

November 4, 2022

Summary of Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2023 [Japanese Standards] (Consolidated)

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 The supplementary explanation document for the second-quarter of accounts is created. Yes
 The briefing for the second-quarter of accounts is held. Yes (Distribution of a video version of the financial results briefing is planned.)

(Millions of yen rounded down)

1. Consolidated Operating Results for the Second Quarter of Fiscal Year Ending March 31, 2023 (From April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (Cumulative)

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parental Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q/ FY ending March 31, 2023	41,160	7.8	3,636	(6.7)	3,609	(7.3)	2,453	(9.1)
2Q/ FY ended March 31, 2022	38,187	21.4	3,898	28.1	3,896	29.5	2,698	37.9

(Note)

Comprehensive income:

2Q/ FY ending March 31, 2023: ¥2,470 million (-9.2%)

2Q/ FY ended March 31, 2022: ¥2,719 million (39.2%)

	Net Income Per Share	Net Income Per Share After Dilution
	Yen	Yen
2Q/ FY ending March 31, 2023	75.06	—
2Q/ FY ended March 31, 2022	82.55	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	83,309	60,603	72.7	1,854.14
As of March 31, 2022	82,659	58,917	71.3	1,802.55

(Reference)

Shareholders' equity:

As of September 30, 2022: ¥60,603 million

As of March 31, 2022: ¥58,917 million

2. Dividends

	Dividends Per Share				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2022	—	24.00	—	24.00	48.00
FY ending March 31, 2023	—	24.00			
FY ending March 31, 2023 (Forecast)			—	24.00	48.00

(Note) Revision to the latest forecast of dividends: No

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2023 (From April 1, 2022 to March 31, 2023)

(% figures represent year-on-year increase or decrease)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parental Company		Net Income Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	85,000	3.3	7,500	(17.5)	7,500	(17.4)	5,000	(21.1)	152.97

(Note) Revision of forecasts on the consolidated operating results: No

*Notes

(1) Changes in major subsidiaries during this six-month period ended September 30, 2022 (changes in specific subsidiaries affecting the scope of consolidation): No

New: — (Company name: —), Excluded: — (Company name: —)

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting principles, changes in accounting estimates and restatements

1) Changes due to revisions to accounting standards, etc.: Yes

2) Changes other than 1): No

3) Changes in accounting estimates: No

4) Restatements: No

(4) Number of outstanding shares (common stock)

1) Number of shares outstanding at term-end (including treasury stock)

Six months ended September 30, 2022	34,646,500 shares	FY ended March 31, 2022	34,646,500 shares
Six months ended September 30, 2022	1,961,157 shares	FY ended March 31, 2022	1,961,157 shares
Six months ended September 30, 2022	32,685,343 shares	Six months ended September 30, 2021	32,685,343 shares

2) Amount of treasury stock at term-end

3) Amount of average stock during term (Quarter accumulation)

* This quarterly summary of consolidated financial results is excluded from the quarterly review by a certified public accountant or audit corporations.

* Explanation and other special notes regarding the appropriate use of the earnings forecast

(Notes on forward-looking statements)

The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.

(How to obtain quarterly results supplementary explanation document and quarterly results briefing content)

A video version of the financial results briefing and explanatory documents for the first half of the fiscal year under review will be published on our company's website .

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1. Qualitative Information Regarding the Consolidated Financial Results in the Second Quarter

(1) Explanation of Operating Results

During the first half of the fiscal year ending March 31, 2023, signs of recovery were evident in the Japanese economy. As socioeconomic activity proceeded alongside responses to the COVID-19 pandemic, various government measures were having effects. On the international scene, overseas economies slid into recession amid fluctuations in financial and capital markets and rising inflation, as accelerating worldwide monetary tightening. Continued vigilance is in order, as the risk continues that these events overseas may exert downward pressure on the Japanese economy.

In the condominium marketplace in the Tokyo metropolitan area, the number of new condominiums offered in the first half of the 2022 fiscal year (April to September) declined 4.2% from the same period last year to 12,271 units. On the demand side of the equation, the average rate of first-month contracts consummated during the same period was 67.7%, lower than the 70% level said to be a rough indication of good sales performance. This result is viewed as an expression of consumer caution regarding continuing high prices in high-priced sales areas. (All figures are derived from a survey by Real Estate Economic Institute Co., Ltd.)

In the market for investment-type condominiums which compose our corporate group's main business area, lease demand remained strong in the Tokyo metropolitan area centering on singles. Purchase demand for investment-type condominiums is solid, supported by low interest rates and by increasing recognition as income-earning properties that can be expected to provide steady earnings.

Under this business environment, our corporate group has been striving to enhance the customer support system, strengthen our brand name and expand the development and sales of the "Gala Condominium series" which provide various advantages for asset management mainly in the Tokyo metropolitan area, and "Gala Residence series" which are condominiums designed for families under our own brand. Furthermore, we are fully committed to improving the value of the corporate group. Additionally, in spite of the continuing impacts of the COVID-19 pandemic, we have worked to promote our business while implementing various measures to prevent the spread of infectious diseases such as utilization of IT for handling of important explanatory meetings, web seminars, and other sales functions without meeting in person.

As a result, net sales were ¥41,160 million (an increase of 7.8% compared with the same period of the previous fiscal year (YOY)), operating income amounted ¥3,636 million (a decrease of 6.7% YOY), and ordinary income was ¥3,609 million (a decrease of 7.3% YOY). Furthermore, net income attributable to shareholders of parental company totaled ¥2,453 million (a decrease of 9.1% YOY).

The operating results for each business segment are as follows:

From the third quarter of the previous consolidated fiscal year, the Company has implemented a partial change in reported segments. In this report, the figures for the same period of the previous fiscal year are calculated based on the reported segments after the change.

(Real estate development segment)

During the first half of the fiscal year ending March 31, 2023, we focused on sales of new properties such as Gala Station Yokohama-Mitsuzawa, Gala Station Yokohama-OdoriKoen and Gala Residence Hibarigaoka. We also actively conducted sales of pre-owned condominiums.

As a result, net sales were ¥10,304 million for newly built condominiums (347 units), ¥22,889 million for pre-owned condominiums (927 units), ¥3,283 million for real estate rental income, and ¥147 million from other income sources. Therefore, the total net sales in the segment reached ¥36,624 million (an increase of 10.2% YOY) and the segment profit was ¥3,071 million (a decrease of 1.9% YOY).

Breakdown of net sales, etc.

Category	Six-month consolidation period ended September 30, 2021 (Apr. 1, 2021 – Sept. 30, 2021)			Six-month consolidation period ended September 30, 2022 (Apr. 1, 2022 – Sept. 30, 2022)		
	No. of Units	Amount (millions of yen)		No. of Units	Amount (millions of yen)	
			YOY (%)			YOY (%)
Gala Condominium series	650	16,462	144.2	198	4,489	27.3
Gala Residence series	64	2,864	147.6	149	5,814	203.0
Pre-owned condominiums	410	10,125	105.2	927	22,889	226.1
Real estate rental income	—	3,617	103.0	—	3,283	90.8
Other income	—	163	416.0	—	147	90.0
Total	1,124	33,234	125.2	1,274	36,624	110.2

(Note) The aggregation categories have been changed from the previous consolidated fiscal year, and in order to facilitate comparison, the figures for the first half of the previous consolidated fiscal year have been recalculated and listed according to the changed aggregation categories.

(Real estate management segment)

During the first half of the fiscal year ending March 31, 2023, as the result of undertaking new managed properties that were developed by the corporate group and external developers, the number of managed units for leasing reached 17,595 and the number of buildings managed reached 335.

As a result, net sales in the real estate management segment were ¥1,787 million (an increase of 3.8% YOY), and segment profit was ¥421 million (a decrease of 2.0% YOY).

(Construction segment)

During the first half of the fiscal year ending March 31, 2023, net sales and income decreased compared to the same period of the previous consolidated fiscal year due to fewer completed construction contracts.

As a result, net sales in the construction segment were ¥2,110 million (a decrease of 22.1% YOY), and segment profit was ¥116 million (a decrease of 67.4% YOY).

(Japanese inn segment)

During the first half of the fiscal year ending March 31, 2023, occupancy rates trended upward against the figure for the same period of the previous fiscal year. This result was due to factors such as measures to stimulate demand by Tourism Demand Stimulus Program "the Kenmin Wari (Prefectural Residents Discount)".

As a result, net sales in the Japanese inn segment increased to ¥610 million (an increase of 24.4% YOY), and the segment profit was ¥5 million (compared to a segment loss of ¥45 million in the same period of the previous fiscal year).

(Other segments)

Net sales in other segments were ¥27 million in the first half of the fiscal year ending March 31, 2023 (a decrease of 4.5% YOY). Segment profit was ¥18 million (a decrease of 6.7% YOY).

Note that among the real estate development business, for sales of condominiums, only the proceeds from condominiums that have been actually handed over to the customer are posted. Therefore, there may be unbalances in quarterly business results depending on the dates of completion of the housing or dates of delivery.

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

(Assets)

At the end of the consolidated second quarter under review, current assets were ¥70,731 million, an increase of ¥722 million as compared with the end of the previous consolidated fiscal year. A major increase was ¥3,310 million in real estate for sale in process, while a major decrease was ¥3,343 million in real estate for sale. Non-current assets recorded ¥12,577 million, a decrease of ¥73 million as compared with the end of the previous consolidated fiscal year.

As a result, total assets were ¥83,309 million, an increase of ¥649 million as compared with the end of the previous consolidated fiscal year.

(Liabilities)

At the end of the consolidated second quarter under review, current liabilities were ¥12,121 million, an increase of ¥1,256 million as compared with the end of the previous consolidated fiscal year. A major increase was ¥2,330 million in current portion of long-term loans payable, while major decreases were ¥888 million in accrued consumption taxes and ¥517 million in income taxes payable. Non-current liabilities recorded ¥10,584 million, a decrease of ¥2,293 million as compared with the end of the previous consolidated fiscal year. This was mainly because long-term loans payable decreased by ¥2,360 million.

As a result, total liabilities were ¥22,706 million, a decrease of ¥1,036 million as compared with the end of the previous consolidated fiscal year.

(Net assets)

At the end of the consolidated second quarter under review, total net assets were ¥60,603 million, an increase of ¥1,686 million as compared with the end of the previous consolidated fiscal year. A major increase was ¥2,453 million in net income attributable to shareholders of parental company, while a ¥784 million decrease was recorded in dividends of surplus.

As a result, the equity ratio was 72.7% (it was 71.3% at the end of the previous consolidated fiscal year).

2) Situation of Cash Flows

During the consolidated six-month period ended September 30, 2022, cash and cash equivalents (hereinafter "funds") were ¥35,933 million, an increase of ¥389 million as compared with the end of the previous consolidated fiscal year.

The situation and variable factors of each cash flow were as follows:

(Cash flows from operating activities)

Funds acquired from operating activities totaled ¥1,263 million (same period last year recorded an income of ¥1,486 million). Major income consisted of ¥3,609 million in income before income taxes, while major expenditures resulted from ¥1,684 million in income taxes paid and a decrease of ¥1,057 million in accrued consumption taxes.

(Cash flows from investing activities)

Funds used in investing activities totaled ¥59 million (same period last year recorded an expenditure of ¥47 million).

(Cash flows from financing activities)

Funds used in financing activities totaled ¥815 million (same period last year recorded an expenditure of ¥2,241 million). A major income was ¥2,690 million in proceeds from long-term loans payable to be used as funds for the purchase of business land. As for major expenditures, there were ¥2,719 million in repayments of long-term loans payable for completion of project and ¥785 million in cash dividends paid.

(3) Explanation of Future Forecasts Such as the Forecast of Consolidated Operating Results

Regarding the forecast for the fiscal year ending March 31, 2023, there has been no change to the forecasted numbers listed in the "Summary of Financial Results for the Fiscal Year Ended March 31, 2022" that was released on May 13, 2022.

2. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheets in the Second Quarter

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
ASSETS		
Current assets		
Cash and deposits	35,593	35,983
Notes and operating accounts receivable-trade, and contract assets	2,176	2,293
Real estate for sale	11,262	7,919
Real estate for sale in process	19,025	22,336
Costs on uncompleted construction contracts	5	18
Raw materials and supplies	28	41
Advance payments-trade	107	144
Other	1,809	1,995
Allowance for doubtful accounts	(1)	(1)
Total current assets	70,008	70,731
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,047	7,047
Accumulated depreciation	(1,384)	(1,509)
Buildings and structures, net	5,663	5,538
Land	5,169	5,169
Other	378	380
Accumulated depreciation	(301)	(315)
Other, net	77	65
Total property, plant and equipment	10,910	10,773
Intangible assets	44	42
Investments and other assets		
Investment securities	305	330
Deferred tax assets	782	810
Other	608	620
Total investments and other assets	1,696	1,761
Total non-current assets	12,651	12,577
Total assets	82,659	83,309

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	1,038	1,209
Current portion of long-term loans payable	3,279	5,610
Accounts payable-other	504	455
Income taxes payable	1,670	1,152
Accrued consumption taxes	1,103	215
Deposits received	2,128	2,198
Provision for bonuses	276	460
Other	863	819
Total current liabilities	10,864	12,121
Non-current liabilities		
Long-term loans payable	9,363	7,003
Provision for directors' retirement benefits	816	844
Net defined benefit liabilities	795	835
Long-term lease and guarantee deposited	1,816	1,814
Long-term deposits received	86	87
Total non-current liabilities	12,878	10,584
Total liabilities	23,742	22,706
NET ASSETS		
Shareholders' equity		
Capital stock	2,774	2,774
Capital surplus	3,054	3,054
Retained earnings	54,292	55,961
Treasury stock	(1,211)	(1,211)
Total shareholders' equity	58,910	60,579
Accumulated other comprehensive income		
Valuation difference on marketable securities	34	48
Remeasurements of defined benefit plans	(27)	(24)
Total accumulated other comprehensive income	7	24
Total net assets	58,917	60,603
Total liabilities and net assets	82,659	83,309

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

(For the Six-Month Consolidation Period)

(Millions of yen)

	1Q-2Q/ FY ended March 31, 2022 (Apr. 1, 2021 - Sept. 30, 2021)	1Q-2Q/ FY ending March 31, 2023 (Apr. 1, 2022 - Sept. 30, 2022)
Net sales	38,187	41,160
Cost of sales	28,566	32,297
Gross profit	9,621	8,863
Selling, general and administrative expenses		
Advertising expenses	1,080	903
Salaries, allowances and bonuses	1,422	1,479
Provision for bonuses	442	439
Retirement benefit expenses	42	53
Provision for directors' retirement benefits	26	27
Other	2,708	2,323
Total selling, general and administrative expenses	5,722	5,226
Operating income	3,898	3,636
Non-operating income		
Interest income	0	0
Dividend income	2	3
Penalty income	10	6
Compensation income	8	—
Subsidy income	9	9
Other	11	8
Total non-operating income	42	28
Non-operating expenses		
Interest expenses	44	23
Miscellaneous loss	0	32
Other	0	—
Total non-operating expenses	45	55
Ordinary income	3,896	3,609
Extraordinary income		
Gain on sale of non-current assets	10	—
Total extraordinary income	10	—
Income before income taxes	3,906	3,609
Income taxes-current	1,291	1,192
Income taxes-deferred	(83)	(35)
Total income taxes	1,208	1,156
Net income	2,698	2,453
Net income attributable to shareholders of parental company	2,698	2,453

Quarterly Consolidated Statement of Comprehensive Income
(For the Six-Month Consolidation Period)

(Millions of yen)

	1Q-2Q/ FY ended March 31, 2022 (Apr. 1, 2021 - Sept. 30, 2021)	1Q-2Q/ FY ending March 31, 2023 (Apr. 1, 2022 - Sept. 30, 2022)
Net income	2,698	2,453
Other comprehensive income		
Valuation difference on marketable securities	21	13
Remeasurements of defined benefit plans, net of tax	0	2
Total of other comprehensive income	21	16
Comprehensive income	2,719	2,470
(Breakdown)		
Comprehensive income attributable to shareholders of parental company	2,719	2,470
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	1Q-2Q/ FY ended March 31, 2022 (Apr. 1, 2021 - Sept. 30, 2021)	1Q-2Q/ FY ending March 31, 2023 (Apr. 1, 2022 - Sept. 30, 2022)
Cash flows from operating activities		
Income before income taxes	3,906	3,609
Depreciation	198	183
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for bonuses	210	184
Increase (decrease) in provision for directors' retirement benefits	(151)	27
Increase (decrease) in net defined benefit liabilities	23	44
Interest and dividend income	(2)	(3)
Interest expenses	44	23
Gain on sale of non-current assets	(10)	—
Decrease (increase) in notes and accounts receivable-trade, and contract assets	1,082	(116)
Decrease (increase) in inventories	6,730	(34)
Increase (decrease) in notes and accounts payable-trade	(359)	171
Decrease (increase) in advance payments	(28)	(37)
Increase (decrease) in advances received	251	(41)
Increase (decrease) in lease and guarantee deposits received	(19)	(2)
Increase (decrease) in accrued consumption taxes	619	(1,057)
Other, net	(122)	18
Subtotal	12,373	2,968
Interest and dividend income received	2	3
Interest expenses paid	(45)	(24)
Income taxes paid	(844)	(1,684)
Net cash provided by operating activities	11,486	1,263
Cash flows from investing activities		
Purchase of property, plant and equipment	(64)	(0)
Proceeds from sale of property, plant and equipment	28	—
Purchase of intangible assets	(10)	—
Purchase of investment securities	(103)	(4)
Proceeds from redemption of investment securities	100	—
Decrease (increase) in time deposits	(0)	—
Other, net	1	(53)
Net cash used in investing activities	(47)	(59)
Cash flows from financing activities		
Proceeds from long-term loans payable	2,290	2,690
Repayments of long-term loans payable	(3,812)	(2,719)
Cash dividends paid	(718)	(785)
Net cash used in financing activities	(2,241)	(815)
Net increase (decrease) in cash and cash equivalents	9,197	389
Cash and cash equivalents at the beginning of period	22,996	35,543
Cash and cash equivalents at the end of period	32,193	35,933

(4) Notes Regarding Quarterly Consolidated Financial Statements

(Notes Regarding Going Concern)

None.

(Changes to the Scope of Consolidation and Application of the Equity Method)

None.

(Changes in Accounting Policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan (ASBJ) Guidance No. 31, June 17, 2021) of the Japanese generally accepted accounting principles (J-GAAP) (hereinafter “Implementation Guidance on Accounting Standard for Fair Value Measurement”) is applied from the beginning of the consolidated first quarter of this fiscal year. In accordance with the stipulations on transitional handling in Paragraph 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policy stipulated in Implementation Guidance on Accounting Standard for Fair Value Measurement will be applied in the future. This application has no effect on the quarterly consolidated financial statements.

(Notes in Event of Significant Changes in Shareholders’ Equity)

None.

(Additional Information)

(Approach Regarding Impact of the COVID-19 Pandemic on Accounting Estimates)

The assumptions used to estimate the accounts in view of the impact of the COVID-19 pandemic in the first half of the consolidated fiscal year under review are unchanged from those listed in “5. Accounts 1) Consolidated Financial Statements (1) Notes on the Consolidated Financial Statements (Important Accounting Estimates)” of the Annual Securities Report for the previous consolidated fiscal year.

These assumptions are highly uncertain. If COVID-19 spreads further, resulting in restrictions on the Company’s business activities, the financial statements for the third quarter onward may be impacted.

(Accounting treatment associated with group tax sharing system)

Effective from the consolidated first quarter of the current fiscal year, the Company and its consolidated subsidiaries transitioned from the non-consolidated taxation system to the group tax sharing system. In accordance with this change, the Company applies the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No.42, issued on August 12, 2021) for accounting treatment and disclosure of corporate taxes, local corporate taxes and tax effect accounting.

(Segment Information)

I. For the Six Months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

1. Information on the amount of sale and profit or loss for reported segments along with the breakdown of revenue

(Millions of yen)

	Reported segment					Other segments (Note) 1	Total	Adjustment (Note) 2	Amounts shown on Quarterly Consolidated Statement of Income (Note) 3
	Real estate development segment	Real estate management segment	Construction segment	Japanese inn segment	Subtotal				
Net sales									
Newly-built condominiums	19,327	-	-	-	19,327	-	19,327	-	19,327
Previously-owned condominiums	10,125	-	-	-	10,125	-	10,125	-	10,125
Other	163	1,541	2,710	490	4,906	-	4,906	-	4,906
Revenue from contracts with customers	29,616	1,541	2,710	490	34,360	-	34,360	-	34,360
Other revenue (Note) 4	3,617	180	-	-	3,798	28	3,827	-	3,827
Net sales to external customers	33,234	1,722	2,710	490	38,158	28	38,187	-	38,187
Inter-segment sales or exchange	7	198	42	7	255	-	255	(255)	-
Total	33,242	1,920	2,753	498	38,414	28	38,443	(255)	38,187
Segment profit (loss)	3,130	430	358	(45)	3,873	19	3,893	5	3,898

(Notes) 1. "Other segments" are business segments that are not included in the reported segments. These include the financial-services business.

2. The adjustment amount of segment profit (loss) of ¥5 million includes ¥28 million in elimination of inter-segment transactions, Company-wide expenses not allocated to reported segments of negative ¥25 million and adjustment of inventories and non-current assets of ¥2 million. Company-wide expenses mainly consist of general and administrative expenses not attributed to reported segments.

3. Segment profit (loss) is adjusted with operating income in the quarterly consolidated statement of income.

4. Other revenue is mainly real estate rental income.

II. For the Six Months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

1. Information on the amount of sale and profit or loss for reported segments along with the breakdown of revenue

(Millions of yen)

	Reported segment					Other segments (Note) 1	Total	Adjustment (Note) 2	Amounts shown on Quarterly Consolidated Statement of Income (Note) 3
	Real estate development segment	Real estate management segment	Construction segment	Japanese inn segment	Subtotal				
Net sales									
Newly-built condominiums	10,304	-	-	-	10,304	-	10,304	-	10,304
Previously- owned condominiums	22,889	-	-	-	22,889	-	22,889	-	22,889
Other	147	1,665	2,110	610	4,534	-	4,534	-	4,534
Revenue from contracts with customers	33,341	1,665	2,110	610	37,728	-	37,728	-	37,728
Other revenue (Note) 4	3,283	121	-	-	3,405	27	3,432	-	3,432
Net sales to external customers	36,624	1,787	2,110	610	41,133	27	41,160	-	41,160
Inter-segment sales or exchange	6	201	20	9	238	-	238	(238)	-
Total	36,631	1,988	2,131	620	41,371	27	41,399	(238)	41,160
Segment profit	3,071	421	116	5	3,615	18	3,633	3	3,636

(Notes) 1. "Other segments" are business segments that are not included in the reported segments. These include the financial-services business.

2. The adjustment amount of segment profit of ¥3 million includes negative ¥275 million in elimination of inter-segment transactions, Company-wide revenue of ¥400 million and Company-wide expenses of negative ¥121 million not allocated to each reported segments, and adjustment of inventories and non-current assets of ¥0 million. The elimination of inter-segment transactions mainly consists of the elimination of dividends from consolidated subsidiaries to the Company, Company-wide revenue is mainly the dividend income stated above, and Company-wide expenses are mainly general and administrative expenses not attributed to reported segments.
3. Segment profit is adjusted with operating income in the quarterly consolidated statement of income.
4. Other revenue is mainly real estate rental income.

(Related to Recognition of Revenue)

The breakdown of revenue from contracts with customers is as listed in "Notes (Segment Information)."