



Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2022 [Japanese GAAP]

October 28, 2021

Company name:	TOKAI Holdings Corporation	Stock listing:	Tokyo Stock Exchange
Stock code:	3167	URL:	https://www.tokaiholdings.co.jp/english/
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Scheduled date of filing quarterly report:	November 12, 2021		
Scheduled date of dividend payment:	November 30, 2021		
Supplementary materials on quarterly financial results:	Yes		
Quarterly financial results briefing:	Yes (For institutional investors)		

(Figures are rounded to the nearest million yen)

1. Consolidated Financial Results for the Six-months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results (cumulative)

(% figures represent year-on-year changes)

	Sales		Operating Profit		Recurring Profit		Quarterly Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six-months Ended September 30, 2021	96,060	6.9	5,223	-4.2	5,284	-3.9	2,281	-30.4
Six-months ended September 30, 2020	89,836	-3.4	5,452	-0.9	5,499	-1.9	3,279	-6.1

(Note) Comprehensive income: 5,256 million yen in the Six-months Ended September 30, 2020 (79.8%)
2,924 million yen in the Six-months ended September 30, 2019 (3.7%)

	Quarterly Net Income per Share	Quarterly Net Income per Share (Diluted)
	Yen	Yen
Six-months Ended September 30, 2021	17.42	-
Six-months ended September 30, 2020	25.04	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
Six-months Ended September 30, 2021	177,855	77,142	42.5
Year ended March 31, 2021	178,974	76,056	41.6

(Reference) Equity: 75,522 million yen for the Six-months Ended September 30, 2021
74,510 million yen for the year ended March 31, 2021

2. Dividends

	Annual Dividend				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	—	14.00	—	16.00	30.00
Year ending March 31, 2022	—	15.00	—	—	—
Year ending March 31, 2022 (Forecast)	—	—	—	15.00	30.00

(Note) Revisions to most recently announced dividend forecasts: No

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2021 (April 1, 2021 to March 31, 2022)

(% figures represent year-on-year changes)

	Sales		Operating Profit		Recurring Profit		Net Income Attributable to Owners of the Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2022	207,000	5.2	15,240	0.1	15,320	0.1	8,830	0.2	67.42

(Note) Revisions to most recently announced earnings forecasts: No

*Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries affecting the scope of consolidation): No

(2) Application of special accounting procedures in the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, estimates, and restatements

1) Changes in accounting policies accompanying revisions in accounting standards, etc.: No

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatements: No

(4) Number of shares issued (common stock)

1) Shares issued at the end of each period (including treasury stock):

Q2 FY3/2022	139,679,977 shares	FY3/2021	139,679,977 shares
Q2 FY3/2022	8,688,215 shares	FY3/2021	8,713,335 shares
Q2 FY3/2022	130,975,162 shares	Q2 FY3/2021	130,960,773 shares

2) Number of shares of treasury stock at the end of each period:

3) Average number of shares during the period (cumulative):

(Note) Board benefit trust shares(BBT) is included in the number of year-end treasury stock.(382,694 stocks at Q2 FY3/2022, 397,515 stocks at FY3/2021)

* Quarterly financial results not covered by quarterly review

* Explanation regarding the Appropriate Uses of Earnings Forecasts and Other Notes

All earnings forecasts provided within this document are based on the most accurate information available at the time of the release of this document. Actual results may differ from forecasts due to various factors going forward.

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1. Qualitative Information on Financial Results for the Period Under Review

(1) Explanation of Consolidated Operating Results

During the first six months of the fiscal year ending March 31, 2022, the COVID-19 pandemic continued to impact the Japanese economy due in part to measures to prevent infection, including the government declaring states of emergency and the semi-emergency coronavirus measures. Although the number of newly infected people in Japan has been decreasing since the beginning of September, there are concerns that there will be another wave of COVID-19 infections this winter, and uncertainty about the pandemic remained.

In this environment, the Group announced a new medium-term management plan, Innovation Plan 2024 “Design the Future Life” (IP24), which covers the period up to and including the fiscal year ending March 31, 2025, in May 2021. IP24 has five key messages: (i) implementation of the LNG strategy (expansion of business areas), (ii) evolution of the TLC concept, (iii) Stepping up of the DX strategy, (iv) Optimal allocation of management resources, and (v) Strengthening of SDG initiatives.

The first year of IP24 is the fiscal year for laying the foundation for achieving the goals laid out by these key messages. The Group has been working on initiatives to achieve growth in existing businesses and promote M&A activities. The Group has also been working to implement a new green growth strategy to achieve carbon neutrality and reform workstyles.

In its operating activities, the Group actively sought to gain customers, while thoroughly taking steps to prevent infection. These activities resulted in the number of continuing customers rising to 3,125,000 as of September 30, 2021, an increase of 26,000 from the end of the previous fiscal year. The number of TLC Membership Service members rose 44,000, to 1,023,000.

In the first six months ended September 30, 2021, the Group posted net sales of 96,060 million yen (up 6.9% year on year), a record high. Operating profit came to 5,223 million yen (down 4.2%), chiefly due to an increase in expense for gaining customers. Recurring profit and net income attributable to owners of the parent were 5,284 million yen (down 3.9% year on year) and 2,281 million yen (down 30.4% year on year).

In April 2021, the Company established TOKAI Venture Capital & Incubation Corporation (Shizuoka, Shizuoka Prefecture). The company will help develop TLC through synergies with the existing businesses and the creation of new life-related services.

In the same month, the Company acquired shares in Marco Polo inc. (Toyota, Aichi), which engages in the remodeling of condominiums, in the Construction, Equipment, and Real Estate segment, and made it a consolidated subsidiary and acquired shares also in QUERY Co. Ltd. (Toshima-ku, Tokyo), which engages in system development, in the Information and Communications segment, making it a consolidated subsidiary.

Performance by segment is indicated below.

(Energy)

In the LP gas business, the Group continued to gain customers. In the first six months under review, the number of customers increased 16,000 to 697,000. Net sales stood at 30,712 million yen (up 10.3% year on year), chiefly due to a rise in selling prices linked to purchase prices.

In the city gas business, the number of customers increased 4,000, to 67,000 in the first six months under review, but net sales fell to 5,440 million yen (down 2.6%) chiefly due to the effect of the gas rate adjustment system.

Net sales in this segment stood at 36,153 million yen (up 8.1%). Operating profit came to 635 million yen (down 39.0%),

reflecting an increase in expense for gaining customers, among other factors.

(Construction, Equipment, and Real Estate)

In the Construction, Equipment, and Real Estate segment, net sales rose significantly to 12,361 million yen (up 36.2%) and operating profit also increased significantly to 341 million yen (up 40.8%), chiefly due to an increase in group companies through M&A activities and an increase in orders for renovation and construction work.

(CATV)

In the CATV business, the Group focused on providing local information and the production of programs as a community-based service provider. The Group collaborated with major video distributors to enhance content and enable customers to live a comfortable life amid the COVID-19 pandemic. The Group continued careful and steady sales activities to gain new customers according to the situation in each business area. The broadcasting services customer count rose to 881,000, an increase of 5,000 from the end of the previous fiscal year. The communications services customer count increased to 333,000, a rise of 11,000 from the end of the previous fiscal year.

The Group is applying the Accounting Standard for Revenue Recognition from the beginning of the first three months of this fiscal year and has changed the presentation of certain transactions. Net sales in this segment stood at 16,081 million yen (down 2.5%), reflecting the change in presentation. Operating profit came to 2,628 million yen (up 9.9%) due to an increase in the number of customers.

(Information and Communications)

In the business for consumers, the Group enhanced its service lineup in the ISP business in collaboration with major telecommunications carriers. In the mobile business, the Group promoted the acquisition of customers by enhancing its services through activities such as increasing the attractiveness of its prices and establishing plans with fixed lines. Due to these initiatives, the number of ISP customers fell 7,000, to 725,000, and the number of LIBMO customers rose 1,000, to 54,000, from the end of the previous fiscal year. Although the Group steadily expanded its sales channels to halt the trend of a net decrease of customers to date, net sales fell to 12,240 million yen (down 6.9%), reflecting a decrease in ARPU (average revenue per user).

In the business for corporate clients, net sales came to 13,061 million yen (up 9.0%), mainly reflecting steady growth in cloud services and an increase in the contract development projects, which are currently booming. Net sales in this segment were 25,302 million yen (up 0.7%), and operating profit was 1,726 million yen (up 22.0%).

(Aqua)

In the Aqua (bottled drinking water delivery) business, events at large retail facilities, etc. performed well. The Group also carried out non-face-to-face sales activities, including telemarketing. The number of customers increased 3,000 from the end of the previous fiscal year, to 165,000.

Net sales in this segment stood at 3,913 million yen (up 0.9%). Operating profit came to 32 million yen (down 88.1%), reflecting an increase in expense for gaining customers, among other factors.

(Others)

Net sales in the nursing care business stood at 657 million yen (up 0.3%), reflecting an increase in the number of users. Net sales in the shipbuilding business rose to 854 million yen (up 29.5%), due to an increase in the number of ships that the Group repaired. Net sales in the bridal events business rose to 281 million yen (up 150.5%), reflecting a

slight recovery in weddings and meetings.

Overall, net sales in this segment came to 2,248 million yen (up 22.9%), and the operating loss was 114 million yen (an operating loss of 140 million yen in the same period of the previous fiscal year).

(2) Explanation of Consolidated Financial Position

1) Assets, Liabilities, and Net Assets

Total assets at the end of the first six months under review stood at 177,855 million yen, a decrease of 1,118 million yen from the end of the previous fiscal year. The decrease was attributable primarily to a decrease of 5,793 million yen in notes and accounts receivable - trade, and contract assets, due to seasonal and other factors, which was partially offset by an increase of 1,234 million yen in property, plant and equipment, a rise of 953 million yen in intangible assets, and a climb of 1,118 million yen in other in current assets chiefly due to an increase of 610 million yen in work in process and a rise in valuation difference of derivatives.

Total liabilities came to 100,713 million yen, a decrease of 2,204 million yen from the end of the previous fiscal year. This was due to a fall of 1,978 million yen in notes and accounts payable-trade due to seasonal and other factors, a decline of 1,322 million yen in income taxes payable, and a fall of 2,708 million yen in other in current assets chiefly due to a decrease in accounts payable for equipment, which were partially offset by an increase of 2,368 million yen in short-term loans payable and a rise of 764 million yen in long-term loans payable.

Total net assets were 77,142 million yen, an increase of 1,086 million yen from the end of the previous fiscal year. This was chiefly due to dividends of surplus of 2,101 million yen, despite net income attributable to owners of the parent of 2,281 million yen and an increase of 668 million yen in deferred gains or losses on hedges.

2) Cash Flows

Cash and cash equivalents ("cash") as of September 30, 2021 were 5,837 million yen, an increase of 701 million yen from the end of the previous fiscal year.

Cash flows in the first six months under review and major contributing factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 11,382 million yen (3,422 million yen less year on year). Cash inflows were attributable primarily to net income before income taxes, a decrease in notes and accounts payable, and depreciation, a non-cash account, which were partially offset by income taxes paid and a decrease in notes and accounts payable-trade, among other cash outflows.

(Cash flows from investing activities)

Net cash used in investing activities 8,997 million yen (1,698 million yen less year on year). Cash outflows were attributable primarily to the purchase of tangible and intangible assets and the purchase of shares of subsidiaries resulting in a change in scope of consideration.

(Cash flows from financing activities)

Net cash used in financing activities was 1,680 million yen (2,368 million yen less year on year). Loans payable and other cash inflows were more than offset by cash outflows, including repayment of loans payable, repayments of lease obligations and payment of cash dividends.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Information

Results in the first six months of the fiscal year under review were roughly as forecast. The earnings forecasts for the fiscal year ending March 31, 2022 announced on May 11, 2021 remain unchanged.

The earnings forecasts are based on information available at the time of publication. Actual results may differ from the forecasts due to a variety of factors.

(4) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter the "Revenue Recognition Accounting Standard"), etc. since the beginning of the first quarter of this fiscal year and recognizes revenue from goods or services which the Group promised to provide at an amount expected to be received in exchange for the goods or services at the time when control over the promised goods or services is transferred to a customer.

Pursuant to the transitional provisions in the proviso to Paragraph 84 of the Revenue Recognition Accounting Standard, the Company added to the retained earnings at the beginning of the first three months of this fiscal year the cumulative effect of the retroactive application of the new accounting policy to a period before the beginning of the first three months of this fiscal year, and the new accounting policy is applied starting with the balance of retained earnings at the beginning of the fiscal year under review. However, the Company applied the procedure provided for in Paragraph 86 of the Revenue Recognition Accounting Standards and did not retroactively apply the new accounting policy to contracts under which almost all revenue had been recognized before the beginning of the first three months of this fiscal year in accordance with the procedure before the application of the new accounting policy. Applying the procedures provided for in (1) of Paragraph 86 of the Revenue Recognition Accounting Standards, the Company performed accounting procedures based on contract terms reflecting all changes made before the beginning of the first three months of this fiscal year and added the cumulative effect of the procedures to retained earnings at the beginning of the first three months of this fiscal year.

The effect of the application of this accounting policy on the quarterly consolidated financial statements is minor. With the application of the Revenue Recognition Accounting Standards, etc., Notes and accounts receivable - trade presented in Current assets in the consolidated balance sheets for the previous fiscal year is included in Notes and accounts receivable - trade, and contract assets in the consolidated balance sheets from the first three months under review of this fiscal year. Pursuant to the transitional provisions in Paragraph 89-2 of the Revenue Recognition Accounting Standard, the Company did not reclassify balance sheet amounts for the previous fiscal year according to a new presentation.

(Application of accounting standard for fair value measurement, etc.)

The Company began to apply the Accounting Standard for Fair Value Measurement, etc. (ASBJ Statement No. 30, July

4, 2019) from the beginning of the first quarter. It was decided that the new accounting policies prescribed in the Application of Accounting Standard for Fair Value Measurement, etc. will be applied going forward in accordance with the transitional treatment laid out 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). The application of this accounting standard will have no impact on quarterly consolidated financial statements.

(Additional Information)

(Fraudulent acts by former employees of the Company's subsidiaries)

As a result of a tax investigation conducted by the Nagoya Regional Taxation Bureau in July 2021, it was discovered that former employees of two of the Company's subsidiaries had diverted company funds for their personal use through fictitious billing and unauthorized remittances.

Although an internal investigation committee chaired by the Company's legal counsel is still investigating the fraud, the Company has posted an extraordinary loss of 498 million yen, the amount pointed out by the Nagoya Regional Taxation Bureau. In addition, the estimated amount of additional tax that has been identified following the discovery of the fraud, 88 million yen, has been included in corporate taxes, resident taxes and enterprise taxes.

(Segment Information)

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2021	Six Months Ended September 30, 2021
Assets		
Current assets		
Cash and deposits	5,577	6,130
Notes and accounts receivable – trade	26,323	–
Notes and accounts receivable - trade, and contract assets	–	20,530
Merchandise and finished goods	3,479	3,617
Work in process	900	1,511
Raw materials and supplies	1,194	1,185
Other	9,860	10,979
Allowance for doubtful accounts	-403	-408
Total current assets	46,932	43,545
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,508	34,860
Machinery, equipment and vehicles, net	24,614	23,985
Land	24,054	24,290
Other, net	18,622	19,899
Total property, plant and equipment	101,800	103,035
Intangible assets		
Goodwill	5,258	6,399
Other	5,428	5,241
Total intangible assets	10,687	11,641
Investments and other assets		
Net defined benefit asset	3,150	3,629
Other	16,675	16,329
Allowance for doubtful accounts	-273	-326
Total investments and other assets	19,552	19,632
Total non-current assets	132,041	134,309
Deferred assets	0	0
Total assets	178,974	177,855

(Millions of yen)

	Fiscal Year Ended March 31, 2021	Six Months Ended September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable–trade	17,226	15,248
Short-term borrowings	12,061	14,429
Current portion of bonds payable	112	63
Income taxes payable	2,764	1,441
Other provisions	1,941	1,729
Other	22,904	20,196
Total current liabilities	57,009	53,107
Non-current liabilities		
Bonds payable	29,955	30,720
Long-term loans payable	276	233
Accruals	962	1,012
Net defined benefit liability	14,713	15,639
Other	45,908	47,605
Total non-current liabilities	102,917	100,713
Total liabilities		
Net assets		
Shareholders' equity		
Capital stock	14,000	14,000
Capital surplus	25,542	25,552
Retained earnings	31,563	31,677
Treasury stock	-2,219	-2,213
Total shareholders' equity	68,887	69,016
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,216	1,168
Deferred gains or losses on hedges	1,918	2,587
Foreign currency translation adjustment	33	82
Remeasurements of defined benefit plans	2,454	2,668
Total accumulated other comprehensive income	5,623	6,506
Non-controlling interests	1,545	1,619
Total net assets	76,056	77,142
Total liabilities and net assets	178,974	177,855

(2) Quarterly Consolidated Statements of Income, Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Six-months Ended September 30, 2020)

	(Millions of yen)	
	Six Months Ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)
Sales	89,836	96,060
Cost of sales	51,604	57,321
Gross profit	38,231	38,739
Selling, general and administrative expenses	32,779	33,516
Operating profit	5,452	5,223
Non-operating profit		
Interest income	6	3
Dividend income	103	162
Commission fee	14	16
Other	189	165
Total non-operating profit	313	347
Non-operating expenses		
Interest expenses	149	135
Share of loss of entities accounted for using equity method	63	107
Other	53	43
Total non-operating expenses	266	286
Recurring profit	5,499	5,284
Extraordinary income		
Gain on sales of non-current assets	51	3
Gain on receipt of donated non-current assets	228	96
Transmission line equipment subsidy	53	26
Gain on sale of investment securities	—	80
Total extraordinary income	334	207
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	322	382
Loss on sales of investment securities	0	0
Loss on valuation of investment securities	55	—
Provision for loss on litigation	—	208
Other	23	498
Total extraordinary losses	401	1,089
Quarterly net income before income taxes	5,431	4,402
Income taxes (current)	2,059	1,887
Income taxes (deferred)	19	151
Total income taxes	2,078	2,038
Quarterly net income	3,353	2,364
Quarterly net income attributable to non-controlling interests	73	82
Quarterly net income attributable to owners of the parent	3,279	2,281

(Consolidated Statements of Comprehensive Income)
(Six-months Ended September 30, 2020)

	(Millions of yen)	
	Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)	Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)
Quarterly net income	3,353	2,364
Other comprehensive income		
Valuation difference on available-for-sale securities	589	-47
Deferred gains (losses) on hedges	1,423	668
Foreign currency translation adjustment	- 0	-5
Remeasurements of defined benefit plans, net of tax	- 27	213
Share of other comprehensive income of entities accounted for using equity method	- 81	55
Total other comprehensive income	1,903	882
Quarterly comprehensive income	5,256	3,247
(Breakdown)		
Quarterly comprehensive income attributable to owners of the parent	5,183	3,164
Quarterly comprehensive income attributable to non- controlling interests	73	82

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months Ended June 30, 2020 (April 1, 2020 to June 30, 2020)	Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)
Cash flows from operating activities		
Quarterly net income before income taxes	5,431	4,402
Depreciation	7,300	7,458
Amortization of goodwill	597	511
Increase (decrease) in net defined benefit asset and liability	-29	-110
Interest and dividend income	-109	-165
Loss (gain) on sales of investment securities	0	-80
Interest expenses	149	135
Loss (gain) on sales of non-current assets	-51	-3
Loss (gain) on valuation of investment securities	55	—
Loss on retirement of non-current assets	322	382
Decrease (increase) in notes and accounts receivable – trade	6,081	5,470
(Increase) decrease in inventories	-480	-13
Increase (decrease) in notes and accounts payable–trade	-1,981	-2,115
Other	-1,729	-1,303
Subtotal	17,193	14,568
Income taxes paid	-2,388	-3,185
Net cash provided by (used in) operating activities	14,805	11,382
Cash flows from investing activities		
Interest and dividend income received	132	191
Purchase of securities	-8	-58
Proceeds from sales of securities	70	207
Purchase of tangible and intangible assets	-6,917	-7,006
Proceeds from sales of tangible and intangible assets	158	171
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-828	-2,664
Purchase of shares of subsidiaries and associates	-2,112	-45
Payments for transfer of business	-1,630	—
Loan advances	—	-571
Collection of short-term loans receivable	9	9
Other	430	768
Net cash provided by (used in) investing activities	-10,696	-8,997
Cash flows from financing activities		
Interest expenses paid	-153	-140
Net increase (decrease) in short-term loans payable	-5,850	1,620
Repayments of lease obligations	-2,034	-2,103
Proceeds from long-term loans payable	10,736	6,100
Repayment of long-term loans payable	-4,841	-4,997
Redemption of bonds	-59	-49
Payments for acquisition of treasury stock	-0	-0
Cash dividends paid	-1,838	-2,100
Other	-7	-8
Net cash provided by (used in) financing activities	-4,048	-1,680
Effect of exchange rate change on cash and cash equivalents	-0	-2
Net increase (decrease) in cash and cash equivalents	59	701
Cash and cash equivalents at beginning of period	4,046	5,136
Cash and cash equivalents at end of period	4,105	5,837

(4) Notes on Quarterly Consolidated Financial Statements
(Notes to Premise of Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

[Segment Information]

I. Six-months ended September 30, 2020 (April 1, 2020 to September 30, 2020)

Sales and Income of Losses by Reportable Segment

(Millions of yen)

	Reportable segments						Other ¹	Total	Adjustments ²	Amount in quarterly consolidated statements of Income ³
	Energy	Building equipment real estate	CATV	Information and Communications	Aqua	Subtotal				
Sales										
Sales to external customers	33,430	9,074	16,490	25,131	3,880	88,007	1,828	89,836	—	89,836
Intersegment sales and transfers	107	454	306	1,751	96	2,716	65	2,782	-2,782	—
Subtotal	33,538	9,529	16,797	26,882	3,977	90,724	1,894	92,618	-2,782	89,836
Segment income (loss)	1,041	242	2,392	1,415	273	5,364	-140	5,223	228	5,452

(Notes) 1. The "Other" category is a business segment not included in the reportable segments. This category includes businesses such as weddings, ship repair, insurance, and nursing care.

2. Adjustments to segment income (loss) are mainly eliminations due to intersegment transactions.

3. Segment income (loss) is adjusted to match operating profit in the quarterly consolidated statements of income.

II. Six-months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)

1. Sales and Income of Losses by Reportable Segment

(Millions of yen)

	Reportable segments						Other ¹	Total	Adjustments ²	Amount in quarterly consolidated statements of Income ³
	Energy	Building equipment real estate	CATV	Information and Communications	Aqua	Subtotal				
Sales										
Sales to external customers	36,153	12,361	16,081	25,302	3,913	93,812	2,248	96,060	—	96,060
Intersegment sales and transfers	101	966	264	2,144	104	3,582	52	3,634	-3,634	—
Subtotal	36,254	13,327	16,346	27,447	4,018	97,395	2,300	99,695	-3,634	96,060
Segment income (loss)	635	341	2,628	1,726	32	5,364	-114	5,249	-26	5,223

(Notes) 1. The "Other" category is a business segment not included in the reportable segments. This category includes businesses such as weddings, ship repair, insurance, and nursing care.

2. Adjustments to segment income (loss) are mainly eliminations due to intersegment transactions.
3. Segment income (loss) is adjusted to match operating profit in the quarterly consolidated statements of income.