



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

**Summary of Consolidated Financial Results for the
Second Quarter of the Fiscal Year Ending March 31, 2021**

[JGAAP]

November 2020



Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2021 [based on Japanese GAAP]

November 9, 2020

Name of listed company Kyoritsu Maintenance Co., Ltd. Listed exchange: Tokyo
 Code 9616 URL <https://www.kyoritsugroup.co.jp/>
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 Scheduled date of submittal of Quarterly Report November 10, 2020
 Scheduled date of commencement of payment of dividends December 7, 2020
 Supplementary materials prepared concerning quarterly financial results: Yes
 Briefing held on quarterly financial results: Yes (For institutional investors and analysts)

(rounded down to the nearest million yen)

1. Consolidated financial results for the second quarter of the term ending March 31, 2021 (April 1 – September 30, 2020)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Attributable to owners of the parent Quarterly net income		
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
2Q of term ending March 2021	56,250	-40.0	-4,486	—	-4,486	—	-7,856	—	
2Q of term ended March 2020	93,815	18.4	9,066	12.7	8,972	14.5	6,114	14.9	
(Note) Comprehensive income	2Q of term ending March 2021		-7,810	Million yen	(-%)	2Q of term ended March 2020	5,776	Million yen	(5.0%)

	Quarterly net income per share	Diluted quarterly net income per share
	Yen	Yen
2Q of term ending March 2021	-201.49	—
2Q of term ended March 2020	156.82	—

Note: Diluted net income per share is omitted since there were no potentially dilutive shares last fiscal year, while this fiscal year the Company recorded a quarterly net loss per share and there are no potentially dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
2Q of term ending March 2021	227,230	75,251	33.1	1,930.00
Fiscal year ended March 2020	217,086	83,954	38.7	2,153.24

(Reference) Shareholders' equity 2Q of term ending March 2021 75,251 Million yen Fiscal year ended March 2020 83,954 Million yen

2. Dividends

	Annual dividends				
	Q1 end	Q2 end	Q3 end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2020	—	22.00	—	23.00	45.00
Fiscal year ending March 2021	—	10.00			
FY ending March 2021 (projected)			—	—	—

Note: Revision from most recently announced dividends projections: None

3. Projected consolidated financial results for the fiscal year ending March 2021 (April 1, 2020 to March 31, 2021)

(Percentages represent rates of change from the previous year)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Net profits per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full business year	132,000	-22.2	-3,000	—	-3,000	—	-6,800	—	-174.40

(Note) Have the most recently announced earnings forecast been revised Y/N? Yes.

*Notes

- (1) Change in major subsidiaries during the quarter under review (changes in specified subsidiaries involving a change in the scope of consolidation): None
- (2) Application of special accounting procedures in the preparation of quarterly consolidated financial statements: Yes
Note: For details, see “2. Quarterly Consolidated Financial Statements and Major Notes, (4) Notes to quarterly consolidated financial statements (Application of special accounting procedures in the preparation of quarterly consolidated financial statements)” on page 11 of the attached materials.
- (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
 - ① Changes in accounting policies due to revision of accounting standards, etc.: None
 - ② Changes in accounting policies other than those under ① above: None
 - ③ Changes in accounting estimates: None
 - ④ Retrospective restatements: None

(4) Number of shares of stock issued and outstanding (common stock)

① Number of shares issued and outstanding at the end of the period (including shares of treasury stock)	2Q of term ending March 2021	39,219,653 shares	Fiscal year ended March 2020	39,218,826 shares
② Number of shares of treasury stock at the end of the period	2Q of term ending March 2021	229,122 shares	Fiscal year ended March 2020	228,844 shares
③ Average number of shares during the quarter (cumulative through the quarter)	2Q of term ending March 2021	38,990,242 shares	2Q of term ended March 2020	38,990,519 shares

* This summary of quarterly financial statements is exempt from quarterly review procedures by a certified public accountant or auditors.

*Description concerning appropriate use of projections of business results and other notes

Note concerning forward-looking statements

Projections of business results and other forward-looking statements contained in this document are based on information available to the Company at the time of preparation and certain assumptions judged to be reasonable. They do not represent commitments that such results will be achieved. Actual business results may differ widely due to various factors. For the conditions forming the assumptions on which forecasts of results are based and notes on use of forecasts of results, see “1. Qualitative Information on Quarterly Results; (3) Explanation of Forecasts of Consolidated Results and Other Forward-Looking Information” on page 4 of the attached materials.

(How to obtain supplementary materials on quarterly financial results)

Supplementary materials on quarterly financial results are posted to the Company website.

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1. Qualitative Information on Quarterly Results

(1) Explanation of Results

During the second quarter consolidated cumulative period of this fiscal year, the slowing trend in Japan's economy strengthened further as a result of the global novel coronavirus (COVID-19) pandemic. Following the lifting of the state of emergency as of May 25, economic activity has resumed in stages, but the outlook remains uncertain due to concerns about fresh waves of infection.

A look at the Group's performance shows that the Dormitory Business segment started the fiscal year somewhat down from last year, with an initial occupancy rate of 93.7%, due to factors such as postponement of international students' arrivals in Japan due to COVID-19. Conversely, occupancy rates in the hotel sector declined significantly in April and May due to a decrease in inbound tourists and business trips in line with requests that people refrain from going out and reflecting a slump in domestic leisure demand. However, domestic demand began to recover after June, and by September, Dormy Inn business figures for the number of domestic guests handled exceeded those of the previous year. Growing recovery is also underway in the resort business and the RevPAR benchmark for existing offices (a key operational indicator, calculated by the occupancy rate for guestrooms x the average guestroom unit price) having exceeded the previous year's level. Moreover, the extent of measures to prevent the infection spreading also included temporarily closing some hotels and restaurants, but operations are gradually resuming in line with customer needs.

Consequently, net sales for the first half of the current fiscal year totaled ¥56,250 million (down 40.0% year-on-year). Profit reversed from the deficit in the first accounting quarter meant an operating loss of 4,486 million yen (as opposed to profit of 9,066 million yen for the same period the previous year and profit of 34 million yen for the second accounting quarter.) An ordinary loss of 4,486 million yen (compared to a profit of 8,972 million yen for the same period the previous year and profit of 318 million yen for the second accounting quarter this year) was confirmed for the Company, confirming that progress is being made to address the decline. After reviewing our business and to further consolidate our business structure with future growth in mind, we have shut down one of our South Korean operations and the 'global cabin' (new-style compact hotel). The net loss recorded for shareholders of the parent company was 7,856 million yen, compared with net income of 6,114 million yen for the same period the previous year, due to the extraordinary loss incurred.

The 'Kyoritsu Jump Up Plan', a medium-term management plan due to end in the fiscal year ending March 31, 2022, will be revised in response to the spreading COVID-19 pandemic and announcements will be issued once preparations have been made.

Segment business performance is reviewed below.

① Dormitory Business

In the Dormitory Business segment, while a total of fourteen new dormitories (with 1,095 rooms) opened in April, effects of COVID-19 such as postponement of international students' arrivals and decreased demand for new-employee training led to an initial occupancy rate of 93.7% (down 5.0 points YoY) in the Dormitory Business segment as a whole. Subsequently, some companies have started training their new employees with staggered timing and some in-person classes for university students have resumed at universities. However, restoring the number of international students coming into Japan will take some time and no recovery in this area is yet emerging, following the negative occupancy at the start of the period.

As a result, net sales in this segment were 23,457 million yen (down 6.8% YoY) and its operating income was 2,743 million yen (down 28.6% YoY).

Within the dormitory business, as part of our financial support for dormitory students affected by COVID-19, we have launched the "New COVID-19 School Support Program," to issue interest-free loans for dormitory fees.

② Hotel Business

The Hotels Business segment experienced massive drops in occupancy rates in April and May due to dramatically decreased inbound tourism and lower demand for business travel and domestic leisure in response to domestic calls to refrain from going out or traveling except in necessary and urgent cases, in response to COVID-19. Since June, however, usage rates have rapidly recovered thanks to the "Go To Travel Campaign" and other measures implemented by national and local governments, as well as our new products, including measures to combat COVID-19 infections. Moreover, although some offices were temporarily closed to prevent the infection spreading, we have gradually resumed operations to meet our customers' needs.

Although occupancy rates for the Dormy Inn business are taking longer to recover in major metropolitan areas like Tokyo and Osaka, the national average shows a recovery and the number of domestic guests for September exceeded the figure for the previous year. Going forward, we will continue to increase room rates while targeting an early recovery as well as rolling out more new products, such as offices for telecommuting and long-stay plans to help prevent the spread of COVID-19.

In the resort business, the "Go To Travel Campaign" proved successful, as did efforts to promote new products, like taxi pick-up and drop-off services targeting domestic travelers. A strong increase in occupancy rates is spearheading growth in the

hotel business, while room rates remain above the level for the previous year. The RevPAR figure recorded at existing establishments showed a year-on-year increase in September and a positive result for the second quarter of the consolidated accounting period.

As a result of the above factors, net sales was 18,416 million yen (down 56.8% YoY) and operating loss was 6,748 million yen (vs. income of 5,277 million yen in the first quarter of last year).

The steady recovery trend has continued since October.

③ Comprehensive Building Management Business

Sales in our General Building Management business declined 9.3% year-on-year to 7,321 million yen, while operating income decreased by 30.8% year-on-year to 160 million yen, mainly due to a decrease in renovation work.

④ Food Service Business

Due to the effects of factors such as reduced hotel restaurant operations as a result of the COVID-19 pandemic and temporary closure of restaurants as part of efforts to prevent the spread of the virus, the Food Service Business recorded net sales of 2,246 million yen (down 38.9% YoY) and an operating loss of 16 million yen (vs. income of 86 million yen in the first quarter of last year).

⑤ Development Business

Development Business sales were ¥7,793 million, declining by 33.5% year-on-year, while operating income was ¥286 million, down 73.0% year-on-year, mainly because the Company did not securitize real estate during this period.

⑥ Other Businesses

The Company's other business segments consist of the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, and the administrative outsourcing business. Thanks to factors including steady improvements in earnings of the Senior Life Business and the PKP Business, net sales in this segment were 7,677 million yen (up 12.2% YoY) and its operating income was 497 million yen (up 24.9% YoY).

(2) Explanation of Financial State

① Assets, Liabilities and Net Assets

(Assets)

Total assets at the end of the second quarter of this consolidated fiscal year stood at 227,230 million yen, up 10,144 million yen from the end of the previous consolidated fiscal year. This increase was primarily attributable to an increase in cash and deposits to secure funds, construction underway and real estate for sale.

(Liabilities)

Liabilities at the end of the second quarter of this consolidated fiscal year stood at 151,978 million yen, up 18,846 million yen from the end of the previous consolidated fiscal year. This was due mainly to factors such as an increase in short-term loans payable.

(Net assets)

Net assets at the end of the second quarter of this consolidated fiscal year stood at 75,251 million yen, down 8,702 million yen from the end of the previous consolidated fiscal year. Main causes of this decrease included a reduction in retained earnings.

As a result, the equity ratio fell by 5.6 percentage points from the end of the previous consolidated fiscal year, to 33.1%.

② Cash flow position

As of the end of the second quarter of the current fiscal year, the balance of cash and cash equivalents increased by 2,782 million yen to 20,575 million yen, compared to the end of the previous fiscal year.

(Cash flows from operating activities).

Cash flows from operating activities amounted to ¥13,424 million, an increase of ¥25,348 million compared to the same period of fiscal 2019 due to Quarterly net income (loss) before taxes

(Cash flows from investing activities).

“Cash flows from investing activities” declined by ¥7,670 million compared to the same period the previous year to ¥6,172 million due to the impact of expenditures incurred in acquiring tangible fixed assets (property, plant, equipment).

(Cash flows from financing activities).

Net cash generated by financing activities was ¥22,388 million, an increase of ¥16,640 million compared to the same period the previous year, due to a net increase in short-term borrowing.

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

Regarding the consolidated earnings forecast for the fiscal year ending March 31, 2021, the Company launched an offensive from June as part of an attempt to turn things around. Although rational calculations proved difficult amid the impact of COVID-19, given the clear recovery trend emerging at the time, we have released our earnings forecast today based on the available information.

The consolidated earnings forecast was prepared based on the information available at the time, and actual earnings may vary from the forecast due to various factors going forward.

We will continue to announce more rational consolidated financial forecasts as soon as circumstances allow.

The ‘Kyoritsu Jump Up Plan’, a medium-term management plan due to end in the fiscal year ending March 31, 2022, will be revised in response to the spreading COVID-19 pandemic and announcements will be issued once preparations have been made.

2. Quarterly Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: millions yen)

	Previous consolidated fiscal year (March 31, 2020)	Second quarter consolidated accounting period of this fiscal year (September 30, 2020)
Assets		
Current assets		
Cash and deposits	18,303	20,951
Notes and accounts receivable-trade	11,057	12,891
Real estate for sale	211	7,454
Real estate for sale in process	11,518	6,255
Costs on uncompleted construction contracts	256	78
Other	9,290	9,035
Allowance for doubtful accounts	-46	-52
Total current assets	50,590	56,613
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,607	47,548
Land	44,509	45,454
Construction in progress	13,805	15,989
Other, net	3,527	3,578
Total property, plant and equipment	109,450	112,571
Intangible fixed assets	3,918	3,871
Investments and other assets		
Investment securities	4,761	3,989
Guarantee deposits	17,337	16,388
Lease deposits	16,226	16,385
Other	14,394	17,044
Allowance for doubtful accounts	-184	-183
Total investments and other assets	52,535	53,626
Total noncurrent assets	165,904	170,068
Deferred assets	591	548
Total assets	217,086	227,230

(Unit: millions yen)

	Previous consolidated fiscal year (March 31, 2020)	Second quarter consolidated accounting period of this fiscal year (September 30, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,124	10,665
Short-term loans payable	12,034	29,811
Current portion of bonds to be redeemed within a year	5,280	5,280
Convertible bonds with stock options planned for redemption within one year	19,992	19,987
Income taxes payable	1,900	1,680
Provision for bonuses	2,103	702
Provision for directors' bonuses	404	58
Provision for warranties for completed construction	9	0
Provision for point card certificates	6	6
Other	19,225	15,993
Total current liabilities	71,080	84,185
Noncurrent liabilities		
Bonds payable	33,820	31,180
Long-term loans payable	21,922	30,103
Provision for directors' retirement benefits	251	252
Provision for point card certificates	0	0
Net defined benefit liability	1,140	1,194
Other	4,915	5,062
Total noncurrent liabilities	62,050	67,793
Total liabilities	133,131	151,978
Shareholders' equity		
Shareholders' equity		
Capital stock	7,961	7,964
Capital surplus	12,817	12,820
Retained earnings	64,281	55,528
Treasury stock	-355	-356
Total shareholders' equity	84,706	75,957
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-117	-60
Foreign currency translation adjustment	-597	-612
Remeasurements of defined benefit plans	-36	-32
Total accumulated other comprehensive income	-751	-705
Total net assets	83,954	75,251
Total liabilities and net assets	217,086	227,230

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Income Statement)
(Second quarter consolidated cumulative period)

(Unit: millions yen)

	Second quarter consolidated cumulative period of the previous fiscal year (From April 1, 2019 to September 30, 2019)	Second quarter consolidated cumulative period of this fiscal year (From April 1, 2020 to September 30, 2020)
Net sales	93,815	56,250
Cost of sales	72,780	52,137
Gross profit	21,034	4,113
Selling, general, and administrative expenses	11,967	8,599
Operating income (loss)	9,066	-4,486
Non-operating income		
Interest	37	38
Dividend income	66	31
Subsidy income	14	577
Settlement payment received	80	—
Other	83	152
Total non-operating income	281	799
Non-operating expenses		
Interest expenses	174	222
Costs of responding to novel infectious diseases	—	385
Other	201	192
Total non-operating expenses	375	800
Ordinary income (loss)	8,972	-4,486
Extraordinary income		
Gain on sales of investment securities	217	—
Subsidy income	—	152
Other	2	—
Total extraordinary income	219	152
Extraordinary loss		
Losses from temporary closures etc.	—	2,886
Loss from stores closing	—	2,025
Loss on valuation of golf club membership	5	—
Other	—	41
Total extraordinary loss	5	4,953
Quarterly net income (loss) before taxes	9,187	-9,287
Income taxes	3,073	-1,431
Quarterly net income (loss)	6,114	-7,856
Quarterly net income (loss) attributable to owners of the parent	6,114	-7,856

(Quarterly consolidated statement of comprehensive income)
(Second quarter consolidated cumulative period)

(Unit: millions yen)

	Second quarter consolidated cumulative period of the previous fiscal year (From April 1, 2019 to September 30, 2019)	Second quarter consolidated cumulative period of this fiscal year (From April 1, 2020 to September 30, 2020)
Quarterly net income (loss)	6,114	-7,856
Other comprehensive income		
Valuation difference on available-for-sale securities	-153	56
Foreign currency translation adjustment	-181	-14
Remeasurements of defined benefit plans	-2	4
Total other comprehensive income	-337	46
Quarterly comprehensive income	5,776	-7,810
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent	5,776	-7,810

(3) Quarterly consolidated cash flow statement

(Unit: millions yen)

	Second quarter consolidated cumulative period of the previous fiscal year (From April 1, 2019 to September 30, 2019)	Second quarter consolidated cumulative period of this fiscal year (From April 1, 2020 to September 30, 2020)
Cash flow from operating activities		
Quarterly net income (loss) before taxes	9,187	-9,287
Depreciation	2,506	2,578
Amortization of long-term prepaid expenses	170	176
Amortization of security deposits	125	156
Increase (decrease) in provision for bonuses (- indicates decrease)	-771	-1,400
Interest income and dividend income	-103	-69
Interest expenses	174	222
Subsidy income	-14	-730
Gain / loss on sale of investment securities (- indicates gain)	-217	—
Costs of responding to novel infectious diseases	—	385
Losses from temporary closures etc.	—	2,886
Loss from stores closing	—	2,025
Increase / decrease in trade receivables (- indicates increase)	-3,759	-1,833
Increase / decrease in accounts receivable (- indicates increase)	409	448
Increase / decrease in inventories (- indicates increase)	10,746	-1,781
Increase / decrease in trade payables (- indicates decrease)	1,544	540
Increase / decrease in down payments (- indicates decrease)	-2,832	-3,398
Increase / decrease in accounts payable (- indicates decrease)	-139	505
Increase / decrease in accrued consumption tax, etc. (- indicates decrease)	-1,038	-469
Increase / decrease in deposits (- indicates decrease)	-882	-164
Increase / decrease in margin deposits (- indicates decrease)	-10	-164
Other	-344	67
Subtotal	14,749	-9,306
Amount of interest and dividends received	69	34
Amount of interest paid	-179	-209
Amount of corporate tax, etc. refunded	0	0
Amount of corporate tax, etc. paid	-2,729	-830
Amount of grants received	14	730
Costs incurred of measures to counter COVID-19	—	-385
Losses payable due to temporary closures, etc.	—	-2,504
Amount payable to cover store closure losses	—	-953
Cash flow from operating activities	11,924	-13,424
Cash flow from investing activities		
Purchase of marketable securities	—	-432
Income from the sale of securities	286	1,243
Expenditure incurred in acquiring tangible fixed assets (property, plant, equipment).	-12,294	-5,678
Income from sale of tangible fixed assets	686	12
Expenditure incurred in acquiring intangible fixed assets	-264	-127
Expenditure to cover long-term prepaid expenses	-191	-212
Expenditure on loans	-702	-339
Income from loan collection	158	361

Payments to cover deposits and guarantees	-1,056	-450
Proceeds from collection of deposits and guarantees	100	36
Expenditure on insurance reserve fund	-558	-561
Income from cancellation of insurance reserves	9	10
Other	-15	-35
Cash flow from investing activities	<u>-13,842</u>	<u>-6,172</u>

(Unit: millions yen)

	Second quarter consolidated cumulative period of the previous fiscal year (From April 1, 2019 to September 30, 2019)	Second quarter consolidated cumulative period of this fiscal year (From April 1, 2020 to September 30, 2020)
Cash flows from financing activities		
Net increase / decrease in short-term debt (- indicates decrease)	10,597	18,047
Income from long-term borrowing	—	10,100
Expenditure on repayment of long-term debt	-983	-2,190
Expenditure on redemption of corporate bonds	-2,866	-2,641
Expenditure for the acquisition of treasury stock	-1	-1
Dividend payment amount	-974	-895
Other	-24	-31
Cash flows from financing activities	5,747	22,388
Conversion difference for cash and cash equivalents	-42	-9
Increase / decrease in cash and cash equivalents (- indicates decrease)	3,787	2,782
Initial balance of cash and cash equivalents	16,070	17,792
Quarterly balance of cash and cash equivalents	19,857	20,575

(4) Notes to the quarterly consolidated financial statements

(Notes on the going concern assumption)

Not applicable

(Notes concerning any notable changes in shareholders' equity)

Not applicable

(Application of special accounting procedures in the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses have been calculated through reasonable estimation of the effective tax rate after application of tax-effect accounting to net income before taxes for the consolidated fiscal year including this second quarter and multiplication of this estimated effective tax rate by quarterly net income before taxes. However, where it would be highly unreasonable to estimate tax expenses using this estimated effective tax rate, the statutory effective tax rate has been used.

(Segment information)

[Segment information]

I Second quarter consolidated cumulative period of the previous fiscal year (April 1 – September 30, 2019)

1. Information on amounts of net sales and profit (loss) by reporting segment

(Unit: millions yen)

	Reporting segment						Other Notes: 1.	Total	Adjustment amount Notes: 2.	Amount shown on quarterly consolidated income statement Notes: 3.
	Dormitory	Hotel	Comprehensive building management	Food service	Development	Total				
Sales										
Net sales to external customers	25,017	42,559	3,810	683	15,193	87,265	6,549	93,815	—	93,815
Internal sales or transfers between segments	159	72	4,263	2,989	-3,469	4,016	294	4,310	-4,310	—
Total	25,177	42,632	8,074	3,673	11,723	91,281	6,844	98,125	-4,310	93,815
Segment profit or loss (-)	3,841	5,277	231	86	1,061	10,497	397	10,895	-1,829	9,066

(Note) 1. Other business segments consist of the following businesses not included in other reporting segments: the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, the administrative outsourcing business, and other subsidiary businesses.

2. The adjustment amount of -1,829 million yen on segment profit (loss) reflects -158 million yen in cancellation of inter-segment transactions and -1,670 million yen in companywide costs not allocated to reporting segments. Companywide costs refer mainly to costs related to administrative sections such as the head office Accounting Division.

3. Segment profit (loss) has been adjusted against operating income on the quarterly consolidated income statement.

2. Information on impairment loss, goodwill, etc. for fixed assets by reporting segment

Not applicable

II Second quarter consolidated cumulative period of this fiscal year (April 1 – September 30, 2020)

1. Information on amounts of net sales and profit (loss) by reporting segment

(Unit: millions yen)

	Reporting segment						Other Notes: 1.	Total	Adjustment amount Notes: 2.	Quarterly Consolidated Income Statement Recorded amount Notes: 3.
	Dormitory	Hotel	Comprehensive building management	Food service	Development	Total				
Sales										
Net sales to external customers	23,287	18,376	3,475	273	3,405	48,818	7,431	56,250	—	56,250
Internal sales or transfers between segments	170	39	3,845	1,972	4,387	10,416	245	10,661	-10,661	—
Total	23,457	18,416	7,321	2,246	7,793	59,235	7,677	66,912	-10,661	56,250
Segment profit or loss (-)	2,743	-6,748	160	-16	286	-3,575	497	-3,078	-1,407	-4,486

(Note) 1. Other business segments consist of the following businesses not included in other reporting segments: the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, the administrative outsourcing business, and other subsidiary businesses.

2. The adjustment amount of -1,407 million yen on segment profit (loss) reflects -241 million yen in cancellation of inter-segment transactions and -1,166 million yen in companywide costs not allocated to reporting segments. Companywide costs refer mainly to costs related to administrative sections such as the head office Accounting Division.
3. Segment profit (loss) has been adjusted against operating loss on the quarterly consolidated income statement.

2. Information on impairment loss, goodwill, etc. for fixed assets by reporting segment
Not applicable