

## Consolidated Financial Results for the Six Months Ended September 30, 2024 (Japanese GAAP)

Company name: SANKI ENGINEERING CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 1961  
 URL: <https://www.sanki.co.jp/>  
 Representative: Hirokazu Ishida, President and Representative Director  
 Inquiries: Yoshio Kawabe, Director, Managing Executive Officer, General Manager of the Accounting Division  
 Telephone: +81-3-6367-7084

Scheduled date to file semi-annual securities report: November 11, 2024

Scheduled date to commence dividend payments: December 10, 2024

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Amounts of less than 1 million yen are truncated)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2024

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2024	105,950	18.4	5,926	362.5	6,639	253.5	4,450	215.8
September 30, 2023	89,459	21.7	1,281	—	1,878	—	1,409	—

(Note) Comprehensive income: Six months ended September 30, 2024: ¥(739 million) [—%]

Six months ended September 30, 2023: ¥5,783 million [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	83.78	83.52
September 30, 2023	25.87	25.79

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	179,664	101,118	56.2
March 31, 2024	202,161	104,621	51.7

(Reference) Shareholders' equity: As of September 30, 2024: ¥100,952 million As of March 31, 2024: ¥104,431 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 March 31, 2024	–	35.00	–	50.00	85.00
Fiscal year ending March 31, 2025	–	55.00			
Fiscal year ending March 31, 2025 (Forecast)			–	55.00	110.00

(Note) Revisions to the forecast of cash dividends most recently announced: Yes  
Breakdown of end-FY3/24 dividend: Ordinary dividend ¥35; Extraordinary dividend ¥15

\* For details, please refer to “Notice Concerning Dividends of Surplus (Interim Dividend) and Revision to Fiscal Year-End Dividend Forecast (Dividend Increase)” (Japanese only) announced today (November 11, 2024).

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% figures show year-on-year change for the full year)

	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
Full year	245,000	10.4	16,500	42.4	17,000	33.3	11,600	29.6	218.47

(Note) Amendment to forecasts of consolidated financial results recently announced: Yes

**\* Notes**

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual 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

(4) Number of issued shares (common stock)

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

As of September 30, 2024	54,661,156 shares
As of March 31, 2024	56,661,156 shares

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

As of September 30, 2024	1,593,433 shares
As of March 31, 2024	3,570,395 shares

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

Six months ended September 30, 2024	53,122,586 shares
Six months ended September 30, 2023	54,465,698 shares

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

\* Proper use of earnings forecasts, and other special matters

We have amended the consolidated and non-consolidated earnings forecasts announced on May 10, 2024. For details, please refer to 1. (3) "Qualitative information on consolidated earnings forecasts" on page 4 of the Attached Materials.

The forward-looking statements such as earnings forecasts contained in these materials are based on the information available at the time they were prepared, and the actual results could differ from forecasts depending on a variety of factors.

(Reference) Forecast of Non-consolidated Financial Results for the Fiscal Year Ending March 31, 2025

(April 1, 2024 to March 31, 2025)

(% figures show year-on-year change for the full year)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	225,000	14.2	14,000	59.7	16,500	46.5	12,100	43.5	227.88

(Note) Amendment to forecasts of non-consolidated financial results during the interim accounting period under review: Yes

Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Officially, only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

## [Attached Materials]

### Index

1. Qualitative Information on Operating Results and Financial Position for the Six Months Ended September 30, 2024.....	2
(1) Qualitative information on consolidated operating results .....	2
(2) Qualitative information on consolidated financial position.....	3
(3) Qualitative information on consolidated earnings forecasts.....	4
2. Consolidated Financial Statements and Related Notes.....	5
(1) Consolidated balance sheets.....	5
(2) Consolidated statements of income and comprehensive income.....	7
(3) Consolidated statements of cash flows.....	8
(4) Notes on premise of going concern.....	9
(5) Changes in Accounting Policies.....	9
(6) Segment information, etc. ....	9
(7) Notes regarding significant changes in shareholders' equity [if any].....	10

## 1. Qualitative Information on Operating Results and Financial Position for the Six Months Ended September 30, 2024

As it prepares for its 100th anniversary in April 2025, the Group aims to be the “Company of Choice” for even more stakeholders by further enhancing quality and reliability through the long-term vision “Century 2025.” The consolidated fiscal year under review is the third year of the four-year medium-term management plan “Century 2025” Phase 3, which is the final phase of the long-term vision “Century 2025.” Continuing its efforts from FY2023, the Group will strive to remain the enduring company of choice by pushing forward with Phase 1 initiatives focused on improving quality and Phase 2 efforts to enhance reliability, while also implementing new measures, including initiatives to contribute to the sustainability of society, accelerate work-style reforms, and invest toward the next generation. In addition, we will continue building a corporate structure that can flexibly respond to changes in the environment, while developing new technologies, strengthening corporate governance, and achieving sustainable growth and increased corporate value over the medium to long term based on thorough compliance.

The Group’s operating results and financial position for the six months ended September 30, 2024, or the interim accounting period of the fiscal year ending March 31, 2025, are as follows.

### (1) Qualitative information on consolidated operating results

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	YoY change	YoY change (%)	Main factors behind YoY change
Orders received	125,381	150,996	25,615	20.4%	As stated in the next section, “Operating results of major segments”
Balance carried forward	224,348	243,948	19,600	8.7%	
Net sales	89,459	105,950	16,491	18.4%	
Gross profit	11,969	17,198	5,228	43.7%	
Margin (%)	13.4%	16.2%	2.8%		
Operating profit	1,281	5,926	4,645	362.5%	
Margin (%)	1.4%	5.6%	4.2%		
Ordinary profit	1,878	6,639	4,761	253.5%	
Margin (%)	2.1%	6.3%	4.2%		
Profit attributable to owners of parent	1,409	4,450	3,041	215.8%	
Margin (%)	1.6%	4.2%	2.6%		

(Note) Profit margins are the rate of return on net sales.

#### <Operating results of major segments>

##### ○Facilities Construction Business

This business includes HVAC and Plumbing for Buildings, Industrial HVAC (centered on air-conditioning systems for factories), Electrical Systems and Facility Systems businesses, etc.

Orders received increased on the back largely of orders received for large-scale projects in HVAC and Plumbing for Buildings, Industrial HVAC, and Electrical Systems. Net sales and segment profit both increased due largely to progress in the projects that were carried forward from the previous fiscal year and improvement in profitability.

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	YoY change	YoY change (%)
Orders received	95,333	129,704	34,370	36.1%
Net sales	74,014	88,004	13,990	18.9%
Segment profit	1,236	5,784	4,548	368.0%

### ○Machinery Systems Business

This business mainly includes conveyance systems and manufacturing and sales business related to transportation equipment. Orders received decreased partly as a reaction to the orders for large-scale conveyance equipment received in the same period of the previous fiscal year. Net sales increased due largely to progress in projects that were carried forward from the previous fiscal year, and segment loss improved.

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	YoY change	YoY change (%)
Orders received	5,028	4,199	(829)	(16.5%)
Net sales	4,637	5,056	418	9.0%
Segment profit (loss)	(518)	(449)	69	—

### ○Environmental Systems Business

This business mainly includes operations related to water and sewage facilities and waste treatment facilities ordered by government agencies.

Orders received decreased partly as a reaction to the orders for large-scale waste treatment facilities received in the same period of the previous fiscal year. Net sales increased due largely to progress in projects that were carried forward from the previous fiscal year, and segment loss improved.

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	YoY change	YoY change (%)
Orders received	23,856	16,306	(7,550)	(31.6%)
Net sales	9,556	11,778	2,222	23.3%
Segment profit (loss)	(203)	(104)	98	—

### ○Real Estate Business

This business mainly includes leasing operations for real estate holdings and building management.

Tenant rental income increased, resulting in higher sales and profits.

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	YoY change	YoY change (%)
Orders received	1,242	1,293	51	4.2%
Net sales	1,242	1,293	51	4.2%
Segment profit	477	499	21	4.6%

## (2) Qualitative information on consolidated financial position

(Status of assets, liabilities and net assets)

(Millions of yen)

	March 31, 2024	September 30, 2024	YoY change	YoY change (%)	Main factors behind YoY change
Current assets	131,564	117,539	(14,024)	(10.7%)	Accounts receivable from completed construction contracts and other as well as contract assets declined from the end of FY2023 due to seasonable factors, and investment securities decreased due to a decline in their market prices.
Non-current assets	70,596	62,124	(8,471)	(12.0%)	
Total assets	202,161	179,664	(22,496)	(11.1%)	
Current liabilities	81,597	64,507	(17,090)	(20.9%)	Accounts payable for construction contracts declined from the end of FY2023 due to seasonable factors, and deferred tax liabilities decreased due to a decline in market prices of investment securities
Non-current liabilities	15,941	14,038	(1,903)	(11.9%)	
Total liabilities	97,539	78,545	(18,994)	(19.5%)	
Total net assets	104,621	101,118	(3,502)	(3.3%)	Valuation difference on available-for-sale securities decreased due to a decline in their market prices

(Cash flow status)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024	Reasons for cash flow changes during the current interim period
Cash and cash equivalents at beginning of period	24,949	23,500	
Cash flows from operating activities	9,402	12,802	Increase mainly due to posting of profit before income taxes and progress in collection of trade receivables
Cash flows from investing activities	(612)	(727)	Decrease mainly due to acquisition of securities
Cash flows from financing activities	(2,930)	(3,520)	Decrease mainly due to repayment of long-term borrowings and dividend payments based on financial and capital policies
Effect of exchange rate changes on cash and cash equivalents, etc.	129	194	
Cash and cash equivalents at end of period	30,939	32,249	

### (3) Qualitative information on consolidated earnings forecasts

In light of the recent earnings trend, we have amended the full-year consolidated and non-consolidated earnings forecasts announced on May 10, 2024. For details, please refer to “Notice Regarding Revision to Earnings Forecasts” (Japanese only) announced today (November 11, 2024).



## 2. Consolidated Financial Statements and Related Notes

### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	23,500	29,250
Notes receivable - trade	307	280
Electronically recorded monetary claims - operating	5,427	4,656
Accounts receivable from completed construction contracts and other	55,803	40,983
Contract assets	36,011	26,282
Securities	1,000	4,999
Costs on construction contracts in progress	2,541	4,144
Raw materials and supplies	841	970
Other	6,133	5,974
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>131,564</b>	<b>117,539</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	44,432	44,546
Accumulated depreciation	(35,299)	(35,806)
Buildings and structures, net	9,133	8,740
Machinery, vehicles, tools, furniture and fixtures	2,258	2,304
Accumulated depreciation	(1,771)	(1,833)
Machinery, vehicles, tools, furniture and fixtures, net	486	470
Land	3,035	3,035
Leased assets	540	582
Accumulated depreciation	(264)	(271)
Leased assets, net	275	310
Construction in progress	36	28
<b>Total property, plant and equipment</b>	<b>12,966</b>	<b>12,585</b>
Intangible assets		
Other	2,045	1,908
<b>Total intangible assets</b>	<b>2,045</b>	<b>1,908</b>
Investments and other assets		
Investment securities	40,539	32,923
Long-term loans receivable	55	50
Retirement benefit asset	8,978	9,013
Leasehold and guarantee deposits	1,654	1,663
Insurance funds	636	318
Deferred tax assets	1,042	971
Other	3,019	3,032
Allowance for doubtful accounts	(341)	(343)
<b>Total investments and other assets</b>	<b>55,584</b>	<b>47,630</b>
<b>Total non-current assets</b>	<b>70,596</b>	<b>62,124</b>
<b>Total assets</b>	<b>202,161</b>	<b>179,664</b>

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Electronically recorded obligations – operating	3,447	1,716
Accounts payable for construction contracts	40,992	27,989
Short-term borrowings	6,386	6,359
Lease liabilities	97	115
Income taxes payable	4,344	1,845
Contract liabilities	14,058	15,063
Provision for bonuses	6,016	4,444
Provision for directors' bonuses	283	127
Provision for warranties for completed construction	436	459
Provision for loss on construction contracts	1,077	2,250
Other	4,456	4,134
Total current liabilities	81,597	64,507
Non-current liabilities		
Long-term borrowings	2,374	1,861
Lease liabilities	299	384
Retirement benefit liability	3,357	3,768
Deferred tax liabilities	4,097	1,910
Other	5,813	6,113
Total non-current liabilities	15,941	14,038
Total liabilities	97,539	78,545
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,105	8,105
Capital surplus	4,192	4,221
Retained earnings	75,769	74,411
Treasury shares	(5,630)	(2,589)
Total shareholders' equity	82,436	84,148
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,646	14,289
Foreign currency translation adjustment	295	564
Remeasurements of defined benefit plans	2,051	1,949
Total accumulated other comprehensive income	21,994	16,803
Share acquisition rights	190	166
Total net assets	104,621	101,118
Total liabilities and net assets	202,161	179,664

## (2) Consolidated statements of income and comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales		
Net sales of completed construction contracts	88,172	104,629
Net sales in real estate business and other	1,286	1,320
Total net sales	89,459	105,950
Cost of sales		
Cost of sales of completed construction contracts	76,730	87,993
Cost of sales in real estate business and other	758	758
Total cost of sales	77,489	88,751
Gross profit		
Gross profit on completed construction contracts	11,442	16,635
Gross profit on real estate business and other	527	562
Total gross profit	11,969	17,198
Selling, general and administrative expenses	10,688	11,271
Operating profit	1,281	5,926
Non-operating income		
Interest income	8	32
Dividend income	395	455
Other	341	401
Total non-operating income	746	889
Non-operating expenses		
Interest expenses	53	60
Other	95	116
Total non-operating expenses	149	177
Ordinary profit	1,878	6,639
Extraordinary income		
Gain on sale of investment securities	332	61
Gain on liquidation of subsidiaries and associates	25	—
Total extraordinary income	358	61
Extraordinary losses		
Loss on retirement of non-current assets	34	35
Loss on valuation of investment securities	52	—
Compensation for damage	—	188
Total extraordinary losses	87	223
Profit before income taxes	2,148	6,476
Income taxes – current	487	1,744
Income taxes – deferred	252	281
Total income taxes	739	2,026
Profit	1,409	4,450
(Breakdown)		
Profit attributable to owners of parent	1,409	4,450
Profit attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	4,114	(5,357)
Foreign currency translation adjustment	205	269
Remeasurements of defined benefit plans	53	(101)
Total other comprehensive income	4,373	(5,190)
Comprehensive income	5,783	(739)
(Breakdown)		
Comprehensive income attributable to owners of parent	5,783	(739)
Comprehensive income attributable to non-controlling interests	—	—

### (3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,148	6,476
Depreciation	886	933
Loss on retirement of non-current assets	34	35
Office relocation expenses	8	—
Increase (decrease) in provision for loss on business of subsidiaries and associates	(152)	—
Increase (decrease) in allowance for doubtful accounts	2	(0)
Increase (decrease) in provision for bonuses	(854)	(1,572)
Increase (decrease) in retirement benefit liability	325	225
Increase (decrease) in provision for loss on construction contracts	53	1,173
Interest and dividend income	(404)	(488)
Interest expenses	53	60
Loss (gain) on sale of property, plant and equipment	0	(2)
Loss (gain) on sale of investment securities	(328)	(61)
Loss on valuation of investment securities	52	0
Gain on liquidation of subsidiaries and associates	(25)	—
Decrease (increase) in trade receivables and contract assets	14,386	25,402
Decrease (increase) in costs on construction contracts in progress	(1,525)	(1,597)
Increase (decrease) in trade payables	(3,353)	(14,758)
Increase (decrease) in contract liabilities	771	994
Increase (decrease) in other current liabilities	(2,325)	(254)
Compensation for damage	—	188
Other	275	(0)
Subtotal	10,032	16,755
Interest and dividends received	404	486
Interest paid	(46)	(53)
Income taxes paid	(987)	(4,198)
Income taxes refund	0	—
Office relocation expenses paid	(0)	—
Compensation paid for damage	—	(188)
Cash flows from operating activities	9,402	12,802
<b>Cash flows from investing activities</b>		
Purchase of securities	(13,000)	(3,000)
Proceeds from redemption of securities	12,000	2,000
Purchase of property, plant and equipment	(458)	(266)
Proceeds from sale of property, plant and equipment	0	14
Payments for retirement of property, plant and equipment	(27)	(26)
Purchase of investment securities	(4)	(103)
Proceeds from sale of investment securities	566	64
Proceeds from liquidation of subsidiaries and associates	178	—
Proceeds from collection of loans receivable	19	4
Purchase of intangible assets	(163)	(105)
Proceeds from maturity of insurance funds	421	386
Other	(144)	305
Cash flows from investing activities	(612)	(727)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(272)	(26)
Repayments of long-term borrowings	(345)	(513)
Purchase of treasury shares	(79)	(262)
Proceeds from exercise of share options	0	0
Repayments of lease liabilities	(55)	(64)
Dividends paid	(2,177)	(2,654)
Cash flows from financing activities	(2,930)	(3,520)
Effect of exchange rate changes on cash and cash equivalents	129	194
Net increase (decrease) in cash and cash equivalents	5,989	8,748
Cash and cash equivalents at beginning of period	24,949	23,500
Cash and cash equivalents at end of period	30,939	32,249

#### (4) Notes on premise of going concern

Not applicable

#### (5) Changes in Accounting Policies

(Application of “Accounting Standard for Current Income Taxes” and related implementation guidance)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “Revised Accounting Standard of 2022”) and related implementation guidance are applied since the beginning of the interim accounting period under review.

With respect to the revision concerning accounting classification of income taxes (taxes on other comprehensive income), the transitional treatment stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment stipulated in the proviso of Paragraph 65-2 (2) of the Implementation Guidance on Accounting Standard for Tax Effect Accounting (ASJB Implementation Guidance No. 28, October 28, 2022; hereinafter, the “Revised Implementation Guidance of 2022”) are followed. The above changes in accounting policies have no impact on the interim consolidated financial statements.

With respect to the revision concerning change in the accounting treatment in consolidated financial statements of tax deferral of gains/losses on sale of subsidiaries’ shares, etc. between consolidated subsidiaries, the Group has applied the Revised Implementation Guidance of 2022 from the beginning of the interim accounting period under review. As this change in the accounting policies is to be applied retrospectively, the interim consolidated financial statements for the six months ended September 30, 2023, and the consolidated financial statements for the fiscal year ended March 31, 2024, reflect retrospective application of the said change in the accounting policies. Note that the said change has no impact on the interim consolidated financial statements for the six months ended September 30, 2023, and the consolidated financial statements for the fiscal year ended March 31, 2024.

#### (6) Segment information, etc.

##### I. Six months ended September 30, 2023 (April 1, 2023 – September 30, 2023)

##### 1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segments					Other (Notes) 1	Total	Adjust- ments (Notes) 2	Value on interim consolidated profit/loss and comprehensive income statements (Notes) 3
	Facilities Construc- tion Busi- ness	Machinery Systems Business	Environ- mental Systems Business	Real Estate Business	Total				
Net sales									
Net sales to external customers	73,982	4,636	9,548	1,240	89,408	50	89,459	—	89,459
Intersegment sales or transfers	31	0	7	1	40	233	274	(274)	—
Total	74,014	4,637	9,556	1,242	89,449	283	89,733	(274)	89,459
Segment profit (loss)	1,236	(518)	(203)	477	992	(20)	972	906	1,878

(Notes) 1. The “Other” category is a business segment that is not included in reportable segments and includes the leasing business and insurance agency business, etc.

2. The adjustment amount of ¥906 million to segment profit/loss includes company-wide profit not allocated to each reportable segment of ¥666 million, the reversal amount of the interest burden allocated to each segment within the company of ¥209 million, and an adjustment amount of ¥30 million due to the recording of extraordinary income and losses such as loss on retirement of non-current assets attributable to each segment. Differences in allocation of company-wide expenses, etc., are the main source of company-wide profit.

3. Segment profit or loss is adjusted with ordinary profit in the interim consolidated statements of income and comprehensive income.

## II. Six months ended September 30, 2024 (April 1, 2024 – September 30, 2024)

### 1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segments					Other (Notes) 1	Total	Adjust- ments (Notes) 2	Value on interim consolidated profit/loss and comprehensive income statements (Notes) 3
	Facilities Construc- tion Busi- ness	Machinery Systems Business	Environ- mental Systems Business	Real Estate Business	Total				
Net sales									
Net sales to external customers	87,801	5,054	11,770	1,265	105,892	58	105,950	—	105,950
Intersegment sales or transfers	203	1	8	28	240	269	509	(509)	—
Total	88,004	5,056	11,778	1,293	106,133	327	106,460	(509)	105,950
Segment profit (loss)	5,784	(449)	(104)	499	5,730	2	5,733	906	6,639

(Notes) 1. The “Other” category is a business segment that is not included in reportable segments and includes the leasing business and insurance agency business, etc.

2. The adjustment amount of ¥906 million to segment profit/loss includes company-wide profit not allocated to each reportable segment of ¥437 million, the reversal amount of the interest burden allocated to each segment within the company of ¥245 million, and an adjustment amount of ¥223 million due to the recording of extraordinary loss such as loss on retirement of non-current assets attributable to each segment. Differences in allocation of company-wide expenses are the main source of company-wide profit.

3. Segment profit or loss is adjusted with ordinary profit in the interim consolidated statements of income and comprehensive income.

### (7) Notes regarding significant changes in shareholders’ equity [if any]

Based on the resolution passed at the meeting of the Board of Directors held on August 9, 2024, the Company carried out acquisition and cancellation of its treasury shares. Accordingly, as a result of acquisition executed during the current interim accounting period, treasury shares increased by ¥262 million while cancellation resulted in a decrease of ¥3,154 million in treasury shares and retained earnings. As of September 30, 2024, treasury shares stood at ¥2,589 million.