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Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2025 (Under Japanese GAAP)

November 6, 2024

Company name: Bunka Shutter Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 5930
URL: https://www.bunka-s.co.jp/
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Scheduled date to file semi-annual securities report: November 6, 2024
Scheduled date to commence dividend payments: December 2, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2025 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	102,298	3.7	3,890	(9.8)	3,955	(20.8)	2,208	(27.6)
September 30, 2023	98,675	14.0	4,314	66.9	4,992	79.5	3,049	63.1

Note: Comprehensive income For the six months ended September 30, 2024:¥4,813 million [3.6%]
For the six months ended September 30, 2023:¥4,648 million [87.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	31.05	–
September 30, 2023	47.96	–

Note: At the end of the previous fiscal year, the provisional accounting treatment for business combination was settled. As a result, each figure for the six months ended September 30, 2023 reflects the settlement of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	204,261	106,332	52.0
March 31, 2024	206,879	103,924	50.2

Reference: Equity
As of September 30, 2024: ¥106,175 million
As of March 31, 2024: ¥103,769 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	21.00	–	34.00	55.00
Fiscal year ending March 31, 2025	–	32.00			
Fiscal year ending March 31, 2025 (Forecast)			–	32.00	64.00

Note: Revisions to the cash dividends forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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 March 31, 2025	230,000	4.0	15,000	3.6	15,400	(3.4)	11,400	7.7	160.21

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of specific accounting treatment for preparing semi-annual consolidated financial statements: Yes

Note: For more details, please refer to "2. Semi-annual consolidated financial statements, (4) Notes to semi-annual consolidated financial statements, (Notes to specific accounting treatment for preparing semi-annual consolidated financial statements)" on page 10 of the attached material.

(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 more details, please refer to "2. Semi-annual consolidated financial statements, (4) Notes to semi-annual consolidated financial statements, (Notes on changes in accounting policies)" on page 10 of the attached material.

(4) Number of issued shares (common shares)

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

As of September 30, 2024	72,196,487 shares
As of March 31, 2024	72,196,487 shares

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

As of September 30, 2024	1,041,294 shares
As of March 31, 2024	1,065,082 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2024	71,138,193 shares
Six months ended September 30, 2023	63,600,237 shares

Note: The number of treasury shares at the end of the period includes the number of shares of Bunka Shutter Co., Ltd. (the "Company") held by the Board Incentive Plan trust. The Company's shares held by the trust are included in the treasury shares deducted in calculating the average number of shares outstanding during the period.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

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. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Regarding earnings forecasts, please refer to "1. Overview of operating results, etc., (3) Explanation of consolidated earnings forecasts and other forward-looking statements" on page 3 of the attached material.

(How to obtain supplementary material on financial results)

The Company plans to hold a briefing for analysts and institutional investors on November 26, 2024 (Tuesday). The Company also plans to post the supplementary material on earnings that will be used at the briefing on the Company's website in addition to disclosing it on TDnet.

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1. Overview of operating results, etc.

(1) Overview of operating results for the first six months of the current fiscal year

In the six months ended September 30, 2024, the Japanese economy maintained a moderate recovery trend, mainly owing to improvements in employment and income conditions buoyed by wage hikes and the like and expanded capital investment against a backdrop of improved corporate earnings.

On the other hand, the future outlook remains uncertain due to factors such as heightening geopolitical risks, including the situations in the Middle East and Ukraine, as well as skyrocketing energy and raw material prices due to the continued depreciation of the yen.

In the construction and housing industries too, in which the Bunka Shutter Group operates, private capital expenditure remains steady and construction demand remains firm, but the situation remains unclear mainly because of continued weak figures for new housing starts due to skyrocketing construction costs and other factors.

Under these circumstances, the Group posted net sales of 102,298 million yen (up 3.7% year on year) for the six months ended September 30, 2024. With regard to profits, despite all Group segments exerting the utmost effort to secure profits, operating profit came to 3,890 million yen (down 9.8% year on year), ordinary profit was 3,955 million yen (down 20.8% year on year), and profit attributable to owners of parent totaled 2,208 million yen (down 27.6% year on year).

Operating results by segment are as follows:

1. Shutter Business

   The inclusion in the scope of consolidation of Windsor Doors Limited and three other companies, and SPRINT ROLLER SHUTTERS PTY LTD led to net sales of 43,299 million yen (up 4.7% year on year) for the six months ended September 30, 2024, and operating profit of 3,449 million yen (up 13.0% year on year).

2. Construction-Related Materials Business

   Due to weakness in steel doors, etc., net sales for the six months ended September 30, 2024 came to 38,774 million yen (up 1.2% year on year), but operating profit was 266 million yen (down 78.6% year on year).

3. Service Business

   Due to the strong results mainly from emergency repairs and periodic maintenance services, centering on the firm performance of consolidated subsidiary Bunka Shutter Service Co., Ltd., net sales amounted to 14,372 million yen (up 9.2% year on year), and operating profit was 2,421 million yen (up 14.9% year on year).

4. Refurbishment Business

   This segment focuses on the renewal business, which mainly engages in renovation of buildings, and the housing remodeling business. The housing remodeling business experienced a slowdown. As a result, centering on BX Yutori Form Co., Ltd., net sales amounted to 2,816 million yen (down 9.5% year on year), and operating loss was 49 million yen (compared to an operating profit of 20 million yen in the same period of the previous fiscal year).

5. Other

   The other businesses, including the water-sealing business which handles water-sealing equipment for dealing with the social problems of torrential rain, etc., performed strongly. Accordingly, net sales amounted to 3,034 million yen (up 12.2% year on year) and operating profit was 415 million yen (up 14.1% year on year).

(2) Overview of financial position for the first six months of the current fiscal year

(i) Assets, liabilities and net assets

Total assets as of September 30, 2024 amounted to 204,261 million yen, a decrease of 2,618 million yen from the end of the previous fiscal year. Current assets amounted to 114,093 million yen, a decrease of 5,955 million yen. This is attributed mainly to decreases in notes and accounts receivable - trade, and contract assets (9,775 million yen) and electronically recorded monetary claims - operating (1,384 million yen), which more than offset increases in merchandise and finished goods (3,377 million yen) and "other" in current assets (1,490 million yen). Non-current assets amounted to 90,167 million yen, an increase of 3,337 million yen from the end of the previous fiscal year. This is attributed mainly to increases in "other" in property, plant and equipment (991 million yen), buildings and structures, net (927 million yen), goodwill (523 million yen), land (408 million yen), and investment securities (293 million yen).

Total liabilities as of September 30, 2024 amounted to 97,928 million yen, a decrease of 5,026 million yen from the end of the previous fiscal year. Current liabilities amounted to 60,202 million yen, a decrease of 5,356 million yen. This is attributed mainly to decreases in income taxes payable (2,376 million yen), electronically recorded obligations - operating (2,006 million yen), "other" in current liabilities (545 million yen), and notes and accounts payable - trade (401 million yen). Non-current liabilities amounted to 37,725 million yen, an increase of 330 million yen. This is attributed mainly to an increase in "other" in non-current liabilities (813 million yen), which more than offset decreases in long-term borrowings (339 million yen) and retirement benefit liability (124 million yen).

Net assets as of September 30, 2024 amounted to 106,332 million yen, an increase of 2,408 million yen from the end of the previous fiscal year. This is attributed mainly to increases in profit attributable to owners of parent (2,208 million yen) and foreign currency translation adjustment (2,657 million yen), which more than offset a decrease caused by dividends paid (2,429 million yen).

(ii) Status of cash flows

Cash and cash equivalents (hereinafter referred to as "funds") as of September 30, 2024 increased by 561 million yen (1.4 %) from the end of the previous fiscal year to 39,711 million yen.

The statuses of cash flows by type of activities for the six months ended September 30, 2024 and their factors are described below.

(Cash flows from operating activities)

Funds provided from operating activities in the six months ended September 30, 2024 were 6,713 million yen (up 97.9% year on year). The main inflows were a 11,567 million yen decrease in accounts receivable - trade, and contract assets, profit before income taxes of 3,903 million yen, depreciation of 2,567 million yen, while the main outflows were income taxes paid of 3,974 million yen, a 3,494 million yen increase in inventories, and a 2,577 million yen decrease in trade payables.

(Cash flows from investing activities)

Funds used for investing activities in the six months ended September 30, 2024 were 2,796 million yen (down 77.1% year on year). The main outflows were purchase of property, plant and equipment of 2,466 million yen.

(Cash flows from financing activities)

Funds used for financing activities in the six months ended September 30, 2024 were 3,579 million yen (compared to 11,931 million yen funds provided in the same period of the previous fiscal year). The main outflows were dividends paid of 2,425 million yen, repayments of lease liabilities of 766 million yen, and repayments of long-term borrowings of 429 million yen.

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

Consolidated earnings forecasts for the full year for the fiscal year ending March 31, 2025 are unchanged from those announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2024" on May 14, 2024.

2. Semi-annual consolidated financial statements

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	40,151	40,145
Notes and accounts receivable - trade, and contract assets	46,935	37,160
Electronically recorded monetary claims - operating	10,631	9,246
Merchandise and finished goods	9,818	13,196
Work in process	1,406	1,507
Raw materials and supplies	8,654	8,956
Other	2,752	4,242
Allowance for doubtful accounts	(302)	(363)
Total current assets	120,049	114,093
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,320	13,248
Land	13,121	13,530
Other, net	13,265	14,257
Total property, plant and equipment	38,707	41,036
Intangible assets		
Goodwill	11,318	11,842
Other	8,156	8,291
Total intangible assets	19,474	20,133
Investments and other assets		
Investment securities	19,940	20,233
Retirement benefit asset	1,397	1,396
Other	7,564	7,649
Allowance for doubtful accounts	(254)	(280)
Total investments and other assets	28,648	28,998
Total non-current assets	86,830	90,167
Total assets	206,879	204,261

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,604	15,203
Electronically recorded obligations - operating	21,552	19,546
Short-term borrowings	1,352	1,232
Current portion of long-term borrowings	817	880
Income taxes payable	4,334	1,958
Provision for bonuses	4,809	4,901
Provision for bonuses for directors (and other officers)	182	72
Provision for loss on construction contracts	373	423
Other	16,531	15,985
Total current liabilities	65,559	60,202
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	3,209	2,870
Provision for retirement benefits for directors (and other officers)	247	240
Provision for share awards for directors (and other officers)	69	56
Retirement benefit liability	16,433	16,309
Asset retirement obligations	53	54
Other	7,381	8,194
Total non-current liabilities	37,395	37,725
Total liabilities	102,954	97,928
Net assets		
Shareholders' equity		
Share capital	15,051	15,051
Capital surplus	11,292	11,292
Retained earnings	70,476	70,255
Treasury shares	(1,103)	(1,079)
Total shareholders' equity	95,716	95,519
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,026	5,071
Deferred gains or losses on hedges	–	(13)
Revaluation reserve for land	(46)	(46)
Foreign currency translation adjustment	908	3,565
Remeasurements of defined benefit plans	2,163	2,078
Total accumulated other comprehensive income	8,052	10,655
Non-controlling interests	155	157
Total net assets	103,924	106,332
Total liabilities and net assets	206,879	204,261

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	98,675	102,298
Cost of sales	72,649	74,940
Gross profit	26,025	27,357
Selling, general and administrative expenses	21,711	23,467
Operating profit	4,314	3,890
Non-operating income		
Interest income	15	42
Dividend income	166	213
Rental income	37	40
Foreign exchange gains	596	–
Other	280	264
Total non-operating income	1,096	562
Non-operating expenses		
Interest expenses	132	239
Share of loss of entities accounted for using equity method	187	79
Foreign exchange losses	–	121
Other	98	56
Total non-operating expenses	418	496
Ordinary profit	4,992	3,955
Extraordinary income		
Gain on sale of non-current assets	2	11
Gain on sale of investment securities	15	0
Total extraordinary income	17	11
Extraordinary losses		
Loss on sale of non-current assets	–	16
Loss on retirement of non-current assets	35	47
Total extraordinary losses	35	64
Profit before income taxes	4,974	3,903
Income taxes	1,919	1,691
Profit	3,054	2,211
Profit attributable to non-controlling interests	4	2
Profit attributable to owners of parent	3,049	2,208

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	3,054	2,211
Other comprehensive income		
Valuation difference on available-for-sale securities	1,045	31
Foreign currency translation adjustment	158	2,325
Remeasurements of defined benefit plans, net of tax	(67)	(98)
Share of other comprehensive income of entities accounted for using equity method	456	344
Total other comprehensive income	1,593	2,602
Comprehensive income	4,648	4,813
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,643	4,811
Comprehensive income attributable to non-controlling interests	4	2

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,974	3,903
Depreciation	2,169	2,567
Amortization of goodwill	250	544
Increase (decrease) in allowance for doubtful accounts	33	58
Increase (decrease) in provision for bonuses	269	91
Increase (decrease) in provision for bonuses for directors (and other officers)	(67)	(110)
Increase (decrease) in provision for share awards for directors (and other officers)	10	11
Increase (decrease) in retirement benefit liability	336	(267)
Interest and dividend income	(181)	(256)
Interest expenses	132	239
Loss (gain) on sale of investment securities	(15)	(0)
Loss (gain) on disposal of non-current assets	33	53
Share of loss (profit) of entities accounted for using equity method	187	79
Decrease (increase) in accounts receivable - trade, and contract assets	4,901	11,567
Decrease (increase) in inventories	(4,726)	(3,494)
Increase (decrease) in trade payables	(4,239)	(2,577)
Other, net	1,279	(1,799)
Subtotal	5,348	10,611
Interest and dividends received	211	315
Interest paid	(131)	(238)
Income taxes paid	(2,035)	(3,974)
Net cash provided by (used in) operating activities	3,392	6,713
Cash flows from investing activities		
Decrease (increase) in time deposits	(33)	566
Proceeds from sale of investment securities	86	1
Purchase of investment securities	(11)	(16)
Proceeds from sale of property, plant and equipment	6	83
Purchase of property, plant and equipment	(2,395)	(2,466)
Purchase of intangible assets	(429)	(371)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(9,657)	(564)
Loan advances	(42)	(35)
Proceeds from collection of loans receivable	40	41
Other, net	204	(36)
Net cash provided by (used in) investing activities	(12,230)	(2,796)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	13,889	(120)
Proceeds from long-term borrowings	–	150
Repayments of long-term borrowings	(5)	(429)
Repayments of lease liabilities	(627)	(766)
Proceeds from sale of treasury shares	–	12
Purchase of treasury shares	(0)	(0)
Purchase of treasury shares of subsidiaries	(15)	–
Dividends paid	(1,292)	(2,425)
Dividends paid to non-controlling interests	(0)	(0)
Other, net	(17)	–
Net cash provided by (used in) financing activities	11,931	(3,579)
Effect of exchange rate change on cash and cash equivalents	(278)	224
Net increase (decrease) in cash and cash equivalents	2,814	561
Cash and cash equivalents at beginning of period	31,027	39,149
Cash and cash equivalents at end of period	33,842	39,711

(4) Notes to semi-annual consolidated financial statements

(Notes on changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes" and other standards)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter the "Revised 2022 Accounting Standard") and relevant regulations have been applied from the beginning of the six months ended September 30, 2024.

Revisions to the category in which income tax, etc. is recorded (in cases where other comprehensive income is subject to tax) are subject to the transitional treatment stipulated in the provisos to paragraph 20-3 of the Revised 2022 Accounting Standard, and paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter the "Revised 2022 Guidance"). These changes in accounting policies have no impact on the semi-annual consolidated financial statements.

With regard to revisions related to changes in the treatment in the consolidated financial statement of cases involving the deferral of taxes associated with gains or losses arising from the sale of shares, etc. of subsidiaries between consolidated companies, the Revised 2022 Guidance has been applied from the beginning of the six months ended September 30, 2024. These changes to accounting policies have been applied retrospectively, and semi-annual consolidated financial statements and consolidated financial statements for the first six months of the previous fiscal year and for the previous fiscal year, respectively, reflect this retrospective application. These changes to accounting policies have no impact on semi-annual consolidated financial statements for the first six months of the previous fiscal year or consolidated financial statements for the previous fiscal year.

(Notes to specific accounting treatment for preparing semi-annual consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by estimating a reasonable effective tax rate after the application of tax-effect accounting to profit before income taxes for the consolidated fiscal year ending March 31, 2025, including the first six months under review, and multiplying profit before income taxes by this estimated effective tax rate.

(Notes to segment information, etc.)

I For the six months ended September 30, 2023

1. Explanation of net sales, profit (loss), and other items, and information on disaggregation of revenue for each reportable segment

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Adjust-ments (Note 2)	Amount recorded in semi-annual consolidated statement of income (Note 3)
	Shutter Business	Construction-Related Materials Business	Service Business	Refurbish-ment Business	Total				
Net sales									
Revenue from contracts with customers	41,363	38,330	13,166	3,110	95,970	2,704	98,675	–	98,675
Other revenue	–	–	–	–	–	–	–	–	–
Net sales to external customers	41,363	38,330	13,166	3,110	95,970	2,704	98,675	–	98,675
Inter-segment sales and transfers	2,473	62	229	0	2,766	435	3,202	(3,202)	–
Total	43,837	38,392	13,396	3,111	98,737	3,140	101,877	(3,202)	98,675
Segment profit	3,051	1,243	2,107	20	6,423	364	6,787	(2,473)	4,314

Notes: 1. The category "Other" is an operating segment which is not included in the reportable segments, and it includes water-sealing business, solar power system business, real estate leasing business, insurance agency business and architecture design business.

2. The adjustment to segment profit of (2,473) million yen consists of (2,472) million yen for corporate expenses not allocated to any reportable segment and (0) million yen for inventory adjustments. Corporate expenses consist primarily of general and administrative expenses that do not belong to any reportable segment.

3. Segment profit is adjusted with operating profit in the semi-annual consolidated statement of income.

4. At the end of the previous fiscal year, the provisional accounting treatment for business combination was settled. Segment profit is based on the amount after reflecting the significant revision of the initial allocation of acquisition costs due to the settlement of the provisional accounting treatment for business combination.

2. Information of impairment loss or goodwill, etc. on non-current assets by reportable segment

(Significant changes in amount of goodwill)

In the Shutter Business segment, BX BUNKA AUSTRALIA PTY LTD, a consolidated subsidiary, newly acquired shares of DOORWORKS AUSTRALIA PTY LTD, and included the company in the scope of consolidation. The increase in goodwill due to this was 760 million yen for the six months ended September 30, 2023. The amount of goodwill reflects the settlement of the provisional accounting treatment.

In the Shutter Business segment, BX BUNKA NEW ZEALAND LIMITED, a consolidated subsidiary, newly acquired shares of four companies: Windsor Doors Limited, Windsor Doors (South Island) Limited, Jones Door Company (2005) Limited, and Doors 2000 Limited (hereinafter the "Windsor Group"), and included the Windsor Group in the scope of consolidation. The increase in goodwill due to this was 4,706 million yen for the six months ended September 30, 2023. The amount of goodwill reflects the settlement of the provisional accounting treatment.

II For the six months ended September 30, 2024

1. Explanation of net sales, profit (loss), and other items, and information on disaggregation of revenue for each reportable segment

(Millions of yen)

	Reportable segments					Other (Note 1)	Total	Adjust-ments (Note 2)	Amount recorded in semi-annual consolidated statement of income (Note 3)
	Shutter Business	Construction-Related Materials Business	Service Business	Refurbish-ment Business	Total				
Net sales									
Revenue from contracts with customers	43,299	38,774	14,372	2,816	99,263	3,034	102,298	–	102,298
Other revenue	–	–	–	–	–	–	–	–	–
Net sales to external customers	43,299	38,774	14,372	2,816	99,263	3,034	102,298	–	102,298
Inter-segment sales and transfers	2,582	18	297	6	2,905	443	3,348	(3,348)	–
Total	45,882	38,793	14,669	2,822	102,168	3,478	105,647	(3,348)	102,298
Segment profit (loss)	3,449	266	2,421	(49)	6,088	415	6,503	(2,613)	3,890

Notes: 1. The category "Other" is an operating segment which is not included in the reportable segments, and it includes water-sealing business, solar power system business, real estate leasing business, insurance agency business and architecture design business.

2. The adjustment to segment profit (loss) of (2,613) million yen consists of (2,612) million yen for corporate expenses not allocated to any reportable segment and (0) million yen for inventory adjustments. Corporate expenses consist primarily of general and administrative expenses that do not belong to any reportable segment.

3. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statement of income.

2. Information of impairment loss or goodwill, etc. on non-current assets by reportable segment

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)
Not applicable.

(Notes on premise of going concern)
Not applicable.