Summary of Financial Results

For the Nine Months of the Fiscal Year Ending December 31, 2020 (Consolidated)

These financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan. The following English translation is based on the original Japanese-language document.

October 30, 2020

POLA ORBIS HOLDINGS INC.

Listing:	Tokyo Stock Exchange, First Section (Code No.: 4927)	
URL:	https://www.po-holdings.co.jp/	
Representative:	Satoshi Suzuki, Representative Director And President	
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Filing Date of Quarterly Securities Report:		November 13, 2020
Start of Cash Dividend Payment:		-
Supplemental Materials Prepared for Quarterly Financial Results:		Yes
Conference Presentation for Quarterly Financial Results:		Yes(for analysts)

(Amounts less than one million yen have been truncated)

1. Consolidated Performance for the Nine Months of Fiscal 2020

(January 1, 2020–September 30, 2020)

(1) Consolidated Operating Results

(Percentage figures indicate year-on-year change)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020 Nine Months	125,814	(24.0)	9,222	(63.7)	7,775	(68.1)	1,565	(90.2)
FY2019 Nine Months	165,530	(10.4)	25,411	(21.4)	24,370	(24.3)	15,898	(29.0)

Note: Comprehensive income: ¥1,476 million (-90.9%) for the nine months ended September 30, 2020;
¥16,271 million (-24.4%) for the nine months ended September 30, 2019

	Net Income Per Share	Diluted Net Income Per Share
	Yen	Yen
FY2020 Nine Months	7.08	7.07
FY2019 Nine Months	71.88	71.79

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	Millions of yen	Millions of yen	%	Yen
FY2020 Third Quarter	197,612	166,867	84.2	752.55
FY2019	227,256	191,069	83.9	862.00

Reference: Equity capital: FY2020 Third Quarter: ¥166,480 million; FY2019: ¥190,690 million

2. Dividends

	Annual Cash Dividends Per Share				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2019	—	35.00	—	81.00	116.00
FY2020	—	35.00	—		
FY2020 (Forecast)				15.00	50.00

Note1: Revisions to the cash dividends forecast announced most recently: none

3. Consolidated Performance Forecast for Fiscal Year Ending December 31, 2020
(January 1, 2020–December 31, 2020)

(Percentage figures indicate year-on-year change)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Net Income Per Share
	Millions of yen %	Millions of yen %	Millions of yen %	Millions of yen %	Yen
Full year	175,000 (20.4)	10,000 (67.9)	8,500 (72.3)	1,200 (93.9)	5.42

Note: Revisions to the consolidated performance forecast announced most recently: yes

Notes to Summary Information

(1) Changes in significant subsidiaries during the current period
(Changes in specific subsidiaries resulting in changes in the scope of consolidation) : None

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

(3) Changes in accounting policies, accounting estimates, and restatement
1) Changes in accounting policies associated with revision of accounting standards : None
2) Changes other than (3)-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 at the end of each period (including treasury stock)
At September 30, 2020 229,136,156 shares
At December 31, 2019 229,136,156 shares
2) Number of shares of treasury stock at the end of each period
At September 30, 2020 7,915,453 shares
At December 31, 2019 7,916,253 shares
3) Average number of shares issued and outstanding in each period
Nine months ended September 30, 2020 221,220,063 shares
Nine months ended September 30, 2019 221,196,075 shares

Note: The number of shares of treasury stock at September 30, 2019 includes the Company's shares held by the officer compensation Board Incentive Plan (BIP) trust (148,600 shares). The Company's shares held by the officer compensation BIP trust are included in shares of treasury stock that are deducted in the calculation of the average number of shares of treasury stock during the period.

Information Regarding Quarterly Review Procedures

The quarterly financial results report is exempt from quarterly review by certified public accountants or accounting firms.

Explanation of Appropriate Use of Performance Forecast and Other Special Items

This report contains projections of performance and other projections based on information currently available and certain assumptions judged to be reasonable. Actual performance may differ materially from these projections resulting from changes in the economic environment and other risks and uncertainties. For performance projections, please refer to "1. Qualitative Information on Consolidated Performance for the Nine Months of Fiscal 2020 (3) Explanation of Consolidated Performance Forecast and Other Predictive Information" on page 5.

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1. Qualitative Information on Consolidated Performance for the Nine Months of Fiscal 2020

(1) Explanation of Consolidated Operating Results

During the nine months of fiscal 2020 (January 1–September 30, 2020), the Japanese economy experienced a rapid decline and extremely difficult conditions due to the impact of requests to people to refrain from going out and to suspend business activities because of the spread of COVID-19 (the novel coronavirus), as well as the impact of the declaration of a state of emergency in April, which led to severe restrictions on economic activity. Currently, there have been signs of a gradual recovery in consumer spending, with April and May having been the worst months, thanks in part to the government's economic stimulus measures, in addition to the lifting of the declaration of a state of emergency in May, followed by the lifting of restrictions on movement within Japan in June. However, fears of a re-emergence of the infection still persist, and the situation is expected to remain difficult for the time being as downward pressures on the economy continue.

The domestic cosmetics market saw a significant decrease in inbound demand and the impact from a cooling down in consumer sentiment due to a period of store closures and self-restraint from going out as a result of the spread of COVID-19, and the current outlook for the economy remains uncertain. However, as a new way of life continues to take root, the importance of e-commerce and other mail-order sales channels as highly convenient services is increasing, driven by the change in contactless behavior that has been brought about by the COVID-19 pandemic.

In the overseas cosmetics market, the outlook has also remained uncertain mainly due to the global spread of COVID-19. However, consumption is returning to levels before the COVID-19 pandemic in the Chinese market as economic activity resumes.

Within this market environment, the POLA ORBIS Group (the "Group") continued its efforts to achieve further improved profitability in Japan, a solid shift toward profitability from overseas operations and creations of brands for next-generation growth. The efforts were in line with the four-year medium-term management plan (from 2017 to 2020) that started in fiscal 2017.

As a result of these factors, the Group achieved the following consolidated operating results for the nine months of fiscal 2020.

Consolidated net sales for the nine months of fiscal 2020 decreased 24.0% year on year, to ¥125,814 million.Operating income declined 63.7% year on year, to ¥9,222 million, resulting from lower gross profit accompanying the decrease in net sales. Ordinary income decreased 68.1% year on year, to ¥7,775 million, resulting from the recording of non-operating expenses including foreign exchange losses. In addition to these results, due to the effect of recording impairment loss on Jurlique brand and an extraordinary loss for expenses associated with the temporary closure of business following the declaration of a state of emergency due to the spread of COVID-19, profit attributable to owners of parent decreased 90.2% year on year, to ¥1,565 million.

Operating Results Overview (Millions of yen)

	Nine Months Ended September 30			
	2019	**2020**	Year-on-Year	
			Amount Change	Percent Change (%)
Net Sales	¥165,530	**¥125,814**	¥(39,715)	(24.0)
Operating Income	25,411	**9,222**	(16,189)	(63.7)
Ordinary Income	24,370	**7,775**	(16,595)	(68.1)
Profit Attributable to Owners of Parent	¥15,898	**¥1,565**	¥(14,332)	(90.2)

Operating Results by Segment

Net Sales (Segment Sales to External Customers) (Millions of yen)

	Nine Months Ended September 30			
	2019	**2020**	Year-on-Year	
			Amount Change	Percent Change (%)
Beauty Care	¥161,794	**¥122,295**	¥(39,498)	(24.4)
Real Estate	1,979	**1,763**	(216)	(10.9)
Others	1,756	**1,755**	(0)	(0.0)
Total	¥165,530	**¥125,814**	¥(39,715)	(24.0)

Segment Profit (Loss) (Operating Income (Loss)) (Millions of yen)

	Nine Months Ended September 30			
	2019	**2020**	Year-on-Year	
			Amount Change	Percent Change (%)
Beauty Care	¥24,625	**¥8,423**	¥(16,201)	(65.8)
Real Estate	878	**669**	(209)	(23.9)
Others	113	**37**	(76)	(66.8)
Reconciliations of Segment Profit (Note)	(205)	**92**	297	—
Total	¥25,411	**¥9,222**	¥(16,189)	(63.7)

Note: Reconciliations of segment profit refer to elimination of profits arising from inter-company transactions and expenses not allocated to reportable segments. Please see note 2 in "1. Information about Net Sales and Profit (Loss) by Reportable Segment" on page 10 and 11 for the details of reconciliations of segment income during the period.

Beauty Care

The Beauty Care segment consists of the flagship brands POLA and ORBIS, the overseas brands Jurlique and H2O PLUS, and the brands under development THREE, DECENCIA, Amplitude, ITRIM, and FIVEISM × THREE.

POLA is aiming to achieve a high customer retention rate by launching high-value-added products centered on anti-aging and skin-brightening products, for which there is strong demand in the market, and by focusing on basic activities such as consulting and aesthetic services. In Japan, POLA is working to restore store traffic, particularly among existing customers, by implementing thorough in-store hygiene management and infection prevention measures amid the COVID-19 pandemic. The new B.A Lotion, which is part of POLA's pinnacle anti-aging care series, launched in September and is performing well. In addition, each shop has been developing online consulting and workshops to expand customer services on both the online and offline axes. Overseas, Chinese e-commerce and South Korean duty-free stores in particular continue to grow at a high rate. In addition, interest in POLA consulting and aesthetic services in China is increasing, and POLA is working to expand its customer base by proactively opening new stores. However, the spread of COVID-19 has had a significant impact on sales declines, and POLA recorded net sales and operating income below those of the corresponding period of the previous year.

ORBIS is making efforts to enhance its presence through the creation of brand differentiation in order to re-grow into a highly profitable business. In July, SKINCARE LOUNGE BY ORBIS opened in Omotesando in Tokyo, where customers can learn about their own skin and experience the power of their own skin, further strengthening ORBIS's communication centered on products that embody the world view of the brand message, "Simply you. Simply beautiful." along with consistent marketing communication. The ORBIS U anti-aging skincare series, and ORBIS DEFENCERA, the Food for Specified Health Uses with recognized skincare functions, and the third symbolic product, ORBIS OFF CREAM (cleansing cream), contributed to the acquisition of new customers. In addition, ORBIS worked to improve its brand recognition rate by expanding customer contact points in Asia. Meanwhile, there was a decrease in existing customers as a result of efforts to strategically narrow down target customers. Since the spread of COVID-19, ORBIS has been working proactively on directing customers to the e-commerce channel mainly through smartphone applications, and product proposals through online consulting, in anticipation of the new way of life. However, as a result of factors including temporary store closures, net sales and operating income of ORBIS fell below those of the corresponding period of the previous year.

For overseas brands, the Group took initiatives aimed at business growth in Australia and Asia for Jurlique and in

the United States, where H2O PLUS originated. Sales of Jurlique have been strong in some channels, including sales growth in the company's own e-commerce channels and a recovery in the travel retail market in China. However, due to the impact of the second wave of COVID-19, some directly managed stores and major department stores in Australia were again forced to suspend operations. As a result, net sales fell below those of the corresponding period of the previous year. On the cost front, Jurlique actively worked to reduce costs, and the operating loss was reduced as a result. H2O PLUS is promoting reinvention of its e-commerce channel strategy with full support from ORBIS. Recently, during the U.S. marketing month (September), H2O PLUS rolled out promotions that fully promoted the Clean concept to encourage repeat purchases, resulting in an increase in sales compared to the corresponding period of the previous year. On the other hand, in the hotel amenity business, net sales fell below those of the corresponding period of the previous year due to lower shipments as a result of the impact of the spread of COVID-19. However, operating loss narrowed due to aggressive cost reductions.

For brands under development, while there were strong acquisitions of new customers on the e-commerce channel of DECENCIA, and a growth in sales of Amplitude, ITRIM, and FIVEISM × THREE, which were launched in 2018, net sales and operating income fell below those of the corresponding period of the previous year due to the great impact of a reduction in sales of THREE as a result of the spread of COVID-19.

As a result of the factors noted above, net sales—sales to external customers—were ¥122,295 million, down 24.4% year on year, and operating income was ¥8,423 million, down 65.8% year on year.

Real Estate

The Real Estate segment concentrates on the leasing of office buildings in urban areas. Efforts are currently directed at sustaining and improving rental income and reducing vacancy rates by creating attractive office environments. Another area of emphasis is the residential properties rental business. This business highlights condominiums perfect for families with young children. During the nine months of fiscal 2020, net sales and operating income fell below those of the corresponding period of the previous year as a result of some tenants moving out.

As a result of the above, net sales—sales to external customers—generated by the Real Estate segment totaled ¥1,763 million, down 10.9% year on year, and operating income was ¥669 million, down 23.9% year on year.

Others

The Others segment is the building maintenance business.

The building maintenance business is mainly engaged in the operation and management of buildings. During the nine months of fiscal 2020, net sales and operating income were below those of the corresponding period of the previous year due to a decrease of construction orders.

As a result of the above, net sales—sales to external customers—generated by the Others segment totaled ¥1,755 million, down 0.0% year on year, and operating income was ¥37 million, down 66.8% year on year.

(2) Explanation of Consolidated Financial Position

As of September 30, 2020, total assets stood at ¥197,612 million, down 13.0%, or ¥29,644 million, from December 31, 2019. Factors related to this change included increases of ¥4,258 million in short-term investments in securities for the management of surplus funds, ¥1,090 million in merchandise and finished goods, and ¥741 million in software, as well as decreases of ¥19,076 million in cash and deposits, ¥6,085 million in notes and accounts receivable – trade, and ¥3,806 million in investments in securities.

Total liabilities amounted to ¥30,744 million, down 15.0%, or ¥5,441 million, from December 31, 2019. Factors related to this change included decreases of ¥865 million in notes and accounts payable – trade, ¥3,948 million in other under current liabilities associated with a decrease in accounts payable – other, and ¥916 million in income taxes payable.

Net assets amounted to ¥166,867 million, down 12.7%, or ¥24,202 million, from December 31, 2019. Factors related to this change included a decrease of ¥25,678 million in dividends from retained earnings, partially offset by an increase of ¥1,565 million in profit attributable to owners of parent.

(3) Explanation of Consolidated Performance Forecast and Other Predictive Information

With many uncertainties, the Group has announced the full-year of fiscal 2020 consolidated performance forecast which includes the effect of the spread of COVID-19 (the novel coronavirus) based on the available imformation and financial results as of April 28, 2020. The Group has tried to come up with the announced performance by adoption to environmental changes and strategic cost structure transformation with online shifting of events and new products release, and digital shifting of advertisement for better efficiency. Cost control in all aspects has been processed as well as reconsideration on domestic store opening plan, suspention on hiring new staffs and others. However, since the recovery in the third quarter of 2020 was slower than expected and the effect of the COVID-19 is still concerned in the fourth quarter, the Group has made revisions to the full-year of fiscal 2020 consolidated performance forecast which was announced on April 28, 2020 as follows;

	(Millions of yen)				
	Twelve Months Ending December 31				
	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Net Income Per Share(yen)
Previous Forecast (A)	¥190,000	¥19,000	¥16,500	¥8,400	¥37.97
Current Forecast (B)	175,000	10,000	8,500	1,200	5.42
Amount Change (B A)	(15,000)	(9,000)	(8,000)	(7,200)	(32.55)
Percent Change (%)	(7.9)	(47.4)	(48.5)	(85.7)	(85.7)
(reference) Actual Results for Fiscal 2019	¥219,920	¥31,137	¥30,630	¥19,694	¥89.04

(Information for reference)
Cumulative Results for Fiscal 2019

	(Millions of yen)			
	Three Months	Six Months	Nine Months	Full Year
Net Sales	¥52,440	¥110,247	¥165,530	¥219,920
Operating Income	6,773	16,236	25,411	31,137
Ordinary Income	6,525	15,561	24,370	30,630
Profit Attributable to Owners of Parent	¥ 4,157	¥ 9,938	¥ 15,898	¥ 19,694

Quarterly Results for Fiscal 2019

	(Millions of yen)			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Sales	¥52,440	¥57,806	¥55,282	¥54,390
Operating Income	6,773	9,462	9,175	5,725
Ordinary Income	6,525	9,035	8,809	6,259
Profit Attributable to Owners of Parent	¥ 4,157	¥ 5,781	¥ 5,959	¥ 3,796

2. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2019 December 31, 2019	**FY2020 Third Quarter September 30, 2019**
Assets		
Current assets		
Cash and deposits	¥ 66,548	**¥ 47,471**
Notes and accounts receivable – trade	21,624	**15,538**
Short-term investments in securities	24,518	**28,777**
Merchandise and finished goods	13,684	**14,774**
Work in process	853	**970**
Raw materials and supplies	5,163	**5,159**
Other	11,617	**6,001**
Allowance for doubtful accounts	(1,074)	**(46)**
Total current assets	142,935	**118,647**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,866	**16,673**
Land	14,094	**13,963**
Other, net	12,026	**10,590**
Total property, plant and equipment	43,987	**41,227**
Intangible assets		
Right of trademark	31	**29**
Software	8,019	**8,761**
Other	98	**97**
Total intangible assets	8,149	**8,887**
Investments and other assets		
Investments in securities	20,301	**16,495**
Other	12,056	**12,606**
Allowance for doubtful accounts	(173)	**(252)**
Total investments and other assets	32,184	**28,849**
Total non-current assets	84,320	**78,964**
Total assets	¥227,256	**¥197,612**

(Millions of yen)

	FY2019 December 31, 2019	**FY2020Third Quarter September 30, 2019**
Liabilities		
Current liabilities		
Notes and accounts payable – trade	¥ 3,129	**¥ 2,263**
Income taxes payable	1,374	**458**
Provision for bonuses	1,490	**2,332**
Provision for point program	2,872	**2,422**
Other provisions	98	**75**
Other	17,657	**13,709**
Total current liabilities	26,621	**21,261**
Non-current liabilities		
Other provisions	88	**115**
Net defined benefit liability	3,872	**4,045**
Asset retirement obligations	2,153	**2,152**
Other	3,449	**3,169**
Total non-current liabilities	9,564	**9,483**
Total liabilities	36,186	**30,744**
Net assets		
Shareholders' equity		
Common stock	10,000	**10,000**
Capital surplus	80,785	**80,785**
Retained earnings	100,915	**76,802**
Treasury stock	(2,652)	**(2,652)**
Total shareholders' equity	189,047	**164,934**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(62)	**(103)**
Foreign currency translation adjustments	2,047	**2,022**
Remeasurements of defined benefit plans	(341)	**(374)**
Total accumulated other comprehensive income	1,643	**1,545**
Subscription rights to shares	243	**243**
Non-controlling interests	134	**143**
Total net assets	191,069	**166,867**
Total liabilities and net assets	¥227,256	**¥197,612**

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

Consolidated Statements of Income

(Millions of yen)

	Nine Months Ended September 30	
	FY2019 (January 1, 2019– September 30, 2019)	**FY2020 (January 1, 2020– September 30, 2019**
Net sales	¥165,530	**¥125,814**
Cost of sales	25,686	**20,504**
Gross profit	139,843	**105,310**
Selling, general and administrative expenses		
Sales commission	36,858	**27,012**
Promotion expenses	16,972	**13,320**
Advertising expenses	8,550	**7,339**
Salaries, allowances and bonuses	15,107	**14,433**
Provision for bonuses	1,980	**1,942**
Provision for point program	2,657	**2,142**
Other	32,304	**29,896**
Total selling, general and administrative expenses	114,431	**96,087**
Operating income	25,411	**9,222**
Non-operating income		
Interest income	147	**137**
Other	156	**132**
Total non-operating income	304	**269**
Non-operating expenses		
Interest expense	62	**67**
Loss on sales of investment securities	―	**367**
Loss on valuation of investment securities	280	**―**
Foreign exchange losses	830	**246**
Compensation expenses	100	**946**
Other	71	**89**
Total non-operating expenses	1,345	**1,716**
Ordinary income	24,370	**7,775**
Extraordinary income		
Subsidy income	―	**723**
Other	0	**39**
Total extraordinary income	0	**763**
Extraordinary losses		
Loss on disposal of non-current assets	182	**148**
Impairment Loss	0	**2,168**
Loss on valuation of investment securities	―	**80**
Loss related to COVID-19	―	**1,271**
Other	3	**35**
Total extraordinary losses	186	**3,704**
Profit before income taxes	24,184	**4,834**
Income taxes – current	6,073	**3,584**
Income taxes – deferred	2,214	**(326)**
Total income taxes	8,287	**3,258**
Profit	15,896	**1,576**
Profit (Loss) attributable to non-controlling interests	(2)	**10**
Profit attributable to owners of parent	¥ 15,898	**¥ 1,565**

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine Months Ended September 30	
	FY2019 (January 1, 2019– September 30, 2019)	**FY2020 (January 1, 2020– September 30, 2019)**
Profit	¥15,896	**¥1,576**
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	**(41)**
Foreign currency translation adjustments	114	**(25)**
Remeasurements of defined benefit plans	267	**(32)**
Total other comprehensive income	374	**(99)**
Comprehensive income	16,271	**1,476**
Comprehensive income attributable to owners of parent	16,276	**1,467**
Comprehensive income attributable to non-controlling interests	¥(4)	**¥8**

(3) Notes to Consolidated Financial Statements

(Going Concern Assumptions)
None

(Significant Changes in Shareholders' Equity)
None

(Segment Information)
I. Nine Months of Fiscal 2019 (January 1, 2019-September 30, 2019)
1. Information about Net Sales and Profit (Loss) by Reportable Segment

(Millions of yen)

	Reportable Segments			Others (Note 1)	Subtotal	Reconciliations (Note 2)	Amount Shown on the Consolidated Financial Statements (Note 3)
	Beauty Care	Real Estate	Subtotal				
Net Sales							
Sales to External Customers	¥ 161,794	¥1,979	¥163,774	¥1,756	¥165,530	—	¥165,530
Intersegment Sales or Transfers	47	380	427	1,600	2,028	¥(2,028)	—
Total	161,841	2,359	164,201	3,356	167,558	(2,028)	165,530
Segment Profit	¥ 24,625	¥878	¥ 25,503	¥ 113	¥ 25,617	¥ (205)	¥ 25,411

Notes: 1. “Others” comprises business operations that are not categorized as reportable segments and includes the building maintenance business. The pharmaceuticals business, which was previously included in “Others”, is excluded from the scope of the consolidation with the transfer of all shares of POLA PHARMA INC. at January 1, 2019.
2. The segment profit reconciliation of ¥(205) million includes intersegment transaction eliminations of ¥2,802 million, and corporate expenses of ¥(3,008) million not allocated to each reportable segment. Corporate expenses are primarily the Company's administrative expenses not allocated to reportable segments.
3. Segment profit is adjusted for operating income reported in the quarterly consolidated statements of income.

2. Information about Impairment Loss of Non-current Assets and Goodwill by Reportable Segment
(Significant Impairment Loss of Non-current Assets)
None

(Significant Changes in Goodwill)
None

II. Nine Months of Fiscal 2020 (January 1, 2020–September 30, 2020)

1. Information about Net Sales and Profit (Loss) by Reportable Segment

(Millions of yen)

	Reportable Segments			Others (Note 1)	Subtotal	Reconciliations (Note 2)	Amount Shown on the Consolidated Financial Statements (Note 3)
	Beauty Care	Real Estate	Subtotal				
Net Sales							
Sales to External Customers	**¥122,295**	**¥1,763**	**¥124,059**	**¥1,755**	**¥125,814**	**—**	**¥125,814**
Intersegment Sales or Transfers	**57**	**390**	**448**	**1,264**	**1,713**	**¥(1,713)**	**—**
Total	**122,353**	**2,154**	**124,507**	**3,020**	**127,527**	**(1,713)**	**125,814**
Segment Profit	**¥8,423**	**¥669**	**¥9,092**	**¥37**	**¥9,130**	**¥92**	**¥9,222**

Notes: 1. "Others" comprises business operations that are not categorized as reportable segments and include the building maintenance business.
2. The segment profit reconciliation of ¥ 92 million includes intersegment transaction eliminations of ¥2,900 million, and corporate expenses of ¥ (2,808) million not allocated to each reportable segment. Corporate expenses are primarily the Company's administrative expenses not allocated to reportable segments.
3. Segment profit is adjusted for operating income reported in the quarterly consolidated statements of income.

2. Information about Impairment Loss of Non-current Assets and Goodwill by Reportable Segment

(Significant Impairment Loss of Non-current Assets)

Impairment loss of ¥ 2,168 million is recognized on Beauty Care segment.

(Significant Changes in Goodwill)

None

(Subsequent Events)

None