# Consolidated Financial Report
# For the Second Quarter of Fiscal 2018 Ending March 31, 2018 (Japanese GAAP)

November 6, 2017


| | | | |
|---|---|---|---|
| Company Name: | Grandy House Corporation | Stock Exchange Listing: | Tokyo Stock Exchange |
| Securities Code: | 8999 | URL: | http://www.grandy.co.jp |
| Representative: | Hiroyuki Murata, President | | |
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Scheduled date of quarterly securities report filing: November 9, 2017
Scheduled date of dividend payment commencement: —
Preparation of quarterly supplementary explanatory materials: Yes
Quarterly results briefing held: Yes (For institutional investors and analysts)

(Figures are rounded down to the nearest million yen unless otherwise stated.)

## 1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2018 (April 1, 2017 to September 30, 2017)

(1) Consolidated Operating Results

(Percentage figures show the year-on-year increase (decrease).)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of the Parent Company | |
|---|---|---|---|---|---|---|---|---|
| | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥ million) | % |
| Six months ended September 30, 2017 | 22,289 | (1.4) | 1,330 | (12.1) | 1,378 | (12.2) | 928 | (9.5) |
| Six months ended September 30, 2016 | 22,614 | 9.5 | 1,513 | 10.7 | 1,571 | 10.8 | 1,025 | 14.7 |

Note: Comprehensive income Six months ended September 30, 2017: ¥924 million (-10.9%)
Six months ended September 30, 2016: ¥1,038 million (16.4%)

| | Net Income per Share | Net Income per Share (Diluted) |
|---|---|---|
| | (¥) | (¥) |
| Six months ended September 30, 2017 | 32.26 | 31.97 |
| Six months ended September 30, 2016 | 35.62 | — |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholders' Equity Ratio | Net Assets per Share |
|---|---|---|---|---|
| | (¥ million) | (¥ million) | % | (¥) |
| September 30, 2017 | 46,669 | 18,643 | 39.5 | 640.92 |
| March 31, 2017 | 45,682 | 18,121 | 39.2 | 622.78 |

Reference: Shareholders' equity September 30, 2017: ¥18,443 million
March 31, 2017: ¥17,921 million

## 2. Dividends

| | Annual Dividend per Shares | | | | |
|---|---|---|---|---|---|
| | 1Q-End | 2Q-End | 3Q-End | Period-End | Total |
| | (¥) | (¥) | (¥) | (¥) | (¥) |
| Fiscal 2017 | — | 0.00 | — | 14.00 | 14.00 |
| Fiscal 2018 | — | 0.00 | | | |
| Fiscal 2018 (Forecast) | | | — | 16.00 | 16.00 |

Note: Revisions to the most recently announced forecast of cash dividends in the current quarter: None

## 3. Consolidated Financial Forecasts for Fiscal 2018 (April 1, 2017 to March 31, 2018)

(Percentage figures show the year-on-year increase (decrease) for each corresponding period.)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of the Parent Company | | Net Income per Share |
|---|---|---|---|---|---|---|---|---|---|
| | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥ million) | % | (¥) |
| Full Fiscal Year | 48,000 | 9.2 | 3,200 | 17.9 | 3,300 | 17.6 | 2,100 | 20.4 | 72.98 |

Note: Revisions to the most recently announced financial forecasts in the current quarter: None

*** Explanatory Notes**

(1) Changes of important subsidiaries during the period
(changes in specified subsidiaries resulting in a change in the scope of consolidation): None
Newly included: — Excluded: —

(2) Adoption of specific methods for preparation of the quarterly consolidated financial statements: None

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

1) Changes in accounting policies in connection with revision to accounting standards, etc.: None
2) Changes in accounting policies other than 1): None
3) Changes in accounting estimates: None
4) Restatements: None

(4) Number of shares issued and outstanding (common stock)

| | | | | |
|---|---|---|---|---|
| 1) Number of shares issued and outstanding as of the period-end (including treasury shares) | September 30, 2017 | 30,823,200 shares | March 31, 2017 | 30,823,200 shares |
| 2) Number of treasury shares | September 30, 2017 | 2,046,245 shares | March 31, 2017 | 2,046,245 shares |
| 3) Average number of shares issued and outstanding for the period | Six months ended September 30, 2017 | 28,776,955 shares | Six months ended September 30, 2016 | 28,776,955 shares |

*** This consolidated quarterly financial report is not subject to quarterly review procedures in accordance with the Financial Instruments and Exchange Act.**

*** Explanation concerning the appropriate use of forecasts and other special instructions**

Results forecasts and other forward-looking statements contained in this report are based on assumptions, beliefs, and uncertainties in light of information available to the Company's management as of the publication date. Actual results may differ materially from forecasts due to a variety of factors. Therefore, the Company does not guarantee the accuracy of forecasts and other forward-looking statements and its ability to achieve stated targets.

Attachment Materials: Table of Contents

1. QUALITATIVE INFORMATION ON FINANCIAL STATEMENTS

(1) Explanation regarding Operating Results

During the six months ending September 30, 2017, the Japanese economy showed signs of slowly recovering as positive growth was recorded for six consecutive quarters, including the second three months of this year.

In the housing sector, new housing starts grew steadily due to the interest rate on housing loans remaining at low levels, as well as the continuation of various support measures to promote home acquisition and an improvement in employment and income conditions, but competition between businesses has intensified.

Under these circumstances, the Grandy House Group continued to strive to expand and reinforce business under the basic policy (medium-term business plan) of "continuous growth through reinforcing the core operation (new homes)" and "expansion of business through enhancing the stock business."

With regard to new home sales, one of our core operations, we have made the Group's operations more efficient by restructuring the Group's branches at the beginning of this fiscal year. Basically as planned, we have promoted sales of *Yotsuba no Mori* (literally, Four-leaf Clover Hill) housing lots (211 lots, Tsukuba, Ibaraki Prefecture), the largest housing lot development ever implemented by our group in our designated focus area which stretches from southern Ibaraki Prefecture to Kashiwa in Chiba Prefecture, and also we have strove to facilitate brand penetration for our products. Through initiatives such as these, received orders have steadily recovered after hitting bottom in the fourth quarter of the previous fiscal year, and new home sales for the second quarter under review reached the highest-ever level. However, both sales and profits for the first half of the fiscal year fell below the figures in the same period of the previous fiscal year due partly to the impact of a decrease in the backlog of orders at the beginning of the fiscal year.

In existing home sales, as a result of our efforts for building up our product inventory and expanding our business in metropolitan areas, the recovery of received orders continues and existing home sales for the first half of the fiscal year recovered to the figures in the same period of the previous fiscal year.

As a result of these initiatives, the Grandy House Group's consolidated results for the second quarter (cumulative) of Fiscal 2018 were as follows. Net sales were ¥22,289 million, down 1.4% from the same period of the previous fiscal year; operating income declined to ¥1,330 million, a decrease of 12.1% year-on-year; ordinary income was ¥1,378 million, a decrease of 12.2% year-on-year; and net income attributable to owners of the parent company totaled ¥928 million, a decrease of 9.5% year-on-year.

Results by business segment are presented as follows.

*Real Estate Sales*

In the new home sales, we have made the Group's operations more efficient by restructuring the Group's two branches in which Ibaraki Grandy House Koga branch was merged into our Kennan branch. In the area between southern Ibaraki Prefecture and Kashiwa in Chiba Prefecture which is positioned as the key area for expanding our sales area, we launched full-scale sales of *Yotsuba no Mori* housing lots (211 lots, Tsukuba in Ibaraki Prefecture), the largest housing lot development ever built by our group, in the fiscal year. The sales have been promoted as approximately planned. In addition, we started to run TV commercials in across the Kanto area in June this year in an effort to facilitate brand penetration for our products among customers in a wide area within commuting distance of Tokyo. In terms of products, we continue to differentiate our products from those of our competitors by creating distinctive housing lots with concepts such as a high level of creativity, energy conservation, security, and crime prevention for each housing lot as well as creating added value with our strength in building comfortable urban environments. Through initiatives such as these, received orders have steadily recovered after hitting bottom in the fourth quarter of the previous fiscal year and have been at a higher level than the same month of the previous year since June this year.

As a result, new home sales for the second quarter under review resulted in 360, reaching the highest-ever level at a quarterly basis. However, those for the first half of the fiscal year decreased to 666 (a decrease by 19 year-on-year) due partly to the impact of a decrease in the backlog of orders at the beginning of the fiscal year and the orders for the first quarter being on the road to recovery.

In existing home sales, we made efforts to enhance product inventory and expand our business for the Metropolitan area (Tokyo, Saitama, Chiba, and Kanagawa) to expand existing home sales. Home orders continued to recover after hitting bottom in the third quarter of the previous year due partly to our efforts in reinforcing the procurement of homes with a new goal of 70 completed homes at any time and an increase in sales of existing condominiums in the Metropolitan area. As a result, existing home sales for the first half of the fiscal year recovered to 74 at the same level as the previous year (down 1 year on year) compared to the first quarter when the sales greatly decreased year on year due partly to delayed deliveries of homes.

As a result of these initiatives, sales in the real estate sales segment decreased 1.1% year-on-year to ¥20,738 million. Segment profit declined to ¥1,215 million, down 14.4% from the same period of the previous fiscal year.

*Construction Material Sales*

In the construction material sales, new housing starts for wooden houses continued to increase year-on-year for an extended period, but there have been changes in the situations. Material wood prices remained high due to the intensified competition with other companies. Under such circumstances, the Grandy House Group made efforts such as boosting sales of construction materials/housing equipment other than pre-cut materials, switching sales to our best customers in terms of earnings, and increasing orders for non-residential buildings. Although we struggled to increase orders due to the intensified competition in sales for small and medium sized construction firms, there was an increase in sales of non-residential buildings. On the other hand, there was a decrease in sales of housing equipment. Furthermore, material prices remaining at a high level have had a negative impact on our profits.

As a result of these factors, sales in the construction materials sales segment decreased 6.1% year-on-year to ¥1,418 million. Segment profit declined to ¥74 million, down 5.0% from a year earlier.

*Real Estate Leasing*

In the real estate leasing, the vacancy rate of office buildings continued to decline in and around Utsunomiya, Tochigi Prefecture which is our main market. In the parking lot market, competition remained intense between parking lots in the vicinity.

In this context, we made efforts to improve the operation rate of existing assets and reduce management costs. In addition to an improvement in the occupancy rate of leasing buildings, the renting out of the three apartments acquired in connection with our purchase of land for housing development for the moment contributed to our revenues. In addition, our management costs significantly decreased from the same period of the previous year when we recorded a cost of large-scale renovation, which contributed to an increase in our revenues.

As a result of these factors, sales in the real estate leasing segment increased by 2.5% year-on-year to ¥132 million. Segment profit rose to ¥90 million, up 26.1% year-on-year.

(2) Explanation regarding Financial Position

a. Balance Sheet

Total consolidated assets as of the end of the second consolidated quarter were ¥46,669 million, up ¥986 million from the previous consolidated fiscal year due to an increase in current assets including cash and deposits.

Total liabilities grew ¥465 million compared with the previous consolidated fiscal year to ¥28,026 million. This is mainly due to an increase in current liabilities including the acquisition of properties for sale through funding via short-term loans and an increase in accounts payable for construction of land/buildings.

Total net assets stood at ¥18,643 million as of September 30, 2017. This represents an increase of ¥521 million from the balance recorded as of March 31, 2017. This is largely due to the acquisition of net income attributable to owners of the parent company despite the payment of dividends.

b. Cash Flows

Cash and cash equivalents (hereinafter, "cash flows") as of the end of the second consolidated quarter increased by ¥1,171 million compared to the end of the previous consolidated fiscal year to ¥9,646 million as a result of increased cash flows from operating activities and decreased cash flows from investing activities and financial activities.

Factors contributing to movements in the Company's cash flows during the six months ended September 30, 2017, are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥1,378 million (decrease of ¥1,293 million for the six months ended September 30, 2016). This was largely due to an increase in net income before income taxes despite the payment of income taxes.

(Cash Flows from Investment Activities)

Net cash used in investment activities amounted to ¥65 million (a decrease of ¥225 million for the six months ended September 30, 2016) mainly due to payments for the purchase of property, plant, and equipment, etc.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥142 million (increase of ¥2,146 million for the six months ended September 30, 2016). This was mainly due to the payment of dividends, etc. despite an increase in short-term loans payable to support the acquisition of inventory.

(3) Explanation regarding Future Prospects including Consolidated Financial Forecasts

There is no change to financial forecasts announced on May 8, 2017.

## 2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

### (1) Quarterly Consolidated Balance Sheets

(Thousands of Yen)

| | FY2017 (As of March 31, 2017) | Second Quarter of FY2018 (As of September 30, 2017) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,475,518 | 9,646,718 |
| Notes and accounts receivable – trade | 589,066 | 669,721 |
| Securities | 499,982 | 499,994 |
| Real estate for sale | 14,054,910 | 14,836,958 |
| Costs on uncompleted construction contracts | 2,368 | 5,249 |
| Real estate for sale in process | 11,021,975 | 9,932,407 |
| Merchandise and finished goods | 220,154 | 205,770 |
| Raw materials and supplies | 147,599 | 175,575 |
| Deferred tax assets | 117,152 | 127,210 |
| Other | 456,190 | 555,832 |
| Allowance for doubtful accounts | (4,316) | (4,495) |
| Total current assets | 35,580,603 | 36,650,941 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 3,434,934 | 3,353,975 |
| Machinery, equipment and vehicles, net | 13,602 | 14,209 |
| Tools, furniture and fixtures, net | 66,324 | 76,536 |
| Land | 5,376,457 | 5,376,457 |
| Lease assets, net | 102,661 | 78,299 |
| Total property, plant and equipment | 8,993,981 | 8,899,480 |
| Intangible assets | 64,140 | 57,710 |
| Investments and other assets | | |
| Investment securities | 448,642 | 442,489 |
| Long-term loans receivable | 16,614 | 16,054 |
| Deferred tax assets | 240,664 | 254,561 |
| Other | 357,141 | 354,046 |
| Allowance for doubtful accounts | (18,843) | (5,397) |
| Total investments and other assets | 1,044,218 | 1,061,754 |
| Total non-current assets | 10,102,340 | 10,018,944 |
| Total assets | 45,682,944 | 46,669,886 |

(Thousands of Yen)

| | FY2017 (As of March 31, 2017) | Second Quarter of FY2018 (As of September 30, 2017) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable for construction contracts | 3,231,631 | 3,331,828 |
| Short-term loans payable | 20,225,700 | 20,458,500 |
| Current portion of long-term loans payable | 495,152 | 521,472 |
| Current portion of bonds | 21,000 | 21,000 |
| Lease obligations | 38,632 | 27,304 |
| Income taxes payable | 410,406 | 361,985 |
| Provision for warranties for completed construction | 57,223 | 57,195 |
| Other | 635,983 | 737,793 |
| Total current liabilities | 25,115,729 | 25,517,080 |
| Non-current liabilities | | |
| Bonds payable | 87,000 | 76,500 |
| Long-term loans payable | 1,587,719 | 1,622,815 |
| Lease obligations | 70,305 | 57,158 |
| Provision for directors' retirement benefits | 132,954 | 149,579 |
| Net defined benefit liability | 508,917 | 545,621 |
| Asset retirement obligations | 4,249 | 4,273 |
| Other | 54,280 | 53,181 |
| Total non-current liabilities | 2,445,425 | 2,509,128 |
| Total liabilities | 27,561,155 | 28,026,209 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,077,500 | 2,077,500 |
| Capital surplus | 2,205,165 | 2,205,165 |
| Retained earnings | 13,982,262 | 14,507,627 |
| Treasury shares | (351,831) | (351,831) |
| Total shareholders' equity | 17,913,096 | 18,438,461 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 8,692 | 5,215 |
| Total accumulated other comprehensive income | 8,692 | 5,215 |
| Subscription rights to shares | 200,000 | 200,000 |
| Total net assets | 18,121,788 | 18,643,676 |
| Total liabilities and net assets | 45,682,944 | 46,669,886 |

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Consolidated cumulative second quarter)

(Thousands of Yen)

| | Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016) | Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017) |
|---|---|---|
| Net sales | 22,614,869 | 22,289,476 |
| Cost of sales | 18,670,041 | 18,440,325 |
| Gross profit | 3,944,828 | 3,849,151 |
| Selling, general and administrative expenses | 2,430,860 | 2,518,951 |
| Operating income | 1,513,967 | 1,330,199 |
| Non-operating income | | |
| Interest income | 734 | 711 |
| Dividends income | 2,454 | 3,453 |
| Operations consignment fee | 117,124 | 117,300 |
| Office work fee | 80,275 | 76,719 |
| Other | 14,924 | 31,823 |
| Total non-operating income | 215,512 | 230,007 |
| Non-operating expenses | | |
| Interest expenses | 156,168 | 172,383 |
| Commission for syndicate loan | 2,250 | 4,405 |
| Other | – | 4,531 |
| Total non-operating expenses | 158,418 | 181,319 |
| Ordinary income | 1,571,061 | 1,378,887 |
| Extraordinary loss | | |
| Loss on retirement of non-current assets | 8,145 | 8,644 |
| Loss on cancellation of lease contracts | 45 | – |
| Total extraordinary loss | 8,191 | 8,644 |
| Net income before income taxes | 1,562,870 | 1,370,242 |
| Income taxes – current | 552,838 | 464,432 |
| Income taxes – deferred | (15,109) | (22,431) |
| Total income taxes | 537,729 | 442,000 |
| Net income | 1,025,140 | 928,242 |
| Net income attributable to non-controlling interests | – | – |
| Net income attributable to owners of the parent company | 1,025,140 | 928,242 |

(Quarterly Consolidated Statements of Comprehensive Income)

(Consolidated cumulative second quarter)

(Thousands of Yen)

| | Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016) | Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017) |
|---|---|---|
| Net income | 1,025,140 | 928,242 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 13,212 | (3,477) |
| Total other comprehensive income | 13,212 | (3,477) |
| Comprehensive income | 1,038,353 | 924,765 |
| Comprehensive income attributable to: | | |
| Comprehensive income attributable to owners of the parent company | 1,038,353 | 924,765 |
| Comprehensive income attributable to non-controlling interests | – | – |

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of Yen)

| | Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016) | Six months ended September 30, 2017 (From April 1, 2017 to September 30, 2017) |
|---|---|---|
| Cash flows from operating activities | | |
| Net income before income taxes | 1,562,870 | 1,370,242 |
| Depreciation and amortization | 131,359 | 142,126 |
| Stock compensation expense | 24,999 | – |
| Increase (decrease) in provision for directors' retirement benefits | 15,675 | 16,625 |
| Increase (decrease) in provision for warranties for completed construction | 2,848 | (27) |
| Increase (decrease) in allowance for doubtful accounts | 5,309 | (13,268) |
| Increase (decrease) in net defined benefit liability | 38,412 | 36,704 |
| Interest and dividends income | (3,188) | (4,164) |
| Interest expenses | 156,168 | 172,383 |
| Loss on retirement of non-current assets | 8,145 | 8,644 |
| Decrease (increase) in notes and accounts receivable-trade | (72,404) | (67,184) |
| Decrease (increase) in inventories | (2,596,816) | 291,048 |
| Increase (decrease) in notes and accounts payable-trade | (32,963) | 100,197 |
| Other | 314,421 | (34,008) |
| Subtotal | (445,162) | 2,019,318 |
| Interest and dividends income received | 4,322 | 5,297 |
| Interest expenses paid | (157,994) | (151,606) |
| Income taxes paid | (694,395) | (494,208) |
| Net cash provided by (used in) operating activities | (1,293,230) | 1,378,799 |
| Cash flows from investment activities | | |
| Purchase of property, plant and equipment | (186,887) | (43,336) |
| Purchase of intangible assets | (14,514) | (3,418) |
| Collection of loans receivable | 546 | 560 |
| Payments for guarantee deposits | (29,300) | (18,000) |
| Other payments | (7,819) | (1,395) |
| Other proceeds | 12,000 | 540 |
| Net cash provided by (used in) investing activities | (225,974) | (65,050) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 2,111,500 | 232,800 |
| Proceeds from long-term loans payable | 630,000 | 418,300 |
| Repayment of long-term loans payable | (217,749) | (356,884) |
| Redemption of bonds | (10,500) | (10,500) |
| Cash dividends paid | (344,580) | (401,790) |
| Repayments of lease obligations | (22,147) | (24,475) |
| Net cash provided by (used in) financing activities | 2,146,522 | (142,550) |
| Net increase (decrease) in cash and cash equivalents | 627,317 | 1,171,199 |
| Cash and cash equivalents at beginning of the period | 7,782,687 | 8,475,518 |
| Cash and cash equivalents at end of the period | 8,410,005 | 9,646,718 |

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Adoption of Specific Methods for Preparation of the Quarterly Consolidated Financial Statements)

Not applicable.

(Segment and Other Information)

Segment Information

I. The six months ended September 30, 2016 (April 1, 2016 to September 30, 2016)

1. Information relating to the amounts of net sales, profit and loss by reportable segment

(Thousands of Yen)

| | Reportable Segment | | | | Adjustments (Note 1) | Amount Recorded on Quarterly Consolidated Statements of Income (Note 2) |
|---|---|---|---|---|---|---|
| | Real Estate Sales | Construction Material Sales | Real Estate Leasing | Total | | |
| Net sales | | | | | | |
| Sales to outside customers | 20,975,266 | 1,510,578 | 129,024 | 22,614,869 | — | 22,614,869 |
| Intersegment sales and transfers | — | 1,666,316 | 41,250 | 1,707,566 | (1,707,566) | — |
| Total | 20,975,266 | 3,176,894 | 170,274 | 24,322,435 | (1,707,566) | 22,614,869 |
| Segment profit | 1,419,551 | 78,803 | 71,624 | 1,569,979 | 1,081 | 1,571,061 |

Notes: 1 Adjustments of segment profit ¥1,081 thousand are eliminations of intersegment transactions.

2 Segment profit has been adjusted to ordinary income described in quarterly consolidated statements of income.

2. Information concerning the impairment loss of non-current assets and goodwill by reportable segment

Not applicable.

II. The six months ended September 30, 2017 (April 1, 2017 to September 30, 2017)

1. Information relating to the amounts of net sales, profit and loss by reportable segment

(Thousands of Yen)

| | Reportable Segment | | | | Adjustments (Note 1) | Amount Recorded on Quarterly Consolidated Statements of Income (Note 2) |
|---|---|---|---|---|---|---|
| | Real Estate Sales | Construction Material Sales | Real Estate Leasing | Total | | |
| Net sales | | | | | | |
| Sales to outside customers | 20,738,592 | 1,418,574 | 132,309 | 22,289,476 | — | 22,289,476 |
| Intersegment sales and transfers | — | 1,643,079 | 39,720 | 1,682,799 | (1,682,799) | — |
| Total | 20,738,592 | 3,061,653 | 172,029 | 23,972,276 | (1,682,799) | 22,289,476 |
| Segment profit | 1,215,505 | 74,843 | 90,292 | 1,380,641 | (1,754) | 1,378,887 |

Notes: 1 Adjustments of segment profit (−¥1,754 thousand) are eliminations of intersegment transactions.

2 Segment profit has been adjusted to ordinary income described in quarterly consolidated statements of income.

2. Information concerning the impairment loss of non-current assets and goodwill by reportable segment

Not applicable.