Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2016 [Japanese GAAP]

January 29, 2016

Company name:	TOKAI Holdings Corporation	Stock listing:	Tokyo Stock Exchange
Stock code:	3167	URL:	http://tokaiholdings.co.jp
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Scheduled date of filing quarterly report: February 12, 2016
Scheduled date of dividend payment: —
Supplementary materials on quarterly financial results: Yes
Quarterly financial results briefing: No

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2015
(April 1, 2015 to December 31, 2015)

(1) Consolidated Operating Results (cumulative)

(% figures represent year-on-year changes)

	Sales		Operating Profit		Recurring Profit		Quarterly Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2015	130,103	(4.3)	4,006	(17.7)	3,921	(13.2)	1,395	(23.3)
Nine months ended December 31, 2014	135,981	2.3	4,866	52.3	4,517	52.6	1,819	97.7

(Note) Comprehensive income: 1,098 million yen in the nine months ended December 31, 2015 (down 50.9%)
2,238 million yen in the nine months ended December 31, 2014 (up 57.6%)

	Quarterly Net Income per Share	Quarterly Net Income per Share (Diluted)
	Yen	Yen
Nine months ended December 31, 2015	12.05	10.91
Nine months ended December 31, 2014	15.81	15.80

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Nine months ended December 31, 2015	164,500	42,272	25.1	361.99
Year ended March 31, 2015	165,702	43,467	25.7	368.15

(Reference) Equity: 41,325 million yen for the nine months ended December 31, 2015
42,544 million yen for the year ended March 31, 2015

2. Dividends

	Annual Dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	—	6.00	—	6.00	12.00
Year ending March 31, 2016	—	6.00	—		
Year ending March 31, 2016 (Forecast)				6.00	12.00

(Note) Revisions of most recently announced dividend forecasts: No

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% figures represent year-on-year changes)

	Sales		Operating Profit		Recurring Profit		Net Income Attributable to Owners of the Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2016	192,200	2.5	7,760	(13.8)	7,410	(13.3)	3,240	(17.7)	28.04

(Note) Revisions following most recently announced earnings forecasts: No

*Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries affecting the scope of consolidation): No

(2) Application of special accounting procedures in the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, estimates, and restatements

1) Changes in accounting policies accompanying revisions in accounting standards, etc.: Yes
2) Changes in accounting policies other than 1): No
3) Changes in accounting estimates: No
4) Restatements: No

(Note) For details, please see page 5 of the attached materials: "2. Summary Information (Notes): (3) Changes in Accounting Policies, Estimates, and Restatements."

(4) Number of shares issued (common stock)

1) Shares issued at the end of each period (including treasury stock):	Q3 FY3/2016	139,679,977 shares	FY3/2015	155,199,977 shares
2) Number of shares of treasury stock at the end of each period:	Q3 FY3/2016	25,517,219 shares	FY3/2015	39,637,942 shares
3) Average number of shares during the period (cumulative):	Q3 FY3/2016	115,825,434 shares	Q3 FY3/2015	115,061,833 shares

(Note)The number of shares of treasury stock at the end of each period (0 shares as of December 31, 2015; 509,800 shares as of March 31, 2015) includes shares of the Company held in trust accounts for the employee stock ownership plan (ESOP). Furthermore, the shares of treasury stock held in ESOP trust accounts are included in the treasury stock, which is subtracted from calculations of the average number of shares during the period (160,818 shares for the nine months ended December 31, 2015; 729,408 shares for the nine months ended December 31, 2014) .

*Information Regarding Execution of Quarterly Review Procedures

This quarterly financial statement is not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act, and the review procedures of quarterly financial statements pursuant to the Financial Instruments and Exchange Act have not been completed as of the release of this document.

* Explanation regarding the Appropriate Uses of Earnings Forecasts and Other Notes

All earnings forecasts provided within this document are based on the most accurate information available at the time of the release of this document. Actual results may differ from forecasts due to various factors going forward.

[Attachment]

Contents

1. Qualitative Information on Financial Results for the Nine Months Ended December 31, 2015

(1) Explanation of Consolidated Operating Performance

During the first nine months of the fiscal year ending March 31, 2016, the Japanese economy remained in a modest recovery phase, due in part to recovering corporate earnings, firm individual consumption, and an improved employment situation. Nevertheless, economic downturns in China and other Asian markets pose a downside risk for the Japanese economy, raising concerns about the impact on the domestic economy.

Under such conditions, in the nine months ended December 31, 2015, the Group conducted its business operations in line with the three basic policies of its medium-term management plan, "Innovation Plan 2016 'Growing.'" The three policies are 1) continue to increase sales by winning new customers and improve profitability, 2) continue to improve the Group's financial profile and management stability, and 3) provide continuous and stable returns to shareholders.

In the communications sector, we began offering "Hikari Collaboration" services from March 2015, under a model that bundles fiber optic services offered by NTT East Japan and NTT West Japan with our internet service provider (ISP) services. Seeing this as an opportunity to regenerate growth in the broadband business, we worked diligently to boost the Group's market share both by redirecting existing customers and winning new customers.

In the energy sector, businesses from various industries have announced their entrance into electric power services due to the full-fledged liberalization of electric power retail sales in April 2016. On October 14, 2015, the Group signed a business partnership agreement with Tokyo Electric Power Company, Inc. ("TEPCO"), and began selling high-voltage power to corporate customers. Furthermore, on December 28, 2015, the Group entered into agency agreements with TEPCO for the sales of electricity to households. In January 2016, we began accepting subscriptions for bundled electricity fee plans that combine TEPCO's electric power services with the Group's service offerings.

In terms of financing, in overseas markets, chiefly the Swiss Confederation, we issued 10.0 billion yen in non-interest-bearing convertible bonds with stock acquisition rights that can boost equity if the bonds are converted to shares. In this manner, we worked to lower fundraising costs, diversify our sources of funding, and reinforce our financial position.

During the nine months ended December 31, 2015, the Group booked sales of 130,103 million yen (down 4.3% year-on-year), operating profit of 4,006 million yen (down 17.7%), recurring profit of 3,921 million yen (down 13.2%) and quarterly net income attributable to owners of the parent of 1,395 million yen (down 23.3%).

The number of continuing customers was 2,553 thousand, and members of the TLC membership service—a service aimed at enhancing customer interaction and offering benefits to members—rose by 68 thousand from March 31, 2015, to 464 thousand members.

Performance by segment was as follows.

(Gas and Petroleum)

In the liquefied petroleum gas (LP gas) business, we expanded operations into the city of Iwaki and the area south of Sendai, in addition to continuing to introduce measures to prevent service cancellations. As a result, the number of customers increased by 3 thousand from March 31, 2015, to 575 thousand. Sales volume of LP gas was flat year-on-year, but sales were down year-on-year as selling prices were lowered to reflect a drop in procurement prices.

In the city gas business, the number of customers was 53 thousand, largely unchanged from the level as of March 31, 2015, but sales fell year-on-year due to a decline in selling prices stemming from the raw material price adjustment system.

Due to these factors, segment sales came to 58,348 million yen (down 13.1% year-on-year), but operating profit was 3,742 million yen (up 33.8%), reflecting lower costs as LP gas procurement prices fell, as well as successful efforts to increase operating efficiency.

(Building and Real Estate)

In the Building and Real Estate business, sales were up year-on-year in areas such as housing sales, new construction of retail stores, and building management support services.

Accordingly, segment sales increased to 13,783 million yen (up 3.5% year-on-year). Bolstered by higher sales, operating profit improved to 117 million yen (compared with an operating loss of 28 million yen in the corresponding period of the previous fiscal year).

(CATV)

Since the move to implement digital terrestrial broadcasting, the CATV business has seen fierce competition from major telecommunication companies, and subscriber numbers have continued to fall. However, this figure grew by 4 thousand subscribers from March 31, 2015, to 497 thousand. During this same period, subscribers to telecommunications services increased by 10 thousand to 207 thousand (153 thousand CATV-FTTH customers and 54 thousand CATV internet subscribers).

The Company worked to win new customers through attractive pricing and services, while promoting measures to encourage existing customers to extend their service agreements. Specifically, we worked to lock in customers in detached homes with discounted service offerings based on long-term agreements, and commenced sales of new bulk services for housing complexes. Meanwhile, through community channels we worked to create and provide programs aimed at strengthening ties with local communities, and increasing customer satisfaction.

Owing to these efforts, segment sales totaled 18,345 million yen (up 0.8% year-on-year), and operating profit was 842 million yen (up 18.8%).

(Information and Communications Service)

In the broadband business, we actively marketed to encourage existing customers to switch to “@TCOM Hikari” and “TNC Hikari,” services that use Hikari Collaboration. Since the Group’s introduction of Hikari Collaboration services, some 131 thousand customers have switched to these services (conversion rate of 22.7%). This is faster than the rate of progress for the market as a whole, and contributed to higher sales in this business. Although many new entrants are beginning the Hikari Collaboration model including major mobile phone carriers, creating an increasingly competitive environment, our proactive efforts to attract new customers led to an increase by 8 thousand FTTH customers from March 31, 2015, to 752 thousand customers.

Still, the number of ADSL customers was down by 13 thousand from March 31, 2015, and as a result the overall number of broadband customers decreased by 5 thousand from March 31, 2015, to 841 thousand customers.

As a result, segment sales were 31,988 million yen (up 6.6% year-on-year), but operating profit was 391 million yen (down 85.1%) due to higher upfront costs to win customers and promote service conversions.

(Aqua)

In the Aqua business, the Company was working proactively to expand its customer reach across Japan through sales activities targeting large-scale commercial facilities and others in the Shizuoka and Kanto regions, as well as in the Kansai, Hokuriku, and Tohoku regions. By adopting the character of “Doraemon” as a mascot and promoting the brand message, “The gift of delicious water: Urunom,” the Company succeeded in increasing the number of customers to 134 thousand, up by 4 thousand from March 31, 2015.

Sales in this segment came to 4,130 million yen (up 11.4% year-on-year). By working to hold down advertising and promotion costs, we succeeded in reducing the operating loss to 1,054 million yen (from an operating loss of 1,270 million yen in the same period of the preceding fiscal year), putting the segment on the path to profitability.

(Others)

In the nursing care business, the number of users and sales increased thanks to efforts to operate facilities where residents feel comfortable and safe.

In the ships business, although the number of ships repaired was down year-on-year, unit prices rose, leading to higher sales.

In the bridal events business, sales were down in line with the closing of Creation M Bouquet Tokai Gotemba at the end of March 2015.

As a result, segment sales came to 3,507 million yen (down 3.3% year-on-year), and operating loss was 255 million yen (compared with an operating loss of 324 million yen in the same period of the preceding fiscal year).

(2) Explanation of Consolidated Financial Condition

1) Assets, Liabilities, and Net Assets

Total assets amounted to 164,500 million yen as of December 31, 2015, down 1,201 million yen from March 31, 2015. This decline was mainly attributable to a 2,791 million yen decrease in property, plant and equipment stemming from depreciation, although current assets grew 2,170 million yen due to an increase in work in process.

Total liabilities were 122,228 million yen, down 6 million yen from March 31, 2015. The issuance of 10,000 million yen in convertible bonds with stock acquisition rights pushed liabilities up, but total liabilities declined due to decreases of 1,904 million yen in income taxes payable, etc.; 3,574 million yen in loans, etc.; and 2,448 million yen in other current liabilities (mainly deposits and accrued consumption tax).

As of December 31, 2015, net assets totaled 42,272 million yen, down 1,195 million yen from March 31, 2015. This decrease was principally due to the acquisition of treasury stock, which reduced net assets by 1,059 million yen.

2) Cash Flows

Cash and cash equivalents stood at 2,533 million yen as of December 31, 2015, down 288 million yen from March 31, 2015.

Cash flows from each activity during the nine months under review and the factors behind them are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 8,505 million yen (down 6,606 million yen year-on-year). Funds increased due to quarterly net income before adjustments for income taxes and depreciation and amortization, (non-cash items).

The reason for the major year-on-year decrease in cash flow from operating activities includes a partial revision of the securitization of receivables, as well as an increase in the amount of consumption tax paid.

(Cash flows from investing activities)

Net cash used in investing activities was 8,750 million yen (down 1,840 million yen year-on-year). Cash was used mainly for the acquisition of tangible and intangible assets.

(Cash flows from financing activities)

Financing activities used net cash of 47 million yen (up 7,936 million yen year-on-year). Sources of cash included the issuance of convertible bonds with stock acquisition rights, while cash was used mainly to repay borrowings and lease obligations.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

The Company maintains its consolidated earnings forecasts for the fiscal year ending March 31, 2016, announced on May 8, 2015.

Forecasts are judgments based on currently available information. Actual performance may differ from forecasts due to a variety of factors going forward.

2. Summary Information (Notes)

(1) Changes in Significant Subsidiaries During the Period Under Review

Not applicable.

(2) Application of Special Accounting Procedures in the Preparation of Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies, Estimates, and Restatements

(Changes in Accounting Policies)

(Application of Accounting Standard for Business Combinations)

The Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), and other standards from the first quarter of the fiscal year ending March 31, 2016. As a result, the accounting method has been changed to record the difference caused by changes in equity in subsidiaries the Company continues to control as capital surplus, and to record acquisition-related costs for the fiscal year in which the costs were incurred. Furthermore, for business combinations carried out on or after the beginning of the first quarter of the fiscal year, the accounting method was changed to reflect the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment in the quarterly consolidated financial statements of the quarter in which the business combination occurs. In addition, the Company has changed its presentation of quarterly net income and related items, and renamed “minority interests” as “non-controlling interests.” The quarterly consolidated financial statements for the nine months ended December 31, 2014 and for the fiscal year ended March 31, 2015 have been reclassified to reflect this change.

Application of the Accounting Standard for Business Combinations and other standards is in accordance with the transitional measures provided for in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures. The Company will continue to apply the standards from the beginning of the first quarter of the fiscal year.

These changes do not affect profits and losses.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2015	Nine Months Ended December 31, 2015
Assets		
Current assets		
Cash and deposits	2,861	3,306
Notes and accounts receivable–trade	20,085	20,263
Merchandise and finished goods	5,367	5,160
Work in process	583	1,558
Raw materials and supplies	745	748
Other	6,642	7,455
Allowance for doubtful accounts	(326)	(363)
Total current assets	35,959	38,130
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,413	36,069
Machinery, equipment and vehicles, net	21,684	22,058
Land	22,006	22,034
Other, net	16,830	15,981
Total property, plant and equipment	98,935	96,143
Intangible assets		
Goodwill	8,270	6,953
Other	2,953	4,447
Total intangible assets	11,224	11,401
Investments and other assets		
Net defined benefit asset	4,188	3,984
Other	16,240	15,471
Allowance for doubtful accounts	(890)	(667)
Total investments and other assets	19,539	18,788
Total non-current assets	129,699	126,333
Deferred assets	43	36
Total assets	165,702	164,500

(Millions of yen)

	Fiscal Year Ended March 31, 2015	Nine Months Ended December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable–trade	13,035	12,987
Short-term loans payable	33,821	35,890
Current portion of bonds	2,458	1,208
Income taxes payable	2,089	185
Accruals	1,439	157
Other	18,316	15,868
Total current liabilities	71,160	66,297
Non-current liabilities		
Bonds payable	1,742	1,363
Convertible bonds with stock acquisition rights	—	10,000
Long-term loans payable	35,048	31,077
Accruals	209	215
Net defined benefit liability	271	297
Other	13,803	12,977
Total non-current liabilities	51,074	55,930
Total liabilities	122,234	122,228
Net assets		
Shareholders' equity		
Capital stock	14,000	14,000
Capital surplus	22,315	19,144
Retained earnings	7,803	7,807
Treasury stock	(8,033)	(5,747)
Total shareholders' equity	36,085	35,204
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,378	2,248
Deferred gains (losses) on hedges	(94)	(135)
Foreign currency translation adjustment	44	5
Remeasurement of defined benefit plans	4,130	4,002
Total accumulated other comprehensive income	6,458	6,121
Stock acquisition rights	260	249
Non-controlling interests	662	697
Total net assets	43,467	42,272
Total liabilities and net assets	165,702	164,500

(2) Quarterly Consolidated Statements of Income, Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Nine Months Ended December 31)

(Millions of yen)

	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine Months Ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Sales	135,981	130,103
Cost of sales	86,424	80,047
Gross profit	49,557	50,056
Selling, general and administrative expenses	44,690	46,049
Operating profit	4,866	4,006
Non-operating profit		
Interest income	16	10
Dividend income	149	157
Commission fee	87	61
Other	312	370
Total non-operating profit	566	600
Non-operating expenses		
Interest expenses	744	552
Other	170	133
Total non-operating expenses	914	685
Recurring profit	4,517	3,921
Extraordinary income		
Gain on sales of non-current assets	6	6
Transmission line facility subsidies	41	60
Subsidy income	9	70
Gain on sales of investment securities	31	-
Total extraordinary income	89	137
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	617	769
Bad-debts expenses	—	234
Total extraordinary losses	617	1,003
Quarterly net income before income taxes	3,989	3,055
Income taxes (current)	1,540	955
Income taxes (deferred)	606	664
Total income taxes	2,147	1,619
Quarterly net income	1,841	1,436
Quarterly net income attributable to non-controlling interests	22	40
Quarterly net income attributable to owners of the parent	1,819	1,395

(Consolidated Statements of Comprehensive Income)

(Nine Months Ended December 31)

(Millions of yen)

	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine Months Ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Quarterly net income	1,841	1,436
Other comprehensive income		
Valuation difference on available-for-sale securities	796	(129)
Deferred gains (losses) on hedges	(340)	(40)
Foreign currency translation adjustment	(0)	(33)
Remeasurement of defined benefit plans, net of tax	(61)	(128)
Share of other comprehensive income of entities accounted for using the equity method	2	(6)
Total other comprehensive income	397	(337)
Quarterly comprehensive income	2,238	1,098
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,215	1,057
Comprehensive income attributable to non-controlling interests	23	40

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)	Nine Months Ended December 31, 2015 (April 1, 2015 to December 31, 2015)
Cash flows from operating activities		
Quarterly net income before income taxes and minority interests	3,989	3,055
Depreciation	11,120	11,008
Amortization of goodwill	1,830	1,549
Increase (decrease) in accrued bonuses	(1,247)	(1,248)
Increase in net defined benefit asset and liability	111	43
Interest and dividend income	(165)	(168)
(Gain) loss on sale of investment securities	(31)	—
Interest expenses	744	552
(Gain) loss on sales of non-current assets	(6)	(6)
Loss on retirement of non-current assets	617	769
Increase (decrease) in notes and accounts payable	1,772	45
(Increase) decrease in inventories	756	(771)
Increase (decrease) in notes and accounts payable - trade	(1,326)	(410)
Increase (decrease) in accrued consumption taxes	991	(1,540)
Increase (decrease) in deposits received	107	(1,063)
Other	(508)	(184)
Subtotal	18,755	11,631
Income taxes paid	(3,643)	(3,125)
Net cash provided by operating activities	15,111	8,505
Cash flows from investing activities		
Interest and dividend income received	211	210
Purchase of securities	(11)	(11)
Proceeds from sales of securities	56	-
Purchase of tangible and intangible assets	(7,616)	(9,126)
Proceeds from sales of tangible and intangible assets	159	124
Collection of loans receivable	378	144
Other	(87)	(90)
Net cash provided by (used in) in investing activities	(6,909)	(8,750)
Cash flows from financing activities		
Interest expenses paid	(726)	(550)
Net increase (decrease) in short-term loans payable	4,700	4,568
Repayments of lease obligations	(3,017)	(2,988)
Proceeds from long-term loans payable	10,500	5,394
Repayment of long-term loans payable	(15,882)	(11,863)
Redemption of bonds	(2,080)	(1,629)
Proceeds from issuance of convertible bonds with stock acquisition rights	—	9,980
Payments for acquisition of treasury stock	(0)	(1,059)
Payments made to trust account for acquisition of treasury stock	—	(743)
Proceeds from disposal of treasury stock	250	283

Cash dividends paid	(1,374)	(1,389)
Other	(351)	(50)
Net cash provided by (used in) financing activities	(7,983)	(47)
Effect of exchange rate change on cash and cash equivalents	9	3
Net increase (decrease) in cash and cash equivalents	227	(288)
Cash and cash equivalents at beginning of period	3,150	2,821
Cash and cash equivalents at end of period	3,378	2,533

(4) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Based on a Board of Directors resolution on October 29, 2015, the Company acquired 1,980,000 shares of treasury stock during the period from October 30, 2015 through December 31, 2015, for a total acquisition cost of 1,058 million yen.

Based on the same Board of Directors resolution, on November 6, 2015, the Company canceled 15,520,000 shares of treasury stock, thereby reducing the capital surplus and treasury stock by 3,198 million yen each.

Owing to this acquisition and cancellation of treasury stock, as of December 31, 2015, the capital surplus amounted to 19,144 million yen and treasury stock to 5,747 million yen.

(Segment Information, etc.)

[Segment Information]

I. Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)

Sales and Income or Losses by Reportable Segment

(Millions of yen)

	Reportable segments						Other[1]	Total	Adjustments[2]	Amount in Quarterly Consolidated Statements of Income[3]
	Gas and Petroleum	Building and Real Estate	CATV	Information and Communications	Aqua	Subtotal				
Sales										
Sales to external customers	67,106	13,311	18,207	30,020	3,707	132,354	3,626	135,981	―	135,981
Intersegment sales and transfers	108	1,524	653	2,201	55	4,541	152	4,694	(4,694)	―
Subtotal	67,215	14,836	18,861	32,221	3,762	136,896	3,779	140,676	(4,694)	135,981
Segment income (loss)	2,797	(28)	708	2,633	(1,270)	4,840	(324)	4,515	350	4,866

(Note) 1. The "Other" category is a business segment not included in the reportable segments. This category includes businesses such as weddings, ship repair, insurance, and nursing care.

2. Adjustments to segment income (loss) are mainly eliminations due to intersegment transactions.

3. Segment income (loss) is adjusted to match operating profit in the quarterly consolidated statements of income.

II. Nine-Months ended December 31, 2015 (April 1, 2015 to December 31, 2015)

Sales and Profits or Losses by Reportable Segment

(Millions of yen)

	Reportable segments						Other[1]	Total	Adjusmtents[2]	Amount in Quarterly Consolidated Statements of Income[3]
	Gas and Petroleum	Building and Real Estate	CATV	Information and Communications	Aqua	Subtotal				
Sales										
Sales to external customers	58,348	13,783	18,345	31,988	4,130	126,596	3,507	130,103	-	130,103
Intersegment sales and transfer	123	721	617	2,302	64	3,829	140	3,970	(3,970)	-
Subtotal	58,471	14,505	18,963	34,290	4,194	130,426	3,648	134,074	(3,970)	130,103
Segment income (loss)	3,742	117	842	391	(1,054)	4,038	(255)	3,783	223	4,006

(Note) 1. The “Other” category is a business segment not included in the reportable segments. This category includes businesses such as weddings, ship repair, insurance and nursing care.

2. Adjustments to segment income (loss) are mainly eliminations due to intersegment transactions.

3. Segment income (loss) is adjusted to match operating profit in the quarterly consolidated statements of income.