



## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2017 [Japanese GAAP]

August 5, 2016

Company name: TOKAI Holdings Corporation      Stock listing: Tokyo Stock Exchange  
 Stock code: 3167      URL: <http://tokaiholdings.co.jp>  
 Representative: Katsuhiko Tokita, President & CEO  
 Contact: Hiroyuki Ozawa, Managing Executive Officer, General Manager of Administrative Headquarters  
 Telephone: +81-54-275-0007

Scheduled date of filing quarterly report: August 10, 2016  
 Scheduled date of dividend payment: —  
 Supplementary materials on quarterly financial results: Yes  
 Quarterly financial results briefing: No

(Figures are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)

#### (1) Consolidated Operating Results (cumulative)

(% figures represent year-on-year changes)

	Sales		Operating Profit		Recurring Profit		Quarterly Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2016	41,618	(2.5)	2,870	68.0	2,900	75.9	1,766	147.2
Three months ended June 30, 2015	42,672	(3.7)	1,708	3.1	1,649	6.6	714	0.2

(Note) Comprehensive income: 1,329 million yen in the three months ended June 30, 2016 (up 15.9%)  
 1,146 million yen in the three months ended June 30, 2015 (up 12.2%)

	Quarterly Net Income per Share	Quarterly Net Income per Share (Diluted)
	Yen	Yen
Three months ended June 30, 2016	15.60	13.51
Three months ended June 30, 2015	6.18	6.11

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Three months ended June 30, 2016	155,595	42,521	26.8	366.89
Year ended March 31, 2016	160,303	41,970	25.6	362.77

(Reference) Equity: 41,633 million yen for the three months ended June 30, 2016  
 41,063 million yen for the year ended March 31, 2016

## 2. Dividends

	Annual Dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
Year ended March 31, 2016	Yen —	Yen 6.00	Yen —	Yen 8.00	Yen 14.00
Year ending March 31, 2017	—				
Year ending March 31, 2017 (Forecast)		11.00	—	11.00	22.00

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

## 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% figures represent year-on-year changes)

	Sales		Operating Profit		Recurring Profit		Net Income Attributable to Owners of the Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2016	85,300	0.6	3,380	82.1	3,270	83.8	1,120	304.0	9.89
Year ending March 31, 2017	187,100	3.4	12,560	52.3	11,830	45.1	6,240	80.4	55.13

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

### \*Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries affecting the scope of consolidation): No

(2) Application of special accounting procedures in the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies accompanying revisions in accounting standards, etc.: Yes

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

3) Changes in accounting estimates: No

4) Restatements: No

(Note) For details, please see page 5 of the attached materials: "2. Summary Information (Notes): (3) Changes in Accounting Policies, Estimates, and Restatements."

(4) Number of shares issued (common stock)

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

Q1 FY3/2017	136,679,977 shares	FY3/2016	139,679,977 shares
-------------	--------------------	----------	--------------------

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

Q1 FY3/2017	26,204,096 shares	FY3/2016	26,488,216 shares
-------------	-------------------	----------	-------------------

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

Q1 FY3/2017	113,241,238 shares	Q1 FY3/2016	115,589,692 shares
-------------	--------------------	-------------	--------------------

(Note) The company shares held in ESOP trust accounts are included in the treasury stock, which is subtracted from calculations of the average number of shares during the period (0 shares for the three months ended June 30, 2016; 485,990 shares for the three months ended June 30, 2015).

### \*Information Regarding Execution of Quarterly Review Procedures

This quarterly financial statement is not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act, and the review procedures of quarterly financial statements pursuant to the Financial Instruments and Exchange Act have not been completed as of the release of this document.

### \* Explanation regarding the Appropriate Uses of Earnings Forecasts and Other Notes

All earnings forecasts provided within this document are based on the most accurate information available at the time of the release of this document. Actual results may differ from forecasts due to various factors going forward.

[Attachment]

Contents

1. Qualitative Information on Financial Results for the Period Under Review	
(1) Explanation of Consolidated Operating Performance .....	2
(2) Explanation of Consolidated Financial Condition.....	3
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information .....	4
2. Summary Information (Notes)	
(1) Changes in Significant Subsidiaries During the Period Under Review .....	5
(2) Application of Special Accounting Procedures in the Preparation of Quarterly Consolidated Financial Statements.....	5
(3) Changes in Accounting Policies, Estimates, and Restatements .....	5
(4) Additional Information .....	5
3. Quarterly Consolidated Financial Statements	
(1) Quarterly Consolidated Balance Sheets.....	6
(2) Quarterly Consolidated Statements of Income, Consolidated Statements of Comprehensive Income.....	8
(3) Quarterly Consolidated Statements of Cash Flows.....	10
(4) Notes on Quarterly Consolidated Financial Statements .....	11
(Notes on Going Concern Assumptions).....	11
(Notes on Significant Changes in Shareholders' Equity).....	11
(Segment Information, etc.) .....	11

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

### (1) Explanation of Consolidated Operating Performance

During the first three months of the fiscal year ending March 31, 2017, the Japanese economy saw stagnant improvement in corporate earnings and recovery in individual consumption against a backdrop of unstable movement in foreign exchange rates and stock prices. Additionally, amid concerns about the effects of the UK decision to leave the EU, a sense of uneasiness regarding future economic prospects is spreading across the globe.

The Group's medium-term management plan, "Innovation Plan 2016 'Growing'" is positioned as a period to realize "strengthened business profitability," and the fiscal year ending March 31, 2017 is the final year of the plan. We diligently worked toward expanding the revenue foundation by increasing transaction channels with the addition of electricity to the existing lineup of household services, which include gas, ISP, CATV, aqua, and security from April 2016, and to be a one stop, one contract provider of all those services, we pressed forward with the TLC (Total Life Concierge) vision as a Groupwide theme.

During the three months ended June 30, 2016, the Group booked sales of 41,618 million yen (down 2.5% year-on-year), operating profit of 2,870 million yen (up 68.0%), recurring profit of 2,900 million yen (up 75.9%) and quarterly net income attributable to owners of the parent of 1,766 million yen (up 147.2%).

Furthermore, the number of continuing customers was 2,557 thousand, unchanged from March 31, 2016. Members of the TLC membership service—a service aimed at enhancing customer interactions and offering benefits to members—rose by 24 thousand from March 31, 2016, to 515 thousand members.

Performance by segment was as follows.

#### (Gas and Petroleum)

In the liquefied petroleum gas (LP gas) business, while the number of customers was unchanged from March 31, 2016 at 580 thousand, and sales volume of LP gas was flat year-on-year, sales were down year-on-year as selling prices were lowered during the previous fiscal year to reflect a drop in procurement prices.

In the city gas business, the number of customers was 54 thousand, unchanged from the level as of March 31, 2016, but sales fell year-on-year due to a decline in selling prices stemming from the raw material price adjustment system.

Due to these factors, segment sales came to 17,479 million yen (down 13.8% year-on-year), but operating profit was 1,643 million yen (up 21.1%), reflecting successful efforts to increase operating efficiency and a reduction in selling and administrative expenses.

#### (Building and Real Estate)

In the Building and Real Estate business, although trends in orders received were strong, completion of projects such as facilities construction and new construction of stores, etc., was scheduled for the second quarter onward, leading to segment sales of 3,414 million yen (down 14.9% year-on-year) and an operating loss of 45 million yen (compared with an operating loss of 56 million yen in the corresponding period of the previous year).

#### (CATV)

In the CATV business, we worked to acquire new customers through sales of set discount offerings for broadcasting and communications, in addition to smartphone set discounts through alliances with major mobile phone carriers.

In addition, owing to efforts to improve customer satisfaction such as delivery of regional information via community channels and reinforcing customer support to prevent cancellations, subscribers to the broadcasting service increased by two thousand from March 31, 2016, to 501 thousand and telecommunications services increased by 4 thousand from March 31, 2016, to 215 thousand (160 thousand CATV-FTTH customers and 54 thousand CATV internet subscribers).

Due to an increase in subscribers, segment sales totaled 6,241 million yen (up 2.7% year-on-year), and

combined with cost reductions, operating profit was 615 million yen (up 109.1%).

#### (Information and Communications Service)

In the broadband business, while acquiring new customers, we actively marketed to encourage existing customers to switch to Hikari Collaboration services “@TCOM Hikari” and “TNC Hikari,” so the number of Hikari Collaboration customers increased by 32 thousand from March 31, 2016, to 251 thousand. Although many new entrants including major mobile phone carriers are creating an increasingly competitive environment, we were able to maintain levels on par with March 31, 2016: 745 thousand customers for overall FTTH, and 827 thousand customers for overall broadband, which includes ADSL

Segment sales were 11,780 million yen (up 19.9% year-on-year) primarily owing to Hikari Collaboration line sales and an increase in paying customers, and operating profit recovered to 636 million yen (up 89.5%).

#### (Aqua)

In the Aqua business, the Company moved forward with sales activities for the “The gift of delicious water: Ulunom” brand, mainly targeting large-scale commercial facilities, and succeeded in increasing the number of customers to 134 thousand, up by 1 thousand from March 31, 2016. The number of units sold also increased year-on-year.

As a result, sales in this segment came to 1,424 million yen (up 7.9% year-on-year), and by restricting customer acquisition costs and advertising and promotion costs, we succeeded in reducing the operating loss to 30 million yen (from an operating loss of 265 million yen in the same period of the preceding fiscal year), making progress on achieving profitability in the segment.

#### (Others)

In the nursing care business, an increase in the number of users led to higher sales year-on-year.

In the ships business, sales were down as the average volume of repairs per vessel declined.

In the bridal events business, sales increased year-on-year due to an increase in the number of couples holding ceremonies.

As a result, segment sales came to 1,277 million yen (up 11.1% year-on-year), and operating profit was 25 million yen (compared with an operating loss of 104 million yen in the same period of the preceding fiscal year).

## (2) Explanation of Consolidated Financial Condition

### 1) Assets, Liabilities, and Net Assets

Total assets amounted to 155,595 million yen as of June 30, 2016, down by 4,707 million yen from March 31, 2016. This decline was mainly attributable to a 3,366 million yen decrease in notes and accounts receivable—trade stemming from seasonal factors, and an 861 million yen decrease in property, plant and equipment stemming from depreciation.

Total liabilities were 113,074 million yen, down by 5,258 million yen from March 31, 2016. This was primarily due to a decrease of 1,546 million yen in notes and accounts payable—trade stemming from seasonal factors, and a reduction of 4,349 million yen in interest-bearing debt stemming from repayments of borrowings.

As of June 30, 2016, net assets totaled 42,521 million yen, up by 550 million yen from March 31, 2016. This increase was principally due to the recording of 1,766 million yen in quarterly net income attributable to owners of the parent, despite decreases of 905 million yen due to distribution of retained earnings and 271 million yen in valuation difference on available-for-sale securities.

### 2) Cash Flows

Cash and cash equivalents stood at 3,614 million yen as of June 30, 2016, down 430 million yen from March 31, 2016.

Cash flows from each activity during the three months under review and the factors behind them are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 8,242 million yen (up 3,957 million yen year-on-year). Funds increased chiefly due to a decrease in notes and accounts receivable and in the effect of depreciation and amortization expenses (non-cash items).

Additionally, compared to the same period in the previous year, cash flows from operating activities increased substantially. This was mainly due to an increase in quarterly net income before income taxes and other adjustments and a decline in consumption tax payments.

(Cash flows from investing activities)

Net cash used in investing activities was 2,454 million yen (up 707 million yen year-on-year). Cash was used mainly for the acquisition of tangible and intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities was 6,216 million yen (down 4,955 million yen year-on-year). This was mainly due to efforts to reduce interest-bearing debt.

Additionally, cash flows from financing activities decreased significantly year-on-year, but this is primarily due to the lack of inflows from the issuance of convertible bonds with stock acquisition rights seen during the previous corresponding period, and aggressive efforts to reduce interest-bearing debt.

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

Earnings results for the three months ended June 30, 2016 were generally in line with forecasts, and the Company maintains its consolidated earnings forecasts for the fiscal year ending March 31, 2017, announced on May 10, 2016.

Forecasts are judgments based on currently available information. Actual performance may differ from forecasts due to a variety of factors going forward.

## 2. Summary Information (Notes)

### (1) Changes in Significant Subsidiaries During the Period Under Review

Not applicable.

### (2) Application of Special Accounting Procedures in the Preparation of Quarterly Consolidated Financial Statements

Not applicable.

### (3) Changes in Accounting Policies, Estimates, and Restatements

#### (Changes in Accounting Policies)

(Application of Practical Solution on a change in depreciation method due to Tax Reform 2016)

In line with revision to the Corporation Tax Act, the Company has applied the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (Practical Issues Task Force No. 32, June 17, 2016) from the three months ended June 30, 2016, and the depreciation method for facilities attached to buildings and structures acquired from April 1, 2016 onward have been changed from the declining balance method to the straight-line method.

The effect of this change on profit and loss is immaterial.

### (4) Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

The Company has applied the “Implementation Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan Implementation Guidance No. 26, March 28, 2016) from the three months ended June 30, 2016.

## 3. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

	(Millions of yen)	
	Fiscal Year Ended March 31, 2016	Three Months Ended June 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	4,077	3,647
Notes and accounts receivable—trade	21,305	17,939
Merchandise and finished goods	4,307	4,217
Work in process	610	1,032
Raw materials and supplies	694	709
Other	7,512	7,624
Allowance for doubtful accounts	(391)	(394)
Total current assets	38,117	34,775
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	35,178	34,854
Machinery, equipment and vehicles, net	22,074	21,657
Land	21,825	21,825
Other, net	15,986	15,865
Total property, plant and equipment	95,064	94,202
Intangible assets		
Goodwill	6,589	6,515
Other	4,350	4,346
Total intangible assets	10,940	10,861
Investments and other assets		
Net defined benefit asset	2,360	2,377
Other	14,387	13,976
Allowance for doubtful accounts	(599)	(627)
Total investments and other assets	16,149	15,726
Total non-current assets	122,153	120,790
Deferred assets	31	29
Total assets	160,303	155,595



	(Millions of yen)	
	Fiscal Year Ended March 31, 2016	Three Months Ended June 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	13,511	11,964
Short-term loans payable	27,828	25,862
Current portion of bonds	758	758
Income taxes payable	1,954	1,412
Accruals	1,459	171
Other	17,446	19,962
<b>Total current liabilities</b>	<b>62,958</b>	<b>60,131</b>
Non-current liabilities		
Bonds payable	984	984
Convertible bonds with stock acquisition rights	10,000	10,000
Long-term loans payable	31,839	29,456
Accruals	68	72
Net defined benefit liability	308	321
Other	12,172	12,107
<b>Total non-current liabilities</b>	<b>55,373</b>	<b>52,943</b>
<b>Total liabilities</b>	<b>118,332</b>	<b>113,074</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	14,000	14,000
Capital surplus	19,258	19,357
Retained earnings	9,870	10,731
Treasury stock	(6,409)	(6,340)
<b>Total shareholders' equity</b>	<b>36,719</b>	<b>37,749</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,153	881
Deferred gains (losses) on hedges	230	96
Foreign currency translation adjustment	1	(13)
Remeasurement of defined benefit plans	2,958	2,919
<b>Total accumulated other comprehensive income</b>	<b>4,343</b>	<b>3,884</b>
Stock acquisition rights	208	170
Non-controlling interests	699	717
<b>Total net assets</b>	<b>41,970</b>	<b>42,521</b>
<b>Total liabilities and net assets</b>	<b>160,303</b>	<b>155,595</b>

(2) Quarterly Consolidated Statements of Income, Consolidated Statements of Comprehensive Income  
 (Quarterly Consolidated Statements of Income)  
 (Three Months Ended June 30)

	(Millions of yen)	
	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Sales	42,672	41,618
Cost of sales	26,251	24,219
Gross profit	16,421	17,398
Selling, general and administrative expenses	14,713	14,528
Operating profit	1,708	2,870
Non-operating profit		
Interest income	4	3
Dividend income	83	95
Commission fee	21	21
Other	93	97
Total non-operating profit	202	217
Non-operating expenses		
Interest expenses	195	146
Other	65	41
Total non-operating expenses	261	187
Recurring profit	1,649	2,900
Extraordinary income		
Gain on sales of non-current assets	1	1
Transmission line facility subsidies	12	2
Subsidy income	—	2
Total extraordinary income	14	6
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	259	146
Total extraordinary losses	259	146
Quarterly net income before income taxes	1,403	2,761
Income taxes (current)	975	1,248
Income taxes (deferred)	(300)	(274)
Total income taxes	674	973
Quarterly net income	729	1,788
Quarterly net income attributable to non-controlling interests	14	21
Quarterly net income attributable to owners of the parent	714	1,766

(Consolidated Statements of Comprehensive Income)  
(Three Months Ended June 30)

	(Millions of yen)	
	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)
Quarterly net income	729	1,788
Other comprehensive income		
Valuation difference on available-for-sale securities	544	(271)
Deferred gains (losses) on hedges	(83)	(133)
Foreign currency translation adjustment	(3)	(8)
Remeasurement of defined benefit plans, net of tax	(42)	(38)
Share of other comprehensive income of entities accounted for using the equity method	3	(6)
Total other comprehensive income	417	(459)
Quarterly comprehensive income	1,146	1,329
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,131	1,307
Comprehensive income attributable to non-controlling interests	14	21

## (3) Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)	Three Months Ended June 30, 2016 (April 1, 2016 to June 30, 2016)
<b>Cash flows from operating activities</b>		
Quarterly net income before income taxes and minority interests	1,403	2,761
Depreciation	3,658	3,587
Amortization of goodwill	532	302
Increase (decrease) in accrued bonuses	(1,251)	(1,234)
Increase (decrease) in net defined benefit asset and liability	3	(57)
Interest and dividend income	(87)	(98)
Interest expenses	195	146
(Gain) loss on sales of non-current assets	(1)	(1)
Loss on retirement of non-current assets	259	146
Increase (decrease) in notes and accounts payable	2,857	3,488
(Increase) decrease in inventories	1	(345)
(Increase) decrease in notes and accounts payable - trade	(1,701)	(1,510)
Increase (decrease) in accrued consumption taxes	(1,255)	(45)
Increase (decrease) in accrued expenses	2,705	2,643
Other	(874)	435
<b>Subtotal</b>	<b>6,445</b>	<b>10,216</b>
Income taxes paid	(2,160)	(1,973)
<b>Net cash provided by operating activities</b>	<b>4,285</b>	<b>8,242</b>
<b>Cash flows from investing activities</b>		
Interest and dividend income received	98	112
Purchase of securities	(2)	(2)
Purchase of tangible and intangible assets	(3,112)	(2,600)
Proceeds from sales of tangible and intangible assets	40	37
Collection of loans receivable	100	21
Other	(287)	(23)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,162)</b>	<b>(2,454)</b>
<b>Cash flows from financing activities</b>		
Interest expenses paid	(182)	(138)
Net increase (decrease) in short-term loans payable	(5,550)	(1,125)
Repayments of lease obligations	(1,018)	(1,006)
Repayment of long-term loans payable	(4,088)	(3,224)
Proceeds from issuance of convertible bonds with stock acquisition rights	9,990	—
Payments for acquisition of treasury stock	(0)	(0)
Proceeds from disposal of treasury stock	260	131
Cash dividends paid	(650)	(848)
Other	(21)	(5)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,261)</b>	<b>(6,216)</b>
Effect of exchange rate change on cash and cash equivalents	0	(1)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(137)</b>	<b>(430)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,821</b>	<b>4,044</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,683</b>	<b>3,614</b>

(4) Notes on Quarterly Consolidated Financial Statements  
(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

[Segment Information]

I. Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)

Sales and Income or Losses by Reportable Segment

(Millions of yen)

	Reportable segments						Other <sup>1</sup>	Total	Adjustments <sup>2</sup>	Amount in Quarterly Consolidated Statements of Income <sup>3</sup>
	Gas and Petroleum	Building and Real Estate	CATV	Information and Communications	Aqua	Subtotal				
Sales										
Sales to external customers	20,288	4,012	6,074	9,826	1,320	41,522	1,149	42,672	—	42,672
Intersegment sales and transfers	39	267	206	720	4	1,238	54	1,293	(1,293)	—
Subtotal	20,328	4,279	6,281	10,547	1,325	42,761	1,204	43,966	(1,293)	42,672
Segment income (loss)	1,356	(56)	294	335	(265)	1,664	(104)	1,559	148	1,708

- (Note) 1. The "Other" category is a business segment not included in the reportable segments. This category includes businesses such as weddings, ship repair, insurance, and nursing care.  
 2. Adjustments to segment income (loss) are mainly eliminations due to intersegment transactions.  
 3. Segment income (loss) is adjusted to match operating profit in the quarterly consolidated statements of income.

II. Three Months ended June 30, 2016 (April 1, 2016 to June 30, 2016)

Sales and Profits or Losses by Reportable Segment

(Millions of yen)

	Reportable segments						Other <sup>1</sup>	Total	Adjustments <sup>2</sup>	Amount in Quarterly Consolidated Statements of Income <sup>3</sup>
	Gas and Petroleum	Building and Real Estate	CATV	Information and Communications	Aqua	Subtotal				
Sales										
Sales to external customers	17,479	3,414	6,241	11,780	1,424	40,341	1,277	41,618	—	41,618
Intersegment sales and transfer	72	679	198	635	6	1,591	50	1,641	(1,641)	—
Subtotal	17,551	4,094	6,440	12,415	1,431	41,932	1,327	43,260	(1,641)	41,618
Segment income (loss)	1,643	(45)	615	636	(30)	2,819	25	2,844	26	2,870

- (Note) 1. The "Other" category is a business segment not included in the reportable segments. This category includes businesses such as weddings, ship repair, insurance and nursing care.  
 2. Adjustments to segment income (loss) are mainly eliminations due to intersegment transactions.  
 3. Segment income (loss) is adjusted to match operating profit in the quarterly consolidated statements of income.