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January 12, 2024

## Consolidated Financial Results for the Fiscal Year Ended November 30, 2023 (Under Japanese GAAP)

Company name: SALA Corporation  
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange  
 Securities code: 2734  
 URL: <https://www.sala.jp/>  
 Representative: Goro Kamino, President and Representative Director, Group Representative and CEO  
 Inquiries: Shinichi Ichikawa, Manager of General Affairs Group, General Affairs Department  
 Telephone: +81-532-51-1182  
 Scheduled date of annual general meeting of shareholders: February 16, 2024  
 Scheduled date to commence dividend payments: January 31, 2024  
 Scheduled date to file annual securities report: February 19, 2024  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended November 30, 2023 (from December 1, 2022 to November 30, 2023)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended November 30, 2023	242,059	3.1	6,083	(11.7)	7,870	(8.5)	6,099	7.3
November 30, 2022	234,848	3.0	6,891	4.5	8,601	3.5	5,682	8.0

Note: Comprehensive income For the fiscal year ended November 30, 2023: ¥7,052 million [(6.5)%]  
 For the fiscal year ended November 30, 2022: ¥7,545 million [29.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
November 30, 2023	95.46	—	8.2	4.2	2.5
November 30, 2022	89.12	—	8.3	4.6	2.9

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended November 30, 2023: ¥384 million  
 For the fiscal year ended November 30, 2022: ¥330 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
November 30, 2023	189,267	78,645	40.8	1,206.92
November 30, 2022	188,417	73,355	38.2	1,128.69

Reference: Equity  
 As of November 30, 2023: ¥77,179 million  
 As of November 30, 2022: ¥72,012 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
November 30, 2023	5,762	(5,621)	(1,366)	22,547
November 30, 2022	9,930	(3,861)	(6,524)	23,772

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
November 30, 2022	–	11.00	–	15.00	26.00	1,716	29.2	2.4
November 30, 2023	–	13.00	–	13.00	26.00	1,716	27.2	2.2
November 30, 2024 (Forecast)	–	13.00	–	14.00	27.00		30.8	

### 3. Consolidated earnings forecasts for the fiscal year ending November 30, 2024 (from December 1, 2023 to November 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending May 31, 2024	127,000	0.8	5,600	11.5	5,900	3.9	4,100	(13.7)	64.12
Fiscal year ending November 30, 2024	255,000	5.3	7,300	20.0	8,200	4.2	5,600	(8.2)	87.57

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Note: For details, please refer to “(5) Notes to consolidated financial statements (Changes in accounting policies)” of “3. Consolidated financial statements and significant notes thereto” on page 16 of the attachment.

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2023	66,041,147 shares
As of November 30, 2022	66,041,147 shares

- (ii) Number of treasury shares at the end of the period

As of November 30, 2023	2,093,710 shares
As of November 30, 2022	2,239,289 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended November 30, 2023	63,896,011 shares
Fiscal year ended November 30, 2022	63,757,177 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended November 30, 2023 (from December 1, 2022 to November 30, 2023)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2023	3,964	15.9	2,357	32.3	2,397	30.7	2,413	26.7
November 30, 2022	3,419	16.1	1,781	26.5	1,834	8.7	1,905	13.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
November 30, 2023	37.78	—
November 30, 2022	29.88	—

**(2) Non-consolidated financial position**

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
November 30, 2023	101,144	46,206	45.7	722.57
November 30, 2022	97,176	45,544	46.9	713.84

Reference: Equity

As of November 30, 2023: ¥46,206 million  
As of November 30, 2022: ¥45,544 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ significantly due to various unforeseen factors. Please refer to the section of “(4) Future outlook” of “1. Overview of operating results, etc.” on page 5 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

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## 1. Overview of operating results, etc.

### (1) Overview of operating results for the fiscal year

In the fiscal year ended November 30, 2023, the economic outlook remained uncertain because of rising prices placing pressure on corporate activities and household budgets due to the prolonged uncertainty over the situation in Ukraine, depreciation of the yen, etc.

Under these conditions, the SALA Group has established the fifth medium-term management plan with the fiscal year ended November 30, 2023 as the first fiscal year, and focuses on collaboration and co-creation for further growth, setting the basic policy of “going beyond the framework.” The plan sets forth five key strategies: “service and business development in the Life Creative Business Unit\* and transformation of the business format,” “enhancing brand value through ‘customer experience’ that exceeds expectations,” “business creation through ‘co-creation’ with parties inside and outside the Group,” “improving profitability in existing business fields,” and “transforming into an organizational culture that attracts people who ‘think and act on their own initiative.’” The Company aims to enhance SALA’s brand value by solving local community and customer issues. In addition, in order to achieve the goals of the plan, the Company proactively invests in new growth areas for promoting carbon neutrality and works to fundamentally reform the business structure through digital transformation (DX). During the fiscal year ended November 30, 2023, SALA ENERGY CO., LTD., which is the Energy & Solutions business, has decided to install grid storage batteries as investment in new growth on the premises of that company’s Hamamatsu Supply Center in Hamamatsu City, marking the first such battery system in Shizuoka Prefecture. This storage battery facility is scheduled to start operations around spring 2026. In addition, the company proceeded with the restructuring of its core system to transform operations traditionally divided by gas type (city gas and LP gas) through the use of digital technology and to provide high quality services tailored to each individual customer. The Engineering & Maintenance business advanced expansion of transactions through proposal of solutions by enhancing contact with other companies in the SALA Group as well as worked to further strengthen the revenue base by improving the process management in the sales, construction and after-sales maintenance departments. SALA HOUSE CO., LTD., which is the Housing business, commenced sales of housing rated as Life Cycle Carbon Minus (LCCM), an energy-saving and environmental standard earmarked to become Japan’s future standard, and its new product, the “SINKA” series, which has made an early adoption of the Net-zero Energy House (ZEH) standard in June 2023. SALA CARS JAPAN Co., Ltd., which is the Car Life Support business, began operating a carbon neutral store that uses electricity and gas with virtually zero CO<sub>2</sub> emissions at all four offices in Hamamatsu City. ASCO Co., Ltd., which is the Animal Health Care business, integrated its subsidiaries A.M.I. Co., Ltd. and Daiwa Pharmaceutical Co., Ltd. in December 2022 to streamline business. As for the Toyohashi Ekimae Odori 2-chome District Redevelopment Project in which SALA Group is involved, following on from the opening of emCAMPUS EAST in November 2021, we have been progressing planning on emCAMPUS WEST, scheduled for completion in May 2024.

As for operating results for the current fiscal year, net sales increased by ¥7,211 million year on year to ¥242,059 million due to a significant increase in revenue in the Energy & Solutions business. As for profit, operating profit decreased by 11.7% year on year to ¥6,083 million due to decreases in profit mainly in the Energy & Solutions business and the Housing business. Ordinary profit decreased by 8.5% year on year to ¥7,870 million due to an increase in gain on valuation of derivatives on forward exchange contracts in non-operating income. Profit attributable to owners of parent increased by 7.3% year on year to ¥6,099 million due to the recording of gain on revision of retirement benefit plan recorded as extraordinary income, accompanying revision of the personnel system, which primarily involved the extension of the retirement age and revision of the retirement benefit plans implemented on April 1, 2023.

Net sales posted a record high.

\* “Life Creative Business Unit” refers to business areas for daily living other than the energy business.

Result of each segment is as follows.

### Energy & Solutions business

Net sales            ¥127,117 million (up 9.0% year on year)

Operating profit ¥2,989 million (down 25.2% year on year)

Net sales increased significantly due to the upward adjustment of the selling price of city gas based on a system to adjust raw material costs. On the other hand, as for profit, operating profit decreased due to a decrease in sales volume of gas, mainly for home use and industrial use, in addition to the impact of high energy and raw material prices.

### Engineering & Maintenance business

Net sales            ¥30,646 million (up 1.5% year on year)

Operating profit ¥2,659 million (up 21.3% year on year)

Net sales increased as completed projects increased in the civil engineering department, the construction department and the equipment work department. In addition, as for profit, operating profit increased due to the increased gross profit by efforts of each department to reduce cost of sales by thorough process management.

### Housing business

Net sales            ¥34,180 million (down 10.5% year on year)

Operating profit ¥142 million (down 74.9% year on year)

In the housing sales department, the number of houses sold decreased for both custom-built houses and lot houses due to fewer orders carried over for custom-built houses from the previous period, as well as due to a decline in the number of orders for lot houses during the period. Consequently, net sales and operating profit both decreased.

### Car Life Support business

Net sales            ¥18,154 million (up 7.0% year on year)

Operating profit ¥19 million (down 91.7% year on year)

Both Volkswagen and Audi experienced an increase in the number of new cars sold due to the easing of the impact of the lower production volume resulting from semiconductor shortages, etc. In addition to the above, net sales increased due to an increase in the number of used Volkswagen cars sold. On the other hand, as for profit, operating profit decreased due to an increase in selling, general and administrative expenses mainly due to opening new stores.

### Animal Health Care business

Net sales            ¥25,122 million (down 3.3% year on year)

Operating profit ¥313 million (down 53.1% year on year)

In the livestock farming department, orders for veterinary medical products, etc. decreased due to a decline in the willingness to buy of livestock farmers, our customers, given the impact of high feed prices. In the pet-related department, sales volumes of veterinary medical products, etc. declined mainly in eastern Japan amid an increasingly competitive environment with other companies in the industry. Consequently, net sales and operating profit both decreased.

### Properties business

Net sales ¥5,005 million (up 5.9% year on year)

Operating profit ¥411 million (operating loss of ¥418 million for the previous fiscal year)

In the real estate properties department, net sales increased due to the sale of an owned building. Furthermore, in the hospitality department, the number of guests for hotel overnight stays, banquets, bridal services, etc. increased due to the easing of restrictions associated with COVID-19. Consequently, net sales and operating profit both increased.

## (2) Overview of financial position for the fiscal year

### Assets, liabilities and net assets

	(Millions of yen)		
	As of November 30, 2022	As of November 30, 2023	Changes
Assets	188,417	189,267	850
Liabilities	115,062	110,621	(4,440)
Net assets	73,355	78,645	5,290

#### Assets

Assets were ¥189,267 million, up ¥850 million from November 30, 2022. This was mainly due to increases in “retirement benefit asset” by ¥2,221 million, “merchandise and finished goods” by ¥1,467 million, and “investment securities” by ¥983 million, despite decreases in “property, plant and equipment” by ¥2,591 million and “cash and deposits” by ¥1,224 million.

#### Liabilities

Liabilities were ¥110,621 million, down ¥4,440 million from November 30, 2022. This was mainly due to decreases in “long-term borrowings (including current portion)” by ¥2,011 million, “notes and accounts payable - trade” by ¥1,601 million, “income taxes payable” by ¥1,353 million, “other” under current liabilities by ¥938 million and “retirement benefit liability” by ¥867 million, despite an increase in “short-term borrowings” by ¥2,635 million.

#### Net assets

Net assets were ¥78,645 million, up ¥5,290 million from November 30, 2022. This was mainly due to an increase in “retained earnings” by ¥4,250 million (increased by ¥6,099 million due to recording of profit attributable to owners of parent and decreased by ¥1,848 million due to payment of dividends).

## (3) Overview of cash flow position for the fiscal year

Cash and cash equivalents (hereinafter referred to as “cash”) in the current fiscal year decreased by ¥1,225 million in total, resulting from net cash provided by operating activities of ¥5,762 million, net cash used in investing activities of ¥5,621 million, and net cash used in financing activities of ¥1,366 million.

### Cash flows from operating activities

Net cash provided by operating activities was ¥5,762 million (down 42.0% year on year). This was mainly due to increase factors such as “profit before income taxes” of ¥9,376 million and “depreciation” of ¥6,539 million, and decrease factors including “income taxes paid” of ¥4,063 million, “increase in retirement benefit asset” of ¥2,221 million, “decrease in trade payables” of ¥1,866 million and “other, net” of ¥1,074 million.

### Cash flows from investing activities

Net cash used in investing activities was ¥5,621 million (45.6% increase of cash outflow year on year). This was mainly due to decrease factors such as “purchase of property, plant and equipment” of ¥5,664



million and “purchase of intangible assets” of ¥1,300 million, and increase factors including “proceeds from collection of loans receivable” of ¥895 million and “proceeds from sale of property, plant and equipment” of ¥662 million.

### Cash flows from financing activities

Net cash used in financing activities was ¥1,366 million (79.1% decrease of cash outflow year on year). This was mainly due to decrease factors such as “repayments of long-term borrowings” of ¥7,402 million and “dividends paid” of ¥1,842 million, and increase factors including “proceeds from long-term borrowings” of ¥5,400 million and “net increase in short-term borrowings” of ¥2,635 million.

The Group’s cash flow indices were as follows.

	FY2019	FY2020	FY2021	FY2022	FY2023
Equity-to-asset ratio (%)	30.0	32.1	34.9	38.2	40.8
Market value equity ratio (%)	19.7	18.9	19.3	25.4	24.0
Interest-bearing debt to cash flow ratio (years)	9.9	6.3	3.8	5.5	9.6
Interest coverage ratio (times)	29.1	44.6	84.2	62.3	35.2

- (Notes) 1. Each index was calculated by the following formulas using financial figures on a consolidated basis.  
 Equity-to-asset ratio: equity / total assets  
 Market value equity ratio: market capitalization / total assets  
 Interest-bearing debt to cash flow ratio: interest-bearing debt / cash flow  
 Interest coverage ratio: cash flow / interest payments
2. Market capitalization was calculated as the closing price of share price at period-end multiplied by the number of issued shares at period-end after deducting treasury shares.
3. Interest-bearing debt covers all liabilities on which interest has been paid among liabilities recorded in the consolidated balance sheet.
4. For cash flow and interest payments, “cash flows from operating activities” and “interest paid” recorded in the consolidated statement of cash flows were used.

## (4) Future outlook

### i) Medium- to long-term management strategies

In 2019, the year of its 110th anniversary, the SALA Group set forth its 2030 vision, “SALA in my town, SALA with people’s lives,” as the future we want to realize. In this vision, we pledge to continue to provide new and enjoyable value, as well as safety, security, comfort, and convenience, by thoroughly pursuing the ease of life for our customers even in the midst of drastic social changes. In addition, the Group aims to establish the SALA brand as proof of trust for customers, communities, business partners and shareholders, and be a company that is the best place to work for employees. The fifth medium-term management plan (from the fiscal year ended November 30, 2023 to the fiscal year ending November 30, 2025), which we are currently working on, sets the basic policy of “going beyond the framework” to take on the challenge of further growth. Through proactive collaboration and co-creation among companies within and outside the Group, we are working to solve local community and customer issues and provide customer experiences that exceed customer expectations, thereby enhancing SALA’s brand value and working towards realizing the 2030 vision.

Priority initiatives of each segment

### Energy & Solutions

- Through energy-saving and carbon-neutral proposals, we will work to resolve issues faced by our customers and local communities. In addition, we will utilize collaboration and co-creation among

companies within and outside the Group to take on the challenge of expanding into new businesses and fields related to existing businesses.

- Positioning the electric power business as a new growth area, we will accelerate efforts to achieve carbon neutrality in the local community by strengthening profitability in the electric power retail sector, developing renewable energy sources, and investing in power storage and other facilities.
- We will work to improve the efficiency of business processes, including customer service, through the use of digital technology, and aim to expand profit-earning opportunities by linking customer data within the Group.

### **Engineering & Maintenance**

- We will continue to reform business processes to create a stable revenue base and strengthen our organizational capabilities by improving management levels and enhancing employee training.
- We will continue to contribute to carbon neutrality in our customers' business activities by proposing infrastructure that contributes to decarbonization through energy conservation, energy creation, and carbon offsetting.

### **Housing**

- In the housing sales department, we will strengthen profitability by continuing to develop products and services from the customer's perspective, and by measures including reduction of construction costs, thorough cost control, as well as reforming business processes in existing businesses.
- The housing components and materials processing and sales department will work to expand construction sales by improving construction capabilities for exterior and building frames, and to expand transactions by strengthening the handling of carbon-neutral materials.

### **Car Life Support**

- We will expand our customer base by strengthening cooperation among the new and used car sales departments and service department, and pursue the use of customer information, store development, and human resources development that will lead to higher customer satisfaction.
- We will promote carbon neutrality of our dealerships and maintenance garages through group-wide cooperation, and work on sales of electric vehicles (EVs) and the creation of new services to connect homes, cars and energy.

### **Animal Health Care**

- We will work to transform ourselves into an efficient business structure by restructuring our supply chain, including the separation of sales and delivery operations and the consolidation of warehouse operations.
- In addition to marketing and establishing new sales methods to expand market share, we will strengthen our organizational capabilities by developing human resources and enhancing management.

### **Properties**

- The real estate properties department will improve profitability through initiatives to strengthen contact with customers, related to customers' asset management and operation, and by implementing previously owned home business through group-wide cooperation.
- At emCAMPUS WEST, the Toyohashi Ekimae Odori 2-chome District Redevelopment Project scheduled for completion in 2024, we will work to create a new space that will lead to urban revitalization, based on the concept of improving the health and quality of life of customers of local residents and creating a lively atmosphere.
- In the hospitality department, we will strengthen our product planning capabilities and employee training to increase the number of new customers and encourage repeat usage by customers through the provision of high-quality products and services.

## ii) Plan for the next fiscal year

	Net sales (Millions of yen)	Operating profit (Millions of yen)	Ordinary profit (Millions of yen)	Profit attributable to owners of parent (Millions of yen)	Basic earnings per share (Yen)
Fiscal year ending November 30, 2024 (plan)	255,000	7,300	8,200	5,600	87.57
Fiscal year ended November 30, 2023 (actual)	242,059	6,083	7,870	6,099	95.46
Changes (%)	5.3	20.0	4.2	(8.2)	

(Note) The effects of loss (gain) on valuation of derivatives on forward exchange contracts are not included in the plan for the fiscal year ending November 30, 2024.

**(5) Basic policy on profit sharing and dividends for the current and next fiscal years**

The Company has stipulated, as its basic policy on dividends, that the Company pays dividends with the target consolidated payout ratio excluding effects of loss (gain) on valuation of derivatives on forward exchange contracts at 30%.

Because SALA e POWER Co., Ltd., a consolidated subsidiary of the Company, entered into a forward exchange contract in November 2017 to pay for foreign-currency purchase transactions of imported materials, market price valuation differences for the forward exchange contract will be recorded as loss (gain) on valuation of derivatives at each quarter-end for the time being. Since these market price valuation differences are merely valuations at market value as at period-end which do not involve any movement of cash flows, such a changing fraction is excluded from resources that serve as the basis for profit sharing.

As for the year-end dividend for the current fiscal year, the Company decided at the Board of Directors meeting held on January 12, 2024 to pay an ordinary dividend of ¥13 per share based on the basic dividend policy above. (Effective date: January 31, 2024)

As a result, the annual dividend for the current fiscal year, together with the interim dividend of ¥13, is ¥26 per share.

In addition, the consolidated payout ratio excluding the effects of loss (gain) on valuation of derivatives on forward exchange contracts is 30.9%.

For dividends for the next fiscal year, the Company will also make a payment in accordance with the above basic policy.

**2. Basic policy regarding selection of accounting standards**

The Group adopts the Japanese GAAP as the accounting standards in order to ensure comparability among other domestic companies in the same industry.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheet

(Millions of yen)

	As of November 30, 2022	As of November 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	24,191	22,966
Notes and accounts receivable - trade, and contract assets	33,077	32,254
Electronically recorded monetary claims - operating	2,010	1,834
Investments in leases	1,581	1,820
Merchandise and finished goods	12,520	13,988
Work in process	7,656	7,477
Raw materials and supplies	267	444
Other	3,305	4,149
Allowance for doubtful accounts	(206)	(186)
Total current assets	84,404	84,750
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,205	20,306
Machinery, equipment and vehicles, net	7,737	7,141
Gas pipe, net	16,347	14,848
Land	33,287	32,431
Leased assets, net	645	727
Construction in progress	1,572	1,760
Other, net	703	691
Total property, plant and equipment	80,498	77,906
Intangible assets		
Goodwill	274	263
Other	1,731	2,553
Total intangible assets	2,006	2,816
Investments and other assets		
Investment securities	7,913	8,897
Long-term loans receivable	3,204	2,412
Retirement benefit asset	–	2,221
Deferred tax assets	4,492	3,848
Other	6,358	6,858
Allowance for doubtful accounts	(460)	(444)
Total investments and other assets	21,507	23,793
Total non-current assets	104,012	104,517
Total assets	188,417	189,267

(Millions of yen)

	As of November 30, 2022	As of November 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	27,827	26,225
Electronically recorded obligations - operating	4,592	4,379
Short-term borrowings	5,944	8,579
Current portion of long-term borrowings	7,411	7,273
Income taxes payable	1,695	341
Provision for bonuses	2,621	2,582
Provision for bonuses for directors (and other officers)	11	9
Provision for warranties for completed construction	56	47
Provision for loss on construction contracts	82	55
Provision for point card certificates	233	234
Other	11,609	10,670
Total current liabilities	62,085	60,399
Non-current liabilities		
Long-term borrowings	38,862	36,989
Lease liabilities	1,151	1,102
Deferred tax liabilities	423	524
Provision for retirement benefits for directors (and other officers)	190	165
Provision for share-based payments	470	502
Provision for repairs	104	125
Retirement benefit liability	9,535	8,668
Other	2,237	2,142
Total non-current liabilities	52,976	50,221
Total liabilities	115,062	110,621
Net assets		
Shareholders' equity		
Share capital	8,025	8,025
Capital surplus	25,281	25,300
Retained earnings	38,076	42,326
Treasury shares	(1,480)	(1,383)
Total shareholders' equity	69,902	74,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	518	985
Deferred gains or losses on hedges	587	442
Remeasurements of defined benefit plans	1,003	1,483
Total accumulated other comprehensive income	2,109	2,911
Non-controlling interests	1,342	1,466
Total net assets	73,355	78,645
Total liabilities and net assets	188,417	189,267

**(2) Consolidated statement of income and consolidated statement of comprehensive income**  
**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Net sales	234,848	242,059
Cost of sales	177,251	186,229
Gross profit	57,596	55,829
Selling, general and administrative expenses	50,705	49,745
Operating profit	6,891	6,083
Non-operating income		
Interest income	76	56
Dividend income	98	109
Purchase discounts	50	46
Gain on valuation of derivatives	886	993
Share of profit of entities accounted for using equity method	330	384
Other	612	458
Total non-operating income	2,055	2,049
Non-operating expenses		
Interest expenses	143	154
Foreign exchange losses	55	30
Other	146	77
Total non-operating expenses	345	262
Ordinary profit	8,601	7,870
Extraordinary income		
Gain on sale of non-current assets	77	63
Gain on sale of investment securities	267	60
Reversal of provision for loss on guarantees	22	–
Gain on sale of businesses	74	–
Gain on revision of retirement benefit plan	–	2,388
Total extraordinary income	441	2,511
Extraordinary losses		
Loss on sale and retirement of non-current assets	131	131
Loss on sale of investment securities	1	33
Impairment losses	400	839
Loss on disaster	87	–
Other	0	–
Total extraordinary losses	621	1,005
Profit before income taxes	8,421	9,376
Income taxes - current	2,955	2,684
Income taxes - deferred	(297)	441
Total income taxes	2,658	3,126
Profit	5,763	6,250
Profit attributable to non-controlling interests	81	151
Profit attributable to owners of parent	5,682	6,099

**Consolidated statement of comprehensive income**

(Millions of yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Profit	5,763	6,250
Other comprehensive income		
Valuation difference on available-for-sale securities	76	468
Deferred gains or losses on hedges	231	(145)
Remeasurements of defined benefit plans, net of tax	1,473	478
Total other comprehensive income	1,781	802
Comprehensive income	7,545	7,052
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,440	6,901
Comprehensive income attributable to non-controlling interests	105	151

**(3) Consolidated statement of changes in equity**

For the fiscal year ended November 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,025	25,269	33,365	(1,585)	65,074
Cumulative effects of changes in accounting policies			601		601
Restated balance	8,025	25,269	33,966	(1,585)	65,675
Changes during period					
Dividends of surplus			(1,584)		(1,584)
Profit attributable to owners of parent			5,682		5,682
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		105	105
Change in scope of consolidation		(2)	11		9
Change in ownership interest of parent due to transactions with non-controlling interests		14			14
Net changes in items other than shareholders' equity					
Total changes during period	-	11	4,109	105	4,226
Balance at end of period	8,025	25,281	38,076	(1,480)	69,902

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	441	356	(446)	351	1,273	66,699
Cumulative effects of changes in accounting policies						601
Restated balance	441	356	(446)	351	1,273	67,300
Changes during period						
Dividends of surplus						(1,584)
Profit attributable to owners of parent						5,682
Purchase of treasury shares						(0)
Disposal of treasury shares						105
Change in scope of consolidation						9
Change in ownership interest of parent due to transactions with non-controlling interests						14
Net changes in items other than shareholders' equity	76	231	1,450	1,758	69	1,827
Total changes during period	76	231	1,450	1,758	69	6,054
Balance at end of period	518	587	1,003	2,109	1,342	73,355



For the fiscal year ended November 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,025	25,281	38,076	(1,480)	69,902
Cumulative effects of changes in accounting policies					–
Restated balance	8,025	25,281	38,076	(1,480)	69,902
Changes during period					
Dividends of surplus			(1,848)		(1,848)
Profit attributable to owners of parent			6,099		6,099
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				97	97
Change in scope of consolidation					–
Change in ownership interest of parent due to transactions with non-controlling interests		18			18
Net changes in items other than shareholders' equity					
Total changes during period	–	18	4,250	96	4,365
Balance at end of period	8,025	25,300	42,326	(1,383)	74,267

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	518	587	1,003	2,109	1,342	73,355
Cumulative effects of changes in accounting policies						–
Restated balance	518	587	1,003	2,109	1,342	73,355
Changes during period						
Dividends of surplus						(1,848)
Profit attributable to owners of parent						6,099
Purchase of treasury shares						(0)
Disposal of treasury shares						97
Change in scope of consolidation						–
Change in ownership interest of parent due to transactions with non-controlling interests						18
Net changes in items other than shareholders' equity	467	(145)	479	801	123	925
Total changes during period	467	(145)	479	801	123	5,290
Balance at end of period	985	442	1,483	2,911	1,466	78,645

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,421	9,376
Depreciation	6,827	6,539
Impairment losses	400	839
Amortization of goodwill	155	120
Increase (decrease) in allowance for doubtful accounts	42	(37)
Increase (decrease) in provision for bonuses	(17)	(39)
Increase (decrease) in provision for bonuses for directors (and other officers)	4	(1)
Increase (decrease) in provision for warranties for completed construction	(8)	(8)
Increase (decrease) in provision for loss on construction contracts	(82)	(26)
Increase (decrease) in provision for point card certificates	1	1
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	(24)
Increase (decrease) in provision for share-based payments	52	31
Increase (decrease) in provision for repairs	21	21
Increase (decrease) in provision for loss on guarantees	(193)	-
Increase (decrease) in retirement benefit liability	(99)	(12)
Decrease (increase) in retirement benefit asset	-	(2,221)
Interest and dividend income	(174)	(165)
Interest expenses	144	154
Share of loss (profit) of entities accounted for using equity method	(330)	(384)
Loss (gain) on valuation of derivatives	(886)	(993)
Loss (gain) on sale and retirement of non-current assets	(25)	(36)
Loss (gain) on sale of investment securities	(266)	(26)
Loss (gain) on sale of businesses	(74)	-
Decrease (increase) in trade receivables	(5,725)	704
Decrease (increase) in inventories	934	(1,024)
Increase (decrease) in trade payables	3,308	(1,866)
Increase (decrease) in long-term accounts payable - other	(54)	(37)
Other, net	38	(1,074)
Subtotal	12,411	9,807
Interest and dividends received	208	183
Interest paid	(159)	(163)
Income taxes paid	(2,529)	(4,063)
Net cash provided by (used in) operating activities	9,930	5,762

(Millions of yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,793)	(5,664)
Proceeds from sale of property, plant and equipment	191	662
Purchase of intangible assets	(812)	(1,300)
Purchase of investment securities	(121)	(318)
Proceeds from sale of investment securities	359	322
Loan advances	(40)	(90)
Proceeds from collection of loans receivable	791	895
Proceeds from sale of businesses	513	–
Other, net	49	(128)
Net cash provided by (used in) investing activities	(3,861)	(5,621)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(847)	2,635
Proceeds from long-term borrowings	6,100	5,400
Repayments of long-term borrowings	(10,022)	(7,402)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	105	97
Dividends paid	(1,594)	(1,842)
Dividends paid to non-controlling interests	(5)	(6)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(16)	(8)
Repayments of finance lease liabilities	(243)	(238)
Net cash provided by (used in) financing activities	(6,524)	(1,366)
Net increase (decrease) in cash and cash equivalents	(455)	(1,225)
Cash and cash equivalents at beginning of period	24,227	23,772
Cash and cash equivalents at end of period	23,772	22,547

**(5) Notes to consolidated financial statements****Uncertainties of entity's ability to continue as going concern**

Not applicable.

**Changes in accounting policies**Application of Implementation Guidance on Accounting Standard for Fair Value Measurement

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the current fiscal year, and it has applied the new accounting policy provided for by the Implementation Guidance on Accounting Standard for Fair Value Measurement in accordance with the transitional measures provided for in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no impact on the consolidated financial statements.

**Change in presentation method**Consolidated statement of income

"Loss on sale of investment securities," which was included in "other" under "extraordinary losses" in the previous fiscal year, is presented as a separate line item from the current fiscal year due to its increased importance in terms of amount. In order to reflect this change in presentation, the figures for the previous fiscal year shown in the consolidated financial statements have been reclassified.

As a result, ¥2 million presented in "other" under "extraordinary losses" in the consolidated statement of income for the previous fiscal year has been reclassified as "loss on sale of investment securities" of ¥1 million and "other" of ¥0 million.

**Additional information**Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System

The Company and some consolidated subsidiaries transitioned from consolidated taxation system to group tax sharing system from the current fiscal year. In accordance with this, the accounting treatment and disclosure of corporate and local income taxes and tax-effect accounting are based on "Accounting Treatment and Disclosure when Applying the Group Tax Sharing System" (ASBJ Practical Solution No. 42, August 12, 2021, hereinafter Practical Solution No. 42). In accordance with Paragraph 32 (1) of Practical Solution No. 42, the Company has assumed that there is no impact from the change in accounting policy resulting from the application of Practical Solution No. 42.

Revision of the retirement benefit plan

The Company and some consolidated subsidiaries revised their retirement benefit plans effective April 1, 2023. For the accounting treatment associated with this revision, the Company has applied "Accounting for Transfer between Retirement Benefit Plans" (ASBJ Guidance No. 1, December 16, 2016) and "Practical Solution on Accounting for Transfer between Retirement Benefit Plans" (ASBJ PITF No. 2, February 7, 2007).

As a result, the Company recorded ¥2,388 million as gain on revision of retirement benefit plan under extraordinary income for the current fiscal year.

**Segment information, etc.***Segment information*

## 1. Description of reportable segments

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

The Group is mainly engaged in the Energy & Solutions business, the Engineering & Maintenance business, the Housing business, the Car Life Support business, the Animal Health Care business and the Properties business, and its major consolidated subsidiaries in each segment formulate a comprehensive strategy and conduct business activities. In addition, the Company provides instruction and support on the formulation of comprehensive strategies of consolidated subsidiaries.

Therefore, the reportable segments of the Group consist of segments by business based on each of consolidated subsidiaries, and are six segments: “Energy & Solutions business,” “Engineering & Maintenance business,” “Housing business,” “Car Life Support business,” “Animal Health Care business,” and “Properties business.”

Products and services by reportable segment are as follows.

Energy & Solutions business	Sale of city gas, LP gas, petroleum products, high-pressure gas and related equipment, electricity supply business, heat supply business, business related to services for living, oil transportation, general cargo transportation, etc.
Engineering & Maintenance business	Civil engineering work, construction work, manufacturing and sale of construction materials, equipment work, equipment maintenance, information and communications related equipment work, etc.
Housing business	Contracting of custom-built houses, contracting of building renovation, sale and purchase, lease, brokerage and management of real estate, sale of construction materials, housing equipment and others, etc.
Car Life Support business	Sale and maintenance of imported cars, etc.
Animal Health Care business	Sale of veterinary medical products and equipment for livestock farming, and sale of dietary additives for animal use
Properties business	Lease, sale and purchase, and brokerage of real estate, condominium, hotel and food/beverage businesses, etc.

## 2. Explanation of measurements of sales, profit (loss), asset, and other items for each reportable segment

The method of accounting for reported operating segments is the same as principles and procedures for accounting treatment used to prepare the consolidated financial statements.

Profit of reportable segments is the figure based on operating profit.

Intersegment revenue or transfers are based on actual market price.

3. Disclosure of sales, profit (loss), asset, and other items for each reportable segment and disaggregation of revenue

For the fiscal year ended November 30, 2022

(Millions of yen)

	Reportable segments				
	Energy & Solutions business	Engineering & Maintenance business	Housing business	Car Life Support business	Animal Health Care business
Net sales					
City gas	46,109	–	–	–	–
LP gas	27,888	–	–	–	–
Electric power	14,449	–	–	–	–
Civil engineering work, construction work, equipment work	–	30,184	–	–	–
Housing, construction materials	–	–	38,209	–	–
Automotive sales and maintenance	–	–	–	16,964	–
Veterinary medical products	–	–	–	–	25,989
Lease, sale and purchase, and brokerage of real estate, hotel	–	–	–	–	–
Other	28,186	–	–	–	–
Revenue from contracts with customers	116,634	30,184	38,209	16,964	25,989
Other revenue (Note 4)	–	–	–	–	–
Sales to external customers	116,634	30,184	38,209	16,964	25,989
Intersegment sales or transfers	2,411	5,279	10	12	0
Total	119,046	35,464	38,219	16,977	25,989
Segment profit (loss)	3,996	2,192	568	241	669
Segment assets	99,644	24,617	23,049	11,256	10,159
Other items					
Depreciation	5,334	158	136	545	59
Amortization of goodwill	85	–	70	–	–
Investments in entities accounted for using equity method	1,349	–	–	–	–
Increase in property, plant and equipment and intangible assets	4,792	136	110	811	143

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Carrying amount (Note 3)
	Properties business	Total				
Net sales						
City gas	–	46,109	–	46,109	–	46,109
LP gas	–	27,888	–	27,888	–	27,888
Electric power	–	14,449	–	14,449	–	14,449
Civil engineering work, construction work, equipment work	–	30,184	–	30,184	–	30,184
Housing, construction materials	–	38,209	–	38,209	–	38,209
Automotive sales and maintenance	–	16,964	–	16,964	–	16,964
Veterinary medical products	–	25,989	–	25,989	–	25,989
Lease, sale and purchase, and brokerage of real estate, hotel	4,728	4,728	–	4,728	–	4,728
Other	–	28,186	1,766	29,953	137	30,091
Revenue from contracts with customers	4,728	232,711	1,766	234,478	137	234,615
Other revenue (Note 4)	–	–	232	232	–	232
Sales to external customers	4,728	232,711	1,998	234,710	137	234,848
Intersegment sales or transfers	512	8,226	1,804	10,031	(10,031)	–
Total	5,240	240,938	3,803	244,741	(9,893)	234,848
Segment profit (loss)	(418)	7,250	102	7,352	(461)	6,891
Segment assets	12,538	181,265	7,773	189,038	(621)	188,417
Other items						
Depreciation	382	6,616	170	6,786	40	6,827
Amortization of goodwill	–	155	–	155	–	155
Investments in entities accounted for using equity method	–	1,349	1,991	3,340	–	3,340
Increase in property, plant and equipment and intangible assets	248	6,242	94	6,337	415	6,752

(Notes) 1. The “other” category represents operating segments that are not included in reportable segments, and includes manufacturing auto parts, installment sale and lease.

2. Adjustment is as follows.

- (1) Adjustment to segment profit (loss) of ¥(461) million includes intersegment eliminations of ¥1,176 million and corporate expenses of ¥(1,637) million. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.
- (2) Adjustment to segment assets of ¥(621) million includes intersegment eliminations of ¥(12,023) million and corporate assets of ¥11,401 million.
- (3) Adjustment to depreciation of ¥40 million includes intersegment eliminations of ¥(52) million and corporate expenses of ¥92 million.
- (4) Adjustment to increase in property, plant and equipment and intangible assets of ¥415 million includes intersegment eliminations of ¥(201) million and corporate assets of ¥616 million.

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

4. “Other revenue” includes revenue on lease, etc.

For the fiscal year ended November 30, 2023

(Millions of yen)

	Reportable segments				
	Energy & Solutions business	Engineering & Maintenance business	Housing business	Car Life Support business	Animal Health Care business
Net sales					
City gas	52,203	–	–	–	–
LP gas	27,803	–	–	–	–
Electric power	16,092	–	–	–	–
Civil engineering work, construction work, equipment work	–	30,646	–	–	–
Housing, construction materials	–	–	34,180	–	–
Automotive sales and maintenance	–	–	–	18,154	–
Veterinary medical products	–	–	–	–	25,122
Lease, sale and purchase, and brokerage of real estate, hotel	–	–	–	–	–
Other	31,018	–	–	–	–
Revenue from contracts with customers	127,117	30,646	34,180	18,154	25,122
Other revenue (Note 4)	–	–	–	–	–
Sales to external customers	127,117	30,646	34,180	18,154	25,122
Intersegment sales or transfers	2,258	5,977	17	9	0
Total	129,376	36,623	34,197	18,164	25,122
Segment profit (loss)	2,989	2,659	142	19	313
Segment assets	97,920	25,699	23,767	11,918	10,082
Other items					
Depreciation	5,278	161	125	422	70
Amortization of goodwill	93	–	27	–	–
Investments in entities accounted for using equity method	1,520	–	–	–	–
Increase in property, plant and equipment and intangible assets	6,254	169	180	292	83



	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Carrying amount (Note 3)
	Properties business	Total				
Net sales						
City gas	–	52,203	–	52,203	–	52,203
LP gas	–	27,803	–	27,803	–	27,803
Electric power	–	16,092	–	16,092	–	16,092
Civil engineering work, construction work, equipment work	–	30,646	–	30,646	–	30,646
Housing, construction materials	–	34,180	–	34,180	–	34,180
Automotive sales and maintenance	–	18,154	–	18,154	–	18,154
Veterinary medical products	–	25,122	–	25,122	–	25,122
Lease, sale and purchase, and brokerage of real estate, hotel	5,005	5,005	–	5,005	–	5,005
Other	–	31,018	1,420	32,438	167	32,606
Revenue from contracts with customers	5,005	240,227	1,420	241,648	167	241,815
Other revenue (Note 4)	–	–	243	243	–	243
Sales to external customers	5,005	240,227	1,664	241,892	167	242,059
Intersegment sales or transfers	515	8,776	1,904	10,681	(10,681)	–
Total	5,520	249,004	3,569	252,574	(10,514)	242,059
Segment profit (loss)	411	6,536	114	6,651	(567)	6,083
Segment assets	13,009	182,397	9,084	191,481	(2,214)	189,267
Other items						
Depreciation	342	6,401	154	6,556	(16)	6,539
Amortization of goodwill	–	120	–	120	–	120
Investments in entities accounted for using equity method	–	1,520	2,058	3,579	–	3,579
Increase in property, plant and equipment and intangible assets	153	7,133	233	7,366	(191)	7,175

- (Notes) 1. The “other” category represents operating segments that are not included in reportable segments, and includes manufacturing auto parts, installment sale and lease.
2. Adjustment is as follows.
- (1) Adjustment to segment profit (loss) of ¥(567) million includes intersegment eliminations of ¥967 million and corporate expenses of ¥(1,534) million. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.
  - (2) Adjustment to segment assets of ¥(2,214) million includes intersegment eliminations of ¥(13,447) million and corporate assets of ¥11,233 million.
  - (3) Adjustment to depreciation of ¥(16) million includes intersegment eliminations of ¥(107) million and corporate expenses of ¥90 million.
  - (4) Adjustment to increase in property, plant and equipment and intangible assets of ¥(191) million includes intersegment eliminations of ¥(201) million and corporate assets of ¥9 million.
3. Segment profit (loss) was adjusted with operating profit in the consolidated statement of income.
4. “Other revenue” includes revenue on lease, etc.

*Information associated with reportable segments*

For the fiscal year ended November 30, 2022

1. Information for each product or service

The information is omitted because the same information is disclosed in Segment information.

2. Information for each region

(1) Net sales

Not applicable, because there are no sales to external customers outside Japan.

(2) Property, plant and equipment

Not applicable, because there are no property, plant and equipment located outside Japan.

3. Information for each of main customers

This information has been omitted because there were no customers that accounted for 10% or more of total net sales recorded on the consolidated statement of income.

For the fiscal year ended November 30, 2023

1. Information for each product or service

The information is omitted because the same information is disclosed in Segment information.

2. Information for each region

(1) Net sales

Not applicable, because there are no sales to external customers outside Japan.

(2) Property, plant and equipment

Not applicable, because there are no property, plant and equipment located outside Japan.

3. Information for each of main customers

This information has been omitted because there were no customers that accounted for 10% or more of total net sales recorded on the consolidated statement of income.

*Disclosure of impairment losses on non-current assets for each reportable segment*

For the fiscal year ended November 30, 2022

(Millions of yen)

	Impairment losses
Energy & Solutions business	340
Engineering & Maintenance business	–
Housing business	–
Car Life Support business	–
Animal Health Care business	–
Properties business	60
Other	–
Unallocated amounts and elimination	–
Total	400

For the fiscal year ended November 30, 2023

(Millions of yen)

	Impairment losses
Energy & Solutions business	182
Engineering & Maintenance business	–
Housing business	25
Car Life Support business	68
Animal Health Care business	–
Properties business	572
Other	–
Unallocated amounts and elimination	(9)
Total	839

*Amortization and unamortized balance of goodwill for each reportable segment*

For the fiscal year ended November 30, 2022

(Millions of yen)

	Amortization in the fiscal year	Balance at end of period
Energy & Solutions business	85	233
Engineering & Maintenance business	–	–
Housing business	70	41
Car Life Support business	–	–
Animal Health Care business	–	–
Properties business	–	–
Other	–	–
Unallocated amounts and elimination	–	–
Total	155	274

For the fiscal year ended November 30, 2023

(Millions of yen)

	Amortization in the fiscal year	Balance at end of period
Energy & Solutions business	93	249
Engineering & Maintenance business	–	–
Housing business	27	13
Car Life Support business	–	–
Animal Health Care business	–	–
Properties business	–	–
Other	–	–
Unallocated amounts and elimination	–	–
Total	120	263

*Information about gain on bargain purchase for each reportable segment*

For the fiscal year ended November 30, 2022

Not applicable.

For the fiscal year ended November 30, 2023

Not applicable.

**Per share information**

(Yen)

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Net assets per share	1,128.69	1,206.92
Basic earnings per share	89.12	95.46

(Notes) 1. Diluted earnings per share is not presented since no potential shares exist.

2. The Company has introduced the Employee Shareholding Incentive Plan and the share-based remuneration plan for Directors, and shares of the Company held by the SALA Corporation Board Benefit Trust are included in treasury shares deducted from the total number of issued shares at period-end in calculating “net assets per share” (Board Benefit Trust: 2,227 thousand shares in the previous fiscal year, and 2,080 thousand shares in the current fiscal year).

Furthermore, in calculating “basic earnings per share,” such shares are included in treasury shares deducted in the calculation of the average number of shares outstanding during the period (trust exclusive to the Employees’ Shareholding Association: 1 thousand shares in the previous fiscal year, and - thousand shares in the current fiscal year; Board Benefit Trust: 2,271 thousand shares in the previous fiscal year, and 2,132 thousand shares in the current fiscal year).

The Employee Shareholding Incentive Plan was terminated in December 2021.

3. The basis for calculation of basic earnings per share is as follows:

	Fiscal year ended November 30, 2022	Fiscal year ended November 30, 2023
Profit attributable to owners of parent (Millions of yen)	5,682	6,099
Profit not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	5,682	6,099
Average number of outstanding common shares during the period (Thousands of shares)	63,757	63,896

**Significant events after reporting period**

Not applicable.