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October 4, 2024

Consolidated Financial Results for the Nine Months Ended August 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 2734
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended August 31, 2024 (from December 1, 2023 to August 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended August 31, 2024	176,425	(2.7)	4,626	6.6	5,789	0.9	3,980	(18.8)
August 31, 2023	181,291	4.8	4,341	(26.7)	5,736	(25.2)	4,903	(8.4)

Note: Comprehensive income For the nine months ended August 31, 2024: ¥4,489 million [(12.8)%]
 For the nine months ended August 31, 2023: ¥5,147 million [(14.8)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
August 31, 2024	62.13	–
August 31, 2023	76.76	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2024	192,964	81,561	41.5
November 30, 2023	189,267	78,645	40.8

Reference: Equity
 As of August 31, 2024: ¥79,995 million
 As of November 30, 2023: ¥77,179 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended November 30, 2023	–	13.00	–	13.00	26.00
Fiscal year ending November 30, 2024	–	13.00	–		
Fiscal year ending November 30, 2024 (Forecast)				17.00	30.00

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

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending November 30, 2024	255,000	5.3	6,300	3.6	8,000	1.6	5,400	(11.5)	84.44

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of August 31, 2024	66,041,147 shares
As of November 30, 2023	66,041,147 shares

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

As of August 31, 2024	1,862,970 shares
As of November 30, 2023	2,093,710 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended August 31, 2024	64,068,061 shares
Nine months ended August 31, 2023	63,878,875 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters
(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ significantly due to various unforeseen factors.

○ **Attachment Index**

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1. Overview of operating results, etc.

(1) Overview of operating results for the period

During the first nine months of the fiscal year ending November 30, 2024, although the Japanese economy saw improvement in corporate earnings and followed a moderate trend of recovery, the economic outlook remained uncertain because of concerns about instability in international affairs such as escalation of tensions in the Middle East, and also the impact of sudden yen appreciation.

Under these conditions, the SALA Group focused on initiatives on the key strategies of the fifth medium-term management plan, which started from fiscal year ended November 30, 2023. The key strategies are “service and business development in the Life Creative Business Unit* and transformation of the business format,” “enhancing brand value through ‘customer experience’ that exceeds expectations,” “business creation through ‘co-creation’ with parties inside and outside the Group,” “improving profitability in existing business fields,” and “transforming into an organizational culture that attracts people who ‘think and act on their own initiative.’” During the current fiscal year, the second year of the plan, the Company will continue to proactively invest in new growth areas for promoting carbon neutrality and work to fundamentally reform the business structure through digital transformation (DX), and actively promote various measures to achieve the plan.

During the first nine months of the current fiscal year, SALA ENERGY CO., LTD., which is the Energy & Solutions business, proceeded with the restructuring of its core system to transform operations traditionally divided by gas type (city gas and LP gas) through the use of digital technology and to provide high-quality services tailored to each individual customer.

In addition, as an initiative to follow on from the “SALA Hamamatsu Power Storage Plant” currently under construction in Hamamatsu City, Shizuoka Prefecture, the said company also proceeded with preparations to construct a power storage plant designed to be integrated with renewable energy on the Higashi Mikawa Biomass Power Plant premises.

SALA HOUSE CO., LTD., which is the Housing business, worked on improving thermal insulation performance for its housing rated as Life Cycle Carbon Minus (LCCM), and the “SINKA” series, custom-built house products that conform to the Net-zero Energy House (ZEH) standard and also added its new product “SINKA Ult-air,” which is housing with a central HVAC system and launched its sale in June 2024.

ASCO Co., Ltd., which operates the Animal Health Care business, acquired all shares of Dowa Kagaku Co., Ltd., which operates in the same industry, in March 2024, making that company its subsidiary. Through the acquisition, ASCO Co., Ltd. has strengthened its operating base in the Chubu area.

As for the Toyohashi Ekimae Odori 2-chome District Redevelopment Project in which the SALA Group is involved to create a lively town, following on from the opening of emCAMPUS EAST in November 2021, emCAMPUS WEST was completed in April 2024, and in July, each facility and store sequentially commenced trading, and the delivery of apartments of the condominium apartment building THE HOUSE TOYOHASHI WEST also commenced.

Furthermore, as collaboration that goes beyond the segment framework, while working to develop the previously owned home transaction business in business areas for daily living, we worked to enhance the sales system in order to promote solution proposals through carbon neutral diagnoses for BtoB customers.

As for operating results for the first nine months of the current fiscal year, net sales decreased by 2.7% year on year to ¥176,425 million due to a significant decrease in revenue in the Energy & Solutions business. As for profit, operating profit increased by 6.6% year on year to ¥4,626 million due to observable improvement in profitability in the Housing business, and the Energy & Solutions business posting an increased profit. As gain on valuation of derivatives on forward exchange contracts under non-operating income declined, ordinary profit increased by 0.9% year on year to ¥5,789 million. On the other hand, profit attributable to owners of parent decreased by 18.8% year on year to ¥3,980 million as operating results for the same period of the previous fiscal year included gain on revision of retirement benefit plan in extraordinary income.

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

Operating results of each segment are as follows.

Energy & Solutions business

Net sales ¥91,607 million (down 8.0% year on year)

Operating profit ¥3,406 million (up 12.7% year on year)

Net sales decreased due to the downward adjustment of the selling price of city gas based on a system to adjust raw material costs. As for profit, although the volume of sales of city gas and LP gas decreased, operating profit increased mainly as a result of a decrease in selling, general and administrative expenses due to cost cutting efforts.

Engineering & Maintenance business

Net sales ¥22,120 million (up 0.2% year on year)

Operating profit ¥1,822 million (down 8.7% year on year)

Although the facilities department and the civil engineering department saw a decrease in completed projects, net sales increased slightly due to robust performance by the maintenance department. As for profit, despite a decrease in operating profit due to the declined profit margin of completed projects in the civil engineering department, operating profit remained at a high level.

Housing business

Net sales ¥24,179 million (up 6.7% year on year)

Operating loss ¥91 million (operating loss of ¥498 million for the same period of the previous fiscal year)

In the housing sales department, in addition to an increase in the number of orders for lot houses, orders for the new product series that commenced sales in the previous fiscal year grew, and the number of custom-built houses sold increased. On the other hand, in the housing components and materials processing and sales department, orders from clients decreased due to the impact of a decrease in the number of new housing starts in Tobu (eastern) area of Aichi Prefecture and Seibu (western) area of Shizuoka Prefecture. As a result, overall segment net sales increased, and operating loss narrowed due to the increase in the number of houses sold.

Car Life Support business

Net sales ¥12,074 million (down 9.8% year on year)

Operating loss ¥270 million (operating loss of ¥187 million for the same period of the previous fiscal year)

Due to a pending major model change in Volkswagen, the number of new cars sold declined as a result of a decline in new vehicles received. Furthermore, the number of used cars sold for Volkswagen and Audi fell due to the decrease in the number of trade-in vehicles accompanying the weak new car sales. As a result, net sales decreased, and operating loss was recorded.

Animal Health Care business

Net sales ¥19,360 million (up 1.8% year on year)

Operating profit ¥99 million (down 62.8% year on year)

In the livestock farming department, orders for veterinary medical products, etc. weakened due to the impact of persistently high feed prices. However, in the pet-related department, net sales

increased, with a growth in transactions with new customers contributing to this. As for profit, operating profit decreased due to higher purchase prices of veterinary medical products, etc. and an increase in selling, general and administrative expenses.

Properties business

Net sales ¥5,751 million (up 80.2% year on year)

Operating profit ¥51 million (operating loss of ¥22 million for the same period of the previous fiscal year)

In the real estate properties department, net sales increased significantly due to the commencement of the delivery of apartments in a condominium apartment building that was completed in April 2024. Furthermore, there was an increase in the number of guests for banquets and restaurants in the hospitality department as economic activities normalized. Consequently, net sales and operating profit both increased.

(2) Overview of financial position for the period

(i) Assets, liabilities and net assets

Assets

Assets were ¥192,964 million, up ¥3,697 million from November 30, 2023. This was mainly due to increases in “property, plant and equipment” by ¥2,439 million, “cash and deposits” by ¥1,753 million and “merchandise and finished goods” by ¥1,349 million, despite a decrease in “work in process” by ¥2,143 million.

Liabilities

Liabilities were ¥111,402 million, up ¥781 million from November 30, 2023. This was mainly due to increases in “long-term borrowings (including current portion)” by ¥4,770 million and “other” under current liabilities by ¥433 million, despite decreases in “notes and accounts payable - trade” by ¥2,857 million and “short-term borrowings” by ¥1,758 million.

Net assets

Net assets were ¥81,561 million, up ¥2,915 million from November 30, 2023. This was mainly due to an increase in “retained earnings” of ¥2,263 million (increased by ¥3,980 million due to recording of profit attributable to owners of parent and decreased by ¥1,716 million due to payment of dividends).

(ii) Cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) in the nine months ended August 31, 2024 increased by ¥1,802 million in total, resulting from net cash provided by operating activities of ¥10,178 million, net cash used in investing activities of ¥9,191 million, and net cash provided by financing activities of ¥814 million. As a result, cash and cash equivalents at the end of the nine months ended August 31, 2024 were ¥24,349 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥10,178 million (¥3,045 million provided in the same period of the previous fiscal year). This was mainly due to increase factors such as “profit before income taxes” of ¥5,731 million, “depreciation” of ¥4,928 million, “decrease in trade receivables” of ¥3,018 million and “decrease in inventories” of ¥1,040 million, and decrease factors including “decrease in trade payables” of ¥3,487 million and “income taxes paid” of ¥1,076 million.

Cash flows from investing activities

Net cash used in investing activities was ¥9,191 million (¥4,812 million used in the same period of the previous fiscal year). This was mainly due to “purchase of property, plant and equipment” of ¥8,892 million.

Cash flows from financing activities

Net cash provided by financing activities was ¥814 million (¥56 million used in the same period of the previous fiscal year). This was mainly due to increase factors such as “proceeds from long-term borrowings” of ¥10,309 million, and decrease factors including “repayments of long-term borrowings” of ¥5,926 million, “net decrease in short-term borrowings” of ¥1,758 million and “dividends paid” of ¥1,708 million.

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

There is no change to the consolidated earnings forecasts for the full-year earnings forecasts announced on July 5, 2024.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of November 30, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	22,966	24,720
Notes and accounts receivable - trade, and contract assets	32,254	30,358
Electronically recorded monetary claims - operating	1,834	2,193
Merchandise and finished goods	13,988	15,337
Work in process	7,477	5,333
Raw materials and supplies	444	486
Other	5,970	6,139
Allowance for doubtful accounts	(186)	(272)
Total current assets	84,750	84,297
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,306	20,966
Machinery, equipment and vehicles, net	7,141	7,200
Gas pipe, net	14,848	15,090
Land	32,431	32,285
Construction in progress	1,760	3,366
Other, net	1,418	1,436
Total property, plant and equipment	77,906	80,346
Intangible assets		
Goodwill	263	256
Other	2,553	3,359
Total intangible assets	2,816	3,615
Investments and other assets		
Investment securities	8,897	10,053
Long-term loans receivable	2,412	1,819
Retirement benefit asset	2,221	2,261
Deferred tax assets	3,848	3,652
Other	6,858	7,353
Allowance for doubtful accounts	(444)	(434)
Total investments and other assets	23,793	24,705
Total non-current assets	104,517	108,667
Total assets	189,267	192,964

(Millions of yen)

	As of November 30, 2023	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,225	23,368
Electronically recorded obligations - operating	4,379	3,942
Short-term borrowings	8,579	6,821
Current portion of long-term borrowings	7,273	7,949
Income taxes payable	341	407
Provision for bonuses	2,582	2,928
Provision for bonuses for directors (and other officers)	9	4
Provision for warranties for completed construction	47	49
Provision for loss on construction contracts	55	65
Provision for point card certificates	234	233
Other	10,670	11,104
Total current liabilities	60,399	56,874
Non-current liabilities		
Long-term borrowings	36,989	41,083
Deferred tax liabilities	524	874
Provision for retirement benefits for directors (and other officers)	165	169
Provision for share-based payments	502	439
Provision for repairs	125	141
Retirement benefit liability	8,668	8,888
Other	3,245	2,931
Total non-current liabilities	50,221	54,527
Total liabilities	110,621	111,402
Net assets		
Shareholders' equity		
Share capital	8,025	8,025
Capital surplus	25,300	25,307
Retained earnings	42,326	44,590
Treasury shares	(1,383)	(1,231)
Total shareholders' equity	74,267	76,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	985	1,429
Deferred gains or losses on hedges	442	498
Remeasurements of defined benefit plans	1,483	1,377
Total accumulated other comprehensive income	2,911	3,305
Non-controlling interests	1,466	1,565
Total net assets	78,645	81,561
Total liabilities and net assets	189,267	192,964

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Nine months ended August 31, 2023	Nine months ended August 31, 2024
Net sales	181,291	176,425
Cost of sales	139,170	133,524
Gross profit	42,121	42,900
Selling, general and administrative expenses	37,779	38,273
Operating profit	4,341	4,626
Non-operating income		
Interest income	43	33
Dividend income	93	105
Gain on valuation of derivatives	764	559
Share of profit of entities accounted for using equity method	285	324
Other	409	378
Total non-operating income	1,596	1,401
Non-operating expenses		
Interest expenses	112	157
Other	88	81
Total non-operating expenses	201	239
Ordinary profit	5,736	5,789
Extraordinary income		
Gain on sale of non-current assets	43	99
Gain on sale of investment securities	60	-
Gain on revision of retirement benefit plan	2,388	-
Total extraordinary income	2,492	99
Extraordinary losses		
Loss on sale and retirement of non-current assets	92	151
Loss on sale of investment securities	33	6
Impairment losses	800	-
Total extraordinary losses	926	158
Profit before income taxes	7,301	5,731
Income taxes - current	1,022	1,246
Income taxes - deferred	1,254	389
Total income taxes	2,276	1,635
Profit	5,025	4,095
Profit attributable to non-controlling interests	121	114
Profit attributable to owners of parent	4,903	3,980

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended August 31, 2023	Nine months ended August 31, 2024
Profit	5,025	4,095
Other comprehensive income		
Valuation difference on available-for-sale securities	332	445
Deferred gains or losses on hedges	(84)	55
Remeasurements of defined benefit plans, net of tax	(124)	(106)
Total other comprehensive income	122	394
Comprehensive income	5,147	4,489
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,026	4,373
Comprehensive income attributable to non-controlling interests	121	115

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended August 31, 2023	Nine months ended August 31, 2024
Cash flows from operating activities		
Profit before income taxes	7,301	5,731
Depreciation	4,942	4,928
Impairment losses	800	–
Amortization of goodwill	90	90
Increase (decrease) in allowance for doubtful accounts	(11)	(27)
Increase (decrease) in provision for bonuses	183	346
Increase (decrease) in provision for bonuses for directors (and other officers)	(4)	(5)
Increase (decrease) in provision for warranties for completed construction	(6)	1
Increase (decrease) in provision for loss on construction contracts	(17)	10
Increase (decrease) in provision for point card certificates	(3)	(0)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(26)	3
Increase (decrease) in provision for share-based payments	(0)	(63)
Increase (decrease) in provision for repairs	16	16
Increase (decrease) in retirement benefit liability	(1,013)	232
Decrease (increase) in retirement benefit asset	(1,309)	(39)
Interest and dividend income	(136)	(138)
Interest expenses	112	158
Share of loss (profit) of entities accounted for using equity method	(285)	(324)
Loss (gain) on valuation of derivatives	(764)	(559)
Loss (gain) on sale and retirement of non-current assets	(17)	(49)
Loss (gain) on sale of investment securities	(26)	6
Decrease (increase) in trade receivables	5,760	3,018
Decrease (increase) in inventories	(3,355)	1,040
Increase (decrease) in trade payables	(4,084)	(3,487)
Increase (decrease) in long-term accounts payable - other	(38)	(161)
Other, net	(1,784)	514
Subtotal	6,319	11,239
Interest and dividends received	154	169
Interest paid	(118)	(154)
Income taxes paid	(3,310)	(1,076)
Net cash provided by (used in) operating activities	3,045	10,178

(Millions of yen)

	Nine months ended August 31, 2023	Nine months ended August 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,721)	(8,892)
Proceeds from sale of property, plant and equipment	618	469
Purchase of intangible assets	(1,164)	(1,327)
Purchase of investment securities	(307)	(355)
Proceeds from sale of investment securities	322	144
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	100
Loan advances	(90)	(20)
Proceeds from collection of loans receivable	620	615
Other, net	(90)	73
Net cash provided by (used in) investing activities	(4,812)	(9,191)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,388	(1,758)
Proceeds from long-term borrowings	3,900	10,309
Repayments of long-term borrowings	(5,409)	(5,926)
Purchase of treasury shares	(0)	(0)
Proceeds from sale of treasury shares	97	153
Dividends paid	(1,837)	(1,708)
Dividends paid to non-controlling interests	(6)	(5)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(8)	(3)
Repayments of finance lease liabilities	(180)	(244)
Net cash provided by (used in) financing activities	(56)	814
Net increase (decrease) in cash and cash equivalents	(1,822)	1,802
Cash and cash equivalents at beginning of period	23,772	22,547
Cash and cash equivalents at end of period	21,949	24,349

(4) Notes to quarterly consolidated financial statements**Notes on segment information, etc.**

I For the nine months ended August 31, 2023

1. Disclosure of sales and profit (loss) for each reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable segments				
	Energy & Solutions business	Engineering & Maintenance business	Housing business	Car Life Support business	Animal Health Care business
Net sales					
City gas	42,341	–	–	–	–
LP gas	21,860	–	–	–	–
Electric power	12,639	–	–	–	–
Civil engineering work, construction work, equipment work	–	22,084	–	–	–
Housing, construction materials	–	–	22,656	–	–
Automotive sales and maintenance	–	–	–	13,392	–
Veterinary medical products	–	–	–	–	19,026
Lease, sale and purchase, and brokerage of real estate, hotel	–	–	–	–	–
Other	22,749	–	–	–	–
Revenue from contracts with customers	99,591	22,084	22,656	13,392	19,026
Other revenue (Note 4)	–	–	–	–	–
Sales to external customers	99,591	22,084	22,656	13,392	19,026
Intersegment sales or transfers	1,701	4,276	12	6	0
Total	101,292	26,361	22,668	13,398	19,026
Segment profit (loss)	3,021	1,995	(498)	(187)	265

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Properties business	Total				
Net sales						
City gas	–	42,341	–	42,341	–	42,341
LP gas	–	21,860	–	21,860	–	21,860
Electric power	–	12,639	–	12,639	–	12,639
Civil engineering work, construction work, equipment work	–	22,084	–	22,084	–	22,084
Housing, construction materials	–	22,656	–	22,656	–	22,656
Automotive sales and maintenance	–	13,392	–	13,392	–	13,392
Veterinary medical products	–	19,026	–	19,026	–	19,026
Lease, sale and purchase, and brokerage of real estate, hotel	3,191	3,191	–	3,191	–	3,191
Other	–	22,749	1,044	23,793	118	23,911
Revenue from contracts with customers	3,191	179,941	1,044	180,985	118	181,104
Other revenue (Note 4)	–	–	187	187	–	187
Sales to external customers	3,191	179,941	1,231	181,173	118	181,291
Intersegment sales or transfers	377	6,375	1,378	7,753	(7,753)	–
Total	3,569	186,316	2,610	188,927	(7,635)	181,291
Segment profit (loss)	(22)	4,574	93	4,668	(326)	4,341

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

2. Adjustment to segment profit (loss) of ¥(326) million includes intersegment eliminations of ¥780 million and corporate expenses of ¥(1,106) million. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.
3. Segment profit (loss) was adjusted with operating profit in the quarterly consolidated statement of income.
4. “Other revenue” includes revenue on lease, etc.

2. Disclosure of impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment losses on non-current assets)

Impairment losses on idle assets were recorded in the Energy & Solutions business. The recorded amount of such impairment losses was ¥180 million in the first nine months of the previous fiscal year.

Impairment losses on idle assets were recorded in the Car Life Support business. The recorded amount of such impairment losses was ¥68 million in the first nine months of the previous fiscal year.

Impairment losses on assets for business use were recorded in the Properties business. The recorded amount of such impairment losses was ¥551 million in the first nine months of the previous fiscal year.

II For the nine months ended August 31, 2024

1. Disclosure of sales and profit (loss) for each reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable segments				
	Energy & Solutions business	Engineering & Maintenance business	Housing business	Car Life Support business	Animal Health Care business
Net sales					
City gas	34,456	—	—	—	—
LP gas	22,414	—	—	—	—
Electric power	11,418	—	—	—	—
Civil engineering work, construction work, equipment work	—	22,120	—	—	—
Housing, construction materials	—	—	24,179	—	—
Automotive sales and maintenance	—	—	—	12,074	—
Veterinary medical products	—	—	—	—	19,360
Lease, sale and purchase, and brokerage of real estate, hotel	—	—	—	—	—
Other	23,318	—	—	—	—
Revenue from contracts with customers	91,607	22,120	24,179	12,074	19,360
Other revenue (Note 4)	—	—	—	—	—
Sales to external customers	91,607	22,120	24,179	12,074	19,360
Intersegment sales or transfers	1,676	4,001	12	5	0
Total	93,284	26,121	24,192	12,080	19,361
Segment profit (loss)	3,406	1,822	(91)	(270)	99

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Properties business	Total				
Net sales						
City gas	–	34,456	–	34,456	–	34,456
LP gas	–	22,414	–	22,414	–	22,414
Electric power	–	11,418	–	11,418	–	11,418
Civil engineering work, construction work, equipment work	–	22,120	–	22,120	–	22,120
Housing, construction materials	–	24,179	–	24,179	–	24,179
Automotive sales and maintenance	–	12,074	–	12,074	–	12,074
Veterinary medical products	–	19,360	–	19,360	–	19,360
Lease, sale and purchase, and brokerage of real estate, hotel	5,751	5,751	–	5,751	–	5,751
Other	–	23,318	1,032	24,350	127	24,478
Revenue from contracts with customers	5,751	175,093	1,032	176,126	127	176,253
Other revenue (Note 4)	–	–	171	171	–	171
Sales to external customers	5,751	175,093	1,204	176,297	127	176,425
Intersegment sales or transfers	374	6,071	1,471	7,543	(7,543)	–
Total	6,125	181,165	2,676	183,841	(7,415)	176,425
Segment profit (loss)	51	5,018	26	5,044	(417)	4,626

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

2. Adjustment to segment profit (loss) of ¥(417) million includes intersegment eliminations of ¥774 million and corporate expenses of ¥(1,192) million. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.
3. Segment profit (loss) was adjusted with operating profit in the quarterly consolidated statement of income.
4. “Other revenue” includes revenue on lease, etc.

2. Disclosure of impairment losses on non-current assets or goodwill for each reportable segment

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on uncertainties of entity's ability to continue as going concern

Not applicable.

Notes on significant events after reporting period

Not applicable.