bonuses	5,828	5,656
Other	190,406	253,432
Non-current liabilities	991,011	1,083,045
Bonds payable	300,523	298,132
Long-term loans payable	674,585	767,760
Provision for retirement benefits	9,445	9,514
Asset retirement obligations	2,886	2,893
Other	3,570	4,744
<b>TOTAL LIABILITIES</b>	<b>1,362,997</b>	<b>1,430,516</b>
<b>NET ASSETS</b>		
Shareholders' equity	985,007	1,048,373
Capital stock	70,000	70,000
Capital surplus	286,367	286,367
Legal capital surplus	17,500	143,200
Other capital surplus	268,867	143,167
Retained earnings	629,578	692,945
Other retained earnings	629,578	692,945
Reserve for special depreciation	14	21
Reserve for advanced depreciation of non-current assets	2,016	1,986
General reserve	312,700	312,700
Retained earnings brought forward	314,848	378,237
Treasury stock	(938)	(938)
Valuation and translation adjustments	6,472	7,720
Valuation difference on available-for-sale securities	7,233	8,945
Deferred gains or losses on hedges	(761)	(1,225)
<b>TOTAL NET ASSETS</b>	<b>991,479</b>	<b>1,056,094</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>2,354,477</b>	<b>2,486,610</b>



## Statement of Income

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Operating revenue	83,854	102,273
Operating expenses	33,228	37,575
Operating income	50,625	64,697
Non-operating income	6,698	7,126
Non-operating expenses	3,830	3,734
Ordinary income	53,493	68,089
Extraordinary income	1,945	2,585
Extraordinary loss	8,654	17
Income before income taxes	46,785	70,657
Income taxes-current	(1,473)	(1,624)
Net income	48,258	72,281