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Consolidated Financial Results for the Six Months Ended December 31, 2023 [Japanese GAAP]

February 9, 2024

Company name: ENVIPRO HOLDINGS Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 5698

URL: <https://www.envipro.jp/>

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Representative Director, President/CEO

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Scheduled date of filing quarterly securities report: February 9, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended December 31, 2023 (July 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended December 31, 2023	25,789	9.4	726	(16.5)	1,004	(1.0)	692	(2.4)
December 31, 2022	23,582	(13.4)	870	(41.8)	1,014	(42.3)	709	(44.1)

(Note) Comprehensive income: Six months ended December 31, 2023: ¥ 708 million [(0.8)%]
Six months ended December 31, 2022: ¥ 713 million [(44.9)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2023	23.11	22.20
December 31, 2022	23.91	22.94

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	32,470	17,145	51.8
June 30, 2023	33,686	16,825	48.6

(Reference) Equity: As of December 31, 2023: ¥ 16,826 million
As of June 30, 2023: ¥ 16,386 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2023	-	0.00	-	14.00	14.00
Fiscal year ending June 30, 2024	-	0.00			
Fiscal year ending June 30, 2024 (Forecast)			-	14.00	14.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2024(July 1, 2023 to June 30, 2024)

(% indicates changes from the previous corresponding period.)

	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
Full year	54,000	9.8	1,330	(13.8)	1,700	(10.6)	1,210	(2.1)	40.22

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended December 31, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2023: 30,199,656 shares

June 30, 2023: 30,102,454 shares

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

December 31, 2023: - shares

June 30, 2023: 399,470 shares

3) Average number of shares outstanding during the period:

Six months ended December 31, 2023: 29,971,140 shares

Six months ended December 31, 2022: 29,673,994 shares

* These consolidated financial results are outside the scope of audit by certified public accountants or audit firms

* Explanation of the proper use of financial results forecast and other notes

The financial results forecast and other forward-looking statements in this material are based on information currently available to the Company and certain assumptions deemed to be reasonable, and actual results may differ significantly due to various factors. Please see the “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” from page 4 of the attached document of this material for the conditions for financial and other results, as well as important matters to be aware of when using the financial results forecast.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Business Results

In the Group's business areas during the six months ended December 31, 2023, crude steel production volume worldwide increased due to recovering demand for steel products in some regions, despite continued uncertainties resulting from the prolonged stagnation of the Chinese real estate market, the unsettled state of the world, and concerns about an economic downturn stemming from protracted global inflation, etc. Metal prices were stable due to global inflation along with well-balanced high supply and demand.

Under such circumstances, the average ferrous scrap price (Tokyo Steel (Tahara) Tokkyu Grade Seaborne Price) was on a high level from the beginning of the fiscal year under review. The average price for the six months ended December 31, 2023 was ¥50,176 per ton, trending upward from ¥47,315 of the same period of the previous fiscal year.

In addition, with regard to the main materials for lithium-ion batteries, the average market prices of cobalt, nickel, lithium were lower than in the same period of the previous fiscal year, although the average price of copper rose year on year.

Amid this environment, in the six months ended December 31, 2023, the Company propelled its business to realize a large number of concrete cases of the circular economy ahead of other companies, with a strategy concept of "Lead a circular economy (CE)" and two sub-concepts of "CE supporting manufacturing" and "CE supporting local communities." In addition to actively investing in human capital, facilities, etc. and promoting safe management, etc., the Company will push ahead with portfolio restructuring by withdrawing from unprofitable businesses and expanding new businesses.

As a result, for the six months ended December 31, 2023, net sales were ¥25,789 million (up 9.4% year on year), operating profit was ¥726 million (down 16.5% year on year), ordinary profit was ¥1,004 million (down 1.0% year on year), and profit attributable to owners of parent was ¥692 million (down 2.4% year on year).

Results by segment are as follows, with net sales shown as inter-segment sales or sales including transfers.

Summary of Business Results by Segment

<Net sales>

(Million yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023	Increase/decrease ratio
Resource Circulation Business	8,529	10,283	20.6%
Global Trading Business	16,831	17,445	3.6%
Lithium-ion Battery Recycling Business	775	718	(7.4)%
Others	222	242	9.3%
Adjustment	(2,775)	(2,900)	—
Total	23,582	25,789	9.4%

<Segment profit>

(Million yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023	Increase/decrease ratio
Resource Circulation Business	748	789	5.5%
Global Trading Business	113	292	157.7%
Lithium-ion Battery Recycling Business	288	132	(54.2)%
Others	50	54	8.2%
Adjustment	(185)	(263)	—
Total	1,014	1,004	(1.0)%

(Note) Segment profit is adjusted with ordinary profit in the quarterly consolidated statements of income.

1) Resource Circulation Business

Handling volume of metal scrap was lower than in the same period of the previous fiscal year due to reduced handling of purchased dismantled scrap with a few dismantling work in the vicinity of our collection bases. Depreciation stemming from the start of operations at a new plant and other factors also depressed profit.

However, cleaning and dismantling work, which was upbeat across a wide area, as well as greater received shipments of high-margin products worked to increase revenue.

As a result, net sales in the Resource Circulation Business segment were ¥10,283 million (up 20.6% year on year), while segment profit was ¥789 million (up 5.5% year on year).

2) Global Trading Business

Handling volume increased in the transactions of recycled resources, as the global sales environment recovered, although the metal scrap purchasing conditions remained sluggish. Profit increased on account of the shipping environment, which is recovering, and the impact of the foreign exchange market. In logistics agency services, profit increased owing to strong shipments to land-locked countries and cost reduction.

As a result, net sales in the Global Trading Business segment were ¥17,445 million (up 3.6% year on year), while segment profit was ¥292 million (up 157.7% year on year).

3) Lithium-ion Battery Recycling Business

Handling volume increased amid continued strong demand for materials for batteries. Meanwhile, market prices of cobalt, nickel, and lithium, which are materials for batteries were lackluster.

As a result, net sales in the Lithium-ion Battery Recycling Business segment were ¥718 million (down 7.4% year on year), while segment profit was ¥132 million (down 54.2% year on year).

We will continue to proceed with the preparation to start operations of the Ibaraki Plant scheduled in June 2024.

4) Others

The Company boosted investment in human capital as it pushed ahead with new initiatives, such as TNFD response support, consulting services related to circular economy, and CO₂ calculation system development. Meanwhile, increased demand for CDP scoring services contributed to revenue.

Concerning the Welfare Service Business for People with Disabilities, the number of new users, as well as cumulative total number of users, increased mainly in Type B Continuous Employment Support, owing to an increased level of recognition.

As a result, net sales in the Others segment were ¥242 million (up 9.3% year on year), while segment profit was ¥54 million (up 8.2% year on year).

(2) Explanation of Financial Position

1) Status of assets, liabilities, and net assets

Total assets at December 31, 2023 amounted to ¥32,470 million (down ¥1,216 million, or 3.6% from the end of the previous fiscal year). Current assets amounted to ¥17,231 million (down ¥1,856 million, or 9.7% from the end of the previous fiscal year). This was primarily due to decreases of ¥1,359 million in other current assets and ¥764 million in cash and deposits, despite an increase of ¥559 million in merchandise and finished goods. Non-current assets amounted to ¥15,238 million (up ¥639 million, or 4.4% from the end of the previous fiscal year). This was mainly due to increases of ¥556 million in machinery, equipment and vehicles and ¥220 million in investment securities, despite a decrease of ¥61 million in construction in progress.

Total liabilities at December 31, 2023 amounted to ¥15,324 million (down ¥1,536 million, or 9.1% from the end of the previous fiscal year). Current liabilities amounted to ¥9,223 million (down ¥1,191 million, or 11.4% from the end of the previous fiscal year). This was mainly due to decreases of ¥660 million in short-term borrowings and ¥586 million in other current liabilities, despite an increase of ¥178 million in income taxes payable. Non-current liabilities amounted to ¥6,101 million (down ¥344 million, or 5.4% from the end of the previous fiscal year). This was mainly due to a decrease of ¥282 million in long-term borrowings.

Total net assets at December 31, 2023 amounted to ¥17,145 million (up ¥320 million, or 1.9% from the end of the previous fiscal year). This was mainly due to increases of ¥276 million in retained earnings and ¥131 million resulting from the disposal of treasury shares, despite a decrease of ¥112 million in non-controlling interests.

2) Status of Cash Flows

Cash and cash equivalents at December 31, 2023 decreased by ¥763 million, or 10.5%, from the end of the previous fiscal year, to ¥6,481 million.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥1,357 million, compared with ¥1,361 million provided by operating activities in the same period of the previous fiscal year. This net cash inflow mainly reflected cash inflows of ¥1,285 million in increase in other, net, ¥1,019 million in profit before income taxes, and ¥73 million in decrease in advance payments to suppliers, compared with cash outflows of ¥881 million in decrease in accounts payable - other, ¥155 million in decrease in trade payables, and ¥97 million in income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥690 million, compared with ¥921 million used in investing activities in the same period of the previous fiscal year. This net cash outflow mainly reflected cash outflows of ¥688 million in purchase of property, plant and equipment and ¥39 million in purchase of intangible assets, compared with a cash inflow of ¥54 million in proceeds from sale of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1,411 million, compared with ¥2,015 million used in financing activities in the same period of the previous fiscal year. This net cash outflow mainly reflected cash outflows of ¥660 million in net decrease in short-term borrowings, ¥558 million in repayments of long-term borrowings, and ¥415 million in dividends paid, compared with a cash inflow of ¥301 million in proceeds from long-term borrowings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Changes have been made to the consolidated financial results forecast for the fiscal year ending June 30, 2024, as announced in the Notice of Revisions to Consolidated Financial Results Forecast and Dividend Forecast dated February 9, 2024.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of June 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	7,390,449	6,679,452
Notes and accounts receivable - trade	4,761,700	4,307,337
Merchandise and finished goods	3,857,343	4,417,156
Work in process	81,724	86,712
Raw materials and supplies	630,437	729,677
Other	2,377,737	1,017,831
Allowance for doubtful accounts	(11,175)	(6,535)
Total current assets	19,088,218	17,231,631
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,674,502	8,734,525
Accumulated depreciation	(5,204,026)	(5,353,252)
Buildings and structures, net	3,470,476	3,381,273
Machinery, equipment and vehicles	15,113,483	15,843,670
Accumulated depreciation	(12,359,773)	(12,533,226)
Machinery, equipment and vehicles, net	2,753,709	3,310,443
Land	3,839,023	3,841,021
Construction in progress	622,877	560,939
Other	978,459	970,441
Accumulated depreciation	(819,738)	(822,638)
Other, net	158,721	147,803
Total property, plant and equipment	10,844,809	11,241,481
Intangible assets		
Goodwill	26,729	25,125
Other	122,223	150,914
Total intangible assets	148,952	176,040
Investments and other assets		
Investment securities	3,172,757	3,392,945
Investments in capital	17,224	17,234
Deferred tax assets	332,771	333,267
Other	288,418	270,968
Allowance for doubtful accounts	(206,166)	(193,338)
Total investments and other assets	3,605,005	3,821,077
Total non-current assets	14,598,767	15,238,599
Total assets	33,686,985	32,470,230

(Thousands of yen)

	As of June 30, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,816,158	2,660,763
Short-term borrowings	4,230,000	3,570,000
Current portion of long-term borrowings	967,280	993,568
Lease liabilities	93,655	96,907
Income taxes payable	149,139	327,908
Provision for bonuses	108,123	109,954
Other	2,050,985	1,464,280
Total current liabilities	10,415,342	9,223,382
Non-current liabilities		
Long-term borrowings	4,822,781	4,539,877
Lease liabilities	213,549	205,120
Deferred tax liabilities for land revaluation	64,022	64,022
Retirement benefit liability	950,773	933,335
Asset retirement obligations	198,579	198,795
Other	196,431	160,014
Total non-current liabilities	6,446,137	6,101,165
Total liabilities	16,861,480	15,324,548
Net assets		
Shareholders' equity		
Share capital	1,524,830	1,550,347
Capital surplus	1,982,822	1,992,521
Retained earnings	12,889,079	13,165,995
Treasury shares	(131,732)	-
Total shareholders' equity	16,264,999	16,708,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,218	21,226
Revaluation reserve for land	8,598	8,598
Foreign currency translation adjustment	94,228	88,092
Total accumulated other comprehensive income	121,045	117,917
Share acquisition rights	326,584	318,899
Non-controlling interests	112,875	-
Total net assets	16,825,505	17,145,682
Total liabilities and net assets	33,686,985	32,470,230

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended December 31, 2022	For the six months ended December 31, 2023
Net sales	23,582,307	25,789,349
Cost of sales	19,225,822	21,604,726
Gross profit	4,356,485	4,184,622
Selling, general and administrative expenses	3,486,312	3,458,059
Operating profit	870,173	726,563
Non-operating income		
Interest income	924	655
Dividend income	533	1,329
Share of profit of entities accounted for using equity method	201,989	216,959
Foreign exchange gains	-	43,804
Rental income	14,597	23,209
Outsourcing service income	3,684	4,007
Other	40,523	50,357
Total non-operating income	262,252	340,323
Non-operating expenses		
Interest expenses	12,554	18,759
Commission expenses	3,423	6,298
Foreign exchange losses	96,394	-
Depreciation	-	30,731
Other	5,195	6,203
Total non-operating expenses	117,566	61,992
Ordinary profit	1,014,858	1,004,894
Extraordinary income		
Gain on sale of non-current assets	24,510	15,487
Total extraordinary income	24,510	15,487
Extraordinary losses		
Loss on retirement of non-current assets	1,161	1,007
Loss on sale of non-current assets	1,631	49
Total extraordinary losses	2,793	1,057
Profit before income taxes	1,036,575	1,019,325
Income taxes	311,650	307,790
Profit	724,925	711,535
Profit attributable to non-controlling interests	15,289	18,776
Profit attributable to owners of parent	709,635	692,758

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousands of yen)

	For the six months ended December 31, 2022	For the six months ended December 31, 2023
Profit	724,925	711,535
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,748)	2,672
Revaluation reserve for land	(34)	-
Foreign currency translation adjustment	(9,524)	(6,135)
Total other comprehensive income	(11,307)	(3,463)
Comprehensive income	713,617	708,071
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	698,327	689,294
Comprehensive income attributable to non-controlling interests	15,289	18,776

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended December 31, 2022	For the six months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,036,575	1,019,325
Depreciation	400,724	621,337
Amortization of goodwill	1,603	1,603
Increase (decrease) in allowance for doubtful accounts	(21,820)	(17,443)
Increase (decrease) in provision for bonuses	(233)	1,830
Increase (decrease) in retirement benefit liability	17,290	(17,458)
Interest and dividend income	(1,458)	(1,985)
Interest expenses	12,554	18,759
Foreign exchange losses (gains)	61,028	19,256
Share of loss (profit) of entities accounted for using equity method	(201,989)	(216,959)
Loss on disposal of non current assets	1,631	49
Loss on retirement of non-current assets	1,161	1,007
Gain on sale of non-current assets	(24,510)	(15,487)
Decrease (increase) in trade receivables	1,610,688	400,758
Decrease (increase) in inventories	(43,252)	(664,054)
Increase (decrease) in trade payables	(74,186)	(155,416)
Decrease (increase) in advance payments to suppliers	(10,197)	73,577
Increase (decrease) in accounts payable - other	(280,453)	(881,741)
Other, net	(406,537)	1,285,076
Subtotal	2,078,619	1,472,036
Interest and dividends received	2,126	2,239
Interest paid	(12,576)	(19,076)
Income taxes paid	(707,059)	(97,831)
Net cash provided by (used in) operating activities	1,361,110	1,357,367
Cash flows from investing activities		
Payments into time deposits	(719)	(600)
Proceeds from withdrawal of time deposits	1,200	1,617
Purchase of property, plant and equipment	(988,978)	(688,417)
Proceeds from sale of property, plant and equipment	39,425	54,780
Purchase of intangible assets	(16,077)	(39,596)
Other, net	43,885	(17,801)
Net cash provided by (used in) investing activities	(921,264)	(690,016)

(Thousands of yen)

	For the six months ended December 31, 2022	For the six months ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,810,000)	(660,000)
Proceeds from long-term borrowings	1,100,000	301,666
Repayments of long-term borrowings	(396,303)	(558,282)
Proceeds from issuance of shares	-	29
Repayments of finance lease liabilities	(167,726)	(79,219)
Dividends paid	(741,502)	(415,841)
Net cash provided by (used in) financing activities	(2,015,532)	(1,411,648)
Effect of exchange rate change on cash and cash equivalents	(62,123)	(19,287)
Net increase (decrease) in cash and cash equivalents	(1,637,809)	(763,584)
Cash and cash equivalents at beginning of period	8,913,450	7,245,339
Cash and cash equivalents at end of period	7,275,640	6,481,754

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Notes in the Case of Significant Changes in Shareholders' Equity)

There is no relevant information.

(Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements)

(Calculation of tax costs)

Tax costs were calculated by reasonably estimating an effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the six months ended December 31, 2023, and by multiplying profit before income taxes by the estimated effective tax rate.

(Segment Information)
(Segment information)

I Six months ended December 31, 2022 (July 1, 2022 to December 31, 2022)

1. Information on net sales and profit (loss) and information on disaggregation of revenue by reportable segment

(Thousand yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Resource Circulation	Global Trading	Lithium- ion Battery Recycling	Total				
Net sales								
Ferrous scrap	1,788,787	11,131,124	—	12,919,911	—	12,919,911	—	12,919,911
Nonferrous scrap	1,575,591	1,701,690	—	3,277,281	—	3,277,281	—	3,277,281
Rubber products	1,062,034	—	—	1,062,034	—	1,062,034	—	1,062,034
Used car	—	3,487,592	—	3,487,592	—	3,487,592	—	3,487,592
Related LIB	—	—	631,506	631,506	—	631,506	—	631,506
Others	1,609,157	382,139	—	1,991,297	212,682	2,203,979	—	2,203,979
Revenue from contracts with customers	6,035,571	16,702,547	631,506	23,369,625	212,682	23,582,307	—	23,582,307
Net sales to outside customers	6,035,571	16,702,547	631,506	23,369,625	212,682	23,582,307	—	23,582,307
Inter-segment sales or transfers	2,493,603	128,818	144,006	2,766,428	9,488	2,775,916	(2,775,916)	—
Total	8,529,174	16,831,365	775,513	26,136,053	222,170	26,358,224	(2,775,916)	23,582,307
Segment profit	748,128	113,530	288,409	1,150,068	50,546	1,200,614	(185,755)	1,014,858

(Notes) 1. The “Others” business segment, which is not included in the reportable segments, includes the Environment Management Consulting Business and the Welfare Service Business for People with Disabilities.

2. Figures are adjusted as follows:

The adjustment for segment profit of negative ¥185,755 thousand is corporate expenses not allocated to each reportable segment. Corporate expenses primarily consist of general and administrative expenses that are not attributed to each reportable segment.

3. Segment profit is adjusted with ordinary profit in the quarterly consolidated statements of income

2. Information about impairment loss on non-current assets and goodwill, etc. by reportable segment

(Significant impairment loss on non-current assets)

There is no relevant information.

(Significant changes in the amount of goodwill)

There is no relevant information.

(Significant gain on bargain purchase)

There is no relevant information.

II Six months ended December 31, 2023 (July 1, 2023 to December 31, 2023)

1. Information on net sales and profit (loss) and information on disaggregation of revenue by reportable segment

(Thousand yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Resource Circulation	Global Trading	Lithium- ion Battery Recycling	Total				
Net sales								
Ferrous scrap	1,426,140	12,800,128	—	14,226,269	—	14,226,269	—	14,226,269
Nonferrous scrap	1,784,563	1,621,063	—	3,405,626	—	3,405,626	—	3,405,626
Rubber products	2,756,037	49,302	—	2,805,339	—	2,805,339	—	2,805,339
Used car	—	2,328,958	—	2,328,958	—	2,328,958	—	2,328,958
Related LIB	—	—	533,091	533,091	—	533,091	—	533,091
Others	1,793,864	469,286	—	2,263,151	226,911	2,490,063	—	2,490,063
Revenue from contracts with customers	7,760,606	17,268,738	533,091	25,562,437	226,911	25,789,349	—	25,789,349
Net sales to outside customers	7,760,606	17,268,738	533,091	25,562,437	226,911	25,789,349	—	25,789,349
Inter-segment sales or transfers	2,523,033	176,525	185,108	2,884,667	15,992	2,900,659	(2,900,659)	—
Total	10,283,640	17,445,264	718,200	28,447,105	242,903	28,690,009	(2,900,659)	25,789,349
Segment profit	789,329	292,530	132,089	1,213,949	54,700	1,268,649	(263,754)	1,004,894

(Notes) 1. The “Others” business segment, which is not included in the reportable segments, includes the Environment Management Consulting Business and the Welfare Service Business for People with Disabilities.

2. Figures are adjusted as follows:

The adjustment for segment profit of negative ¥263,754 thousand is corporate expenses not allocated to each reportable segment. Corporate expenses primarily consist of general and administrative expenses that are not attributed to each reportable segment.

3. Segment profit is adjusted with ordinary profit in the quarterly consolidated statements of income

2. Information about impairment loss on non-current assets and goodwill, etc. by reportable segment

(Significant impairment loss on non-current assets)

There is no relevant information.

(Significant changes in the amount of goodwill)

There is no relevant information.

(Significant gain on bargain purchase)

There is no relevant information.

(Significant Subsequent Events)
There is no relevant information.