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April 6, 2022

Consolidated Financial Results for the Three Months Ended February 28, 2022 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 2734
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 Scheduled date to file quarterly securities report: April, 8, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended February 28, 2022 (from December 1, 2021 to February 28, 2022)

(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	%
Three months ended February 28, 2022	58,455	11.4	3,021	5.1	3,220	15.7	2,243	13.5
February 28, 2021	52,493	(1.5)	2,876	21.9	2,784	(5.0)	1,976	(2.7)

Note: Comprehensive income For the three months ended February 28, 2022:¥2,394 million [17.8%]
 For the three months ended February 28, 2021:¥2,033 million [24.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended February 28, 2022	35.23	–
February 28, 2021	31.38	–

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure for the three months ended February 28, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of February 28, 2022	186,016	68,849	36.3
November 30, 2021	187,481	66,699	34.9

Reference: Equity

As of February 28, 2022: ¥67,536 million
 As of November 30, 2021: ¥65,425 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and each figure as of February 28, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

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, 2021	–	10.00	–	13.00	23.00
Fiscal year ending November 30, 2022	–				
Fiscal year ending November 30, 2022 (Forecast)		11.00	–	12.00	23.00

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

3. Consolidated earnings forecasts for the fiscal year ending November 30, 2022 (from December 1, 2021 to November 30, 2022)

(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
Six months ending May 31, 2022	118,000	3.7	5,600	(11.2)	5,700	(17.9)	3,700	(22.4)	58.13
Fiscal year ending November 30, 2022	224,000	(1.7)	6,800	3.2	7,600	(8.6)	4,900	(6.9)	76.99

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

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to “(3) Notes to quarterly consolidated financial statements (Changes in accounting policies)” of “2. Quarterly consolidated financial statements and significant notes thereto” on page 9 of the attachment.

(4) Number of issued shares (common shares)

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

As of February 28, 2022	66,041,147 shares
As of November 30, 2021	66,041,147 shares

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

As of February 28, 2022	2,361,573 shares
As of November 30, 2021	2,396,033 shares

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

Three months ended February 28, 2022	63,674,616 shares
Three months ended February 28, 2021	62,992,562 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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.

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1. Qualitative information on quarterly consolidated financial results

(1) Explanation of operating results

During the first three months of the fiscal year ending November 30, 2022, the future of the Japanese economy remained uncertain largely due to reductions in economic activity in Japan resulting from the resurgence of the novel coronavirus disease (COVID-19), as well as the prolonged semiconductors supply shortage and a surge in energy prices fueled by global unrest.

Under these conditions, the Group (hereinafter referred to as the “SALA Group”) focused on initiatives for “new developments by SALA in life,” “SALA’s penetration” and “transformation and challenge,” which are its priority issues in the fourth medium-term management plan with the fiscal year ended November 30, 2020 as the first fiscal year. The SALA Group is unified in pressing ahead with each measure in the fiscal year ending November 30, 2022, as it is the final year to complete the fourth medium-term management plan.

During the first three months of the current fiscal year, SALA ENERGY CO., LTD., which operates the Energy & Solutions business, worked to prepare to rebuild a core system in order to transform existing customers service using digital technologies. In addition, the company launched initiatives aimed at achieving carbon neutrality in regions, including promoting the development of service menus related to green home remodeling (power generation, power storage, power-saving.) ASCO Co., Ltd., which operates the Animal Health Care business, integrated its subsidiary, Hokuyaku Co., Ltd., with the company in December 2021 and strengthened the sales system to improve profitability and expand the market share in the Hokkaido area. Further, at “emCAMPUS EAST,” newly opened in Toyohashi Ekimae-odori 2-chome, emCAMPUS, Co., Ltd., which plans and manages learning programs for regional working people and programs to support entrepreneurs, etc., was established in December 2021. With the aim of vitalizing the regional communities, emCAMPUS, Co., Ltd. will work to raise the regional attraction and value by working together with corporations, municipalities, and educational institutions.

As for operating results for the first three months of the current fiscal year, net sales increased by 11.4% year on year to ¥58,455 million due to increases in revenue in the Energy & Solutions business, the Engineering & Maintenance business, the Housing business, and the Car Life Support business. As for profit, operating profit rose by 5.1% year on year to ¥3,021 million due to increases in profit in the Energy & Solutions business, the Housing business, and the Animal Health Care business. As loss on valuation of derivatives on forward exchange contracts declined, ordinary profit increased by 15.7% year on year to ¥3,220 million. As a result, profit attributable to owners of parent increased by 13.5% year on year to ¥2,243 million.

Operating results of each segment are as follows.

Energy & Solutions business

Net sales ¥30,824 million (up 15.8% year on year)

Operating profit ¥2,627 million (up 1.3% year on year)

While the selling price of city gas was upwardly adjusted based on a system to adjust raw material costs, the selling price of LP gas was revised in response to higher raw material prices. In addition, net sales increased due to an increase in sales volume of city gas mainly for home and industrial use. As for profit, although cost of sales for city gas and LP gas increased, an effort to curb selling, general and administrative expenses contributed to an increase in operating profit.

Engineering & Maintenance business

Net sales ¥7,234 million (up 16.2% year on year)

Operating profit ¥412 million (down 8.3% year on year)

Net sales went up due to an increase in completed construction in the civil engineering department, the construction department, and the maintenance department. As for profit, despite each department's efforts to reduce cost of sales by carrying out thorough process management, operating profit decreased due in part to the declined profit margin of completed construction in the equipment work department.

Housing business

Net sales ¥8,843 million (up 22.1% year on year)

Operating profit ¥39 million (operating loss of ¥173 million for the same period of the previous fiscal year)

In the housing sales department, the number of custom-built houses and lot houses sold increased. In the housing components and materials processing and sales department, orders received increased as a result of its efforts to expand transactions mainly in the existing business partners. Consequently, net sales and operating profit both increased.

Car Life Support business

Net sales ¥3,718 million (up 12.0% year on year)

Operating profit ¥9 million (down 55.7% year on year)

Net sales increased due to an increase in the number of new and used Volkswagen cars sold. As for profit, despite an effort to secure profit through strengthening sales for the body coating service and for accessories, operating profit decreased due to an increase in selling, general and administrative expenses, such as promotion expenses.

Animal Health Care business

Net sales ¥6,351 million (down 12.6% year on year)

Operating profit ¥199 million (up 12.0% year on year)

Although sales of veterinary medical products were brisk in the pet related department, net sales decreased due to the inclusion of a revenue decreasing factor of ¥1,089 million from the effect of having applied the Accounting Standard for Revenue Recognition and relevant ASBJ regulations. As for profit, an effort to curb selling, general and administrative expenses contributed to an increase in operating profit.

Properties business

Net sales ¥891 million (down 2.3% year on year)

Operating loss ¥136 million (operating loss of ¥152 million for the same period of the previous fiscal year)

Although the asset management department managing real estate properties, etc., trended briskly, the hospitality department continued to operate with a low number of customers of restaurants, bridal services, hotel stays, etc., stemming from the impact of COVID-19 that continued from the previous period. As a result, net sales decreased, and operating loss was recorded.

(2) Explanation of financial position

Assets

Assets amounted to ¥186,016 million, down ¥1,464 million from November 30, 2021. This was mainly due to decreases in "cash and deposits" by ¥3,951 million, "work in process" by ¥2,639 million,

“deferred tax assets” by ¥1,018 million and “property, plant and equipment” by ¥935 million, despite an increase in “notes and accounts receivable - trade, and contract assets” by ¥6,884 million.

Liabilities

Liabilities were ¥117,167 million, down ¥3,614 million from November 30, 2021. This was mainly due to decreases in “other” under current liabilities by ¥2,828 million, “long-term borrowings (including current portion)” by ¥2,265 million and “provision for bonuses” by ¥1,114 million, despite an increase in “short-term borrowings” by ¥2,597 million.

Net assets

Net assets were ¥68,849 million, up ¥2,150 million from November 30, 2021. This was mainly due to an increase in “retained earnings” of ¥1,986 million (increased by ¥2,243 million due to recording of profit attributable to owners of parent, decreased by ¥858 million due to payment of dividends, and increased by ¥601 million due to application of accounting standard for revenue recognition).

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

There is no change to the consolidated earnings forecasts for the first six months of the fiscal year ending November 30, 2022, nor to the full-year earnings forecasts, both of which were announced on January 12, 2022.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of November 30, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	24,754	20,802
Notes and accounts receivable - trade, and contract assets	26,528	33,413
Electronically recorded monetary claims - operating	1,458	1,600
Merchandise and finished goods	12,618	12,499
Work in process	11,135	8,496
Raw materials and supplies	405	364
Other	4,781	5,238
Allowance for doubtful accounts	(196)	(217)
Total current assets	81,487	82,197
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	20,768	20,461
Machinery, equipment and vehicles, net	8,821	8,543
Gas pipe, net	17,158	16,780
Land	33,858	33,830
Construction in progress	841	948
Other, net	1,475	1,423
Total property, plant and equipment	82,923	81,987
Intangible assets		
Goodwill	338	300
Other	1,149	1,139
Total intangible assets	1,488	1,440
Investments and other assets		
Investment securities	7,552	7,942
Long-term loans receivable	3,939	3,760
Deferred tax assets	4,920	3,901
Other	5,599	5,209
Allowance for doubtful accounts	(428)	(422)
Total investments and other assets	21,583	20,392
Total non-current assets	105,994	103,819
Total assets	187,481	186,016

(Millions of yen)

	As of November 30, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,656	25,348
Electronically recorded obligations - operating	4,289	4,970
Short-term borrowings	6,791	9,388
Current portion of long-term borrowings	9,845	8,951
Income taxes payable	1,301	385
Provision for bonuses	2,639	1,524
Provision for bonuses for directors (and other officers)	7	3
Provision for warranties for completed construction	64	67
Provision for loss on construction contracts	175	157
Provision for point card certificates	280	230
Provision for loss on guarantees	193	–
Other	14,163	11,335
Total current liabilities	64,407	62,363
Non-current liabilities		
Long-term borrowings	40,369	38,998
Deferred tax liabilities	198	194
Provision for retirement benefits for directors (and other officers)	195	177
Provision for share-based compensation	417	453
Provision for repairs	83	88
Retirement benefit liability	11,782	11,581
Other	3,327	3,309
Total non-current liabilities	56,374	54,804
Total liabilities	120,782	117,167
Net assets		
Shareholders' equity		
Share capital	8,025	8,025
Capital surplus	25,269	25,280
Retained earnings	33,365	35,351
Treasury shares	(1,585)	(1,560)
Total shareholders' equity	65,074	67,096
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	441	553
Deferred gains or losses on hedges	356	339
Remeasurements of defined benefit plans	(446)	(452)
Total accumulated other comprehensive income	351	440
Non-controlling interests	1,273	1,313
Total net assets	66,699	68,849
Total liabilities and net assets	187,481	186,016

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

(Millions of yen)

	Three months ended February 28, 2021	Three months ended February 28, 2022
Net sales	52,493	58,455
Cost of sales	36,787	43,081
Gross profit	15,706	15,374
Selling, general and administrative expenses	12,830	12,352
Operating profit	2,876	3,021
Non-operating income		
Interest income	22	17
Dividend income	28	29
Share of profit of entities accounted for using equity method	60	97
Subsidy income	17	105
Other	175	171
Total non-operating income	305	420
Non-operating expenses		
Interest expenses	39	35
Loss on valuation of derivatives	333	162
Other	24	24
Total non-operating expenses	397	221
Ordinary profit	2,784	3,220
Extraordinary income		
Gain on sale of non-current assets	9	15
Gain on sale of investment securities	–	8
Reversal of provision for loss on guarantees	–	22
Total extraordinary income	9	45
Extraordinary losses		
Loss on sale and retirement of non-current assets	23	4
Total extraordinary losses	23	4
Profit before income taxes	2,769	3,261
Income taxes - current	99	241
Income taxes - deferred	650	715
Total income taxes	749	956
Profit	2,019	2,305
Profit attributable to non-controlling interests	42	62
Profit attributable to owners of parent	1,976	2,243

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended February 28, 2021	Three months ended February 28, 2022
Profit	2,019	2,305
Other comprehensive income		
Valuation difference on available-for-sale securities	96	111
Deferred gains or losses on hedges	46	(16)
Remeasurements of defined benefit plans, net of tax	(129)	(6)
Total other comprehensive income	13	88
Comprehensive income	2,033	2,394
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,990	2,332
Comprehensive income attributable to non-controlling interests	43	62

(3) Notes to quarterly consolidated financial statements**Uncertainties of entity's ability to continue as going concern**

Not applicable.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Changes in accounting policiesApplication of accounting standard for revenue recognition, etc.

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

Major changes due to the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations are as follows.

(i) Revenue recognition related to sales of LP gas and electricity

In relation to sales of LP gas and electricity, the Company changed the method of revenue recognition whereby, of revenues previously recognized on the basis of the date of reading the electricity meter, revenue arising between the date of reading the meter in the settlement month and the settlement date is recognized based on the reasonable estimates.

(ii) Revenue recognition related to agent transactions

In relation to revenue for some direct transactions of principally sales of LP gas and veterinary medical products, the Company previously had recognized the entire amount of consideration received from customers as revenue, and that has been changed to a method that recognizes revenue at the net amount after deducting the amount paid to suppliers from the amount received from customers for transactions in which the SALA Group acts as an agent for the provision of goods or services to customers.

(iii) Revenue recognition related to construction contracts

With respect to construction contracts, the Company previously had applied the percentage-of-completion method to construction work whose outcome from the completed portion was deemed definite, and had applied the completed-contract method to other construction work. As a result of this application, however, the Company has changed the method to recognize revenue over a certain period of time in alignment with its satisfaction of performance obligations to transfer goods or services to customers when control over a good or service is to be transferred to the customer over a certain period of time. In measuring progress made in satisfying a performance obligation, construction costs incurred as of the last day of each reporting period are to be calculated based on the ratio of the total estimated construction costs. Furthermore, revenue is recognized on a cost recovery basis when it is not possible to reasonably estimate progress towards satisfaction of performance obligations, but it is probable that the costs incurred will be recovered.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the

current fiscal year was added to or deducted from the opening balance of retained earnings of the first quarter of the current fiscal year, and thus the new accounting policy was applied from such opening balance; provided, however, that the new accounting policy was not retrospectively applied to contracts for which nearly all the revenue amounts had been recognized according to the previous treatment in periods prior to the beginning of the first quarter of the current fiscal year, by applying the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition. Furthermore, by applying the method set forth in item (1) of the supplementary provisions of paragraph 86 of the Accounting Standard for Revenue Recognition, modifications to contracts carried out prior to the beginning of the first quarter of the current fiscal year were accounted for based on the contractual terms after all contract modifications were reflected. Consequently, this cumulative effect was added to or deducted from the opening balance of retained earnings of the first quarter of the current fiscal year.

As a result of this change, for the first three months of the current fiscal year, net sales decreased by ¥1,568 million, cost of sales decreased by ¥2,022 million, selling, general and administrative expenses decreased by ¥97 million, while operating profit, ordinary profit and profit before income taxes each increased by ¥551 million. In addition, the opening balance of retained earnings increased by ¥601 million.

Due to the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations, “notes and accounts receivable - trade” under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in “notes and accounts receivable - trade, and contract assets” under current assets from the quarterly consolidated balance sheet as of the end of the first quarter of the current fiscal year. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation. Furthermore, the information on disaggregation of revenue from contracts with customers during the first three months of the previous fiscal year has not been disclosed as allowed by the transitional treatment provided for in paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020).

Application of accounting standard for fair value measurement, etc.

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no impact on the quarterly consolidated financial statements.

Additional information

Impact of the spread of COVID-19

There has been no material change in the assumptions regarding the impact of the spread COVID-19 described in Impairment loss on non-current assets in Significant accounting estimates in the annual securities report for the previous fiscal year.

Application of tax effect accounting for transition from consolidated taxation system to group tax sharing system

As for items regarding the transition to the group tax sharing system introduced in the “Act Partially Amending the Income Tax Act” (Act No. 8 of 2020) and items revised on non-consolidated taxation system in connection with the transition to the group tax sharing system, the Company and some consolidated subsidiaries have not applied the provisions of paragraph 44 of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018) as allowed by the provisions of paragraph 3 of the “Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39, March 31,

2020). Accordingly, amounts of deferred tax assets and deferred tax liabilities are determined in accordance with the provisions of the tax law before revision.

Segment information

I For the three months ended February 28, 2021

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

(Millions of yen)

	Reportable segments				
	Energy & Solutions business	Engineering & Maintenance business	Housing business	Car Life Support business	Animal Health Care business
Net sales					
Revenues from external customers	26,613	6,224	7,244	3,320	7,263
Intersegment sales or transfers	405	1,052	3	2	0
Total	27,019	7,276	7,247	3,322	7,263
Segment profit (loss)	2,594	449	(173)	21	178

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Properties business	Total				
Net sales						
Revenues from external customers	911	51,577	916	52,493	–	52,493
Intersegment sales or transfers	124	1,588	315	1,904	(1,904)	–
Total	1,035	53,166	1,232	54,398	(1,904)	52,493
Segment profit (loss)	(152)	2,917	51	2,968	(92)	2,876

- (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 ¥(92) million includes intersegment eliminations of ¥262 million and corporate expenses of ¥(355) 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.

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

Not applicable.

II For the three months ended February 28, 2022

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	11,708	–	–	–	–
LP gas	7,670	–	–	–	–
Electric power	3,739	–	–	–	–
Civil engineering work, construction work, equipment work	–	7,234	–	–	–
Housing, construction materials	–	–	8,843	–	–
Automotive sales and maintenance	–	–	–	3,718	–
Veterinary medical products	–	–	–	–	6,351
Lease, sale and purchase, and brokerage of real estate, hotel	–	–	–	–	–
Other	7,706	–	–	–	–
Revenue from contracts with customers	30,824	7,234	8,843	3,718	6,351
Other revenue (Note 4)	–	–	–	–	–
Revenues from external customers	30,824	7,234	8,843	3,718	6,351
Intersegment sales or transfers	483	1,022	1	2	0
Total	31,308	8,256	8,845	3,720	6,351
Segment profit (loss)	2,627	412	39	9	199

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Properties business	Total				
Net sales						
City gas	–	11,708	–	11,708	–	11,708
LP gas	–	7,670	–	7,670	–	7,670
Electric power	–	3,739	–	3,739	–	3,739
Civil engineering work, construction work, equipment work	–	7,234	–	7,234	–	7,234
Housing, construction materials	–	8,843	–	8,843	–	8,843
Automotive sales and maintenance	–	3,718	–	3,718	–	3,718
Veterinary medical products	–	6,351	–	6,351	–	6,351
Lease, sale and purchase, and brokerage of real estate, hotel	891	891	–	891	–	891
Other	–	7,706	505	8,212	27	8,239
Revenue from contracts with customers	891	57,863	505	58,369	27	58,397
Other revenue (Note 4)	–	–	58	58	–	58
Revenues from external customers	891	57,863	564	58,427	27	58,455
Intersegment sales or transfers	124	1,633	445	2,079	(2,079)	–
Total	1,015	59,497	1,009	60,506	(2,051)	58,455
Segment profit (loss)	(136)	3,151	21	3,172	(150)	3,021

- (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 ¥(150) million includes intersegment eliminations of ¥309 million and corporate expenses of ¥(460) 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.

3. Information related to revisions to reportable segments

As stated under “Changes in accounting policies,” the Company has applied the Accounting Standard for Revenue Recognition and relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year, and accordingly changed its method for calculating net sales, profit and loss for operating segments given that it has changed accounting methods for revenue recognition.

For the first three months of the current fiscal year, as a result of this change, and compared with the figures obtained by the previous method, net sales decreased by ¥2,130 million and segment profit increased by ¥217 million for the “Energy & Solutions business.” Net sales and segment profit increased by ¥1,700 million and ¥299 million, respectively, for the “Engineering & Maintenance business.” Net sales and segment profit increased by ¥297 million and ¥35 million, respectively, for the “Housing business.” Net sales decreased by ¥83 million for the “Car Life Support business,” but there is no effect on segment profit. Net sales decreased by ¥1,089 million for the “Animal Health Care business,” but there is no effect on segment profit. Net sales decreased by ¥263 million for the “Other,” but there is no effect on segment profit. There is no effect on net sales and segment profit of the

“Properties business.”

Significant events after reporting period

Not applicable.