Kyoritsu Maintenance Co., Ltd.
(Securities Code: 9616)

First Half of Fiscal Year Ending March 2016 Consolidated Earnings Results Update

November 2015

First Half of Fiscal Year Ending March 2016 Consolidated Earnings Announcement

November 9, 2015

Company Name: Kyoritsu Maintenance Co., Ltd. Tokyo Stock Exchange
Stock Code: 9616, URL: http://www.kyoritsugroup.co.jp/
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Dividend Payment Date (Anticipated): December 4, 2015
Quarterly Earnings Presentation Document (Anticipated): Yes
Quarterly Earnings Presentation Meeting (Anticipated): Yes (For Institutional Investors)

(All figures less than one million yen are rounded down to the nearest digit)

1. First Half of Fiscal Year Ending March 2016 Consolidated Earnings (April 1, 2015 to September 30, 2015)

(1) Consolidated Earnings (Aggregated) (% figures show year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1H FY3/16	66,867	24.8	6,153	36.1	5,764	36.6	3,800	39.4
1H FY3/15	53,574	3.8	4,519	9.5	4,221	12.3	2,726	24.5

(Note) Comprehensive income: ¥3,204 million (2.4% YoY) in 1H FY3/16; ¥3,128 million (37.3% YoY) in 1H FY3/15

	EPS	Fully Diluted EPS
	Yen	Yen
1H FY3/16	203.76	194.82
1H FY3/15	174.26	139.65

(Note) The Company carried out a stock split on April 1, 2015 at a ratio of 1.2 shares per one common share. Accordingly, EPS and fully diluted EPS have been calculated presuming that this stock split was carried out at the start of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Book Value Per Share
	Millions of yen	Millions of yen	%	Yen
1H FY3/16	140,005	55,871	39.9	2,903.88
FY3/15	139,750	46,913	33.6	2,658.90

(Note) Capital: ¥55,871 million in 1H FY3/16; ¥46,913 million in FY3/15
(Note) The Company carried out a stock split on April 1, 2015 at a ratio of 1.2 shares per one common share. Accordingly, book value per share has been calculated presuming that this stock split was carried out at the start of the previous consolidated fiscal year.

2. Dividend Conditions

	Dividend Per Share				
	1Q-End	2Q-End	3Q-End	4Q-End	Total
	Yen	Yen	Yen	Yen	Yen
FY3/15	—	24.00	—	26.00	50.00
FY3/16	—	25.00			
FY3/16 (Projected)			—	25.00	50.00

(Note) Recent changes in dividend projections: None
(Note) The Company carried out a stock split on April 1, 2015 at a ratio of 1.2 shares per one common share. The actual dividend amount prior to the stock split is noted here for the fiscal years ended in March 2015.

3. Fiscal Year Ending March 2016 Consolidated Earnings Estimates (April 1, 2015 to March 31, 2016)

(% figures show year-on-year change for the full year)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		EPS
	Millions of yen	% (YoY)	Millions of yen	% (YoY)	Millions of yen	% (YoY)	Millions of yen	% (YoY)	Yen
Full Year	131,600	19.4	10,160	23.6	9,430	23.1	5,420	23.5	281.70

(Note) Recent changes in earnings estimates: Yes

Notes

(1) Important changes in our subsidiaries, including changes to the scope of our consolidation: None

(2) Application of special accounting procedures in the preparation of our quarterly consolidated financial statements: Applicable

(Note) Please refer to "2. Summary Information (Notes), (2) Application of special accounting procedures in the preparation of our quarterly consolidated financial statements" on page 7 for further details.

(3) Changes in the accounting policies, procedures, and changes or revisions in the display of accounting estimates:

1. Changes accompanying revisions in accounting standards:	Applicable
2. Other changes:	None
3. Changes in accounting estimates:	None
4. Redisplay of revisions:	None

(Note) Please refer to "2. Summary Information (Notes), (3) Changes in the accounting policies, procedures, and changes or revisions in the display of accounting estimates" on page 7 for further details.

(4) Shares Issued (Common Stocks)

1. Shares issued as of term-end (including treasury shares)	1H FY3/16	19,345,213	FY3/15	18,150,698
2. Treasury stock as of term-end	1H FY3/16	104,923	FY3/15	506,662
3. Average during the term (first six months)	1H FY3/16	18,652,572	1H FY3/15	15,644,618

(Note) The Company carried out a stock split on April 1, 2015 at a ratio of 1.2 shares per one common share. Accordingly, shares issued (common stocks) have been calculated presuming that this stock split was carried out at the start of the previous consolidated fiscal year.

* Information Regarding Quarterly Review Practices:

The practices for review of quarterly consolidated earnings statements pursuant to the "Financial Instruments and Exchange Act" of Japan have not been conducted for the disclosure of this document.

* Notes and explanations regarding the appropriate use of our earnings projections:

(Notes on forecast results)

All projections provided within this document are based on the most accurate information available at the time of this writing. However our actual results may differ from our projections due to various unforeseen reasons.

With regards to qualitative information regarding our quarterly earnings, please refer to the segment of this document "1. Qualitative Information about Quarterly Earnings, (3) Explanation of future forecasts including consolidated earnings estimates."

(Access to quarterly earnings presentation documents)

Quarterly earnings presentation materials are available on the Kyoritsu Maintenance website.

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1. Qualitative Information about Quarterly Earnings

(1) Explanation of business performance

During the first half of the current fiscal year, the Japanese economy held to a moderate upward path amid factors such as improvements in the corporate earnings and income environment underpinned by ongoing fiscal and monetary policy moves by the Japanese government and the Bank of Japan. However, prevailing uncertainties were also present, given the growing risk of an economic downturn overseas amid negative factors such as the slowdown of China’s economy.
Against this backdrop, our dormitory business got off to a solid start with occupancy rates rising by 0.1 percentage point year on year to 97.3% at the start of the fiscal year, partially due to growing needs with respect to company dormitories. In the hotel business segment, both the Dormy Inn business hotels and the resort hotel sub-segments maintained high occupancy rates brought about by continuing tailwinds provided by Japanese domestic travelers and growing demand for inbound tourism.
As a result, during the second quarter of the current fiscal year, both revenues and earnings increased significantly, with sales up 24.8% year on year to ¥66,867 million, operating income up 36.1% to ¥6,153 million, ordinary income up 36.6% to ¥5,764 million, and profit attributable to owners of parent up 39.4% to ¥3,800 million.

Details of our earnings are provided by business segment as follows.

Dormitory business

Our dormitory business started the fiscal year with the occupancy rate gaining 0.1 percentage point year on year to 97.3%, and as of the end of September, the total number of contracted residents had risen by 1,580 year on year to 32,687 residents. In addition, student dormitories trended favorably during the second quarter of the current fiscal year partially due to increasing numbers of students from overseas, while corporate dormitories achieved substantial gains in numbers of contracts due to factors that included companies hiring greater numbers of employees and more companies now opting to offer employee dormitories.
Also, the Company has continued to implement stringent cost controls on a facility-by-facility basis.
Consequently, sales and operating income rose by 4.2% and 10.4% year on year to ¥21,866 million and ¥2,971 million respectively.

Hotel business

With respect to our Dormy Inn business hotels, this fiscal year we have opened two establishments — the “Natural Springs Kinko no Yu Dormy Inn PREMIUM Nagoya Sakae” and the “Kachi no Yu Dormy Inn Ueno Okachimachi” facilities.
Moreover, our existing facilities generated substantial income gains due to occupancy rates exceeding the levels at the same period in the previous fiscal year and high guest room unit prices, underpinned by increasing inbound tourism along with strong demand from domestic Japanese travelers as well.
Moreover, “Tanuki no Yu Dormy Inn Sapporo Annex” was ranked number five in the 2015 Insiders’ Select list of the top hotels worldwide compiled by Expedia, the world's largest online travel agency.
In the resort hotel sub-segment, Kyoritsu opened the “Akangawa Onsen Kamui no Yu La Vista Akangawa” facility in September. Meanwhile, occupancy overall remained high and above previous year figures despite somewhat of a mixture of strong and weak results depending on geographic area, such as with respect to the heightened volcanic alert level for Mount Hakone. We also implemented cost controls geared toward changes in rates of occupancy, such as by ensuring flexibility in making staff assignments in line with facility utilization.
Consequently, sales and operating income rose by 12.0% and 29.0% year on year to ¥26,703 million and ¥4,025 million respectively.

Contracted services business

In the contracted services business, we generated increases in both sales and income due to rental properties acquired in the previous fiscal term along with more business taken on by the building management sector.
Consequently, sales and operating income rose by 28.3% and 145.0% year-on-year to ¥7,055 million and ¥187 million respectively.

Food service business

The food service business generated higher sales amid recovery in personal consumption, but lower operating income due to an adverse impact from expenses for new store openings and other such costs.
Consequently, while sales increased by 2.8% to ¥2,698 million, operating loss increased by ¥17 million in comparison with the same quarter of the previous fiscal year to ¥17 million.

Construction business

Despite development costs remaining at high levels, the construction business generated increases in sales and income as a result of bringing in greater numbers of orders for hotel development.

As a result, sales increased 226.2% to ¥7,087 million and operating income increased by ¥195 million over the second quarter of the previous fiscal year to ¥188 million.

Other business

Our other business segments are the Wellness Life business (Management of senior citizen housing), the Public Kyoritsu Partnership business (PKP: Consigned services business, which regional government bodies consign to us and the services are provided to residents by us), single life support business and insurance agency business, comprehensive human resource services business, and financing and administrative outsourcing services.

The other business segments posted net sales of ¥5,890 million, an increase of 32.5% year on year, but still incurred an operating loss of ¥21 million, in comparison with an operating loss of ¥197 million in the same period of the previous fiscal year.

The substantial year-on-year increases were largely attributable to higher profitability associated with expansion of the PKP business and operational streamlining.

(2) Explanation of financial position

1. Conditions of assets, liabilities, and net assets

(Assets)

Total consolidated assets grew by ¥255 million from the end of the previous fiscal year to ¥140,005 million at the end of the second quarter. One of the main factors behind this increase was rise in buildings and structures.

(Liabilities)

Total consolidated liabilities declined by ¥8,702 million from the end of the previous fiscal year to ¥84,134 million at the end of the second quarter, due primarily to a decrease in convertible bond-type bonds with subscription rights to shares.

(Net assets)

Net assets grew by ¥8,957 million from the end of the previous fiscal year to ¥55,871 million at the end of the second quarter, due mainly to increases in capital stock, capital surplus and retained earnings.

Consequently, equity ratio rose by 6.3% points from the end of the previous fiscal year to 39.9% at the end of the second quarter.

2. Cash flow conditions

Cash and equivalents declined by ¥2,070 million from the end of the previous fiscal year to ¥13,688 million at the end of the second quarter.

(Cash flow from operating activities)

Net cash used by operating activities amounted to ¥1,462 million in the current first half, a decrease of ¥75 million compared with the same period of the prior fiscal year due to an increase in income before income taxes and minority interests and a decline in advances received.

(Cash flow from investing activities)

Net cash used by investing activities amounted to ¥4,745 million in the current first half, a decrease of ¥821 million compared with the same period of the prior fiscal year due to proceeds from sales of securities and purchases of property, plant and equipment.

(Cash flow from financing activities)

Net cash provided by financing activities amounted to ¥4,240 million in the current first half, an increase of ¥6,893 million compared with the same period of the prior fiscal year due to proceeds from increases in short-term loans payable and proceeds from long-term loans payable.

(3) Explanation of future forecasts including consolidated earnings estimates

We have increased our consolidated earnings forecasts for the full fiscal year ending March 31, 2016, which were provided in the “Fiscal Year Ending March 2015 Consolidated Earnings Announcement” dated May 15, 2015. This upward revision has been made because our outlook exceeds our initial forecasts, given that costs of preparing for new openings are being absorbed by: 1) firm results in the dormitory business surpassing initial forecasts amid a scenario involving increasing numbers of students from overseas and heightened corporate demand and 2) results in the hotel business segment significantly above our initial forecasts due to growing inbound tourism as well as increasing numbers of domestic Japanese travelers given the popularity of our facilities among our guests. For further details, please refer to the “Notice Concerning Differences between Actual Financial Results and Forecasts for the First Half of the Fiscal Year Ending March 2016, and Revisions to Full-year Earnings Forecasts,” released on November 9, 2015.

2. Summary Information (Notes)

(1) Changes in important consolidated subsidiaries during the quarter
Not applicable

(2) Application of special accounting procedures in the preparation of our quarterly consolidated financial statements
(Calculation of tax expense)
With regards to taxes, a rational estimate of the effective tax rate has been used to calculate the tax effect accounting for net income before taxes during the first quarter, and this rate has been applied to net income before taxes. However, in the event that the estimate for the effective tax rate appears to lack logical rationale, then the legally determined effective tax rate will be employed.

(3) Changes in the accounting policies, procedures, and changes or revisions in the display of accounting estimates
Changes in accounting policies
(Application of accounting standards for business combinations)
Effective from the first quarter of the current fiscal year, 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 accounting standards. As a result, the method of recording differences caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which such amounts are recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which such amounts are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the first quarter of the current fiscal year, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the quarterly consolidated financial statements for the fiscal quarter in which the business combination occurs. In addition, changes have also been made in the presentation of quarterly net income, etc. and also in nomenclature from "minority interests" to "non-controlling interests." The consolidated financial statements for the first quarter of the previous fiscal year and those for the entire previous fiscal year have been reclassified to reflect these changes in presentation.
The Accounting Standard for Business Combinations and other standards are applied in accordance with the transitional treatment set forth in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, and will be applied from the beginning of the first quarter of the current fiscal year and on into the future.
This will not have an effect on the Company's profits and losses.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Unit: Millions of yen)

	FY3/15 (March 31, 2015)	1H FY3/16 (September 30, 2015)
Assets		
Current assets		
Cash and deposits	16,115	14,045
Notes and accounts receivable–trade	6,841	7,439
Real estate for sale	1,007	1,131
Real estate for sale in process	706	2,494
Costs on uncompleted construction contracts	514	217
Other	6,295	5,704
Allowance for loan losses	(24)	(24)
Total current assets	31,457	31,007
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,999	36,305
Land	28,704	29,008
Other, net	10,561	8,024
Total property, plant and equipment	72,265	73,338
Intangible assets	1,818	1,797
Investments and other assets		
Investment securities	6,142	4,874
Guarantee deposits	11,874	11,767
Lease deposits	9,240	9,526
Other	7,038	7,785
Allowance for doubtful accounts	(189)	(186)
Total investments and other assets	34,105	33,767
Total non-current assets	108,190	108,903
Deferred assets	103	94
Total assets	139,750	140,005

(Unit: Millions of yen)

	FY3/15 (March 31, 2015)	1H FY3/16 (September 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	5,238	4,911
Short-term loans payable	15,760	25,135
Current portion of bonds	1,350	1,350
Income taxes payable	1,648	2,281
Advances received	12,031	8,087
Provision for bonuses	1,270	937
Provision for directors' bonuses	327	186
Provision for warranties for completed construction	8	8
Provision for point card certificates	9	9
Other	9,946	6,684
Total current liabilities	47,590	49,591
Non-current liabilities		
Bonds payable	6,950	6,275
Convertible bond-type bonds with subscription rights to shares	7,253	1,022
Long-term loans payable	25,512	21,556
Director retirement benefit reserve	307	286
Provision for point card certificates	24	33
Net defined benefit liability	1,042	1,065
Other	4,155	4,303
Total non-current liabilities	45,246	34,543
Total liabilities	92,836	84,134
Net assets		
Shareholders' equity		
Capital stock	5,136	7,447
Capital surplus	9,313	12,302
Retained earnings	32,670	36,086
Treasury shares	(1,109)	(271)
Total shareholders' equity	46,011	55,564
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	747	589
Foreign currency translation adjustment	120	(305)
Remeasurements of defined benefit plans	34	23
Total accumulated other comprehensive income	902	306
Total net assets	46,913	55,871
Total liabilities and net assets	139,750	140,005

(2) Quarterly consolidated income statement and comprehensive income statement

(Quarterly consolidated income statement)

(Consolidated first half)

(Unit: Millions of yen)

	1H FY3/15 (April 1, 2014 to September 30, 2014)	1H FY3/16 (April 1, 2015 to September 30, 2015)
Net sales	53,574	66,867
Cost of sales	41,755	52,502
Gross profit	11,819	14,364
Selling, general and administrative expenses	7,299	8,211
Operating income	4,519	6,153
Non-operating income		
Interest income	44	68
Dividend income	23	25
Other	270	94
Total non-operating income	337	188
Non-operating expense		
Interest payment	448	404
Other	187	171
Total non-operating expenses	636	576
Ordinary income	4,221	5,764
Extraordinary income		
Compensation income	93	—
Gain on cancellation of leasehold contracts	—	432
Total extraordinary income	93	432
Extraordinary losses		
Loss on sales of non-current assets	17	—
Settlement funds	—	175
Other	—	39
Total extraordinary losses	17	214
Net income before taxes and other adjustments	4,297	5,982
Income taxes	1,571	2,181
Net income	2,726	3,800
Profit attributable to owners of parent	2,726	3,800

Quarterly consolidated comprehensive income statement

Consolidated first half

(Unit: Millions of yen)

	1H FY3/15 (April 1, 2014 to September 30, 2014)	1H FY3/16 (April 1, 2015 to September 30, 2015)
Net income	2,726	3,800
Other comprehensive income		
Valuation difference on available-for-sale securities	368	(157)
Foreign currency translation adjustment	42	(426)
Remeasurements of defined benefit plans	(8)	(11)
Total other comprehensive income	402	(595)
Comprehensive income	3,128	3,204
(Details)		
Comprehensive income attributable to owners of parent	3,128	3,204

(3) Consolidated cash flow statement

(Unit: Millions of yen)

	1H FY3/15 (April 1, 2014 to September 30, 2014)	1H FY3/16 (April 1, 2015 to September 30, 2015)
Cash flow from operating activities		
Income before income taxes and minority interests	4,297	5,982
Depreciation	1,523	1,678
Amortization of long-term prepaid expenses	135	195
Amortization of guarantee deposits	114	100
Increase (decrease) in provision for bonuses	(318)	(333)
Interest and dividend income	(67)	(93)
Interest expenses	448	404
Loss (gain) on sales and retirement of non-current assets	18	44
Gain on cancellation of leasehold contracts	—	(432)
Settlement funds	—	175
Decrease (increase) in notes and accounts receivable - trade	(452)	(599)
Decrease (increase) in accounts receivable - other	514	525
Decrease (increase) in other inventories	(1,201)	(1,606)
Increase (decrease) in notes and accounts payable - trade	(522)	(325)
Increase (decrease) in advances received	(2,678)	(3,943)
Increase (decrease) in accounts payable - other	(317)	(230)
Increase (decrease) in accrued consumption taxes	687	(629)
Increase (decrease) in deposits received	(634)	(519)
Increase (decrease) in guarantee deposits received	27	159
Increase (decrease) in unearned revenue	(71)	(71)
Other	(858)	(56)
Subtotal	644	422
Interest and dividend income received	38	69
Interest expenses paid	(445)	(408)
Income taxes refund	1	1
Income taxes (paid) refund	(1,776)	(1,546)
Net cash provided by (used in) operating activities	(1,538)	(1,462)
Cash flows from investing activities		
Purchase of securities	(100)	(2)
Proceeds from sales of securities	318	1,061
Purchase of property, plant and equipment	(5,100)	(4,646)
Proceeds from sales of property, plant and equipment	362	329
Payments of loans receivable	(828)	(401)
Collection of loans receivable	930	390
Payments for lease and guarantee deposits	(597)	(726)
Proceeds from collection of lease and guarantee deposits	77	90
Purchase of insurance funds	(489)	(556)
Proceeds from cancellation of insurance funds	1	21
Other	(141)	(304)
Net cash provided by (used in) investing activities	(5,566)	(4,745)

(Unit: Millions of yen)

	1H FY3/15 (April 1, 2014 to September 30, 2014)	1H FY3/16 (April 1, 2015 to September 30, 2015)
Cash flow from financing activities		
Net increase (decrease) in short-term loans payable	3,750	8,200
Proceeds from long-term loans payable	—	1,800
Repayments of long-term loans payable	(5,437)	(4,580)
Redemption of bonds	(575)	(675)
Purchase of treasury shares	(3)	(91)
Cash dividends paid	(352)	(384)
Other	(36)	(29)
Net cash provided by (used in) financing activities	(2,653)	4,240
Effect of exchange rate change on cash and cash equivalents	105	(102)
Net increase (decrease) in cash and cash equivalents	(9,652)	(2,070)
Cash and cash equivalents at beginning of period	23,750	15,758
Cash and cash equivalents at end of period	14,097	13,688

(4) Quarterly consolidated financial statement notes

(Notes regarding going concern assumptions)

Not applicable

(Significant changes in shareholders' equity notes)

During the second quarter under review, capital and capital reserves increased by ¥2,311 million and ¥2,988 million, respectively, and treasury stock decreased by ¥930 million as a result of having exercised stock options of convertible bonds with stock options. Consequently, capital was ¥7,447 million, capital reserves were ¥12,302 million, and treasury stock was ¥271 million as of the end of the second quarter.

(Segment information)

Segment information

I. First half of fiscal year ended March 2015 (From April 1 to September 30, 2014)

1. Information pertaining to segment sales, profits and losses

(Unit: Millions of yen)

	Reporting segments						Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Subtotal				
Sales External sales	20,860	23,793	2,968	724	988	49,334	4,239	53,574	–	53,574
Inter-segment sales and transfers	115	52	2,530	1,899	1,184	5,782	205	5,988	(5,988)	–
Total	20,976	23,845	5,499	2,623	2,172	55,117	4,445	59,562	(5,988)	53,574
Segment profit/loss	2,691	3,120	76	(0)	(7)	5,880	(197)	5,683	(1,163)	4,519

(Notes)
1. Others is not considered as a reporting business segment and is comprised of the wellness life (management of senior citizen housing), PKP business (consigned services business provided to regional government bodies), single life support services, insurance agency business, comprehensive human resources, financing and advertising agency services.
2. Adjustment for segment profit and loss of ¥1,163 million includes ¥51 million for inter-segment transaction eliminations, and ¥1,111 million in companywide expenses that cannot be allocated to specific reported segments. Companywide expenses are primarily those expenses arising from the finance and accounting, and management divisions.
3. Segment profits or losses are derived by adjusting the operating income used in the quarterly consolidated income statement.

2. Impairment accounting losses and goodwill amortization of fixed assets by reporting segments

None

II. First half of fiscal year ended March 2016 (From April 1 to September 30, 2015)

1. Information pertaining to segment sales, profits and losses

(Unit: Millions of yen)

	Reporting segments						Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Dormitories	Hotels	Contracted Services	Food Services	Construction	Subtotal				
Sales External sales	21,753	26,656	3,597	795	8,396	61,199	5,668	66,867	－	66,867
Inter-segment sales and transfers	113	46	3,458	1,902	(1,308)	4,211	222	4,433	(4,433)	－
Total	21,866	26,703	7,055	2,698	7,087	65,410	5,890	71,301	(4,433)	66,867
Segment profit/loss	2,971	4,025	187	(17)	188	7,354	(21)	7,333	(1,179)	6,153

(Notes)
1. Others is not considered as a reporting business segment and is comprised of the wellness life (management of senior citizen housing), PKP business (Consigned services business provided to regional government bodies), single life support services, insurance agency business, comprehensive human resources, financing services and other related services
2. Adjustment for segment profit and loss of ¥1,179 million includes ¥29 million for inter-segment transaction eliminations, and ¥1,150 million in companywide expenses that cannot be allocated to specific reported segments. Companywide expenses are primarily those expenses arising from the finance and accounting, and management divisions.
3. Segment profits or losses are derived by adjusting the operating income used in the quarterly consolidated income statements.

2. Impairment accounting losses and goodwill amortization of fixed assets by reporting segments

None