Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2019 [Japanese GAAP]

January 31, 2019

Company name: TOKAI Holdings Corporation　Stock listing: Tokyo Stock Exchange
Stock code: 3167　URL: https://tokaiholdings.co.jp
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Scheduled date of filing quarterly report: February 13, 2019
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, 2018 (April 1, 2018 to December 31, 2018)

(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, 2018	137,943	3.5	7,038	7.0	7,247	8.8	3,966	15.5
Nine months Ended December 31, 2017	133,336	4.6	6,579	(19.7)	6,662	(19.2)	3,435	(29.2)

(Note) Comprehensive income: 1,864 million yen in the Nine-months Ended December 31, 2018 (-55.1%)
4,152 million yen in the Nine months Ended December 31, 2017 (-39.7%)

	Quarterly Net Income per Share	Quarterly Net Income per Share (Diluted)
	Yen	Yen
Nine-months Ended December 31, 2018	30.29	-
Nine months Ended December 31, 2017	26.66	26.16

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
Nine-months Ended December 31, 2018	167,035	59,631	35.0
Year ended March 31, 2018	165,993	61,450	36.3

(Reference) Equity: 58,400 million yen for the Nine-months Ended December 31, 2018
60,320 million yen for the year ended March 31, 2018

(Note) "Partial revision ofthe Accounting Standard for Tax Effect Accounting "(ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the first quarter consolidated accounting period. The consolidated financial position for the consolidated fiscal year is the figure after applying it retroactively.

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, 2018	—	14.00	—	14.00	28.00
Year ending March 31, 2018	—	14.00			
Year ending March 31, 2018 (Forecast)			—	14.00	28.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% 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, 2019	195,600	5.1	13,960	27.2	13,880	24.0	7,920	19.6	60.48

(Note) Revisions to 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.: No

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatements: No

(4) Number of shares issued (common stock)

1) Shares issued at the end of each period (including treasury stock):	Q3 FY3/2019	139,679,977 shares	FY3/2018	139,679,977 shares
2) Number of shares of treasury stock at the end of each period:	Q3 FY3/2019	8,731,326 shares	FY3/2018	8,736,412 shares
3) Average number of shares during the period (cumulative):	Q3 FY3/2019	130,946,547 shares	Q3 FY3/2018	128,826,506 shares

(Note) Board benefit trust shares(BBT) is included in the number of year-end treasury stock.(410,800 stocks at Q3 FY3/2019, 416,600 stocks at FY3/2018) And the company shares 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 (413,352 shares for the Nine-months Ended December 31, 2019; 417,341 shares for the Nine months Ended December 31, 2018).

* Quarterly financial results not covered by quarterly review

* 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 Period Under Review

(1) Explanation of Consolidated Operating Performance

In the first nine months of the fiscal year ending March 31, 2019, the Japanese economy was on a gradual recovery path, with an upturn in personal consumption and steady improvement in employment conditions. However, the economic outlook remains clouded due to uncertainty in the overseas economy including trade friction.

The current fiscal year ending March 31, 2019 is the second year of TOKAI Group's medium-term management plan Innovation Plan 2020 "JUMP." In the first nine months under review, the Group continued to cultivate existing businesses, conduct M&A, and participate in new businesses to strengthen its business foundation. In September 2018, the Group made CYZE Inc., a provider of in-house developed survey systems mainly in the online research field, a consolidated subsidiary. In October, the transfer of gas business operations in Shimonita-machi, Gunma Prefecture, was approved by the Kanto Bureau of Economy, Trade and Industry. And, in November, the Group concluded a business alliance agreement with TOELL Co., Ltd., pertaining to delivery operations of drinking water delivery service.

In addition to realizing its existing vision of becoming a Total Life Concierge (TLC)*[1], the Group began rolling out initiatives focused on utilizing new service technologies with an eye toward next generation, ABCIR+S*[2], in the current fiscal year. In October 2018, the Group launched the provision of a smartphone app targeting improved convenience for the TLC Membership services.

In the nine months ended December 31, 2018, the Group successfully increased orders by promoting measures to acquire customers. As a result, the Group booked sales of 137,943 million yen (+3.5% year on year) and posted significant growth in all profit categories, with operating profit of 7,038 million yen (+7.0% year on year), recurring profit of 7,247 million yen (+8.8% year on year), and quarterly net income attributable to owners of the parent of 3,966 million yen (+15.5% year on year).

As of December 31, 2018, the number of continuing customers increased by 22 thousand from March 31, 2018 to 2,898 thousand, and members of the TLC Membership Service increased by 84 thousand to 783 thousand.

*1 Vision of becoming a TLC: The Group seeks to support comfortable living of customers in a comprehensive and detail-oriented way through various services it offers, with an aim of enhancing customer satisfaction.

*2 ABCIR+S: An acronym formed by the first letters of AI, Big data, Cloud, IoT, Robotics, and Smartphones. It refers to the Group's strategy for technological reform.

Performance by segment was as follows.

(Gas and Petroleum)

In the liquefied petroleum gas (LP gas) business, the Group focused on increasing the customer count amid intensifying competition, through efforts to attract new customers and prevent service cancellations in established areas, and start services in new areas. As a result, the number of customers rose by 13 thousand from March 31, 2018 to 620 thousand. Sales of the LP gas business rose 2.0% year on year to 45,790 million yen partly due to a higher unit sales price accompanying an increase in raw material prices.

In the city gas business, the number of customers was 55 thousand, unchanged from the level of March 31, 2018, but sales rose 7.6% year on year to 8,885 million yen on a higher unit sales price stemming from the fuel cost adjustment regulations among other factors.

As a result, segment sales increased 2.9% year on year to 54,675 million yen, with the segment posting operating profit of 1,214 million yen (-41.5% year on year) on lower LP gas sales volume due to higher temperatures and increased procurement costs.

(Building and Real Estate)

In the Building and Real Estate business, renovation and building construction projects increased. As a result, segment sales were 13,846 million yen (+2.6% year on year) and operating profit was 435 million yen (+130.3% year on year).

(CATV)

In the CATV business, the Group aimed to increase the customer count through enhanced price competitiveness in the form of discounts offered to customers signing up for broadcasting and communications packaged services, and discounts for smartphone-related packaged services through alliances with major mobile phone carriers, and worked to prevent service cancellations. The Group also worked to improve customer satisfaction in the following areas. In broadcasting services, it broadcasted programs with extensive regional information, and promoted a switch to fiber-optic services, including support for 4K broadcasting, which was launched in December 2018. In telecommunications services, the Group launched a new ultra-high-speed fiber-optic network service with a maximum speed of 10Gbps. As a result of such measures, subscribers to the broadcasting service rose by 10 thousand from March 31, 2018 to 785 thousand, and those to the telecommunications service increased by 13 thousand to 270 thousand.

The number of subscribers grew steadily in existing areas as well as from M&A activities conducted in the previous fiscal year, resulting in segment sales of 22,829 million yen (+9.4% year on year) and operating profit of 3,194 million yen (+34.4% year on year).

(Information and Communications Services)

In consumer-oriented services, amid intensifying competition from major mobile carriers, the number of Hikari Collaboration customers increased by five thousand from March 31, 2018 to 328 thousand. However, the number of customers for conventional internet service providers (ISPs) fell by 35 thousand to 430 thousand. Meanwhile, the number of customers in the TOKAI-brand MVNO service LIBMO rose by 11 thousand to 39 thousand. As a result, segment sales totaled 23,218 million yen (-2.2% year on year).

In corporate services, growth of recurring-revenue operations and an increase in contracted system development projects led to a 5.1% year-on-year increase in sales to 14,740 million yen.

Due to these factors, segment sales came to 37,959 million yen (+0.5% year on year), and operating profit was 1,693 million yen (+17.1% year on year).

(Aqua)

In the Aqua business, the Group continued to push forward with customer acquisition activities for “The gift of delicious water: Ulunom” brand, mainly targeting large-scale commercial facilities. Consequently, the Group succeeded in increasing the number of customers to 157 thousand, up by 11 thousand from March 31, 2018. Efforts were also made to curtail distribution costs through a business alliance with TOELL Co., Ltd.

As a result, segment sales came to 5,279 million yen (+13.5% year on year) and operating profit to 351 million yen (+653.7% year on year).

(Others)

In the nursing care business, an increase in the number of users led to sales of 806 million yen (+3.7% year on year). In the shipbuilding business, sales were down 3.6% year on year to 937 million yen on a decrease in work volume for ship repairs. In the bridal events business, sales were down 4.4% year on year to 1,081 million yen on a decline in the number of wedding ceremonies.

Consequently, the segment posted sales of 3,352 million yen (-1.8% year on year) and operating profit of 103 million yen (-37.0% year on year).

(2) Explanation of Consolidated Financial Condition

1) Assets, Liabilities, and Net Assets

As of December 31, 2018, total assets amounted to 167,035 million yen, up 1,042 million yen from March 31, 2018. This primarily reflected to a 1,225 million yen decrease in the “other” category within investments and other assets owing to a decrease in valuation difference on investment securities, a 1,509 million yen increase in the “other” category within current assets due to an increase in guarantee deposits, and a 968 million yen rise in cash and deposits.

Total liabilities were 107,404 million yen, up 2,860 million yen from March 31, 2018. This was mainly due to an increase of

8,378 million yen in short-term loans payable, offsetting decreases of 1,994 million yen in income taxes payable resulting from income tax payments, 1,453 million yen in “provision” within current liabilities due to payment of bonuses, and 1,296 million yen in notes and accounts payable–trade owing to seasonal factors.

Net assets totaled 59,631 million yen, down 1,818 million yen from March 31, 2018. The decrease was primarily attributable to a 1,082 million yen decline in valuation difference on available-for-sale securities and a 966 million yen drop in deferred gains or losses on hedges.

2) Cash Flows

Cash and cash equivalents (hereinafter referred to as “funds”) at December 31, 2018 totaled 3,964 million yen, up 960 million yen from March 31, 2018.

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 9,813 million yen (down 2,482 million yen year on year). Funds increased chiefly due to quarterly net income before income taxes and the effect of depreciation and amortization expenses (non-cash items).

(Cash flows from investing activities)

Net cash used in investing activities was 9,615 million yen (up 39 million yen year on year). This was mainly due to the purchase of property, plant and equipment and intangible assets.

(Cash flows from financing activities)

Net cash provided by financing activities was 762 million yen (up 2,843 million yen year on year) as funds procured from short-term loans payable offset repayment of lease obligations and payment of dividends.

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

Earnings results for the nine months ended September 30, 2018 were generally in line with forecasts, and the Group maintains its consolidated earnings forecasts for the fiscal year ending March 31, 2019, which was announced on May 8, 2018.

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

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2018	Nine Months Ended December 31, 2018
Assets		
Current assets		
Cash and deposits	3,143	4,111
Notes and accounts receivable–trade	23,806	23,282
Merchandise and finished goods	3,723	4,169
Work in process	849	1,363
Raw materials and supplies	817	828
Other	7,990	9,500
Allowance for doubtful accounts	(379)	(358)
Total current assets	39,951	42,897
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,280	33,410
Machinery, equipment and vehicles, net	23,096	23,057
Land	22,842	22,916
Other, net	16,591	16,779
Total property, plant and equipment	96,810	96,163
Intangible assets		
Goodwill	5,430	5,125
Other	5,767	6,023
Total intangible assets	11,198	11,148
Investments and other assets		
Net defined benefit asset	2,650	2,710
Other	15,898	14,672
Allowance for doubtful accounts	(518)	(560)
Total investments and other assets	18,030	16,822
Total non-current assets	126,038	124,134
Deferred assets	3	3
Total assets	165,993	167,035

(Millions of yen)

	Fiscal Year Ended March 31, 2018	Nine Months Ended December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable–trade	15,670	14,373
Short-term loans payable	23,672	32,051
Current portion of bonds	198	168
Income taxes payable	2,966	972
Accruals	1,657	204
Other	19,540	19,500
Total current liabilities	63,705	67,270
Non-current liabilities		
Bonds payable	398	294
Long-term loans payable	26,711	25,967
Accruals	132	113
Net defined benefit liability	575	702
Other	13,020	13,055
Total non-current liabilities	40,837	40,133
Total liabilities	104,543	107,404
Net assets		
Shareholders' equity		
Capital stock	14,000	14,000
Capital surplus	25,525	25,527
Retained earnings	17,768	18,057
Treasury stock	(2,223)	(2,222)
Total shareholders' equity	55,069	55,361
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,548	1,465
Deferred gains (losses) on hedges	—	-966
Foreign currency translation adjustment	(3)	(4)
Remeasurement of defined benefit plans	2,706	2,543
Total accumulated other comprehensive income	5,250	3,038
Non-controlling interests	1,130	1,231
Total net assets	61,450	59,631
Total liabilities and net assets	165,993	167,035

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

(Quarterly Consolidated Statements of Income)

(Nine Months Ended December 31, 2018)

(Millions of yen)

	Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 2017)	Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)
Sales	133,336	137,943
Cost of sales	79,175	83,616
Gross profit	54,160	54,327
Selling, general and administrative expenses	47,581	47,289
Operating profit	6,579	7,038
Non-operating profit		
Interest income	7	6
Dividend income	191	180
Commission fee	65	69
Other	242	295
Total non-operating profit	508	552
Non-operating expenses		
Interest expenses	336	278
Other	88	63
Total non-operating expenses	424	342
Recurring profit	6,662	7,247
Extraordinary income		
Gain on sales of non-current assets	2	0
Transmission line facility subsidies	50	105
Subsidy income	-	5
Gain on reversal of subscription rights to shares	-	0
Total extraordinary income	52	111
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	605	504
Impairment loss	15	14
Loss on valuation of investment securities	15	45
Loss on step acquisitions	105	-
Other	-	37
Total extraordinary losses	741	602
Quarterly net income before income taxes	5,973	6,756
Income taxes (current)	1,734	1,934
Income taxes (deferred)	726	746
Total income taxes	2,460	2,681
Quarterly net income	3,512	4,075
Quarterly net income attributable to non-controlling interests	77	108
Quarterly net income attributable to owners of the parent	3,435	3,966

(Consolidated Statements of Comprehensive Income)

(Nine Months Ended December 31, 2018)

(Millions of yen)

	Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 2017)	Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)
Quarterly net income	3,512	4,075
Other comprehensive income		
Valuation difference on available-for-sale securities	1,190	(1,082)
Deferred gains (losses) on hedges	(413)	(966)
Foreign currency translation adjustment	(0)	2
Remeasurement of defined benefit plans, net of tax	(139)	(162)
Share of other comprehensive income of entities accounted for using the equity method	4	(2)
Total other comprehensive income	640	(2,211)
Quarterly comprehensive income	4,152	1,864
(Breakdown)		
Quarterly comprehensive income attributable to owners of the parent	4,075	1,755
Quarterly comprehensive income attributable to non-controlling interests	77	109

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 2017)	Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)
Cash flows from operating activities		
Quarterly net income before income taxes	5,973	6,756
Depreciation	10,589	10,369
Amortization of goodwill	883	859
Impairment loss	15	14
Increase (decrease) in provision for bonuses	(1,244)	(1,323)
Increase (decrease) in net defined benefit asset and liability	(228)	(225)
Interest and dividend income	(199)	(187)
Loss (gain) on sales of investment securities	-	(0)
Interest expenses	336	278
(Gain) loss on sales of non-current assets	(1)	(0)
(Gain) loss on valuation of investment securities	15	45
Loss on retirement of non-current assets	605	504
(Gain) loss on step acquisitions	105	―
Decrease (increase) in notes and accounts receivable – trade	1,214	610
Decrease (increase) in inventories	(954)	(968)
Decrease (increase) in guarantee deposits	1	(1,664)
Increase (decrease) in notes and accounts payable – trade	484	(1,379)
Other	39	(641)
Subtotal	17,633	13,046
Income taxes paid	(5,338)	(3,233)
Net cash provided by (used in) operating activities	12,295	9,813
Cash flows from investing activities		
Interest and dividend income received	249	226
Purchase of securities	(131)	(310)
Proceeds from sales of securities	―	0
Purchase of tangible and intangible assets	(8,749)	(9,537)
Proceeds from sales of tangible and intangible assets	161	171
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,175)	(202)
Payments of loans receivable	―	△200
Collection of loans receivable	35	14
Other	(45)	220
Net cash provided by (used in) investing activities	(9,655)	(9,615)
Cash flows from financing activities		
Interest expenses paid	(339)	(281)
Net increase (decrease) in short-term loans payable	8,725	10,650
Repayments of lease obligations	(2,762)	(2,793)
Proceeds from long-term loans payable	6,607	5,800
Repayment of long-term loans payable	(9,493)	(8,815)
Redemption of bonds	(444)	(134)

Redemption of Convertible bond-type bonds with subscription rights to shares	(400)	—
Proceeds from share issuance to non-controlling shareholders	20	—
Payments for acquisition of treasury stock	(1)	(0)
Proceeds from disposal of treasury shares	0	0
Cash dividends paid	(3,987)	(3,654)
Other	(5)	(7)
Net cash provided by (used in) financing activities	(2,081)	762
Effect of exchange rate change on cash and cash equivalents	(3)	(0)
Net increase (decrease) in cash and cash equivalents	555	960
Cash and cash equivalents at beginning of period	3,111	3,004
Cash and cash equivalents at end of period	2,667	3,964

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Additional Information)

(Application of "Partial Amendment to" Accounting Standard for Tax Effect Accounting ")

"Partial revision ofthe Accounting Standard for Tax Effect Accounting "(ASBJ Statement No. 28, February 16, 2018) has been applied from the beginning of the first quarter consolidated accounting period. The consolidated financial position for the consolidated fiscal year is the figure after applying it retroactively.

(Board Benefit Trust (BBT))

(1) Overview of Transactions

At a Board of Directors Meeting held on May 10th, 2016, the Company approved the introduction of a board benefit trust (BBT) plan as a new stock-based compensation system (hereinafter referred to as “the System”) for the Company's Directors, Executive Officers, Administrative Officers, and the Directors and Administrative Officers of some of the Company's subsidiaries (excluding Outside Directors; hereinafter referred to as “Executives”). This Executive compensation was approved at the 5th Annual General Meeting of Shareholders held on June 24, 2016.

The System is a stock-based compensation system in which the Company will acquire the shares of the Company using funds the Company first contributes. The Company's shares and the amount of cash equivalent to the market price of the Company's shares as of the date of the Executive's retirement (hereinafter referred to as the “Company's Shares, etc.”) will be provided through the trust to the Executives in accordance with executive stock-based compensation rules stipulated by the Company and subsidiaries of the Company covered by the System. In principle, Executives shall receive the Company's Shares, etc. upon their retirement.

The Company has applied the gross method for this transaction in accordance to “Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, March 26, 2015).

(2) Company stock remaining in the trust

The Company is recording Company stock which remains in the trust as treasury stocks under net assets at book value (excluding attached expenses). The carrying value of such treasury stock is 259 million yen at the end of the previous consolidated fiscal year and 255 million yen at the end of the third quarter consolidated accounting period. The number of shares at the end of the treasury stock is 416,600 shares as of the end of the previous consolidated fiscal year and 410,800 shares at the end of the third quarter consolidated accounting period.

(Segment Information, etc.)

[Segment Information]

I. Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 2017)

Sales and Income of 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 Communi-cations	Aqua	Subtotal				
Sales										
Sales to external customers	53,145	13,491	20,871	37,760	4,652	129,920	3,415	133,336	－	133,336
Intersegment sales and transfers	141	914	585	2,219	82	3,942	140	4,083	(4,083)	－
Subtotal	53,286	14,406	21,456	39,979	4,735	133,863	3,556	137,420	(4,083)	133,336
Segment income (loss)	2,076	189	2,376	1,446	46	6,135	163	6,299	280	6,579

(Notes) 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, 2018 (April 1, 2018 to December 31, 2018)

Sales and Income of 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 Communi-cations	Aqua	Subtotal				
Sales										
Sales to external customers	54,675	13,846	22,829	37,959	5,279	134,590	3,352	137,943	－	137,943
Intersegment sales and transfers	147	772	553	2,293	97	3,863	126	3,990	(3,990)	－
Subtotal	54,822	14,619	23,382	40,252	5,377	138,454	3,478	141,933	(3,990)	137,943
Segment income (loss)	1,214	435	3,194	1,693	351	6,889	103	6,992	45	7,038

(Notes) 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.