



Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016 [Japanese GAAP] (Consolidated)

November 11, 2015
Stock Listing: TSE

Name of Listed Company: UCHIYAMA HOLDINGS INC.
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Scheduled Date of Financial Statements Filing: November 12, 2015

Supplementary materials for Financial Results: Prepared
Investor conference for Financial Results: Prepared (For institutional investors and analysts)

(Amounts are rounded down to the nearest one million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 – September 30, 2015)

(1) Consolidated Financial Results (% of change from previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2016 2Q	11,727	1.0	76	(89.8)	160	(80.7)	445	(7.0)
FY 2015 2Q	11,610	9.2	750	(33.1)	829	(32.7)	478	(66.6)

(Note) Comprehensive income FY 2016 2Q: ¥ 384 million (-21.0%) FY 2015 2Q: 486 million (-66.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2016 2Q	20.60	20.57
FY 2015 2Q	22.15	22.12

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
FY 2016 2Q	32,532	15,662	48.1
FY 2015	32,693	15,386	47.0

(Reference) Equity capital: FY 2016 2Q: ¥15,657 million FY 2015: ¥15,378 million

2. Dividends

	Dividends per share				
	End of the 1Q	End of the 2Q	End of the 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2015	—	6.00	—	5.00	11.00
FY 2016	—	5.00	—	—	—
FY 2016 (forecast)	—	—	—	5.00	10.00

(Note) Changes from the latest dividend forecast: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(% of change from previous year for full year, same quarter of the previous year for 2Q)

	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	24,436	3.4	422	(70.5)	540	(65.2)	659	(48.9)	30.51

(Note) Changes from the latest financial forecast: Revised

*Notes

(1) Important transfers in subsidiaries during the consolidated cumulative second quarter of this fiscal year: None

(2) Special accounting policies applied in preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement:

- 1) Changes in accounting policies due to revisions of accounting standards: Yes
- 2) Changes in accounting policies due to reasons other than above 1): None
- 3) Changes in accounting estimates: Yes
- 4) Restatements: None

For further details, please refer to appendix on Page 4, “2. Notes on Summary Information (Notes), (3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement.”

(4) Number of outstanding shares (common stock)

- 1) Number of outstanding shares (including treasury stock) at end of term
- 2) Number of treasury stock at end of term
- 3) Average number of shares

FY 2016 2Q	21,618,800 shares	FY 2015	21,618,800 shares
FY 2016 2Q	376 shares	FY 2015	376 shares
FY 2016 2Q	21,618,424 shares	FY 2015 2Q	21,618,424 shares

* Information Regarding Implementation of Quarterly Review Procedures

- The quarterly review procedures of the Financial Instruments and Exchange Act do not apply to the financial results, and at the time of release the review procedures of financial statements have not been completed in accordance with the Financial Instruments and Exchange Act.

* Statement regarding the proper use of financial forecasts and other remarks

- Descriptions regarding the future, including the financial projections contained in this report, are based on certain assumptions currently available to the Company, which are, at the discretion of the Company, deemed reasonable. Actual financial results may significantly vary due to various factors. For assumptions used in forecasting financial results and precautions in using the financial projections, please refer to appendix on Page 3, “1. Qualitative Information Concerning Financial Results (3) Analysis Concerning Future Forecasts Including Consolidated Financial Projections.”
- We hold a meeting for explaining our businesses and results to individual investors when necessary. For the schedule of the meeting, etc., please see the website of our company.

○Table of contents of the appendix

1. Qualitative Information Concerning Financial Results	2
(1) Analysis Concerning Results of Operations	2
(2) Analysis Concerning Financial Situation	4
(3) Analysis Concerning Future Forecasts Including Consolidated Financial Projections.....	4
2. Notes on Summary Information (Notes).....	5
(1) Important Transfers in Subsidiaries during the Consolidated Cumulative Second Quarter of This Fiscal Year	5
(2) Special Accounting Policies Applied in Preparation of the Quarterly Consolidated Financial Statements	5
(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement.....	5
3. Consolidated Financial Statements	6
(1) Consolidated Balance Sheets.....	6
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	8
(3) Quarterly Consolidated Cash flow Statements	10
(4) Notes Regarding Consolidated Financial Statements	12
(Notes Regarding Premise of a Going Concern).....	12
(Notes on Significant Changes in the Amount of Shareholders' Equity)	12
(Segment Information, etc.)	13

1. Qualitative Information Concerning Financial Results

(1) Analysis Concerning Results of Operations (Results of operations during the second quarter of current FY)

Matters in this document are based on our judgment at the end of this quarter of the fiscal year. These matters include uncertainty, and they can possibly be different from the future business results.

(1) Performance

In the second quarter of the current consolidated fiscal year, the Japanese economy was in moderate economic recovery with the weak yen and the low price of crude oil, which improved companies' performance and employment picture, and increased capital investment of companies. On the other hand, there is still uncertainty as to the future of the Japanese economy due to prolonged damage of the consumption tax increase to consumer spending and economic slowdown of China.

Amid this business environment, our corporate group has carried out sales activities, etc. actively based on our business strategies in each segment. In addition, we made efforts to improve the added values of our services, by planning and implementing various measures for boosting synergetic effects among Nursing Care, Karaoke, and Restaurant Businesses.

As for expenditures, we streamlined our business administration by reducing costs, to stabilize our business performance. As a result, sales of the second quarter of the current consolidated fiscal year were 11,727,077 thousand yen (up 1.0% Year-on-Year (YoY)), operating profit was 76,649 thousand yen (down 89.8% YoY), ordinary income was 160,361 thousand yen (down 80.7% YoY), and profit attributable to owners of patent was 445,331 thousand yen (down 7.0% YoY).

The results of each segment were as follows.

(1) Nursing Care Business

We strived for developing nursing care business. For instance, we established four charged nursing-care homes for the elderly and newly established a group home and three temporary care facilities called "Short Stay." Accordingly, we have 66 business sites and 131 offices as of the end of the second quarter of this fiscal term. In order to decrease the vacant rooms of our existing facilities, we strived to cement the cooperative relations with nearby hospitals and in-home nursing care supporting offices by visiting them. On the other hand, there were expenditures as the remuneration rate for nursing care decreased in Apr. 2015 and some fixed costs, including management personnel and facilities maintenance expenses, for the charge nursing-care homes for the elderly established in the previous term and this quarter, and this affected the income for this quarter. As a result, sales were 6,216,980 thousand yen (up 10.1% YoY) and segment income was 266,826 thousand yen (down 43.2% YoY).

(2) Karaoke Business

For the Karaoke Business segment, we made efforts to recover the number of customers by renewing 17 existing stores, etc. We also strived to increase repeat customers by promoting all-you-can-drink courses soliciting customers for membership on mobile devices. In addition, we aimed to improve strategies for attracting customers by actively utilizing information websites of restaurants. As a result, sales were 4,216,943 thousand yen (down 2.4% YoY) and segment income was 302,939 thousand yen (down 54.4% YoY). Additionally, number of shops at the end of the second quarter of the current consolidated fiscal year was 99, due to new opening of a shop and closing of another shop in Nagasaki.

(3) Restaurant Business

For the Restaurant Business segment, we renewed 3 existing stores. Also, we newly opened "Kantekiya Thonglo Store" in March, which became the second store in Bangkok, Thailand, and closed another store. Accordingly, the number of stores as of the end of this second quarter is 29. At existing stores, the number of customers is decreasing, and so we made efforts to increase customers with limited offers and promote drinking parties, etc. by visiting companies, to increase corporate clients. As a result, sales were 945,635 thousand yen (down 2.4% YoY) and segment loss was 46,873 thousand yen (segment income was 57,411 thousand yen during the same quarter last year).

(4) Real Estate Business

For the Real Estate Business segment, the Company Group's core businesses activities are sales/purchase of real estate properties for sale and intermediary work for rental properties. As a result, sales were 214,630 thousand yen (down 57.0% YoY) and segment income was 62,190 thousand yen (up 56.9% YoY).

(5) Other businesses

Among others, we worked on attracting more customers, acquiring reservations for parties, and promoting daytrip bathing in the Hotel Business. As a result, sales were 132,887 thousand yen (down 24.3% YoY) and segment loss was 1,125 thousand yen (segment loss was 4,742 thousand yen during the same quarter last year).

(2) Analysis Concerning Financial Situation

① Assets, liabilities, Net Assets

Total assets as of the end of the second quarter of this consolidated fiscal year came to 32,532,266 thousand yen, down 160,910 thousand yen from the end of the previous consolidated fiscal year.

Current assets came to 15,192,760 thousand yen, down 1,008,766 thousand yen from the end of the previous consolidated fiscal year. This is mainly because cash and deposit, and current assets (others) decreased.

Noncurrent assets came to 17,339,506 thousand yen, up 847,856 thousand yen from the end of the previous consolidated fiscal year. This is mainly because buildings and structures, investments and other assets increased.

Liabilities as of the end of the second quarter of this consolidated fiscal year came to 16,869,706 thousand yen, down 437,455 from the end of the previous consolidated fiscal year.

Current liabilities came to 7,483,295 thousand yen, up 403,149 thousand yen from the end of the previous consolidated fiscal year. This is mainly because short-term loans payable augmented.

Noncurrent liabilities came to 9,386,410 thousand yen, down 840,605 thousand yen from the end of the previous consolidated fiscal year. This is mainly because long-term loans payable decreased.

Net assets as of the end of the second quarter of this consolidated fiscal year came to 15,662,560 thousand yen, up 276,545 thousand yen from the end of the previous consolidated fiscal year. This is mainly because the retained earnings resulting from adding up profit attributable to owners of parent increased.

Consequently, the equity ratio as of the end of the second quarter of this consolidated fiscal year was 48.1%. As for the liquidity of funds, the current ratio as of the end of the second quarter of this consolidated fiscal year was 203.0%. We will boost this ratio, in order to secure sufficient liquidity.

② Cash flow

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the second quarter of this consolidated fiscal year decreased 440,943 thousand yen to 10,566,174 thousand yen from the last year.

Cash flow of each activity is the followings.

(Cash flow provided by operating activities)

Funds obtained from operating activities totaled 641,725 thousand yen (income was 947,148 thousand yen during the same quarter last year). Major categories of income were quarterly income before income taxes, 679,564 thousand yen, and adding up of depreciation expense, 609,157 thousand yen. On the other hand, major categories of expense were gain on sales of noncurrent assets, 476,813 thousand yen, gain on sales of investment securities, 59,864 thousand yen, and decrease in accrued consumption taxes, 59,396 thousand yen.

(Cash flow provided by investing activities)

Funds obtained from investing activities totaled 123,345 thousand yen (expense was 2,449,534 thousand yen during the same quarter last year). Major categories of income were gain on sales of property, plant and equipment, 1,639,395 thousand yen, and proceeds from withdrawal of time deposits, 952,813 thousand yen. On the other hand, major categories of expense were purchase of property, plant and equipment, 1,290,252 thousand yen, purchase of investment securities, 500,000 thousand yen, and payments into time deposits, 457,425 thousand yen.

(Cash flow provided by financing activities)

Funds spent for financing activities totaled 1,206,037 thousand yen (income was 419,203 thousand yen during the same quarter last year). Major category of income was proceeds from long-term loans payable, 1,181,117 thousand yen. On the other hand, major categories of expense were repayment of long-term loans payable, 2,428,718 thousand yen, repayments of installment payables, 393,165 thousand yen, and cash dividends paid, 108,033 thousand yen.

(3) Analysis Concerning Future Forecasts Including Consolidated Financial Projections

In regards to the consolidated performance forecast of the year, we have revised the forecast published within the “statement of accounts of the year ended in March, 2015,” published in May 11, based on the business results of the period until the second quarter of this consolidated fiscal year and with the future demand trends in mind. For the content and reasons of the revision, please see “Notification of the Gap with the Performance Forecast and Revision of the Forecast,” which was also published today.

2. Notes on Summary Information (Notes)

(1) Important Transfers in Subsidiaries during the Consolidated Cumulative Second Quarter of This Fiscal Year
None

(2) Special Accounting Policies Applied in Preparation of the Quarterly Consolidated Financial Statements
None

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement
(Changes in Accounting Policies)

The “Accounting Standard for Business Combination” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and the “Revised Accounting Standard for Business Divestures,” (ASBJ Statement No. 7, September 13, 2013) shall be applied from the consolidated second quarter of this fiscal year. We changed the indication of quarterly net profit, etc. and shifted from minority interest to non-controlling interest.

In order to reflect these revisions, quarterly and annual consolidated financial statements for the previous consolidated cumulative second quarter and the previous consolidated accounting period have been reproduced.

(Changes in Accounting Estimates)

Changes to the estimate of asset retirement obligation

In regards to asset retirement obligation calculated as obligation of recovery arising from real estate lease contracts of tenants, changes were made to the cost of restoring a tenant to its original condition when leaving and the estimated period of leasing due to the newly gained information for leaving and moving. As a result, 28,497 thousand yen was added to the accounting estimates of the consolidated cumulative second quarter.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Thousands of yen)	
	FY ended March 31, 2015 (As of March 31, 2015)	2Q of FY ending March 31, 2016 (As of September 30, 2015)
Assets		
Current assets		
Cash and deposits	11,925,172	11,489,824
Notes and accounts receivable-trade	1,418,113	1,471,510
Merchandise	72,350	67,494
Real estate for sale	720,149	720,926
Supplies	39	39
Other	2,086,535	1,466,072
Allowance for doubtful accounts	(20,833)	(23,108)
Total current assets	16,201,527	15,192,760
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,129,636	7,341,096
Land	3,729,127	3,658,407
Other, net	1,447,276	1,647,282
Total property, plant and equipment	12,306,040	12,646,785
Intangible assets	61,182	58,273
Investments and other assets		
Other	4,212,393	4,721,495
Allowance for doubtful accounts	(87,966)	(87,048)
Total investments and other assets	4,124,427	4,634,446
Total noncurrent assets	16,491,650	17,339,506
Total assets	32,693,177	32,532,266
Liabilities		
Current liabilities		
Notes and accounts payable-trade	331,926	296,573
Short-term loans payable	1,489,000	2,050,000
Current portion of bonds	35,000	35,000
Current portion of long-term loans payable	2,589,297	2,385,784
Income taxes payable	140,465	203,879
Provision for bonuses	197,316	199,980
Provision for point card certificates	271,571	354,657
Provision for shareholder benefit program	12,050	-
Asset retirement obligation	-	35,633
Other	2,013,518	1,921,787
Total current liabilities	7,080,146	7,483,295
Noncurrent liabilities		
Bonds payable	35,000	17,500
Long-term loans payable	8,281,439	7,237,352
Asset retirement obligation	199,909	203,705
Other	1,710,666	1,927,852
Total noncurrent liabilities	10,227,016	9,386,410
Total liabilities	17,307,162	16,869,706

	(Thousands of yen)	
	FY ended March 31, 2015 (As of March 31, 2015)	2Q of FY ending March 31, 2016 (As of September 30, 2015)
Net assets		
Shareholders' equity		
Capital stock	2,222,935	2,222,935
Capital surplus	2,676,892	2,676,892
Retained earnings	10,446,116	10,783,356
Treasury stock	(237)	(237)
Total shareholders' equity	15,345,707	15,682,946
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,897	(26,752)
Foreign currency translation adjustment	705	913
Total accumulated other comprehensive income	32,602	(25,838)
Non-controlling interests in income	7,705	5,452
Total net assets	15,386,015	15,662,560
Liabilities and net assets	32,693,177	32,532,266

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

Consolidated Statements of Income

Cumulative period through the consolidated second quarter of current fiscal year

	(Thousands of yen)	
	2Q of FY ended March 31, 2015 (April 1,2014- September 30, 2014)	2Q of FY ending March 31, 2016 (April 1,2015- September 30, 2015)
Net sales	11,610,858	11,727,077
Cost of sales	10,140,896	10,854,483
Gross profit	1,469,962	872,594
Selling, general and administrative expenses		
Provision for bonuses	6,230	7,284
taxes and duties	182,430	228,387
Provision of allowance for doubtful accounts	4,474	2,278
Other	526,160	557,994
Total selling, general and administrative expenses	719,295	795,944
Operating profit	750,666	76,649
Non-operating income		
Interest income	4,612	7,270
Dividends income	1,157	1,276
Commission fee	54,978	40,129
Subsidy income	2,370	48,268
Other	101,030	59,112
Total non-operating income	164,148	156,057
Non-operating expenses		
Interest expenses	70,026	66,504
Other	14,925	5,841
Total non-operating expenses	84,952	72,345
Ordinary income	829,862	160,361
Extraordinary income		
Gain on sales of noncurrent assets	-	476,813
Gain on sales of investment securities	-	59,864
Gain on negative goodwill	-	20,605
Total extraordinary income	-	557,283
Extraordinary loss		
Impairment loss	-	38,081
Total extraordinary loss	-	38,081
Income before income taxes	829,862	679,564
Income taxes-current	326,388	175,847
Income taxes-deferred	24,526	60,854
Total income taxes	350,914	236,702
Net income	478,947	442,861
Net profit (loss) before non-controlling interests	-	(2,469)
Profit attributable to owners of parent	478,947	445,331

Consolidated Statements of comprehensive income

Cumulative period through the consolidated second quarter of current fiscal year

	(Thousands of yen)	
	2Q of FY ended March 31, 2015 (April 1,2014- September 30, 2014)	2Q of FY ending March 31, 2016 (April 1,2015- September 30, 2015)
Net income	478,947	442,861
Other comprehensive income		
Valuation difference on available-for-sale securities	7,913	(58,650)
Foreign currency translation adjustment	-	425
Total other comprehensive income	7,913	(58,224)
Comprehensive income	486,861	384,637
(Breakdown)		
Comprehensive income attributable to owners of the parent	486,861	386,889
Comprehensive income attributable to non-controlling interests	-	(2,252)

(3) Quarterly Consolidated Cash Flow Statement

	(unit: thousand yen)	
	2Q of FY ended March 31, 2015 (April 1,2014- September 30, 2014)	2Q of FY ending March 31, 2016 (April 1,2015- September 30, 2015)
Cash flow from operating activities		
Income before income taxes	829,862	679,564
Depreciation	605,139	609,157
Impairment loss	-	38,081
Increase (decrease) in allowance for doubtful accounts	6,703	1,357
Increase (decrease) in provision for bonuses	4,396	2,663
Increase (decrease) in provision for point card certificates	19,248	83,086
Increase (decrease) in provision for shareholder benefit program	(11,105)	(12,050)
Loss (gain) on sales of noncurrent assets	-	(476,813)
Loss (gain) on sales of investment securities	-	(59,864)
Gain on negative goodwill	-	(20,605)
Interest and dividends income	(5,769)	(8,546)
Interest expenses	70,026	66,504
Decrease (increase) in accounts receivable	(137,993)	(53,397)
Decrease (increase) in inventories	341,349	4,063
Increase (decrease) in accrued consumption taxes	(51,616)	(59,396)
Increase (decrease) in accounts payable	(13,601)	(35,334)
Others	32,960	(49,582)
Subtotal	1,689,601	708,886
Interest and dividends income	3,108	5,645
Interest expense	(70,720)	(64,856)
Income taxes paid	(674,842)	(7,949)
Cash flow from operating activities	947,148	641,725
Cash flow from investing activities		
Purchase of property, plant and equipment	(2,287,833)	(1,290,252)
Proceeds from sales of property, plant and equipment	-	1,639,395
Purchase of intangible fixed assets	(2,350)	(767)
Purchase of investment securities	(5,000)	(500,000)
Proceeds from sales of investment securities	-	120,408
Payments into time deposits	(378,719)	(457,425)
Proceeds from withdrawal of time deposits	270,000	952,813
Payments for lease and guarantee deposits	(77,967)	(71,861)
Proceeds from collection of lease and guarantee deposits	69,156	1,656
Payments for transfer of business	-	(215,000)
Payments of loans receivable	(6,604)	(3,640)
Collection of loans receivable	19,273	18,950
Others	(49,489)	(70,933)
Cash flow from investing activities	(2,449,534)	123,345

	(unit: thousand yen)	
	2Q of FY ended March 31, 2015 (April 1,2014- September 30, 2014)	2Q of FY ending March 31, 2016 (April 1,2015- September 30, 2015)
Cash flow provided by financing activities		
Increase (decrease) in short-term loans payable	2,000	561,000
Proceeds from long-term loans payable	2,271,823	1,181,117
Repayment of long-term loans payable	(1,425,142)	(2,428,718)
Redemption of bonds	(17,500)	(17,500)
Repayments of lease obligations	(1,650)	(687)
Repayments of installment payables	(298,394)	(393,165)
Cash dividends paid	(107,802)	(108,033)
Others	(4,130)	(50)
Cash flow provided by financing activities	419,203	(1,206,037)
Effect of exchange rate change on cash and cash equivalents	-	22
Increase (decrease) in cash and cash equivalents	(1,083,182)	(440,943)
Cash and cash equivalents, beginning of year	9,659,097	11,007,118
Cash and cash equivalents at quarter end	8,575,914	10,566,174

(4) Notes Regarding Consolidated Financial Statements

(Notes Regarding Premise of a Going Concern)

Nothing is applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Nothing is applicable.

(Segment Information, etc.)

【Segment information】

I. Cumulative period through the consolidated second quarter of the previous fiscal year (April 1 – September, 30, 2014)

1. Information on sales, profits or losses for each segment

(Thousands of yen)

	Reporting segments					Others (Note) *1	Total	Adjustment Amount*2	Consolidated balance sheet amount*3
	Nursing-care Business	Karaoke Business	Restaurant Business	Real Estate Business	Total				
Sales									
Sales to external customers	5,647,194	4,319,978	968,825	499,322	11,435,320	175,538	11,610,858	—	11,610,858
Internal sales or transferred amount among the segments	—	137	23,941	2,826	26,904	102	27,006	(27,006)	—
Total	5,647,194	4,320,115	992,766	502,148	11,462,224	175,640	11,637,864	(27,006)	11,610,858
Segment income (loss)	469,590	664,659	57,411	39,631	1,231,293	(4,742)	1,226,551	(475,884)	750,666

(Note) 1. The classification “other business” refers to business segments that are not included in reporting segments, and includes Hotel Business and Communication Business.

2. The segment income (loss) adjustments amount, -475,884 thousand yen, includes -704,874 thousand yen in company-wide expenses that are not allocated to reporting segments and 228,989 thousand yen in inter-segment eliminations. The company-wide expenses are mainly selling, general and administrative expenses that are not allocated to reporting segments.

3. Segment income (loss) is adjusted with operating incomes calculated in consolidated quarterly statements of income.

2. Information on impairment of non-current assets and goodwill etc. for each reporting segment

Not applicable.

I. Cumulative period through the consolidated second quarter of current fiscal year (April 1 – June, 30, 2015)

1. Information on sales, profits or losses for each segment

(Thousands of yen)

	Reporting segments					Others (Note) *1	Total	Adjustment Amount*2	Consolidated balance sheet amount*3
	Nursing-care Business	Karaoke Business	Restaurant Business	Real Estate Business	Total				
Sales									
Sales to external customers	6,216,980	4,216,943	945,635	214,630	11,594,190	132,887	11,727,077	—	11,727,077
Internal sales or transferred amount among the segments	—	134	20,386	5,555	26,076	—	26,076	(26,076)	—
Total	6,216,980	4,217,078	966,022	220,185	11,620,266	132,887	11,753,154	(26,076)	11,727,077
Segment income (loss)	266,826	302,939	(46,873)	62,190	585,083	(1,125)	583,957	(507,307)	76,649

(Note) 1. The classification “other business” refers to business segments that are not included in reporting segments, and includes Hotel Business and Communication Business.

2. The segment income (loss) adjustments amount, -507,307 thousand yen, includes -733,889 thousand yen in company-wide expenses that are not allocated to reporting segments and 226,581 thousand yen in inter-segment eliminations. The company-wide expenses are mainly selling, general and administrative expenses that are not allocated to reporting segments.

3. Segment income (loss) is adjusted with operating incomes calculated in consolidated quarterly statements of income.

2. Information on impairment of non-current assets and goodwill etc. for each reporting segment

(Significant impairment loss relating to non-current assets)

In this quarter, regarding stores which were closed and are scheduled to transfer and close, impairment loss of the Karaoke Business segment was 16,301 thousand yen, and impairment loss of the Restaurant Business was 21,779 thousand yen.

(Significant gain on negative goodwill)

In this quarter, for the Nursing-care Business segment, the gain on negative goodwill was 20,605 thousand yen, as we took over one nursing-care facility operated by Yorozyua Co., Ltd. in Oita city, Oita prefecture on September 30, 2015.