

Financial Results

For the nine months ended December 31, 2024

February 12, 2025

Quarterly Growth Rate for 5 Fiscal Years (1)

Average annual growth rate of in-house products were more than 10%.

(Billion JPY)		Revenue			Recurring Operating profit			Operating profit			Income Before tax	Net income	Comprehe nsive Income
		Total	In-house products	Third- party products	Total	In-house products	Third- party products	Total	In-house products	Third- party products			
20/3	Q3	129.1	84.2	45.6	28.3	22.0	6.3	17.5	11.2	7.0	19.9	13.2	43.0
	Q4	135.6	87.8	48.5	30.3	23.9	6.3	10.5	6.6	5.2	13.2	7.4	(39.1)
21/3	Q1	129.2	90.0	39.7	32.5	26.2	6.2	22.4	16.7	6.1	24.4	13.6	29.9
	Q2	136.6	97.0	39.8	32.5	26.1	6.3	25.1	18.6	6.9	25.6	16.3	28.8
	Q3	139.1	99.3	40.0	31.7	25.4	6.3	18.3	14.1	4.9	23.0	13.6	26.8
	Q4	154.3	112.3	42.1	11.5	5.4	6.0	3.3	-2.1	6.1	9.0	11.0	44.7
22/3	Q1	133.4	97.1	36.9	33.1	27.1	6.0	24.3	19.4	5.4	30.2	20.6	31.6
	Q2	137.9	101.8	36.4	33.6	27.4	6.1	24.6	20.1	5.3	30.6	19.5	32.1
	Q3	142.4	107.9	34.9	32.2	26.0	6.2	19.2	14.8	4.9	24.7	18.6	16.8
	Q4	159.2	120.5	39.1	27.9	21.6	6.3	15.2	10.5	5.5	22.9	28.6	33.4
23/3	Q1	143.4	112.2	31.7	30.3	24.5	5.8	18.2	15.0	4.0	40.5	27.6	22.6
	Q2	166.5	136.3	30.9	21.9	16.1	5.7	27.8	5.4	23.2	41.6	32.2	51.1
	Q3	160.5	133.7	27.2	33.0	29.0	4.0	20.0	17.4	3.3	12.1	6.7	15.6
	Q4	173.4	141.6	32.0	41.7	37.5	4.1	20.3	17.1	3.9	24.0	24.7	44.6
24/3	Q1	140.1	114.2	26.5	38.4	34.7	3.7	23.9	21.3	3.5	47.5	32.7	71.2
	Q2	156.3	130.2	26.8	39.1	35.5	3.6	24.5	21.8	3.6	39.6	29.0	51.2
	Q3	150.2	124.1	26.8	35.8	32.5	3.3	26.0	24.2	2.8	20.7	12.0	27.6
	Q4	155.2	127.2	28.7	37.5	34.7	2.8	20.0	20.3	1.3	60.0	48.3	115.7
25/3	Q1	146.1	120.1	26.0	38.5	34.9	3.6	27.2	24.3	4.1	65.7	45.8	74.2
	Q2	179.6	154.0	25.5	42.4	38.8	3.6	30.2	26.7	4.5	3.3	2.3	(15.2)
	Q3	173.0	146.5	26.4	43.4	39.8	3.5	29.1	27.9	2.7	74.9	54.5	92.4
Average growth rate for 5 fiscal years		6%	11%	(10%)	8%	12%	(11%)	10%	20%	(17%)	30%	32%	16%

Quarterly Growth Rate for 5 Fiscal Years (2)

Average annual growth rate of major indicators of the balance sheet are overall above 20%.

(Billion JPY)

		BS					Per Share			Shareholder Return		Capital Efficiency	
		Net Cash Asset	Asset	Net Asset	Net Asset before shareholder return*	Equity	EPS (Yen)	BPS (Yen)	Dividends (Yen)	Acquisition of the Company's own share	Dividend payment amount	Hypothetical consolidated ROA	Hypothetical consolidated ROE
20/3	Q3	263.7	1,000.4	362.7	405.5	329.7	¥288	¥7,187	¥102	0.0	4.6	-	-
	Q4	195.2	972.0	318.5	366.2	285.7	¥162	¥6,228	¥105	0.0	4.8	-	-
21/3	Q1	224.3	972.5	343.1	395.7	308.6	¥297	¥6,727	¥105	0.0	4.8	-	-
	Q2	259.6	1,053.7	367.0	424.9	332.4	¥355	¥7,245	¥117	0.0	5.3	-	-
	Q3	287.4	1,109.5	388.6	451.9	353.9	¥298	¥7,715	¥117	0.0	5.3	-	-
	Q4	321.4	1,256.8	429.0	497.6	393.4	¥240	¥8,575	¥117	0.0	5.3	-	-
22/3	Q1	334.7	1,305.9	447.1	531.0	411.4	¥452	¥9,057	¥119	9.8	5.4	-	-
	Q2	374.0	1,312.5	468.2	557.7	435.8	¥431	¥9,594	¥121	0.0	5.4	-	-
	Q3	355.2	1,384.2	475.5	574.2	443.7	¥410	¥9,811	¥124	3.5	5.6	-	-
	Q4	343.6	1,451.3	499.3	605.0	468.6	¥610	¥10,380	¥127	1.3	5.7	-	-
23/3	Q1	350.0	1,473.3	509.9	626.4	480.6	¥615	¥10,725	¥131	5.0	5.8	-	-
	Q2	389.5	1,605.9	554.5	677.1	525.4	¥718	¥11,725	¥135	0.0	6.0	-	-
	Q3	393.0	1,621.1	562.2	691.0	534.6	¥182	¥11,931	¥138	0.0	6.1	10.9%	23%
	Q4	440.2	1,691.9	598.3	735.5	571.0	¥541	¥12,773	¥141	2.0	6.3	10.6%	21%
24/3	Q1	518.4	1,773.8	651.2	798.1	622.9	¥733	¥13,986	¥143	3.3	6.3	10.5%	22%
	Q2	582.4	1,823.0	690.8	848.8	662.4	¥653	¥14,940	¥145	4.6	6.4	9.7%	22%
	Q3	602.7	1,896.5	709.2	876.9	682.7	¥273	¥15,444	¥147	3.2	6.4	9.7%	22%
	Q4	773.9	2,078.9	819.2	997.7	790.4	¥1,108	¥17,907	¥203	1.7	8.9	8.9%	22%
25/3	Q1	837.5	2,173.4	883.8	1,069.1	857.1	¥1,040	¥19,415	¥156	0.0	6.8	9.1%	22%
	Q2	793.8	2,122.4	857.0	1,055.0	829.6	¥52	¥18,865	¥161	5.4	7.0	9.8%	19%
	Q3	861.9	2,284.8	938.9	1,148.7	910.8	¥1,244	¥20,768	¥167	4.5	7.3	9.9%	24%
Average growth rate for 5 fiscal years		26%	18%	21%	23%	22%	34%	23%	10%	-	9%	-	-

Upward Revision to Guidance

(Billion JPY)

	FYE March 2024 Full Year	FYE March 2025 Full Year		
	Actual	Before Revision	Revised	YoY
Revenue	601.9	620.0	670.0	+11%
Operating Profit	94.5	100.0	105.0	+11%
Net income attributable to owners of the parent	122.2	90.0	115.0*	(5%)

* Expected USD/JPY at the end of the fiscal year is 151 yen

Performance

Upward Revision
to Guidance

(Billion JPY)

	Nine-Month Period of FYE March 2025			Full Year of FYE March 2025	
	Results	YoY	Main factors	Forecast	Progress Rate
Revenue	Record - high 498.8	+11%		670.0	74%
Recurring Operating Profit	Record - high 124.5	+9%		162.0	76%
Operating Profit	Record - high 86.5	+16%		105.0	82%
Income before Tax	144.0	+33%	Foreign exchange gains were 18.4 billion yen (up 8.8 billion yen from a year earlier) Dividend income and interest income were 33.0 billion yen (up 9.4 billion yen YoY)	138.0	104%
Income before Tax excluding foreign exchange gains (losses)	Record - high 125.6	+27%	Dividend income and interest income were 33.0 billion yen (up 9.4 billion yen YoY)	138.0	91%
Net Income (attribute to owners of parent)	Record - high 102.7	+39%	-	115.0	89%
Comprehensive Income (attribute to owners of parent)	151.3	+0%	-	-	-
(Reference) Operating profit excluding one-time gains and losses	83.1	+71%	Gains on transfer of business were 3.4 billion yen (mainly from Commission-based sales business)	101.6	81%

* One-time gains and losses mainly indicate gains and losses on acquisition of or loss of control of subsidiaries, gains and losses on business transfers, gains and losses on sale of fixed assets and impairment losses.

Gains and Losses by Businesses

(1)Electricity & Gas : Robust sales and an increase in existing customers
 (2)Telecommunications : Stable sales
 (3)Beverage : Revenue declined due to taking business off the balance sheet

(4)Insurance : Robust sales and an increase in existing customers
 (5)Finance : Performing well in overseas business
 (6)Solution : Business restructuring is proceeding on track in ERPARK business

(Billion JPY)

		Revenue			Recurring Operating Profit			Customer Acquisition Cost			Operating Profit		
		24/3	25/3	YoY	24/3	25/3	YoY	24/3	25/3	YoY	24/3	25/3	YoY
		Q1-3	Q1-3		Q1-3	Q1-3		Q1-3	Q1-3		Q1-3	Q1-3	
Total		446.6	498.8	+11%	113.4	124.5	+9%	(38.9)	(37.9)	(2%)	74.5	86.5	+16%
	Electricity & Gas	153.4	204.7	+33%	39.1	45.1	+14%	(18.6)	(18.3)	(2%)	20.6	26.8	+30%
	Telecommunications	89.1	91.4	+2%	30.2	29.5	(2%)	(6.0)	(9.7)	+59%	24.2	19.8	(17%)
	Beverage	62.6	59.6	(4%)	22.1	23.3	+5%	(16.3)	(15.7)	(3%)	5.7	7.6	+31%
	Insurance	16.9	19.5	+15%	7.8	9.4	+20%	(3.5)	(3.1)	(11%)	4.3	6.3	+46%
	Finance	22.9	24.5	+6%	0	0	-	9.8	14.4	+46%	9.8	14.4	+46%
	Solution	21.2	20.9	(1%)	2.5	6.2	+143%	(0.5)	(3.0)	+424%	1.9	3.1	+60%
	Commission-based sales	80.4	78.0	(2%)	11.1	10.6	(4%)	(1.7)	(1.7)	+0%	9.3	8.8	(5%)
	One-time gains and losses	-	-	-	-	-	-	2.0	3.4	-	2.0	3.4	-

Strong Sales

YoY Comparison in Customer Gains in the third quarter of FYE March 2025

Electricity & Gas			
High-Voltage	Low-Voltage	Total of Electricity	LP Gas
185%	114%	122%	329%

Telecommunications		Beverage	Insurance	Total of in-house products excluding Insurance and IT
Communication Line	IT	Beer Server	Small Amount & Short-Term Insurance	
128%	186%	220%	113%	119%

Income before Tax

Up 24% YoY excluding foreign exchange gains (losses)

(Billion JPY)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-24	Mar-25	YoY
	Full year	Full year	Full year	Full year	Full year	Q1-3	Q1-3	
Income before tax	80.0	82.1	108.5	118.4	168.0	107.9	144.0	+33%
Excluding foreign exchange gains/losses	81.0	80.6	98.0	112.6	139.9	99.3	125.6	+27%
Operating Profit	73.0	69.2	83.5	86.6	94.5	74.5	86.5	+16%
Dividend income and Interest income	7.1	8.1	11.1	18.0	30.5	23.5	33.0	+40%
Others	0.9	3.2	3.3	8.0	14.7	0.2	5.9	-
Foreign exchange gains/losses	(0.9)	1.5	10.4	5.7	28.0	9.5	18.4	+92%

* The USD/JPY exchange rate stood at 151.4 yen per dollar at the end of March 2024 and 158.2 yen per dollar at the end of December 2024. Assuming the rate is 151 yen per dollar at the end of March, foreign exchange gains and losses for FYE March 2025 are expected to be approximately 0.2 billion yen.

Cash Flows

*Negative factors

(1) Changes in Receivables and Payables : Mainly due to the increase in operating and financial receivables led by growth in existing customers

(2) Listed stock and bond investments: Primarily due to the acquisition of listed securities

Dividend income and interest income increased by 33% YoY

(Billion JPY)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-24	Mar-25	YoY
	Full year	Full year	Full year	Full year	Full year	Q1-3	Q1-3	
Business CFs	98.7	73.2	74.3	82.4	124.3	90.2	49.4	(45%)
EBITDA	89.0	85.6	100.2	102.8	109.0	85.3	97.1	+13%
Operating Profit	73.0	69.2	83.5	86.6	94.5	74.5	86.5	+16%
Depreciation and Amortization	16.0	16.4	16.7	16.2	14.5	10.8	10.5	(2%)
Changes in Receivables and Payables	9.7	(12.5)	(25.9)	(20.4)	15.3	4.9	(47.7)	-
Dividend income, Interest income	9.1	10.6	14.2	20.9	33.8	26.7	35.7	+33%
Shareholder Return	(17.8)	(20.3)	(36.6)	(30.8)	(38.9)	(30.7)	(32.9)	+7%
Listed stock and bond investments	(59.6)	(84.7)	(88.2)	(87.5)	(81.7)	(63.6)	(132.8)	+108%
Financing	59.4	115.6	99.1	102.2	102.7	82.0	60.4	(26%)
Others (tax and interest expense)	(3.5)	(43.1)	(57.6)	(42.4)	(49.4)	(45.5)	(54.9)	+20%

Fluctuation of Equity Attribute to Owners of Parent

A growth of 120.3 billion yen in equity during the nine-month period

(Billion JPY)

		Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-24	Mar-25	YoY
		Full year	Full year	Full year	Full year	Full year	Q3	Q3	
Equity attributable to owners of parent		285.7	393.4	468.6	571.0	790.4	682.7	910.8	+33%
	Balance at the End of the Previous Period	257.2	285.7	393.4	468.6	571.0	571.0	790.4	+38%
	Fluctuation for the period	+28.4	+107.6	+75.2	+102.3	+219.4	+111.7	+120.3	+7%
	Net income attributable to owners of parent	+51.6	+54.6	+87.5	+91.3	+122.2	+73.8	+102.7	+39%
	Gains (losses) on sales of securities	+27.1	+10.8	+13.9	+16.2	+49.9	+40.1	+19.6	(51%)
	Fluctuation of unrealized gain	(34.5)	+64.9	+11.9	+25.8	+88.7	+34.2	+24.3	(28%)
Shareholder Return		(17.8)	(20.3)	(36.6)	(30.9)	(38.6)	(30.3)	(34.2)	+12%
Others (assets fluctuation etc.)		+2.0	(2.3)	(1.5)	(0.1)	(2.8)	(6.1)	+7.7	-

Pure Investment Performance

IRR (before tax) of 17% for the last 7 years.

(Billion JPY)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-24	Mar-25	YoY
	Full year	Full year	Full year	Full year	Full year	Q3	Q3	
Investment book value (A)	264.1	357.3	456.0	532.6	590.2	571.4	697.8	+22%
Unrealized Gain	56.8	148.4	162.0	226.6	411.1	328.3	490.0	+49%
Market value	321.0	505.8	618.0	759.2	1,001.3	899.7	1,187.8	+32%
Look-through Earnings (B) (last 12 months)	36.6	44.6	70.8	80.3	83.2	81.1	107.7	+17%
Earnings Yield (B)÷(A)	13.8%	12.5%	15.5%	15.1%	14.1%	14.2%	15.4%	+8%
Dividend yield (based on CF and book value, last 12 months)	2.6%	2.7%	3.0%	3.4%	4.1%	4.0%	3.9%	(0%)
Dividend Income (PL) (C)	5.2	7.3	10.6	14.5	18.6	15.9	19.2	+20%
Gain on sale of securities (D)	27.1	10.8	13.9	16.2	49.9	41.6	19.1	(53%)
Total (C)+(D)	32.3	18.1	24.6	30.7	68.6	57.5	38.3	(33%)

* "Look-through earnings" is calculated by multiplying operating profit of each of the companies we invested in by our stock holding ratio and adding all them up.

* "Last 12 months" means four quarters of the last 12 months from the record date for which financial results have been announced.

* Earnings Yield is calculated by dividing the investment book value (acquisition cost) by Look-through earnings

Publicly Listed Equity-method affiliates

33 publicly listed equity-method affiliates as of the end of December 2024

Reduction of one company from the end of September

	Company name	Voting rights ratio		Company name	Voting rights ratio		Company name	Voting rights ratio
1	ZAPPALLAS, INC.	47.4%	12	ULURU.CO.,LTD.	28.2%	23	SANSEI CO.,LTD.	23.4%
2	BENEFIT JAPAN Co.,LTD.	43.1%	13	TVE Co.,Ltd.	27.2%	24	Inbound Tech Inc.	22.7%
3	MS&Consulting Co.,Ltd.	40.1%	14	TOKUDEN CO., LTD.	26.7%	25	RAIZNEXT Corporation	22.6%
4	SINANEN HOLDINGS CO.,LTD.	37.9%	15	DVx Inc.	26.6%	26	Youji Corporation	22.1%
5	INEST, Inc.	37.7%	16	Data Applications	25.7%	27	Techno Smart Corp.	22.1%
6	Bell-Park Co.,Ltd.	37.5%	17	SUNNEXTA GROUP Inc.	25.6%	28	Maruzen Co., Ltd.	21.6%
7	Last One Mile Co.,Ltd.	36.6%	18	XNET Corporation	25.3%	29	Honyaku Center Inc.	21.3%
8	MTI Ltd.	33.3%	19	CE Holdings Co.,Ltd.	25.0%	30	AKATSUKI EAZIMA CO.,LTD	21.3%
9	TOUMEI CO.,LTD.	30.8%	20	TOHO SYSTEM SCIENCE CO.,LTD.	24.9%	31	Original Engineering Consultants Co., Ltd.	21.2%
10	Kusurinomadoguchi, Inc.	29.9%	21	FORVAL CORPORATION	24.9%	32	TOHOKU STEEL Co.,Ltd	21.1%
11	DAIICHI JITSUGYO CO.,LTD.	29.0%	22	NISHIKAWA KEISOKU Co.,LTD.	24.2%	33	FreeBit Co.,Ltd.	20.4%

*Transfer of equity-method affiliates: No addition and one removal (T-Gaia Corporation)

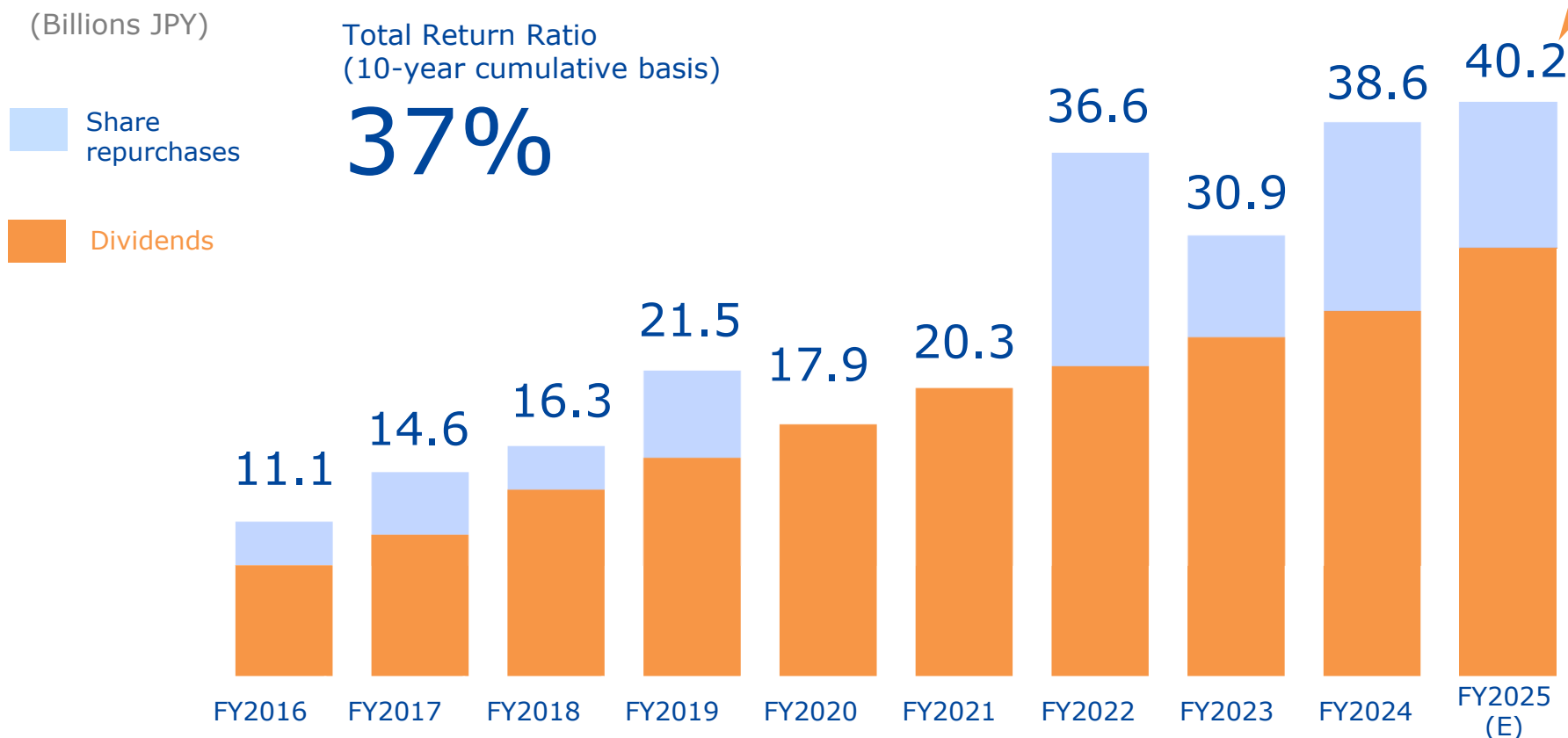
Upward Revision to Dividend and Dividend Forecast

Forecast

		FYE March 2024	FYE March 2025		
			Announced in November	Announced in February	YoY
Dividends per share	Total	¥638	¥639	¥651	+2%
	Excluding special dividends	¥588	¥639	¥649	+10%
Q1	Regular dividend	¥143	¥156	¥156	+9%
Q2	Regular dividend	¥145	¥161	¥161	+11%
Q3	Regular dividend	¥147	¥161	¥167	+13%
Q4	Regular dividend	¥153	¥161	¥167	+9%
	Special dividend	¥50	-	-	-

The dividend for the third quarter increased by 6 yen. Dividend forecast was revised upward for the fourth quarter. As a result, even with the special dividend included, the annual dividend is expected to be up 13 yen from a year earlier.

Shareholder Returns Development



Resolution to
increase
dividends

*Shareholder Return Ratio is calculated by dividing the aggregate of dividends and share repurchases by net income.

Summary of Earnings Release

for the third quarter of FYE March 2025

Business

- (1) Revenue, recurring operating profit and operating profit marked all-time highs.
- (2) Revised upward revenue, recurring operating profit and operating profit due to the robust performance.

Investment

- (1) EY was 15.4% with look-through earnings of 107.7 billion yen
- (2) Dividend income and interest income (P&L) increased by 40% YoY (33.0 billion yen)

Shareholder Return

- (1) A 6 yen increase in dividends from the previous forecast, which will result in a record-high dividends per share if things proceed as expected.
- (2) The full-year total shareholder return ratio is expected to be 44%.

Explanation of Terms and Disclaimer, etc.

■ Explanation of Terms

Term	J-GAAP	IFRS
Sales	Sales	Revenue
Net income	Net income	Net income attributable to owners of parent
Equity	Equity	Equity attributable to owners of the parent
EPS	Earnings per Share	Basic earnings per Share
BPS	Book value per share	Equity per Share attributable to owners of the parent

* Japanese GAAP applied before FYE 3/15, and IFRS applied after FYE 3/16
 * Results for in-house and third-party products prior to FYE 3/18 are provisional figures as they were before the change in reporting segments.
 * ROA: By dividing operating profit by total assets (the average during the period)
 * ROE: By dividing net income attributable to owners of parent by equity (the average during the period)
 * "Hypothetical consolidated performance" is the sum of the "consolidated performance" and the "performance using equity method" calculated by multiplying the figures of each company we invested in by our stock holding ratio. It represents the real performance of the Company
 * Hypothetical consolidated ROE: By dividing hypothetical consolidated net income attributable to owners of parent by equity (the average during the period)
 * Sales per capita: By dividing sales by the number of employees (the average during the period)
 * Operating profit per capita: By dividing operating profit by the number of employees (the average during the period)

■ Notes in regard to this material

Disclaimer

Information mentioned in this material, other than that related to historical and current facts, is determined based on information currently available to HIKARI TSUSHIN and hypotheses built. Since information may be affected by uncertainties included in such hypothesis and judgement, and by changes in the future economic environment, etc., it may differ from future performance of the Company and the HIKARI TSUSHIN Group.

The forward-looking statements contained in this material are prepared as of the date of this material (or the date otherwise specified) as mentioned above. The Company neither has an obligation nor policy to update such forward-looking statements with the latest information whenever necessary.

Furthermore, information in regard to matters other than the Company or Group companies stated in this material are cited from sources such as public information. The accuracy and adequacy of such information are not verified by the Company, and therefore are not guaranteed. The Company will not be held responsible for any damage that may occur as a result of the use of this material.

Notes in Regard to Insider Trading

An investor (primary information receiver) who has received non-public material facts directly from a company shall not make sales or purchases of stocks, etc. before such information is "publicized" (Article 166 of Financial Instruments and Exchange Act). In accordance with the provisions of Article 30 of the Order for Enforcement of the Financial Instruments and Exchange Act, information is deemed to have been made "public" 12 hours after such information has been publicized in two or more journalistic organizations, or when notification to the security exchange is made by the company and further listed via electronic means (TDnet's Timely Disclosure Information Viewing Service and EDINET public website) as provided by the Cabinet Office Ordinance.

