SUNTORY

Suntory Holdings Limited

August 9, 2024

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 [IFRS] (English Translation, UNAUDITED)

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(Fractions of millions have been truncated)

1. Consolidated operating results and financial positions for the six months of the current fiscal year (January 1, 2024 - June 30, 2024)

(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	
Six months ended	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%
June 30, 2024	1,649,170	6.6	1,488,332	7.0	186,686	11.3	179,379	12.2	124,370	10.3	92,688	7.8
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

Reference: Adjusted operating income for the fiscal year ending June 30, 2024 165,661¥million 1.2%
Adjusted operating income for the fiscal year ending June 30, 2023 163,753¥million 20.2%
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, 2024	135 .16	—
June 30, 2023	125 .42	—

(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, 2024	6,834,740	3,569,847	2,963,967	43.4
December 31, 2023	6,042,774	3,058,337	2,514,053	41.6

2. Consolidated earnings forecast for the fiscal year ending December 31, 2024 (January 1, 2024 - December 31, 2024)

	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
Fiscal year ended	¥million	%	¥million	%	¥million	%	¥million	%	¥million	%	¥
December 31, 2024	3,450,000	5.0	3,110,000	5.3	320,000	0.9	300,000	0.9	153,000	(11.4)	223 .11

Reference: Adjusted operating income for the fiscal year ending December 31, 2024 320,000¥million 1.0%
(Note) Change in consolidated earnings forecast during the period: No

SUMMARY OF NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2024 (English Translation, UNAUDITED)

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

	Operating revenue		Operating income		Ordinary income	
Six months ended	¥million	%	¥million	%	¥million	%
June 30, 2024	105,974	3.6	64,546	(0.2)	67,162	(1.4)
June 30, 2023	102,273	22.0	64,697	27.8	68,089	27.3

	Net income		Basic net earnings per share
Six months ended	¥million	%	¥
June 30, 2024	66,230	(8.4)	96 .58
June 30, 2023	72,281	49.8	105 .40

(2) Financial positions

	Total assets	Net assets	Ratio of equity to total assets	Total equity per share
As of	¥million	¥million	%	¥
June 30, 2024	2,727,921	1,118,278	41.0	1,630.72
December 31, 2023	2,520,552	1,058,690	42.0	1,543.83

Operating Results

1. Overview of the Six-Month Period Ended June 30, 2024

The Suntory Group has actively expanded business globally in each of three segments, “Beverages and Foods”, “Alcoholic Beverages”, and “Others”. In the six-month period ended June 30, 2024, revenue including liquor tax was 1,649.2 billion yen (up 6.6% year on year), revenue excluding liquor tax was 1,488.3 billion yen (up 7.0% year on year), operating income was 186.7 billion yen (up 11.3% year on year), and profit attributable to owners of the company was 92.7 billion yen (up 7.8% year on year). Revenue, operating income, and profit attributable to owners of the company all reached their highest-ever levels.

<Beverages and Foods Segment>

As a true global beverage company, Suntory Beverage & Food Limited is aiming for high-quality growth in order to achieve sustainable business growth and increase corporate value, and in addition to rolling out proactive marketing activities centered on core brands it has strengthened its RGM (Revenue Growth Management) activities as it works for further growth in revenue.

In Japan, strengthened core brand and new product activities made a contribution, and sales volume remained steady year on year. The *Suntory Tennensui* brand performed strongly due to the continuation of activities to strengthen the brand such as communication and marketing. In addition to continued growth in *Suntory Tennensui Kiritto Kajitsu* series, the successful launches of the renewed *Suntory Tennensui Special Lemon Squash* in April and of *Suntory Tennensui FRUIT-SPARK Grapefruit & Lemon* in May contributed to the increase. In the *BOSS* brand, we concentrated on brand development, such as through the renewal of each of the products in the *Craft BOSS* series. In the *Suntory Green Tea Iyemon* brand, we engaged in continuous brand development activities focused on the renewal of *Iyemon*. Both the *Suntory Iyemon Koi Aji* that was renewed in February and the *Iyemon Tokucha* that was renewed in April maintained their strong performances of the previous fiscal year.

In Asia Pacific, we continued initiatives to strengthen marketing activities. In Vietnam, core brands *PEPSI* and *Aquafina* remained strong performers. In Thailand, *PEPSI* and *TEA+* performed well. In Oceania, due to strengthening our marketing activities for the mainstay energy drink *V*, sales volumes exceeded previous-year levels. In the health

and wellness products business, a refresh of communications and strengthened marketing activities led to a recovery in trend for *BRAND'S Essence of Chicken*. *BRAND'S Bird's Nest* also saw significant year-on-year growth in sales volume.

In Europe, we concentrated on marketing activities including price revisions in the main countries. As a brand, “Oasis” performed well.

In the Americas, with demand remaining strong, we bolstered sales promotion activities both in the mainstay carbonated beverage category and the non-carbonated beverage category.

As a result of the above, revenue for the Beverages and Foods Segment increased by 9.1% year on year to 813.6 billion yen, while operating income rose by 15.3% to 92.3 billion yen.

<Alcoholic Beverages Segment>

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

For markets outside of Japan, strong performance in India, Germany and Global Travel Retail partially offset the challenging environment in the US such as downward market trends and changes in retail’s inventory strategies. Brands such as Japanese Whiskies *Yamazaki* and *Hibiki*, *Jim Beam* bourbon, RTD cocktail *On The Rocks*, *Teacher’s* Scotch whisky and *Oaksmith* Indian whisky showed growth. The Ready-To-Drink category experienced continued growth as the company expanded its vodka based RTD brand *-196* across the US, Europe and Southeast Asia. In April, Beam Suntory rebranded to Suntory Global Spirits, aiming to pursue further business expansion and synergies across the Suntory Group.

In Japan, strong performers in whisky included canned Highballs as well as *Jim Beam* and *Ao*. In the gin category, where the company takes on the challenge of creating a new Western liquor culture, it invested in the Suntory Osaka Plant to increase production capacity and enhance quality. In the *SUI* brand, which renewed its marketing activities, consumers gave high marks to its refreshingtaste, resulting in significant growth of 19% year on year. In RTD, in addition to launching the *-196 Sugar-free* series that uses the -196°C production method to obtain bold fruit sensations, the company took steps to create new demand through the launch of new products such as *Matsurika Jasmine Chawari JJ Can*.

Sales volume of the beer business[*1] decreased by 4% year on year in Japan, and beer excluding alcohol-free beer-type beverages declined by 5% year on year. On the other hand, the beer category grew by 2% year on year due to a strong performance by the *Suntory Draft Beer* brand.

The *Suntory Draft Beer* brand has been well received for its thoroughly satisfying mouth feel and drinkability, and following the successful launch of bottles and kegs in March, sales volume grew by 30% year on year. As of June 30, the number of stores handling bottles and kegs exceeded 16,000, and the original annual plan has been revised upward by 1.3 times, to 20,000. The new message for *The Premium Malt's* brand, "For good days, *The Premium Malt's*," has been well received and sales volume has risen year on year. In the *Kin-Mugi* brand, the company strengthened its proposals to enjoy the beverage with seasonal ingredients and dishes as a type of beer that is suitable for everyday drinking at home. The company also worked to create new demand through initiatives such as launching *Kin-Mugi Sour* as a product limited to the Hokkaido area, which use beer brewing technology to achieve a sour taste.

*1 Including alcohol-free beer-type beverages

The wine business's revenue including liquor tax rose by 16% year on year, and revenue excluding liquor tax rose by 17% year on year. In Japanese wine, the company's products received high ratings at multiple concours, such as *SUNTORY FROM FARM Tomi Koshu 2022* receiving the Best in Show Award at the Decanter World Wine Awards 2024, the first time for a wine exhibited from Japan. In the core *Sankaboshizai Mutenka no Oishii Wine*[*2] brand, the *Sankaboshizai Mutenka no Oishii Sparkling Wine* launched in September 2023 has been well received, and exceeded the previous-year level by a considerable amount. In imported wines, the Italian organic wine *Tavernello Organico* series recorded growth.

*2 The *Sankaboshizai Mutenka no Oishii Wine* brand is made without adding antioxidants (sulfites).

In the non-alcoholic beverage category, the company engaged in expansion of the lineup with the aim of creating a culture where people who drink alcohol and those who do not can enjoy together, which can be achieved with an alcohol content of 0.00%. Furthermore, based on the diversification of drinking scenarios for non-alcoholic beverages, the company rolled out *Non-aru Sakaba* in places such as hot spring facilities and music events, creating touchpoints with more than 100,000 people.

As a result of the above, revenue including liquor tax for the Alcoholic Beverages Segment was 664.2 billion yen, up 3.4% year on year, while revenue excluding liquor tax was 503.9 billion yen, up 3.5% year on year, and operating income was 106.7 billion yen, up 18.2% year on year.

<Others Segment>

For the health and wellness products business, products such as *Locomore* and *VARON* posted strong revenue, growing by 3% year on year. Revenue in the restaurant business was firm.

Revenue including liquor tax for the Others Segment was 171.4 billion yen, up 7.8% year on year, revenue excluding liquor tax was 170.9 billion yen, up 7.9% year on year, and operating income was 22.1 billion yen, down 4.7% year on year.

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

Revenue (including liquor tax)

Japan	:807.8 billion yen (up 4.8% year on year)
Overseas	:841.3 billion yen (up 8.4% year on year)
Overseas ratio	:51.0%

Revenue (excluding liquor tax)

Japan	:701.0 billion yen (up 5.2% year on year)
Overseas	:787.4 billion yen (up 8.7% year on year)
Overseas ratio	:52.9%

The Suntory Group's purpose is to inspire the brilliance of life, by creating rich experiences for people, in harmony with nature, and its values are "Growing for Good", "Yatte Minahare", and "Giving Back to Society".

As a multifaceted beverages company that depends on the gifts of nature such as water and agricultural products, Suntory is striving to help create a society in which people and nature benefit each other in a sustainable way and aims to promote sustainability management based on the goal of enriching people's lives while still protecting the natural environment.

<Water and biodiversity>

Suntory Natural Water Sanctuary is a forest maintenance initiative involving activities aimed at cultivating water resources and enhancing biodiversity. There are 24 sanctuaries with an area exceeding 12,000 hectares across 16 prefectures nationwide[*3], which helps to recharge more than twice the volume of water it pumps from underground at its owned plants in Japan. The group is further expanding its activities by entering into additional agreements with two new sanctuaries. These water-positive activities, which generate more water in the water system than the

volume that is extracted, open the way to nature-positive initiatives that aim to prevent and reverse the loss of biodiversity. Suntory has also received the most certifications as a single company under the “Other Effective area-based Conservation Measures (OECM)” program which is promoted by the Ministry of the Environment of Japan.

The Suntory “Mizuiku” - Education Program for Nature and Water currently operates its activities in a total of eight countries in Asia, including Japan, Europe, and Oceania. As an event to celebrate the 20th anniversary of the commencement of its activities, a “Mizuiku Experience for Adults” will be held in August for people in their 20s and 30s in Japan.

The company continues to work to achieve its Environmental Targets toward 2030, which sets targets to reduce the water intensity of production at its own plants[*4] by 35%[*5] globally, and replenish more than 100% of water used in at least 50% of its owned plants through water resource cultivation.

*3 As of June 30, 2024. 26 locations as of August 9, 2024

*4 Suntory Group plants which manufacture products

*5 Per-unit production reduction based on business areas for 2015

<Greenhouse Gases (GHG)>

In its Environmental Targets toward 2030, the group set a target for reducing greenhouse gas emissions by 50%[*6] by 2030, and in its Environmental Vision 2050 it set a target of reducing greenhouse gas emissions in the supply chain as a whole to net zero by 2050. The group began construction work on the Yamanashi Model P2G System for generating green hydrogen in February, and will continue to work with the Yamanashi Prefecture and other participating companies with a target to deploy by 2025.

Furthermore, in terms of initiatives using hydrogen, the group has succeeded in demonstration experiments using a hydrogen-fueled direct-fired distillation setup at the pilot distillery within its Suntory Yamazaki Distillery. Going forward, the group will engage in technological validation at the Suntory Hakushu Distillery with a focus on commercialization. Moreover, in order to reduce greenhouse gas emissions in the value chain as a whole, the group is transcending the barriers between industries to work in cooperation with Sumitomo Corporation, SUMISHO METALEX CORPORATION, Kobe Steel, Ltd., and Daiwa Can Company, to jointly design and manufacture cans by allocating green aluminum[*7] using the mass-balance method[*8]. In January 2024 the company launched a limited edition of *The Premium Malt’s (sustainable aluminum)*. Furthermore, the group began working on sugarcane

cultivation in Thailand using regenerative agriculture[*9] techniques in cooperation with VIVE, an international organization supporting sustainable procurement of agricultural products, mainly sugarcane, and with Kaset Thai International Sugar Corporation Public Co., Ltd., which is one of Thailand's leading sugar companies.

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.

*6 Based on 2019 emissions

*7 Aluminum manufactured using renewable energy to control CO2 emissions

*8 An allocation method used when raw materials with different characteristics are mixed, such that the characteristics of a certain raw material are allocated to part of the product being manufactured in proportion to the amount of the raw material used.

*9 An approach to agriculture that enables sustainable production of agricultural produce by focusing on the soil and regenerating its ecosystems to raise its fertility

<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, etc.) material by 2030, achieving zero use of virgin petroleum-based materials. In preparation for achieving this goal, the group will continue to develop activities centered on bottle-to-bottle horizontal recycling[*10], having already concluded agreements with more than 100 local governments and over 40 operating companies, and have proactively introduced it in its own products. As of 2023 results, more than 1 in 2 bottles used by the company are 100% recycled plastic bottles in Japan. To raise awareness of bottle-to-bottle horizontal recycling, the company is working in collaboration with Coca-Cola (Japan) Company, Limited to plan events providing education about separating used bottles under the common theme of “Separate bottles even when away from home.”

*10 Recycling used PET bottles to regenerate them as new PET bottles

When promoting sustainability initiatives, in addition to its own activities, the group engages in cooperation that transcends previous frameworks by working with the local community and with the companies that make up the value chain. In May, the group concluded a comprehensive cooperation agreement with the Tokyo Metropolitan Government for environmental conservation activities with the aim of collaborating in the three areas of biodiversity, resource recycling, and climate change and energy, which are considered to be pressing environmental themes. Leveraging the variety of experience in sustainability activities that the Suntory Group has cultivated, it will take on the challenge of realizing a sustainable society together.

The Suntory Group's human capital management positions people as the most important foundation for management. Its policy is to promote human resource development using a medium- to long-term perspective while providing growth opportunities to all employees. Based on this, the company is working to create opportunities for employees to take on challenges, and allowing them to develop skills, foster career ownership, and enhance their understanding of the group's corporate philosophy at Suntory University.

In order to continually create new value, the Suntory Group actively seeks diverse human resources with different values, regardless of nationality or age, and its DEI Vision Statement is based on the idea that it is important to ensure fairness. It also recognizes that the health of employees and their families is the source of Suntory's challenge-taking and innovation, and the company has also established a Health Management Declaration with the aim of ensuring that all employees are healthy both physically and mentally and feel motivated by their work. Going forward, in the spirit of "ONE SUNTORY, One Family", the Suntory Group will continue to create workplaces where every employee can work vibrantly. The aim is for Group employees worldwide to be able to actively connect and help each other to achieve growth.

2. Full-Year Forecast

In the fiscal year ending December 31, 2024, the forecast for revenue including liquor tax is 3,450 billion yen (up 5.0% year on year), revenue excluding liquor tax is 3,110 billion yen (up 5.3% year on year), operating income is 320 billion yen (up 0.9% year on year), and profit attributable to owners of the company is 153 billion yen (down 11.4% year on year).

(There have been no changes to the earnings forecasts announced on February 16, 2024.)

Status of Major Shareholders

As of June 30, 2024

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
Nobuhiro Torii	Minato-ku, Tokyo	183	0.02
Total	—	681,062	99.31

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

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

Consolidated statement of financial position

(Millions of yen)

	As at December 31, 2023	As at June 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	318,623	576,173
Trade and other receivables	599,357	662,223
Other financial assets	44,663	72,553
Inventories	691,503	807,777
Other current assets	69,086	72,715
Subtotal	1,723,234	2,191,443
Assets held for sale	165,930	2,528
Total current assets	1,889,165	2,193,972
Non-current assets:		
Property, plant and equipment	922,804	1,017,730
Right-of-use assets	119,280	125,385
Goodwill	1,040,674	1,179,031
Intangible assets	1,729,688	1,936,138
Investments accounted for using the equity method	67,416	79,696
Other financial assets	189,145	202,884
Deferred tax assets	37,924	46,700
Other non-current assets	46,674	53,201
Total non-current assets	4,153,608	4,640,768
Total assets	6,042,774	6,834,740

(Millions of yen)

	As at December 31, 2023	As at June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities:		
Bonds and borrowings	446,639	555,591
Trade and other payables	770,244	800,478
Other financial liabilities	92,485	84,732
Accrued income taxes	45,153	45,652
Provisions	7,138	6,803
Other current liabilities	106,338	102,248
Subtotal	1,467,999	1,595,506
Liabilities directly associated with assets held for sale	24,816	347
Total current liabilities	1,492,816	1,595,853
Non-current liabilities:		
Bonds and borrowings	901,161	1,015,962
Other financial liabilities	138,765	143,734
Post-employment benefit liabilities	40,370	43,514
Provisions	12,129	13,401
Deferred tax liabilities	378,769	434,167
Other non-current liabilities	20,424	18,259
Total non-current liabilities	1,491,620	1,669,039
Total liabilities	2,984,437	3,264,893
Equity		
Share capital	70,000	70,000
Share premium	127,741	127,914
Retained earnings	1,816,187	1,899,985
Treasury shares	(938)	(938)
Other components of equity	501,063	867,006
Total equity attributable to owners of the Company	2,514,053	2,963,967
Non-controlling interests	544,283	605,879
Total equity	3,058,337	3,569,847
Total liabilities and equity	6,042,774	6,834,740

Consolidated statement of profit or loss

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Revenue (including liquor tax)	1,547,015	1,649,170
Less: liquor tax	(156,100)	(160,838)
Revenue (excluding liquor tax)	1,390,915	1,488,332
Cost of sales	(762,617)	(818,383)
Gross profit	628,297	669,948
Selling, general and administrative expenses	(472,164)	(513,448)
Gain on investments accounted for using the equity method	6,867	8,768
Other income	7,896	26,160
Other expenses	(3,176)	(4,742)
Operating income	167,721	186,686
Finance income	2,729	5,253
Finance costs	(10,626)	(12,560)
Profit before income taxes	159,824	179,379
Income tax expenses	(47,031)	(55,008)
Profit for the period	112,792	124,370
Attributable to:		
Owners of the Company	86,008	92,688
Non-controlling interests	26,783	31,682
Profit for the period	112,792	124,370
Earnings per share (Yen)	125.42	135.16

Reconciliation from operating income to adjusted operating income

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Operating income	167,721	186,686
Gain on sale of shares of subsidiaries and associates	(4,312)	(23,686)
Other	344	2,661
Total	(3,967)	(21,025)
Adjusted operating income	163,753	165,661

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, 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.

Six months ended June 30, 2024

(Millions of yen)

	Reportable segment			Segment total	Reconciliations *2	Consolidated *1
	Beverages and foods	Alcoholic Beverages	Others			
Revenue (including liquor tax)	813,583	664,182	171,405	1,649,170	—	1,649,170
Revenue (excluding liquor tax)						
External customers	813,583	503,861	170,888	1,488,332	—	1,488,332
Intersegment	3,777	2,693	9,638	16,110	(16,110)	—
Total revenue	817,360	506,555	180,527	1,504,443	(16,110)	1,488,332
Segment profit (loss)	92,259	106,681	22,067	221,008	(34,322)	186,686

(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, 2023	As of June 30, 2024
ASSETS		
Current assets	1,582,172	1,708,222
Cash and deposits	107,791	380,397
Accounts receivable-trade	6,222	5,979
Supplies	108	108
Short-term loans receivable	1,251,050	1,115,089
Accounts receivable - other	206,570	180,661
Other current assets	10,429	25,986
Non-current assets	937,519	1,018,333
Property, plant and equipment	33,561	32,766
Intangible assets	4,057	4,110
Investments and other assets	899,900	981,456
Shares of subsidiaries and associates	512,004	507,282
Long-term loans receivable from subsidiaries and associates	345,187	424,997
Other	47,383	53,565
Allowance for doubtful accounts	(4,675)	(4,387)
Deferred assets	860	1,365
TOTAL ASSETS	2,520,552	2,727,921

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
LIABILITIES		
Current liabilities	620,044	659,289
Short-term loans payable	276,697	316,370
Current portion of bonds payable	53,541	73,549
Income taxes payable	386	3,772
Deposits received	67,251	46,308
Provision for bonuses	7,995	6,887
Other	214,172	212,400
Non-current liabilities	841,817	950,353
Bonds payable	264,599	325,134
Long-term loans payable	561,400	608,900
Provision for retirement benefits	9,450	9,157
Asset retirement obligations	2,901	2,909
Other	3,465	4,251
TOTAL LIABILITIES	1,461,862	1,609,643
NET ASSETS		
Shareholders' equity	1,050,538	1,107,854
Capital stock	70,000	70,000
Capital surplus	286,367	286,367
Legal capital surplus	143,200	143,200
Other capital surplus	143,167	143,167
Retained earnings	695,110	752,425
Other retained earnings	695,110	752,425
Reserve for special depreciation	30	32
Reserve for advanced depreciation of non-current assets	1,955	1,925
General reserve	312,700	312,700
Retained earnings brought forward	380,424	437,767
Treasury stock	(938)	(938)
Valuation and translation adjustments	8,151	10,423
Valuation difference on available-for-sale securities	8,964	10,785
Deferred gains or losses on hedges	(812)	(361)
TOTAL NET ASSETS	1,058,690	1,118,278
TOTAL LIABILITIES AND NET ASSETS	2,520,552	2,727,921

Statement of Income

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Operating revenue	102,273	105,974
Operating expenses	37,575	41,427
Operating income	64,697	64,546
Non-operating income	7,126	7,042
Non-operating expenses	3,734	4,426
Ordinary income	68,089	67,162
Extraordinary income	2,585	1
Extraordinary loss	17	11
Income before income taxes	70,657	67,153
Income taxes-current	(1,624)	923
Net income	72,281	66,230