

# Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]



November 15, 2021

Company name: INFRONEER Holdings Inc. (for Maeda Seisakusho Co., Ltd.)

Stock exchange listing: Tokyo Stock Exchange

Securities code: 5076

URL: <https://www.infroneer.com>

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Scheduled date of filing quarterly securities report: –

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: Not Available

Schedule of quarterly financial results briefing session: Scheduled

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated Operating Results (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2021	16,768	14.4	600	16.1	639	11.3	428	8.7
Six months ended September 30, 2020	14,660	(17.3)	517	(19.9)	574	(15.5)	394	(11.9)

(Note) Comprehensive income: Six months ended September 30, 2021: 126 million yen [(80.0)%]

Six months ended September 30, 2020: 634 million yen [67.6%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	27.03		–	
Six months ended September 30, 2020	24.83		–	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of September 30, 2021	30,001		13,949		46.5	
As of March 31, 2021	31,151		13,973		44.9	

(Reference) Equity: As of September 30, 2021: 13,949 million yen

As of March 31, 2021: 13,973 million yen

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	Yen –	Yen 0.00	Yen –	Yen 10.00	Yen 10.00
Fiscal year ending March 31, 2022	–	–	–	–	–
Fiscal year ending March 31, 2022 (Forecast)	–	–	–	–	–

**\* Notes:**

- (1) Changes in significant subsidiaries during the period under review: None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation):  
Newly included: –, Excluded: –
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

As of September 30, 2021:	15,821,648 shares
As of March 31, 2021:	16,100,000 shares
  - 2) Total number of treasury shares at the end of the period:

As of September 30, 2021:	– shares
As of March 31, 2021:	226,953 shares
  - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Six months ended September 30, 2021:	15,867,369 shares
Six months ended September 30, 2020:	15,892,017 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the six months ended September 30, 2021, the Japanese economy continued to experience ups and downs due to strengthening and easing restrictions on activities caused by the COVID-19 pandemic, with consumer spending also going down and up, repeatedly. The ups and downs of performance by industry were also clear, and business sentiment remained polarized. While vaccination rates have increased and economic activity is expected to pick up, the emergence of new variants continues to be a concern. The balance between preventing the spread of COVID-19 and boosting economic activity is entering a new phase.

In the construction industry, the Group's major customer, civil engineering-related work remained solid, in preparation for disaster recovery works and national resilience. Meanwhile, there are growing concerns about pressure on earnings due to soaring raw materials prices and rising labor costs caused by labor shortages. Partly because it remains hard to tell when the COVID-19 pandemic will be brought under control, the outlook remains uncertain.

Under such a business environment, the Group has responded flexibly to various changes in the environment without being bound by conventions, to aim to ensure growth and profitability by proactively working on digital technology and expanding its business domain. As a result, consolidated net sales for the six months ended September 30, 2021 increased by 14.4% year on year to 16,768 million yen. On the profit side, the Company posted 600 million yen in consolidated operating profit (up 16.1% year on year), 639 million yen in consolidated ordinary profit (up 11.3% year on year), and 428 million yen in profit attributable to owners of parent (up 8.7% year on year). As the Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Revenue Recognition Accounting Standard") and other standards, consolidated net sales increased by 81 million yen, and both consolidated operating profit and consolidated ordinary profit increased by 18 million yen.

Overview of net sales by segment for the six months ended September 30, 2021, is as follows.

#### Construction Machinery-related Business

The construction machinery-related business posted net sales of 10,935 million yen, up 9.7% year on year.

Net sales of construction machinery-related merchandise increased by 17.3% year on year to 6,105 million yen, net sales of construction machinery-related rental decreased by 3.4% year on year to 1,661 million yen, and net sales of construction machinery-related services increased by 4.2% year on year to 3,168 million yen.

#### Industrial and Steel Structure Machinery-related Business

The industrial and steel structure machinery-related business posted net sales of 4,818 million yen, up 32.3% year on year.

Net sales of industrial machinery-related products increased by 48.6% year on year to 2,894 million yen, and net sales of industrial machinery-related merchandise decreased by 10.4% year on year to 495 million yen.

Net sales of steel structure machinery-related products increased by 14.2% year on year to 695 million yen, and net sales of industrial machinery-related - others increased by 37.4% year on year to 733 million yen.

As the Company has applied the Revenue Recognition Accounting Standard, etc., net sales increased by 81 million yen, and operating profit increased by 18 million yen.

#### Nursing Care Equipment-related Business

The nursing care equipment-related business posted net sales of 760 million yen, up 7.5% year on year.

#### Other Business

The other business posted net sales of 253 million yen, down 26.2% year on year.

## (2) Explanation of Financial Position

Current assets as of September 30, 2021 decreased by 415 million yen from the end of the previous fiscal year to 17,687 million yen. This was mainly due to a decrease in notes and accounts receivable - trade, and contract assets despite an increase in cash and deposits.

Non-current assets decreased by 734 million yen from the end of the previous fiscal year to 12,313 million yen. This was mainly due to a decrease in investment securities as a result of a drop in the market prices of shares held.

As a result, total assets decreased by 1,150 million yen from the end of the previous fiscal year to 30,001 million yen.

Current liabilities as of September 30, 2021 decreased by 441 million yen from the end of the previous fiscal year to 12,589 million yen. This was mainly due to a decrease in income taxes payable.

Non-current liabilities decreased by 685 million yen from the end of the previous fiscal year to 3,461 million yen. This was mainly due to decreases in long-term borrowings (down 286 million yen) and lease obligations (down 263 million yen).

As a result, total liabilities decreased by 1,126 million yen from the end of the previous fiscal year to 16,051 million yen.

Total net assets as of September 30, 2021 decreased by 24 million yen from the end of the previous fiscal year to 13,949 million yen. This was mainly due to a decrease in valuation difference on available-for-sale securities. As the Company has applied the Revenue Recognition Accounting Standard, etc., net assets increased due to a 7 million yen increase in retained earnings at the beginning of the period.

As a result, the equity ratio as of September 30, 2021 stood at 46.5% (44.9% as of the end of the previous fiscal year).

### Status of cash flows

During the six months ended September 30, 2021, cash and cash equivalents amounted to 5,832 million yen (5,133 million yen as of the end of the previous fiscal year).

#### (Cash flows from operating activities)

During the six months ended September 30, 2021, net cash provided by operating activities was 1,488 million yen (an inflow of 1,632 million yen in the same period of the previous fiscal year). This was mainly due to the recording of profit before income taxes of 638 million yen (568 million yen in the same period of the previous fiscal year) and depreciation of 898 million yen (913 million yen in the same period of the previous fiscal year).

#### (Cash flows from investing activities)

During the six months ended September 30, 2021, net cash used in investing activities was 723 million yen (an outflow of 1,295 million yen in the same period of the previous fiscal year). This was mainly due to purchase of property, plant and equipment, including assets for rent.

#### (Cash flows from financing activities)

During the six months ended September 30, 2021, net cash used in financing activities was 500 million yen (an outflow of 439 million yen in the same period of the previous fiscal year). This was mainly due to repayments of long-term borrowings.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	5,590,484	5,852,045
Notes and accounts receivable - trade	8,618,748	-
Notes and accounts receivable - trade, and contract assets	-	7,841,064
Inventories	3,633,819	3,739,580
Accounts receivable - other	235,498	192,958
Other	66,417	86,533
Allowance for doubtful accounts	(41,652)	(24,339)
Total current assets	18,103,315	17,687,842
Non-current assets		
Property, plant and equipment		
Assets for rent	17,553,281	17,449,264
Accumulated depreciation	(13,767,509)	(13,992,562)
Assets for rent, net	3,785,772	3,456,701
Buildings and structures	8,446,306	8,684,426
Accumulated depreciation	(6,411,939)	(6,502,993)
Buildings and structures, net	2,034,367	2,181,433
Machinery, equipment and vehicles	2,547,956	2,617,513
Accumulated depreciation	(2,017,686)	(2,061,569)
Machinery, equipment and vehicles, net	530,270	555,944
Land	3,072,136	3,073,518
Leased assets	955,659	939,782
Accumulated depreciation	(409,518)	(451,787)
Leased assets, net	546,140	487,995
Other	1,070,340	976,189
Accumulated depreciation	(793,052)	(769,120)
Other, net	277,287	207,069
Total property, plant and equipment	10,245,975	9,962,662
Intangible assets		
Leasehold interests in land	41,148	41,148
Software	53,478	46,991
Other	242	230
Total intangible assets	94,868	88,369
Investments and other assets		
Investment securities	2,553,013	2,136,239
Deferred tax assets	47,077	36,965
Other	169,266	167,183
Allowance for doubtful accounts	(62,046)	(78,260)
Total investments and other assets	2,707,311	2,262,127
Total non-current assets	13,048,155	12,313,159
Total assets	31,151,470	30,001,002

INFRONEER Holdings Inc. (Maeda Seisakusho Co., Ltd.) (5076)  
Consolidated Financial Results for the Six Months Ended September 30, 2021

(Thousand yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	6,551,461	6,521,136
Short-term borrowings	4,121,029	4,176,837
Lease obligations	135,202	335,267
Income taxes payable	406,865	202,391
Provision for bonuses	625,350	563,060
Provision for bonuses for directors (and other officers)	44,110	-
Other	1,147,199	791,265
<b>Total current liabilities</b>	<b>13,031,218</b>	<b>12,589,958</b>
Non-current liabilities		
Long-term borrowings	1,469,314	1,183,090
Lease obligations	439,940	176,822
Deferred tax liabilities	228,159	133,181
Retirement benefit liability	1,874,816	1,855,768
Other	134,320	112,514
<b>Total non-current liabilities</b>	<b>4,146,550</b>	<b>3,461,377</b>
<b>Total liabilities</b>	<b>17,177,769</b>	<b>16,051,336</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,160,000	3,160,000
Capital surplus	111,020	100,000
Retained earnings	9,346,616	9,526,466
Treasury shares	(109,190)	-
<b>Total shareholders' equity</b>	<b>12,508,446</b>	<b>12,786,466</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,258,698	964,289
Remeasurements of defined benefit plans	206,556	198,910
<b>Total accumulated other comprehensive income</b>	<b>1,465,255</b>	<b>1,163,199</b>
<b>Total net assets</b>	<b>13,973,701</b>	<b>13,949,665</b>
<b>Total liabilities and net asset</b>	<b>31,151,470</b>	<b>30,001,002</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30, 2020 and 2021

(Thousand yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Net sales	14,660,205	16,768,554
Cost of sales	11,656,677	13,478,228
Gross profit	3,003,527	3,290,325
Selling, general and administrative expenses	2,486,467	2,690,154
Operating profit	517,060	600,170
Non-operating income		
Interest income	8,385	7,592
Dividend income	37,274	34,747
Foreign exchange gains	5,777	-
Rental income from real estate	10,756	10,948
Other	28,586	20,067
Total non-operating income	90,780	73,356
Non-operating expenses		
Interest expenses	17,841	15,092
Foreign exchange losses	-	7,864
Loss on sale of notes receivable - trade	5,003	4,936
Other	10,045	5,911
Total non-operating expenses	32,891	33,805
Ordinary profit	574,950	639,721
Extraordinary losses		
Loss on retirement of non-current assets	6,064	1,124
Impairment losses	264	422
Total extraordinary losses	6,329	1,546
Profit before income taxes	568,621	638,174
Income taxes - current	122,196	170,495
Income taxes - deferred	51,901	38,712
Total income taxes	174,097	209,207
Profit	394,524	428,966
Profit attributable to owners of parent	394,524	428,966

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30, 2020 and 2021

(Thousand yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Profit	394,524	428,966
Other comprehensive income		
Valuation difference on available-for-sale securities	238,782	(294,409)
Remeasurements of defined benefit plans, net of tax	888	(7,646)
Total other comprehensive income	239,670	(302,055)
Comprehensive income	634,194	126,910
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	634,194	126,910
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	568,621	638,174
Depreciation	913,356	898,087
Impairment losses	264	422
Increase (decrease) in allowance for doubtful accounts	918	(1,099)
Increase (decrease) in provision for bonuses	(36,130)	(62,290)
Increase (decrease) in provision for bonuses for directors (and other officers)	(43,450)	(44,110)
Increase (decrease) in retirement benefit liability	17,282	(26,694)
Interest and dividend income	(45,660)	(42,339)
Interest expenses	17,841	15,092
Foreign exchange losses (gains)	29	3,392
Loss on retirement of property, plant and equipment	6,064	1,124
Decrease (increase) in trade receivables	2,078,586	-
Decrease (increase) in trade receivables and contract assets	-	777,683
Decrease (increase) in inventories	(1,241,731)	(105,213)
Decrease (increase) in accounts receivable - other	216,288	42,539
Increase (decrease) in trade payables	(422,227)	79,335
Increase (decrease) in accrued expenses	(16,403)	(9,507)
Increase (decrease) in advances received	219,774	(38,085)
Increase (decrease) in accrued consumption taxes	(72,836)	(183,800)
Other, net	(89,231)	(111,967)
Subtotal	2,071,357	1,830,743
Interest and dividends received	45,659	42,338
Interest paid	(17,727)	(15,002)
Income taxes paid	(466,628)	(369,776)
Net cash provided by (used in) operating activities	1,632,660	1,488,302
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,270,654)	(721,102)
Purchase of intangible assets	(4,388)	(5,300)
Purchase of investment securities	(7,391)	(4,629)
Loan advances	(5,517)	(3,000)
Proceeds from collection of loans receivable	5,472	5,234
Other, net	(13,317)	5,705
Net cash provided by (used in) investing activities	(1,295,795)	(723,092)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	338,359	150,430
Repayments of long-term borrowings	(464,858)	(380,846)
Repayments of finance lease obligations	(80,984)	(67,414)
Repayments of installment payables - property and equipment	(73,061)	(43,695)
Dividends paid	(158,748)	(158,730)
Net cash provided by (used in) financing activities	(439,293)	(500,257)
Effect of exchange rate change on cash and cash equivalents	(29)	(3,392)
Net increase (decrease) in cash and cash equivalents	(102,458)	261,560
Cash and cash equivalents at beginning of period	5,235,861	5,570,484
Cash and cash equivalents at end of period	5,133,403	5,832,045

#### (4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Revenue Recognition Accounting Standard") and other standards since the beginning of the three months ended June 30, 2021, and recognizes revenue in the amount expected to be received in exchange for promised goods or services at the time the control of those goods or services is transferred to customers. Sales of some individual custom-made products and construction contracts were previously recognized at a point in time; however, the Company has adopted a method where sales are recognized over a certain period of time based on the degree of progress calculated using the cost-to-cost method.

The Company has applied the Revenue Recognition Accounting Standard, etc., in accordance with the transitional treatment as provided for in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect of retroactively applying new accounting policies prior to the beginning of the three months ended June 30, 2021, has been added to or deducted from retained earnings at the beginning of the three months ended June 30, 2021, and new accounting policies have been applied to the balance from the beginning of the said period. However, applying the method stipulated in Paragraph 86 of the Revenue Recognition Accounting Standard, the Company does not retroactively apply the new accounting policies to the contracts almost all of whose revenue was recognized in compliance with the conventional method before the beginning of the three months ended June 30, 2021. In addition, applying the method prescribed in the note (1) for Paragraph 86 of the Revenue Recognition Accounting Standard, the Company accounts for contract changes made prior to the beginning of the three months ended June 30, 2021, based on the contract terms after reflecting all contract changes, and added or deducted their cumulative effect to or from retained earnings at the beginning of the three months ended June 30, 2021.

As a result, for the six months ended September 30, 2021, net sales increased by 81 million yen, cost of sales increased by 63 million yen, and operating profit, ordinary profit, and profit before income taxes each increased by 18 million yen. In addition, retained earnings at the beginning of the period increased by 7 million yen.

As a result of the application of the Revenue Recognition Accounting Standard, etc., "notes and accounts receivable-trade," stated under "current assets" in the consolidated balance sheets for the previous fiscal year, is included in "notes and accounts receivable-trade, and contract assets" from the three months ended June 30, 2021. In addition, "decrease (increase) in trade receivables," stated under "cash flows from operating activities" in the quarterly consolidated statements of cash flows for the six months ended September 30, 2020, is included in "decrease (increase) in trade receivables and contract assets" from the six months ended September 30, 2021. The Company has made no reclassification for the previous fiscal year by using the new presentation method in accordance with the transitional treatment as provided for in Paragraph 89-2 of the Revenue Recognition Accounting Standard. Furthermore, the Company does not state information on the breakdown of revenue generated from the contracts with customers for the six months ended September 30, 2020, in accordance with the transitional treatment as provided for in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020).

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Fair Value Measurement Accounting Standard") and other measurements since the beginning of the three months ended June 30, 2021, prospectively applying new accounting policies defined in the Fair Value Measurement Accounting Standard, etc. in accordance with the

transitional treatment as provided for in Paragraph 19 of the Fair Value Measurement Accounting Standard and in Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). This application has no impact on the Company’s quarterly consolidated financial statements.

(Significant subsequent events)

[Business integration by establishing a joint holding company]

The Company, Maeda Corporation, and Maeda Road Construction Co., Ltd. (hereinafter referred to as “Maeda Road”; these three companies hereinafter collectively referred to as the “Three Companies”) established INFRONEER Holdings Inc. as a wholly-owning parent company of the Three Companies (hereinafter referred to as the “Holding Company”) through a joint share transfer (hereinafter referred to as the “Share Transfer”) to integrate the businesses on October 1, 2021 (hereinafter referred to as the “Business Integration”).

1. Purpose of the Share Transfer

As the business environment changes significantly in the future, in order to achieve lasting growth throughout the Group together, we believe that it is essential to maximize the synergy effect as the whole Group, with the Three Companies enhancing their coordination more than ever, building a solid management foundation that can respond to changes in the environment, and optimally allocating the management resources, among other initiatives. We are confident that implementing the Group’s strategy in a unified manner through the transition to a holding company structure in the Business Integration will contribute to improving the corporate value of the Three Companies as well as the whole Group.

2. Overview of the Share Transfer

(1) Method of the Share Transfer

The Share Transfer is a joint share transfer in which the Three Companies become wholly-owned subsidiaries resulting from a share transfer and the joint holding company becomes a wholly-owning parent company.

(2) Contents of the allotment pertaining to the Share Transfer (share transfer ratio)

	Maeda Corporation	Maeda Road	the Company
Share transfer ratio	1.00	2.28	0.58

Notes:

1. Allotment ratio of shares:

The shares were issued and allocated at ratios of 1.00 common shares of the Holding Company for one common share of Maeda Corporation, 2.28 common shares of the Holding Company for one common share of Maeda Road, and 0.58 common shares of the Holding Company for one common share of the Company.

2. Number of shares per unit of the Holding Company is 100 shares.

3. Total number of new shares issued by the Holding Company:

391,539,797 common shares

(3) Overview of the newly established company by the Share Transfer

Name	INFRONEER Holdings Inc.
Location	2-10-2 Fujimi, Chiyoda-ku, Tokyo
Name and title of the representative	Kazunari Kibe, Representative Executive Officer and President
Business category	Provision of all sorts of infrastructure services from planning and proposal to design, construction, and operation & maintenance of infrastructures, as well as management and control of the group and subsidiaries operating the construction business (civil engineering and architecture), paving and manufacturing & sales of construction machinery, and all businesses incidental or related thereto.
Capital	20,000 million yen
Fiscal year end	March 31

(Segment information, etc.)

[Segment information]

I. For the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

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

(Thousand yen)

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Construction Machinery- related Business	Industrial and Steel Structure Machinery- related Business	Nursing Care Equipment- related Business	Total				
Net sales								
Net sales to external customers	9,965,277	3,643,358	707,775	14,316,411	343,794	14,660,205	—	14,660,205
Inter-segment sales or transfers	23,462	210,616	51	234,129	210,702	444,832	(444,832)	—
Total	9,988,739	3,853,974	707,826	14,550,540	554,497	15,105,037	(444,832)	14,660,205
Segment profit (loss)	750,480	46,894	101,241	898,617	(30,773)	867,843	(350,782)	517,060

- (Notes) 1. “Others” refer to business segments not included in the reportable segments, which include planning and sales of products in new fields, automobile sales, insurance agency business, and manufacturing and sales of cylinders, etc.
2. Adjustment in segment profit (loss) of (350,782) thousand yen includes an adjustment of (3,475) thousand yen due to elimination of intra-company transactions and (347,307) thousand yen for corporate expenses not allocated to reportable segments. Corporate expenses consist mainly of general and administrative expenses and test and research costs that are not attributable to any reportable segments.
3. Segment profit (loss) is adjusted with the operating profit stated in the quarterly consolidated statements of income.

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

(Thousand yen)

	Reportable segments				Others	Corporate/ elimination	Total
	Construction Machinery- related Business	Industrial and Steel Structure Machinery- related Business	Nursing Care Equipment- related Business	Total			
Impairment loss	—	—	—	—	—	264	264

II. For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. Information on amounts of net sales and profit (loss) and information on breakdown of revenue by reportable segment

(Thousand yen)

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Construction Machinery- related Business	Industrial and Steel Structure Machinery- related Business	Nursing Care Equipment- related Business	Total				
Net sales								
Merchandise and finished goods	6,105,280	4,085,545	16,344	10,207,171	200,273	10,407,444	—	10,407,444
Services	3,168,314	583,114	—	3,751,428	15,047	3,766,476	—	3,766,476
Rental (Note 4)	1,661,636	150,300	726,320	2,538,258	—	2,538,258	—	2,538,258
Others	—	—	17,972	17,972	38,403	56,375	—	56,375
Total	10,935,232	4,818,961	760,637	16,514,830	253,723	16,768,554	—	16,768,554
Goods transferred at a point in time	9,273,595	4,587,274	34,317	13,895,186	253,723	14,148,909	—	14,148,909
Goods transferred over time (Note 4)	1,661,636	231,686	726,320	2,619,644	—	2,619,644	—	2,619,644
Total	10,935,232	4,818,961	760,637	16,514,830	253,723	16,768,554	—	16,768,554
Net sales to external customers	10,935,232	4,818,961	760,637	16,514,830	253,723	16,768,554	—	16,768,554
Inter-segment sales or transfers	40,912	770,790	—	811,702	244,351	1,056,054	(1,056,054)	—
Total	10,976,144	5,589,751	760,637	17,326,533	498,074	17,824,608	(1,056,054)	16,768,554
Segment profit (loss)	785,604	152,814	133,291	1,071,711	(17,648)	1,054,062	(453,891)	600,170

- (Notes) 1. “Others” refer to business segments not included in the reportable segments, which include planning and sales of products in new fields, and manufacturing and sales of cylinders, etc.
2. Adjustment in segment profit (loss) of (453,891) thousand yen includes an adjustment of (166,648) thousand yen due to elimination of intra-company transactions and (287,243) thousand yen for corporate expenses not allocated to reportable segments. Corporate expenses consist mainly of general and administrative expenses and test and research costs that are not attributable to any reportable segments.
3. Segment profit (loss) is adjusted with the operating profit stated in the quarterly consolidated statements of income.
4. Revenue generated from other sources other than revenue generated from the contracts with customers is included. The Company has applied the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) to rental sales.

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

(Thousand yen)

	Reportable segments				Others	Corporate/ elimination	Total
	Construction Machinery- related Business	Industrial and Steel Structure Machinery- related Business	Nursing Care Equipment- related Business	Total			
Impairment loss	—	—	—	—	—	422	422

3. Notes relating to changes in reportable segments, etc.

The Company has applied the Revenue Recognition Accounting Standard, etc. and changed the way of accounting methods for revenue recognition since the beginning of the three months ended June 30, 2021, as described above in “Changes in accounting policies.” Therefore, the Company has similarly changed the method of measuring segment profit or loss.

As a result, net sales and segment profit in the industrial and steel structure machinery-related business for the six months ended September 30, 2021, increased by 81 million yen and 18 million yen, respectively, compared with the conventional method.