



Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 [Japanese GAAP]

January 27, 2022

Company name: TOKAI Holdings Corporation Stock listing: Tokyo Stock Exchange
 Stock code: 3167 URL: <https://tokaiholdings.co.jp>
 Representative: Katsukiho Tokita, President & CEO
 Contact: Kuniyoshi Muramatsu, Managing Executive Officer, General Manager of Administrative
 Headquarters Telephone: +81-54-275-0007
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 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, 2021 (April 1, 2021 to December 31, 2021)

(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, 2021	149,420	6.9	9,248	-6.6	9,324	-6.1	4,634	-21.9
Nine months Ended December 31, 2020	139,792	-1.2	9,901	6.7	9,929	4.8	5,936	16.3

(Note) Comprehensive income: 3,871 million yen in the Nine-months Ended December 31, 2021 (-54.7%)
 8,538 million yen in the Nine months Ended December 31, 2020 (53.0%)

	Quarterly Net Income per Share	Quarterly Net Income per Share (Diluted)
	Yen	Yen
Nine-months Ended December 31, 2021	35.38	-
Nine months Ended December 31, 2020	45.33	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
Nine-months Ended December 31, 2021	181,450	75,797	40.9
Year ended March 31, 2021	178,974	76,056	41.6

(Reference) Equity: 74,129 million yen for the Nine-months Ended December 31, 2021
 74,510 million yen for the year ended March 31, 2021

2. Dividends

	Annual Dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ending March 31, 2021	—	14.00	—	16.00	30.00
Year ending March 31, 2022	—	15.00	—	—	—
Year ending March 31, 2022 (Forecast)	—	—	—	15.00	30.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)
 (% 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, 2022	207,000	5.2	15,240	0.1	15,320	0.1	8,830	0.2	67.42

(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. : Yes

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

3) Changes in accounting estimates : No

4) Restatements : No

(Note) For details, see "2. Quarterly Consolidated Financial Statements and Main Notes (4) Notes on Quarterly Consolidated Financial Statements (Changes in Accounting Policy)" on page 10 of the Attachment.

(4) Number of shares issued (common stock)

1) Shares issued at the end of each period (including treasury stock):

Q3 FY3/2022	139,679,977 shares	FY3/2021	139,679,977 shares
Q3 FY3/2022	8,688,410 shares	FY3/2021	8,713,335 shares
Q3 FY3/2022	130,980,704 shares	Q3 FY3/2021	130,962,791 shares

2) Number of shares of treasury stock at the end of each period:

3) Average number of shares during the period (cumulative):

(Note) Board benefit trust shares(BBT) is included in the number of year-end treasury stock.(365,900 stocks at Q3 FY3/2023, 391,300 stocks at FY3/2021) 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 (377,076 shares for the Nine-months Ended December 31, 2021; 395,436 shares for the Nine months Ended December 31, 2020).

* 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]

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1. Qualitative Information on Financial Results for the Period Under Review

(1) Explanation of Consolidated Operating Results

COVID-19 continued to affect the Japanese economy during the first nine months under review as it had done in the previous fiscal year. There were signs of a recovery in social and economic activities, however, such as the lifting of a state of emergency declaration at the end of September 2021. Nevertheless, the future of the economy remained uncertain due to factors including the spread from December 2021 of the extremely contagious Omicron variant of the coronavirus.

In this environment, the Group announced a new medium-term management plan, Innovation Plan 2024 “Design the Future Life” (IP24), which covers the period up to and including the fiscal year ending March 31, 2025, in May 2021. IP24 has five key messages: (i) implementation of the LNG strategy (expansion of business areas), (ii) evolution of the TLC concept, (iii) Stepping up of the DX strategy, (iv) Optimal allocation of management resources, and (v) Strengthening of SDG initiatives.

The first year of IP24 is the fiscal year for laying the foundation for achieving the goals laid out by these key messages. The Group has been working on initiatives to achieve growth in existing businesses and promote M&A activities. The Group has also been working to implement a new green growth strategy to achieve carbon neutrality and reform workstyles.

In its operating activities, the Group actively sought to gain customers, while thoroughly taking steps to prevent infection. These activities resulted in the number of continuing customers rising to 3,142,000 as of December 31, 2021, an increase of 43,000 from the end of the previous fiscal year. The number of TLC Membership Service members rose 87,000, to 1,066,000.

In the first nine months ended December 31, 2021, the Group posted net sales of 149,420 million yen (up 6.9% year on year), a record high. Operating profit came to 9,248 million yen (down 6.6%), chiefly due to an increase in expense for gaining customers. Recurring profit and net income attributable to owners of the parent were 9,324 million yen (down 6.1% year on year) and 4,634 million yen (down 21.9% year on year).

In April 2021, the Company established TOKAI Venture Capital & Incubation Corporation (Shizuoka, Shizuoka Prefecture). The company will help develop TLC through synergies with the existing businesses and the creation of new life-related services.

In the same month, the Company acquired shares in Marco Polo inc. (Toyota, Aichi), which engages in the remodeling of condominiums, in the Construction, Equipment, and Real Estate segment, and made it a consolidated subsidiary and acquired shares also in QUERY Co. Ltd. (Toshima-ku, Tokyo), which engages in system development, in the Information and Communications segment, making it a consolidated subsidiary.

The Company also set up a new LP gas sales base in Kumamoto City, Kumamoto Prefecture, in October 2021.

Performance by segment is indicated below.

(Energy)

In the LP gas business, the number of customers increased 24,000 from the end of the previous fiscal year, to 705,000, reflecting sustained Group efforts to attract customers. Net sales stood at 49,969 million yen (up 10.7% year on year), chiefly due to a rise in selling prices linked to purchase prices.

In the city gas business, the number of customers grew 6,000 from the end of the previous fiscal year, to 68,000. Net sales for the business rose 5.4% year on year, to 8,747 million yen mainly due to an increase in the sales volume of gas for industrial use and the effects of the gas rate adjustment system.

Net sales in this segment stood at 58,717 million yen (up 9.9%). Operating profit came to 2,282 million yen (down 23.8%), reflecting an increase in expense for gaining customers, among other factors.

(Construction, Equipment, and Real Estate)

In the Construction, Equipment, and Real Estate segment, net sales climbed 28.4% year on year, to 19,025 million yen and operating profit rose 3.1% year on year, to 555 million yen, reflecting an increase in orders for construction work and the like, in addition to a rise in the number of Group companies through M&A activities.

(CATV)

In the CATV business, the Group focused on providing local information and the production of programs as a community-based service provider. The Group collaborated with major video distributors to enhance content and enable customers to live a comfortable life amid the COVID-19 pandemic. The Group continued careful and steady sales activities based on actual conditions in each business area. The broadcasting services customer count rose to 885,000, an increase of 10,000 from the end of the previous fiscal year. The communications services customer count increased to 339,000, a rise of 16,000 from the end of the previous fiscal year.

Meanwhile, net sales in this segment decreased 2.9% year on year, to 24,265 million yen as a result of the application of the Accounting Standard for Revenue Recognition from the first three months of the current fiscal year, which caused a change in the way certain transactions are presented. Meanwhile, operating profit in the segment rose 8.1% year on year, to 4,044 million yen due to an increase in the number of customers.

(Information and Communications)

In the business for consumers, the Group expanded its ISP lineup in collaboration with major telecommunications carriers. In the mobile business, the Group advanced initiatives for customer acquisition by appropriately reviewing its service lineup and introducing package plans with fixed lines. Reflecting effects those measures produced, the number of ISP customers fell 7,000 from the end of the previous fiscal year, to 725,000, and the number of LIBMO customers rose 2,000 from the same point, to 55,000. Net sales in this segment declined 7.6% year on year, to 18,303 million yen, in spite of efforts the Group made to apply the brakes to a net customer decrease through steady sales channel expansion.

In the business for corporate clients, net sales came to 19,903 million yen (up 10.4%), mainly reflecting steady growth in cloud services and an increase in the contract development projects, which are currently booming.

Net sales in this segment were 38,206 million yen (up 1.0%), and operating profit was 2,473 million yen (up 15.0%).

(Aqua)

In the Aqua (bottled drinking water delivery) business, events at large retail facilities, etc. performed well. The Group also carried out non-face-to-face sales activities, including telemarketing. The number of customers increased 3,000 from the end of the previous fiscal year, to 166,000.

Net sales in this segment stood at 5,811 million yen (up 0.6%). Operating profit came to 67 million yen (down 79.7%), reflecting an increase in expense for gaining customers, among other factors.

(Others)

Net sales in the nursing care business stood at 1,006 million yen (up 1.1%), reflecting an increase in the number of users. Net sales in the shipbuilding business rose to 1,212 million yen (up 22.2%), due to an increase in the number of ships that the Group repaired. Net sales in the bridal events business rose to 515 million yen (up 60.0%), reflecting a slight recovery in weddings and meetings.

Overall, net sales in this segment came to 3,395 million yen (up 15.7%), and the operating loss was 111 million yen (an operating loss of 120 million yen in the same period of the previous fiscal year).

(2) Explanation of Consolidated Financial Position**1) Assets, Liabilities, and Net Assets**

Total assets at the end of the first nine months under review stood at 181,450 million yen, an increase of

2,476 million yen from the end of the previous fiscal year. The increase was mainly attributable to growths of 1,774 million yen in property, plant and equipment, 765 million yen in merchandise and finished goods, 767 million yen in work in process and 685 million yen in intangible assets, which offset a decrease of 1,408 million yen in notes and accounts receivable - trade, and contract assets.

Total liabilities came to 105,652 million yen, an increase of 2,734 million yen from the end of the previous fiscal year. The increase was chiefly due to a rise of 8,528 million yen in short-term loans payable, which offset decreases of 2,307 million yen in income taxes payable, 1,862 million yen in other provisions in current liabilities, and 1,548 million yen in long-term loans payable.

Total net assets were 75,797 million yen, a decrease of 258 million yen from the end of the previous fiscal year. The decrease primarily reflected a fall of 819 million yen in deferred gains on hedges, in addition to 4,072 million yen in dividends of surplus paid, which offset 4,634 million yen in net income attributable to owners of the parent.

2) Cash Flows

Cash and cash equivalents ("cash") as of December 31, 2021 were 4,826 million yen, a decrease of 309 million yen from the end of the previous fiscal year.

Cash flows in the first nine months under review and major contributing factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 12,305 million yen (7,097 million yen less year on year). Cash inflows were primarily attributable to net income before income taxes, a decrease in notes and accounts payable, and depreciation, a non-cash item, which offset income taxes paid and a rise in inventories among other cash outflows.

Cash flows from investing activities

Net cash used in investing activities 11,667 million yen (3,005 million yen higher year on year). Cash outflows were attributable primarily to the purchase of tangible and intangible assets and the purchase of shares of subsidiaries resulting in a change in scope of consideration.

(Cash flows from financing activities)

Net cash used in financing activities was 945 million yen (2,917 million yen higher year on year). Loans payable and other cash inflows were more than offset by cash outflows, including repayment of loans payable, repayments of lease obligations and payment of cash dividends.

Net cash used in financing activities increased substantially year on year mainly due to growth in short-term loans payable.

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

Results in the first nine months of the fiscal year under review were roughly as forecast. The earnings forecasts for the fiscal year ending March 31, 2022 announced on May 11, 2021 remain unchanged.

The earnings forecasts are based on information available at the time of publication. Actual results may differ from the forecasts due to a variety of factors.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	Fiscal Year Ended March 31, 2021	Nine Months Ended December 31, 2021
Assets		
Current assets		
Cash and deposits	5,577	5,121
Notes and accounts receivable—trade	26,323	—
Merchandise and finished goods	—	24,914
Notes and accounts receivable - trade and contract assets	3,479	4,244
Work in process	900	1,668
Raw materials and supplies	1,194	1,344
Other	9,860	10,484
Allowance for doubtful accounts	-403	-427
Total current assets	46,932	47,349
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,508	35,011
Machinery, equipment and vehicles, net	24,614	24,258
Land	24,054	24,293
Other, net	18,622	20,011
Total property, plant and equipment	101,800	103,575
Intangible assets		
Goodwill	5,258	6,162
Other	5,428	5,210
Total intangible assets	10,687	11,373
Investments and other assets		
Net defined benefit asset	3,150	3,642
Other	16,675	15,845
Allowance for doubtful accounts	-273	-335
Total investments and other assets	19,552	19,153
Total non-current assets	132,041	134,101
Deferred assets	0	0
Total assets	178,974	181,450

(Millions of yen)

	Fiscal Year Ended March 31, 2021	Nine Months Ended December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable–trade	17,226	17,342
Short-term loans payable	12,061	20,589
Current portion of bonds	112	63
Income taxes payable	2,764	456
Other provision	1,941	79
Other	22,904	21,608
Total current liabilities	57,009	60,138
Non-current liabilities		
Long-term loans payable	29,955	28,407
Other provision	276	235
Net defined benefit liability	962	1,048
Other	14,713	15,822
Total non-current liabilities	45,908	45,514
Total liabilities	102,917	105,652
Net assets		
Shareholders' equity		
Capital stock	14,000	14,000
Capital surplus	25,542	25,552
Retained earnings	31,563	32,060
Treasury stock	-2,219	-2,213
Total shareholders' equity	68,887	69,398
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,216	842
Deferred gains (losses) on hedges	1,918	1,099
Foreign currency translation adjustment	33	172
Remeasurement of defined benefit plans	2,454	2,616
Total accumulated other comprehensive income	5,623	4,730
Share acquisition rights	—	2
Non-controlling interests	1,545	1,666
Total net assets	76,056	75,797
Total liabilities and net assets	178,974	181,450

(2) Quarterly Consolidated Statements of Income, Consolidated Statements of Comprehensive Income
 (Quarterly Consolidated Statements of Income)
 (Nine Months Ended December 31, 2021)

	(Millions of yen)	
	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Sales	139,792	149,420
Cost of sales	80,147	89,321
Gross profit	59,645	60,099
Selling, general and administrative expenses	49,743	50,850
Operating profit	9,901	9,248
Non-operating profit		
Interest income	8	8
Dividend income	181	246
Commission fee	22	24
Other	246	240
Total non-operating profit	459	519
Non-operating expenses		
Interest expenses	221	202
Share of loss of entities accounted for using equity method	137	178
Other	73	63
Total non-operating expenses	432	444
Recurring profit	9,929	9,324
Extraordinary income		
Gain on sales of non-current assets	56	5
Gain on donation of non-current assets	295	116
Transmission line facility subsidies	71	63
Subsidy income	66	-
Gain on reversal of subscription rights to shares	0	97
Total extraordinary income	490	283
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	467	542
Loss on sales of investment securities	0	0
Loss on valuation of investment securities	148	-
Anniversary project cost	-	244
Other	-	496
Total extraordinary losses	643	1,283
Quarterly net income before income taxes	9,775	8,323
Income taxes (current)	2,591	2,725
Income taxes (deferred)	1,123	835
Total income taxes	3,715	3,560
Quarterly net income	6,060	4,763
Quarterly net income attributable to non-controlling interests	124	128
Quarterly net income attributable to owners of the parent	5,936	4,634

(Consolidated Statements of Comprehensive Income)
 (Nine Months Ended December 31, 2020)

	(Millions of yen)	
	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Quarterly net income	6,060	4,763
Other comprehensive income		
Valuation difference on available-for-sale securities	558	-373
Deferred gains (losses) on hedges	2,114	-819
Foreign currency translation adjustment	-2	-4
Remeasurement of defined benefit plans, net of tax	-40	161
Share of other comprehensive income of entities accounted for using the equity method	-151	144
Total other comprehensive income	2,478	-891
Quarterly comprehensive income	8,538	3,871
(Breakdown)		
Quarterly comprehensive income attributable to owners of the parent	8,415	3,741
Quarterly comprehensive income attributable to non-controlling interests	123	129

(3) Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Cash flows from operating activities		
Quarterly net income before income taxes	9,775	8,323
Depreciation	10,957	11,193
Amortization of goodwill	909	760
Impairment loss	-1,161	-161
Increase (decrease) in net defined benefit asset and liability	-35	-254
Interest and dividend income	-190	-97
Loss (gain) on sales of investment securities	0	202
Interest expenses	221	-5
(Gain) loss on sales of non-current assets	-56	—
(Gain) loss on valuation of investment securities	148	542
Loss on retirement of non-current assets	467	1,261
Decrease (increase) in notes and accounts receivable – trade	4,229	-954
Decrease (increase) in inventories	-1,176	21
Increase (decrease) in notes and accounts payable – trade	-836	-1
Other	863	-2,655
Subtotal	24,115	18,174
Income taxes paid	-4,712	-5,868
Net cash provided by (used in) operating activities	19,402	12,305
Cash flows from investing activities		
Interest and dividend income received	226	288
Purchase of securities	-12	-62
Proceeds from sales of securities	70	242
Purchase of tangible and intangible assets	-9,965	-9,888
Proceeds from sales of tangible and intangible assets	300	233
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-1,090	-2,664
Purchase of shares of subsidiaries and associates	-3,013	-45
Payments for transfer of business	-1,630	—
Payments of loans receivable	—	-571
Collection of loans receivable	39	11
Other	402	788
Net cash provided by (used in) investing activities	-14,672	-11,667
Cash flows from financing activities		
Interest expenses paid	-224	-207
Net increase (decrease) in short-term loans payable	-325	7,995
Repayments of lease obligations	-3,029	-3,185
Proceeds from long-term loans payable	10,736	6,100
Repayment of long-term loans payable	-7,271	-7,524
Redemption of bonds	-69	-49
Payments for acquisition of treasury stock	-0	-0
Cash dividends paid	-3,671	-4,065
Other	-6	-8
Net cash provided by (used in) financing activities	-3,863	-945
Effect of exchange rate change on cash and cash equivalents	-0	-1
Net increase (decrease) in cash and cash equivalents	866	-309
Cash and cash equivalents at beginning of period	4,046	5,136
Cash and cash equivalents at end of period	4,912	4,826

(4) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Change in accounting policy)

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition") from the beginning of the first quarter of the current fiscal year and recognized revenue when control of promised goods or services is transferred to customers in an amount that is expected to be received in exchange for those goods or services.

With regard to the application of the revenue recognition accounting standard, etc., in accordance with the transitional treatment stipulated in the provisions of paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospectively applying the new accounting policy prior to the beginning of the first quarter of the current fiscal year is added or deducted from retained earnings at the beginning of the first quarter of the current fiscal year, and the new accounting policy is applied from the beginning balance of the current fiscal year. However, the new accounting policy has not been applied retrospectively to contracts for which the method set forth in paragraph 86 of the Revenue Recognition Accounting Standard has been applied and substantially all revenue amounts have been recognized in accordance with previous treatment prior to the beginning of the first quarter of the current fiscal year. In addition, the Company applies the method stipulated in paragraph 86 of the Revenue Recognition Accounting Standard and paragraph (1) of the Written Accounting Standard. Contract modifications made prior to the beginning of the first quarter of the current fiscal year are accounted for under the terms of the contract after reflecting all contract modifications, and the cumulative effect of these modifications is adjusted to retained earnings at the beginning of the first quarter of the current fiscal year.

The adoption of this accounting standard is not expected to have a material impact on the quarterly consolidated financial statements.

(Application of Accounting Standard for Calculation of Fair Value)

The Accounting Standard for Calculation of Fair Value (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Accounting Standard for Calculation of Fair Value") and other standards were applied from the beginning of the first quarter of the current fiscal year, and in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Calculation of Fair Value and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy stipulated by the Accounting Standard for Calculation of Fair Value will be applied in the future.

(Additional Information)

(Improper Behavior by Our Former Subsidiary Employees)

In a tax examination conducted by the Nagoya Regional Taxation Bureau in July 2021, it was discovered that a former employee of two of our subsidiaries had misappropriated the Company's funds due to fictitious claims, fraudulent remittances, etc. In response, we launched an internal investigation committee chaired by an attorney who conducted an investigation and received a survey report in December 2021.

The amount of ¥496 million pointed out by the Nagoya Regional Taxation Bureau for this wrongdoing was recorded as extraordinary loss. In addition, an estimated amount of 88 million yen for additional tax collection due to fraud detection is included in income taxes, inhabitant taxes and enterprise taxes.

(Segment Information)

[Segment Information]

I. Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)

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
	Energy	Building equipment real estate	CATV	Information and Communications	Aqua	Subtotal				
Sales										
Sales to external customers	53,437	14,815	24,994	37,831	5,778	136,857	2,934	139,792	—	139,792
Intersegment sales and transfers	151	700	456	2,630	139	4,077	98	4,176	-4,176	—
Subtotal	53,588	15,516	25,450	40,461	5,917	140,935	3,033	143,969	-4,176	139,792
Segment income (loss)	2,996	539	3,740	2,151	333	9,760	-120	9,640	260	9,901

(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, 2021 (April 1, 2021 to December 31, 2021)

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
	Energy	Building equipment real estate	CATV	Information and Communications	Aqua	Subtotal				
Sales										
Sales to external customers	58,717	19,025	24,265	38,206	5,811	146,025	3,395	149,420	—	149,420
Intersegment sales and transfers	139	1,256	389	3,171	174	5,131	82	5,213	-5,213	—
Subtotal	58,857	20,281	24,654	41,378	5,985	151,156	3,477	154,634	-5,213	149,420
Segment income (loss)	2,282	555	4,044	2,473	67	9,424	-111	9,313	-64	9,248

(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.