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December 14, 2023

## Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024 (Based on Japanese GAAP)

Company name: TAKAMIYA CO., LTD.  
 Stock exchange listing: Tokyo (Prime Market)  
 Stock code: 2445 URL: <https://corp.takamiya.co/>  
 Representative: Representative Director, President and Chairman KAZUMASA TAKAMIYA

Scheduled quarterly report submission date: December 14, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (Scheduled Video stream)

(Amounts less than one million yen are rounded down)

## 1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023 to September 30, 2023)

## (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Second quarter of the fiscal year ending March 31, 2024	20,792	5.0	1,205	57.9	1,485	30.6	1,006	34.7
Second quarter of the fiscal year ended March 31, 2023	19,799	(1.1)	763	0.5	1,137	26.9	746	176.0

(Note) Comprehensive income  
 Second Quarter of Fiscal Year Ending March 31, 2024 : 1,257 million yen 31.3%  
 Second Quarter of Fiscal Year Ended March 31, 2023 : 957 million yen 117.5%

	Quarterly Earnings per share	Diluted earnings per share
	Yen	Yen
Second quarter of the fiscal year ending March 31, 2024	21.60	20.81
Second quarter of the fiscal year ended March 31, 2023	16.03	15.51

## (2) Consolidated financial condition

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Second quarter of the fiscal year ending March 31, 2024	66,347	21,454	31.3	445.92
Fiscal year ended March 31, 2023	62,749	20,522	31.7	427.08

(Reference) Shareholders' equity  
 Second Quarter of Fiscal Year Ending March 31, 2024 : 20,770 million yen  
 Fiscal year ended March 31, 2023 : 19,892 million yen

## 2. Cash dividends

	Annual dividends per share				
	End of the 1Q	End of the 2Q	End of the 3Q	End of term	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	6.00	-	8.00	14.00
Fiscal year ending March 31, 2024	-	6.00			
Fiscal year ending March 31, 2024 (Forecast)			-	8.00	14.00

(Note) Revisions from the most recently announced dividend forecast: None

## 3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	48,000	14.6	3,800	68.7	3,580	49.1	2,420	65.7	51.95

(Note) Revisions from the most recently announced earnings forecast: None

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Notes

(1) Changes in significant subsidiaries during the current quarter consolidated cumulative period (changes in specified subsidiaries resulting in changes in the scope of consolidation) : None

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: None

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

① Changes in accounting policies due to revision of accounting standards, etc.: None

② Changes in accounting policies other than (1) above : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Number of shares issued (common stock)

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

As of September 30, 2023	46,585,600 shares	As of March 31, 2023	46,585,600 shares
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② Number of treasury shares at the end of the period

As of September 30, 2023	7,020 shares	As of March 31, 2023	7,020 shares
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③ Average number of shares during the period (cumulative quarterly)

As of September 30, 2023	46,578,580 shares	As of September 30, 2022	46,578,580 shares
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\* The quarterly financial statements are not subject to audit by certified public accountants or auditing firms.

\*Explanation of the appropriate use of financial forecasts and other special notes

(Cautionary Note Regarding Forward-Looking Statements, etc.)

The forward-looking statements, including business forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors. Please refer to "1. Qualitative information on quarterly financial results (3) Explanation of consolidated financial forecasts and other forward-looking statements" on page 3 of the attached materials for the conditions that form the assumptions for the forecast of financial results and cautions concerning the use of the forecast of financial results.

(How to obtain quarterly financial results supplementary materials)

Supplementary materials for the quarterly financial results will be posted on the Company's website.

(How to obtain quarterly financial results explanation)

Explanation for the quarterly financial results will be posted on the Company's website.

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Table of contents of attached documents

1. Qualitative information on quarterly financial results .....	2
(1) Explanation of business results .....	2
(2) Explanation of financial condition .....	3
(3) Explanation of consolidated financial forecasts and other forward-looking statements .....	3
(4) Others .....	3
2. Quarterly consolidated financial statements and major notes .....	4
(1) Quarterly consolidated balance sheets .....	4
(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income .....	6
Quarterly consolidated statements of income	
For the Second quarter consolidated cumulative period.....	6
Quarterly consolidated Statements of comprehensive income	
For the Second quarter consolidated cumulative period.....	7
(3) Consolidated Statements of Cash Flows.....	8
(4) Notes to quarterly consolidated financial statements .....	10
(Notes on going concern assumption) .....	10
(Note in the event of a significant change in the amount of shareholders' equity) .....	10
(Segment information) .....	10

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### 1. Qualitative information on quarterly financial results

#### (1) Explanation of business results

During the second quarter of the consolidated cumulative period under review, the global economy was on a recovery track as restrictions on economic activity due to the impact of the novel coronavirus infection were lifted. However, the outlook remained uncertain due to soaring energy prices and raw material prices, concerns about prolonged monetary tightening mainly in Europe and the United States, and exchange rate fluctuations.

In this environment, the Group has set a management vision of "Create new value through transformation and aim for sustainable growth by becoming a partner to our customers" in the medium-term management plan announced on May 31, 2021, and is proceeding with the transition to a new business model. We announced the "Takamiya Platform," which provides high value-added services to customers who purchase the Iq system. We have expanded functions such as the interface "OPERA" that allows you to use all services provided by the platform on the web, and the digital market "Iq - Bid" that allows you to freely purchase and sell temporary construction equipment.

As a result, for the Second quarter of the current fiscal year, the Company posted net sales of 20,792 million yen (up 5.0% year-on-year), operating income of 1,205 million yen (up 57.9% year-on-year), ordinary income of 1,485 million yen (up 30.6% year-on-year), and net income attributable to owners of the parent of 1,006 million yen (up 34.7% year-on-year).

Operating results by segment are as follows.

#### (Sales business)

In the Temporary Construction Division, interest in the "Takamiya Platform" was high, and inquiries for new procurement, replacement, and additional purchase projects remained strong. However, due to concerns about construction delays due to soaring material prices and labor shortages, as well as an uncertain future, there continued to be a trend toward postponing purchase dates and renting. On the other hand, there were significant transactions in the used sales, including 'Iq-Bid,' contributing to an improvement in profit margins.

Outside the temporary construction sector, sales of solar-related materials remained at a level similar to the same period last year, as the large-scale projects in mega solar, which had been ongoing since the previous period, completed their cycle.

As a result, sales were 5,739 million yen (down 5.0% year-on-year) and operating income was 522 million yen (up 5.2% year-on-year).

#### (Rental Business)

In the construction field, rental demand remains high, mainly for maintenance and repair work in the Tokyo metropolitan area, and in the civil engineering field, the number of construction sites is currently increasing, and the rental volume of temporary construction equipment remained at a high level compared to the previous year. We have also expanded our equipment lineup and worked to establish a stable supply system for Takamiya Platform users.

As a result, sales were 13,242 million yen (up 13.9% year-on-year) and operating income was 1,594 million yen (up 54.7% year-on-year).

#### (Overseas Business)

In the manufacturing field, the procurement of raw materials and parts has not been significantly affected, and both HORY VIETNAM (Vietnam) and Hory Korea (South Korea) are steadily shipping temporary construction materials to Japan.

Hory Korea, which has an overseas sales division, saw construction demand in South Korea, but due to concerns over the tightening of global financial conditions, there was a trend toward rental use as in Japan. Outside the temporary construction sector, sales decreased in the previous fiscal year due to a decline in sales of solar-related materials.

At DIMENSION-ALL INC. (Philippines), although economic activity is on a recovery trend, construction delays and postponements of construction starts have had an impact, and sales remained at the same level as the same period of the previous year.

As a result, sales were 4,130 million yen (down 7.4% year-on-year) and operating income was 211 million yen (down 2.9% year-on-year).

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### (2) Explanation of financial condition

Total assets at the end of the current Second quarter consolidated accounting period were 66,347 million yen, an increase of 3,598 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 454 million yen in Cash and deposits, a decrease of 633 million yen in Notes and accounts receivable trade and contract assets, and an increase of 634 million yen in Merchandise and finished goods, and an increase of 2,393 million yen in Assets for rent, net.

Total liabilities amounted to 44,893 million yen, an increase of 2,666 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 333 million yen in Bonds payable (including Current portion of bonds), an increase of 2,633 million yen in Long-term debt (including Current portion of long-term loans payable).

Total net assets amounted to 21,454 million yen, an increase of 931 million yen from the end of the previous fiscal year. This was mainly due to an increase of 633 million yen in retained earnings due to Profit attributable to owners of parent of 1,006 million yen and dividends of surplus of 372 million yen, and an increase of 199 million yen in Foreign currency translation adjustments.

The status of each cash flow and their factors in the current second quarter consolidated cumulative period are as follows.

#### (Cash flows from operating activities)

Cash flows from operating activities resulted in an outflow of 83 million yen (outflow of 1,519 million yen in the same quarter of the previous fiscal year). This is mainly due to Income before income taxes and minority interests of 1,494 million yen, Depreciation expenses of 2,644 million yen, Increase in inventories of 3,559 million yen.

#### (Cash flows from investing activities)

Cash flow from investing activities resulted in an outflow of 1,101 million yen (outflow of 560 million yen in the same quarter of the previous fiscal year). This is mainly due to Purchase of property, plant and equipment of 1,170 million yen.

#### (Cash flows from financing activities)

Cash flow from financing activities resulted in an income of 1,602 million yen (income of 565 million yen in the same quarter of the previous fiscal year). This is mainly due to Income from long-term loans payable of 5,500 million yen, and an expenditure of 2,868 million yen for repayment of long-term loans payable,

### (3) Explanation of consolidated financial forecasts and other forward-looking statements

Regarding the performance for the cumulative period of the second quarter of the current fiscal year, the Profit attributable to owners of parent exceeded the initial plan. Therefore, we have revised the consolidated performance forecast for the cumulative second quarter of the fiscal year ending March 2024. Additionally, considering uncertainties such as exchange rate fluctuations for the consolidated performance forecast for the fiscal year ending March 2024, we will maintain the performance forecast figures announced on May 11, 2023. For more details, please refer to the 'Notice Regarding the Difference between the Forecast and Actual Results for the Second Quarter of the Fiscal Year Ending March 31, 2024' announced on December 14, 2023.

### (4) Others

#### (The results of the internal investigation committee and its impact)

In the accounting procedures for the second quarter of the fiscal year ending March 2024, it was discovered that questionable revenue recognition had been carried out by one of our employees (hereinafter referred to as "the employee"). On November 2, 2023, we established an internal investigation committee composed solely of audit committee members, including an external director with qualifications as a lawyer and certified public accountant. The committee has been conducting investigations into the facts surrounding this case, as well as the existence of other fraudulent activities at the relevant location (hereinafter referred to as "the location"), similar incidents throughout the company and its affiliated companies, and the impact on financial statements.

On December 14, 2023, we received the investigation report from the internal investigation committee. The report revealed that in certain sales transactions at the location, there were inappropriate accounting practices, including 1) recording sales on the core system that differed from the actual shipment contents to present better financial results for the office's closing, and 2) manipulating sales through the registration of quantities and prices different from the actual situation to facilitate one's own sales activities (hereinafter referred to as "the fraudulent activities"). Additionally, it was reported that, in the location, there were no other fraudulent activities apart from the fraudulent activities by the employee and other staff. Moreover, outside the location, the occurrence of incidents similar to the fraudulent activities was judged to be significantly small.

As the impact of these fraudulent activities on our past financial statements is limited, we do not plan to make corrections to previous financial statements and will address the matter in the financial statements for the second quarter of the fiscal year ending March 2024. We deeply apologize for any concern and inconvenience caused to our shareholders, investors, and all stakeholders.

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## 2. Quarterly consolidated financial statements and major notes

## (1) Quarterly Consolidated Balance Sheet

Million yen

	Fiscal year ended March 31, 2023	Second quarter of the fiscal year ending March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,296	8,750
Notes and accounts receivable trade and contract assets	11,452	10,819
Merchandise and finished goods	5,423	6,058
Work in process	1,308	1,342
Raw materials and supplies	1,452	1,439
Other	819	889
Allowance for doubtful accounts	(323)	(353)
<b>Total current assets</b>	<b>28,430</b>	<b>28,946</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
<b>Assets for rent</b>	<b>42,592</b>	<b>46,011</b>
Accumulated depreciation - Assets for rent	(28,243)	(29,268)
<b>Assets for rent, net</b>	<b>14,349</b>	<b>16,743</b>
<b>Buildings and structures</b>	<b>10,084</b>	<b>10,266</b>
Accumulated depreciation and impairment loss	(4,359)	(4,620)
<b>Buildings and structures, net</b>	<b>5,725</b>	<b>5,646</b>
<b>Machinery, equipment and vehicles</b>	<b>3,683</b>	<b>3,893</b>
Accumulated depreciation	(2,171)	(2,417)
<b>Machinery, equipment and vehicles, net</b>	<b>1,512</b>	<b>1,475</b>
Land	7,766	7,775
<b>Leased assets</b>	<b>1,224</b>	<b>1,376</b>
Accumulated depreciation	(922)	(1,017)
<b>Leased assets, net</b>	<b>301</b>	<b>359</b>
Construction in progress	145	680
<b>Other</b>	<b>1,858</b>	<b>2,050</b>
Accumulated depreciation	(1,365)	(1,488)
<b>Other, net</b>	<b>492</b>	<b>561</b>
<b>Total tangible assets</b>	<b>30,292</b>	<b>33,242</b>
<b>Intangible assets</b>		
Leasehold right	327	327
Other	418	390
<b>Total intangible fixed assets</b>	<b>746</b>	<b>718</b>
<b>Investments and other assets</b>		
Investment securities	379	440
Guarantee deposits	760	761
Net defined benefit asset	80	81
Deferred tax assets	745	704
Other	1,382	1,564
Allowance for doubtful accounts	(68)	(112)
<b>Total investments and other assets</b>	<b>3,280</b>	<b>3,441</b>
<b>Total non-current assets</b>	<b>34,318</b>	<b>37,401</b>
<b>Total assets</b>	<b>62,749</b>	<b>66,347</b>

Million yen

	Fiscal year ended March 31, 2023	Second quarter of the fiscal year ending March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,010	7,074
Short-term loans payable	3,909	3,860
Current portion of bonds	1,167	1,102
Current portion of long-term loans payable	5,749	5,741
Lease obligations	311	320
Income taxes payable	392	482
Contract liability	110	-
Provision for bonuses	466	382
Notes payable - facilities	306	392
Other	2,454	2,713
Total current liabilities	21,878	22,071
Non-current liabilities		
Bonds payable	4,263	3,995
Long-term loans payable	12,253	14,894
Lease obligations	690	654
Net defined benefit liability	1,021	1,050
Asset retirement obligations	34	34
Other	2,085	2,193
Total non-current liabilities	20,349	22,822
Total liabilities	42,227	44,893
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,052	1,052
Capital surplus	1,910	1,910
Retained earnings	16,514	17,147
Treasury shares	(3)	(3)
Total shareholders' equity	19,473	20,107
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	62	102
Deferred gains or losses on hedges	(1)	(1)
Foreign currency translation adjustment	368	567
Remeasurements of defined benefit plans, net of tax	(9)	(5)
Total accumulated other comprehensive income	419	663
Subscription rights to shares	434	485
Non-controlling interest	194	198
Total net assets	20,522	21,454
Total liabilities and net assets	62,749	66,347

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(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

(Quarterly consolidated statements of income)

Second quarter consolidated cumulative period

	Million yen	
	Second quarter of the fiscal year ended March 31, 2023	Second quarter of the fiscal year ending March 31, 2024
Net sales	19,799	20,792
Cost of sales	13,908	14,172
Gross profit	5,891	6,620
Selling, general and administrative expenses	5,128	5,414
Operating income	763	1,205
Non-operating income		
Interest income	2	8
Dividend income	5	6
Rent income	52	48
Gain on sales of scrap	97	76
Foreign exchange gains	331	312
Other	34	42
Total non-operating income	523	495
Non-operating expenses		
Interest expenses	101	124
Commission fee	28	25
Provision of allowance for doubtful accounts	—	43
Other	19	22
Total non-operating expenses	149	215
Ordinary income	1,137	1,485
Extraordinary income		
Gain on sales of non-current assets	0	9
Total extraordinary income	0	9
Extraordinary losses		
Loss on retirement of non-current assets	7	-
Total extraordinary loss	7	-
Profit before income taxes	1,130	1,494
Income taxes - current	323	433
Income taxes - deferred	61	47
Total income taxes	384	480
Profit	745	1,014
Profit attributable to non-controlling interests	(1)	7
Profit attributable to owners of parent	746	1,006



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(Quarterly consolidated Statements of comprehensive income)

(Second quarter consolidated cumulative period)

Million yen

	Second quarter of the fiscal year ended March 31, 2023	Second quarter of the fiscal year ending March 31, 2024
Income before minority interests	745	1,014
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	40
Deferred gains or losses on hedges	3	0
Foreign currency translation adjustment	225	199
Remeasurements of defined benefit plans, net of tax	1	3
Total other comprehensive income (loss)	212	243
Comprehensive income	957	1,257
(Breakdown)		
Comprehensive income attributable to owners of parent	958	1,250
Comprehensive income attributable to minority interests	(1)	7

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## (3) Consolidated Statements of Cash Flows

(Unit: Million yen)

	Second quarter of the fiscal year ended March 31, 2023	Second quarter of the fiscal year ending March 31, 2024
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	1,130	1,494
Depreciation	2,517	2,644
Loss on retirement of assets for rent	19	9
Loss on sales of assets for rent	27	20
Purchase of assets for rent	(334)	(497)
Increase (decrease) in allowance for doubtful accounts	(8)	45
Increase (decrease) in provision for bonuses	(20)	(84)
Increase (decrease) in net defined benefit liability	9	17
Share-based compensation expenses	50	50
Interest and dividend income	(8)	(15)
Interest expenses	101	124
Foreign exchange losses (gains)	(354)	(348)
Loss (gain) on sales of property, plant and equipment	(0)	(9)
Loss on retirement of property, plant and equipment	7	—
Decrease (increase) in notes and accounts receivable - trade	(756)	812
Decrease (increase) in inventories	(3,447)	(3,559)
Increase (decrease) in notes and accounts payable - trade	74	(118)
Other	(32)	(202)
Subtotal	(1,025)	384
Interest and dividend income received	8	15
Interest expenses paid	(101)	(124)
Income taxes paid	(400)	(358)
Net cash provided by (used in) operating activities	(1,519)	(83)

## FOR TRANSLATION PURPOSE ONLY

(Unit: Million yen)

	Second quarter of the fiscal year ended March 31, 2023	Second quarter of the fiscal year ending March 31, 2024
<b>Cash flows from investing activities</b>		
Payments into time deposits	(170)	(210)
Proceeds from withdrawal of time deposits	170	301
Purchase of property, plant and equipment	(419)	(1,170)
Proceeds from sales of property, plant and equipment	0	11
Purchase of intangible assets	(94)	(32)
Purchase of investment securities	(44)	(2)
Payments of loans receivable	(3)	-
Collection of loans receivable	0	1
Net cash provided by (used in) investing activities	(560)	(1,101)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	962	(134)
Repayments of lease obligations	(195)	(183)
Proceeds from long-term loans payable	3,430	5,500
Repayments of long-term loans payable	(2,985)	(2,868)
Redemption of bonds	(273)	(333)
Cash dividends paid	(372)	(372)
Dividends paid to non-controlling interests	-	(4)
Net cash provided by (used in) financing activities	565	1,602
Effect of exchange rate change on cash and cash equivalents	84	115
Net increase (decrease) in cash and cash equivalents	(1,429)	534
Cash and cash equivalents at beginning of period	8,516	7,768
Cash and cash equivalents at end of period	7,087	8,302

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(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Note in the event of a significant change in the amount of shareholders' equity)

Not applicable.

(Segment information)

I. Consolidated cumulative period for the Second quarter of the previous fiscal year (from April 1, 2022 to September 30, 2022)

1. 1. Information on sales and profit or loss amounts by reporting segment and revenue decomposition information

(Million yen)

	Sales Business	Rental Business	Overseas Business	Total	Adjustment (Note 1)	Amount allocated on consolidated statements of income (Note 2)
Net sales						
Income from contracts with customers	6,018	6,273	1,706	13,999	-	13,999
Other income	-	5,354	446	5,800	-	5,800
Net sales to external customers	6,018	11,628	2,153	19,799	-	19,799
Intersegment sales and transfers Net sales or transfer amount	21	1	2,309	2,331	(2,331)	-
Total	6,040	11,629	4,462	22,131	(2,331)	19,799
Segment income	496	1,030	218	1,745	(981)	763

Notes 1. The segment profit adjustment amount of (981) million yen includes the elimination of inter-segment transactions of 155 million yen and company-wide expenses of (1,137) million yen that are not allocated to each reporting segment. Company-wide expenses are mainly general and administrative expenses that do not belong to the reporting segment.

2. Segment income is adjusted with operating income on the quarterly consolidated income statement.

3. Other income includes lease income based on ASBJ Statement No. 13, "Accounting Standard for Lease Transactions."

2. Information on impairment loss or goodwill of fixed assets by reporting segment

Not applicable.

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II Consolidated cumulative period for the Second quarter of the current fiscal year (from April 1, 2023 to September 30, 2023)

1. Information on sales and profit or loss amounts by reporting segment and revenue decomposition information

(Million yen)

	Sales Business	Rental Business	Overseas Business	Total	Adjustment (Note 1)	Amount allocated on consolidated statements of income (Note 2)
Net sales						
Income from contracts with customers	5,674	6,826	1,456	13,957	-	13,957
Other income	-	6,383	451	6,835	-	6,835
Net sales to external customers	5,674	13,210	1,907	20,792	-	20,792
Intersegment sales and transfers	64	32	2,222	2,319	(2,319)	-
Net sales or transfer amount						
Total	5,739	13,242	4,130	23,112	(2,319)	20,792
Segment income	522	1,594	211	2,328	(1,123)	1,205

Notes 1. The segment profit adjustment amount of (1,123) million yen includes inter-segment transaction elimination of 83 million yen and company-wide expenses of (1,206) million yen not allocated to each reporting segment. Company-wide expenses are mainly general and administrative expenses that do not belong to the reporting segment.

2. Segment income is adjusted with operating income on the quarterly consolidated income statement.

3. Other income includes leasing income, etc. based on Corporate Accounting Standard No. 13 "Accounting Standard for Lease Transactions".

2. Information on impairment loss or goodwill of fixed assets by reporting segment

Not applicable.