



June 8, 2018

## Consolidated Financial Results For the Three Months Ended April 30, 2018 (Japanese Accounting Standards)

Name of the Listed Company: **Poletowin Pitcrew Holdings, Inc.**  
 Listing: First Section of Tokyo Stock Exchange  
 Stock code: 3657  
 URL: <http://www.poletowin-pitcrew-holdings.co.jp>  
 Representative: Teppei Tachibana, President & CEO  
 Contact Person: Joji Yamauchi, Chief Financial Officer  
 Tel: +81-3-5909-7911

Scheduled date to file Securities Report: June 13, 2018  
 Scheduled date to commence dividend payments: –  
 Supplementary explanatory materials prepared: Yes  
 Explanatory meeting: No

(Millions of yen with fractional amounts discarded, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended April 30, 2018 (from February 1, 2018 to April 30, 2018)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

|                                   | Net sales       |      | Operating income |      | Ordinary income |       | Profit attributable to owners of parent |        |
|-----------------------------------|-----------------|------|------------------|------|-----------------|-------|---|--------|
|                                   | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %     | Millions of yen                         | %      |
| Three months ended April 30, 2018 | 5,498           | 10.3 | 544              | 9.0  | 524             | (0.7) | 216                                     | (22.7) |
| April 30, 2017                    | 4,987           | 16.8 | 499              | 74.5 | 527             | 135.2 | 280                                     | 587.7  |

(Note) Comprehensive income

Three months ended April 30, 2018: ¥129 million ( -31.9 %)

Three months ended April 30, 2017: ¥189 million ( \_%)

|                    | Net income per share | Diluted net income per share |
|--------------------|----------------------|------------------------------|
| Three months ended | Yen                  | Yen                          |
| April 30, 2018     | 12.10                | 12.08                        |
| April 30, 2017     | 15.32                | 15.30                        |

### (2) Consolidated financial position

|                  | Total assets    | Net assets      | Equity ratio |
|------------------|-----------------|-----------------|--------------|
| As of            | Millions of yen | Millions of yen | %            |
| April 30, 2018   | 12,725          | 8,842           | 69.5         |
| January 31, 2018 | 12,291          | 9,053           | 73.7         |

(Reference) Equity

As of April 30, 2018: ¥8,842 million

As of January 31, 2018: ¥9,053 million

## 2. Cash dividends

|  | Cash dividends per share |                |               |                 |        |
|--|--------------------------|----------------|---------------|-----------------|--------|
|  | First quarter            | Second quarter | Third quarter | Fiscal year-end | Annual |
|  | Yen                      | Yen            | Yen           | Yen             | Yen    |
| Fiscal year ended January 31, 2018             | –                        | 0.00           | –             | 19.00           | 19.00  |
| Fiscal year ending January 31, 2019            | –                        |                |               |                 |        |
| Fiscal year ending January 31, 2019(Forecasts) |                          | 0.00           | –             | 20.00           | 20.00  |

(Notes)

Change in dividend forecasts for the fiscal year ending January 31, 2019 during the three months ended April 30, 2018: No

## 3. Consolidated financial forecasts for the fiscal year ending January 31, 2019

(from February 1, 2018 to January 31, 2019)

(Percentages indicate year-on-year changes.)

|                                     | 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                  |
| Six months ending July 31, 2018     | 11,697          | 10.4 | 1,024            | (8.9) | 1,030           | (11.5) | 590                                     | (5.0) | 30.96                |
| Fiscal year ending January 31, 2019 | 25,108          | 12.8 | 2,612            | 16.1  | 2,624           | 11.6   | 1,614                                   | 46.8  | 84.71                |

(Note) Change in financial forecasts for the fiscal year ending January 31, 2019 during the three months ended April 30, 2018: No

\* Notes:

(1) Changes in significant subsidiaries during the three months ended April 30, 2018 (changes in specified subsidiaries resulting in a change in the scope of consolidation): Yes  
One company added : Situs Management Inc.

(2) Use of particular accounting treatments in preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions  
a. Changes in accounting standards due to revisions to accounting standards and other guidelines: No  
b. Changes in accounting policies due to reasons other than a. above: No  
c. Changes in accounting estimates: No  
d. Restatement of revisions: No

(4) Number of common shares issued

a. Total number of issued shares at the end of the period (including treasury stock)

As of April 30, 2018 19,058,400 shares

As of January 31, 2018 19,058,400 shares

b. Number of shares of treasury stock at the end of the period

As of April 30, 2018 1,136,694 shares

As of January 31, 2018 1,136,694 shares

c. Average number of shares (Cumulative)

For the three months ended April 30, 2018 17,921,706 shares

For the three months ended April 30, 2017 18,313,599 shares

\* This report falls outside the scope of quarterly review procedures of a certified public accountant or an audit corporation.

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

(Disclaimer to forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual business and other results may differ substantially due to various factors. For details on the conditions assumed and the cautionary notes and items in the financial forecasts, please refer to (3) Qualitative Information on Consolidated Earnings Forecasts on page 6 of the Attachment Materials to this report.

(How to obtain supplementary materials explaining earnings for the quarter)

The Company discloses the Supplementary Information to the Financial Results on the TDnet on the same day.

## 1. Qualitative Information on Financial Results

### (1) Analysis of Operating Results

During the first quarter of the consolidated fiscal year under review, the Japanese economy looked set for a mild recovery owing to an ongoing improvement in the employment outlook, income climates and government policies. Under these circumstances, uncertainties about overseas economies, impact of financial and capital market fluctuations warrant close attention.

It was against that backdrop the Poletowin Pitcrew Holdings Group's core Testing/Verification & Evaluation Business experienced ongoing growth in the global social games market and demand expanded for testing in multiple languages, localization and for customer support amid the rising popularity of smartphones and tablet PCs. At the same time, sales were favorable in the consumer electronic game market for PlayStation 4 and Nintendo Switch.

In markets related to the Group's Internet Supporting Business, online shopping, flea market apps, video, e-book, and other forms of e-commerce are catching on. This, in turn, is pushing up demand for monitoring postings and other types of user support services to make safe and reliable Internet access ubiquitous. In the e-commerce market, there is growing demand for handling merchandise checks, the review of Internet advertising based on the Pharmaceuticals and Medical Devices Act (formerly the Pharmaceutical Affairs Act), the Act against Unjustifiable Premiums and Misleading Representations, and other laws and regulations, and for handling the rights infringement investigations and end-user inquiries and so forth. A recent rise in the incidence of Internet usage problems among the young has prompted municipal boards of education and private schools to put efforts to handle and prevent internet trouble by establishing consultation service, monitoring youth Internet usage and providing Internet literacy education for both students and parents.

The Group provides checking, testing, monitoring and inspection services that require human input on a contractual basis to corporate clients. The demand for such services has been growing as these clients have diversified and expanded overseas, and as business processes have become more advanced and sophisticated. During the first consolidated quarter cumulative accounting period, with a view to improve service capabilities for our clients and business efficiency, the restructuring of three organizations, PITCREW CO., LTD, PITCREW COREOPS CO., LTD., and PITCREW X-LAB CO., LTD was conducted. Also, in order to expand the service scope of server monitoring business, the Group made Situs Management Inc. a consolidated subsidiary. Collaboration has stepped up between nineteen delivery centers in ten countries and Japanese Group companies to provide a one-stop, full service platform in such areas as defect detection (finding bugs), localization, Internet monitoring, and user support.

As a result of these factors, consolidated net sales for the term were ¥5,498,770 thousand (up 10.3%). Operating income was ¥544,472 thousand (up 9.0%). Ordinary income was ¥524,185 thousand (down 0.7%) and Profit attributable to owners of parent was ¥216,766 thousand (down 22.7%).

Results by segment were as follows.

### **Testing/Verification & Evaluation Business**

Reflecting collaboration between eighteen delivery centers in nine countries and Japanese Group companies in supporting the global deployments of domestic and foreign game makers, outsourcing services including defect detection, localization, and customer support (overseas) expanded. Although

there was a decrease in orders for outsourcing services for the amusement equipment, orders for testing services for social games (domestic & overseas), localization and customer support (overseas) increased. As a result, Testing/Verification & Evaluation Business sales increased by 3.9% year on year, to ¥4,175,615 thousand. Operating income increased by 11.4%, to ¥589,938 thousand.

### **Internet Supporting Business**

In the Internet Supporting Business, the Group increased orders for outsourcing services including merchandise check services for Internet shopping, auction sites, and free market apps, advertisements review services based on the Pharmaceuticals and Medical Devices Act, the Act against Unjustifiable Premiums and Misleading Representations, and other laws and regulations, and customer support (domestic) services for handling charges and product delivery schedules from end-users by phone call, e-mail and chat. For school underground website patrolling business that aims to improve teenagers Internet literacy, the Group was entrusted with handling “SNS bullying & internet trouble consultation service” and started operation for anonymous reports and consultation app service “STOPit”. The net sales and income of Situs Management Inc., which became a consolidated subsidiary in the first quarter of the current fiscal year, also contributed.

As a result, Internet Supporting Business sales increased by 38.8%, to ¥1,217,779 thousand. Operating income increased by 19.4%, to ¥42,300 thousand.

### **Medical Related Business**

IMAid Inc. is offering medical recruitment staffing service and education services for caregivers and certified care workers. Due to delay in legislation and government approval of licenses for Technical Internship Program for foreigners in the related country, the sales resulted in an increase of 19.1% to ¥70,570 thousand and operating loss of ¥96,425 thousand, up from ¥65,693 thousand a year earlier.

### **Others**

Palabra Inc. provide services to produce barrier-free subtitles audio guides for television program to prepare for the advent of barrier-free motion pictures. Sales of this segment increased 4.6%, to ¥34,805 thousand. Operating loss decreased by 10.0%, to ¥3,948 thousand.

## **(2) Analysis of Financial Position**

### **Total Assets**

Current assets rose by ¥272,604 thousand or 2.9% from the previous fiscal year to ¥9,671,219 thousand. This was mainly attributable to an increase of ¥263,854 thousand in cash and deposits, ¥73,504 thousand in accounts receivable-other which offset a ¥112,322 thousand decrease in notes and accounts receivable-trade,

Noncurrent assets rose by ¥160,576 thousand, or 5.5% higher than the previous fiscal year, to ¥3,053,930 thousand. Key factors were increase of ¥62,166 thousand in software, ¥60,232 thousand in goodwill and ¥43,251 thousand in lease and guarantee deposits.

As a result, total assets increased by ¥433,181 thousand or 3.5% year on year, to ¥12,725,150 thousand.

## **Liabilities**

Current liabilities rose by ¥620,426 thousand or 20.3%, to ¥3,672,773 thousand higher than the previous fiscal year. The prime factors were rises of ¥500,000 thousand in short-term loans payable, ¥157,719 thousand in accounts payable-other, and ¥191,223 thousand in deposits received (other) which offset a ¥356,578 thousand decrease in income taxes payable.

Noncurrent liabilities increased by ¥24,116 thousand or 13.0%, to ¥209,954 thousand. This was mainly due to increases of ¥3,277 thousand in net defined benefit liability, and ¥19,976 thousand in other non-current liabilities.

As a result, total liabilities increased by ¥644,542 thousand or 19.9% year on year, to ¥3,882,728 thousand.

## **Net assets**

Net assets decreased by ¥211,360 thousand or 2.3%, to ¥8,842,421 thousand. This was because foreign currency translation adjustments decreased by ¥86,593 thousand and dividend payments detracted ¥123,745 thousand from retained earnings.

### **(3) Qualitative Information on Consolidated Earnings Forecasts**

Both revenues and earnings were broadly on target in the period under review. In the Testing/Verification & Evaluation segment, testing for social games is gradually increasing. However, trends in the amusement equipment market and rate of exchange continues to warrant close attention.

In the Internet Supporting Business, although the Group has increased outsourcing services for the e-commerce market, rapid changes in competition environment also warrant close attention. Also, for Medical Related Business, it is necessary to take heed of legislation development for Technical Internship Program for foreigners in the related country. In the second quarter, therefore, management expects to generally remain on target, and has therefore retained the consolidated earnings forecasts that it disclosed on March 12, 2018.

Note, however, that the earnings forecasts are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual business and other results may differ substantially due to various factors.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Thousands of yen)

|  | Fiscal 2018<br>(As of January 31, 2018) | 1Q Fiscal 2019<br>(As of April 30, 2018) |
|--|---|--|
| <b>Assets</b>                          |   |  |
| Current assets                         |   |  |
| Cash and deposits                      | 5,746,832                               | 6,010,687                                |
| Notes and accounts receivable-trade    | 2,814,309                               | 2,701,986                                |
| Merchandise and finished goods         | 17,393                                  | 18,530                                   |
| Work in process                        | 61,837                                  | 124,465                                  |
| Deferred tax assets                    | 85,274                                  | 88,269                                   |
| Other                                  | 681,179                                 | 754,683                                  |
| Allowance for doubtful accounts        | (8,212)                                 | (27,403)                                 |
| Total current assets                   | 9,398,614                               | 9,671,219                                |
| Noncurrent assets                      |   |  |
| Property, plant and equipment          |   |  |
| Buildings and structures               | 866,891                                 | 875,955                                  |
| Accumulated depreciation               | (395,910)                               | (418,841)                                |
| Buildings and structures, net          | 470,981                                 | 457,113                                  |
| Machinery, equipment and vehicles      | 19,444                                  | 19,444                                   |
| Accumulated depreciation               | (10,548)                                | (10,982)                                 |
| Machinery, equipment and vehicles, net | 8,896                                   | 8,462                                    |
| Tools, furniture and fixtures          | 1,112,401                               | 1,192,694                                |
| Accumulated depreciation               | (843,193)                               | (927,843)                                |
| Tools, furniture and fixtures, net     | 269,207                                 | 264,850                                  |
| Total property, plant and equipment    | 749,085                                 | 730,426                                  |
| Intangible assets                      |   |  |
| Goodwill                               | 979,700                                 | 1,039,932                                |
| Software                               | 50,599                                  | 112,766                                  |
| Other intangible assets                | 127,705                                 | 112,985                                  |
| Other                                  | 2,244                                   | 2,395                                    |
| Total intangible assets                | 1,160,250                               | 1,268,081                                |
| Investments and other assets           |   |  |
| Investment securities                  | 192,454                                 | 190,893                                  |
| Lease and guarantee deposits           | 559,425                                 | 602,677                                  |
| Deferred tax assets                    | 57,727                                  | 60,600                                   |
| Other                                  | 232,409                                 | 271,956                                  |
| Allowance for doubtful accounts        | (58,000)                                | (70,703)                                 |
| Total investments and other assets     | 984,017                                 | 1,055,422                                |
| Total noncurrent assets                | 2,893,353                               | 3,053,930                                |
| Total assets                           | 12,291,968                              | 12,725,150                               |

(Thousands of yen)

|   | Fiscal 2018<br>(As of January 31, 2018) | 1Q Fiscal 2019<br>(As of April 30, 2018) |
|---|---|--|
| <b>Liabilities</b>                                    |   |  |
| Current liabilities                                   |   |  |
| Short-term loans payable                              | -                                       | 500,000                                  |
| Accounts payable-other                                | 1,484,551                               | 1,642,270                                |
| Accrued expenses                                      | 174,737                                 | 184,019                                  |
| Income taxes payable                                  | 583,958                                 | 227,380                                  |
| Provision for bonuses                                 | 53,453                                  | 172,232                                  |
| Other   | 755,646                                 | 946,870                                  |
| Total current liabilities                             | 3,052,347                               | 3,672,773                                |
| Noncurrent liabilities                                |   |  |
| Net defined benefit liability                         | 59,444                                  | 62,722                                   |
| Deferred tax liabilities                              | 30,105                                  | 30,967                                   |
| Other   | 96,288                                  | 116,264                                  |
| Total noncurrent liabilities                          | 185,838                                 | 209,954                                  |
| <b>Total liabilities</b>                              | <b>3,238,186</b>                        | <b>3,882,728</b>                         |
| <b>Net Assets</b>                                     |   |  |
| Shareholders' equity                                  |   |  |
| Capital stock   | 1,237,517                               | 1,237,517                                |
| Capital surplus                                       | 1,283,971                               | 1,283,971                                |
| Retained earnings                                     | 7,836,269                               | 7,712,524                                |
| Treasury shares                                       | (1,412,900)                             | (1,412,900)                              |
| Total shareholders' equity                            | 8,944,857                               | 8,821,112                                |
| Accumulated other comprehensive income                |   |  |
| Valuation difference on available-for-sale securities | 15,243                                  | 14,222                                   |
| Foreign currency translation adjustments              | 93,680                                  | 7,086                                    |
| Total accumulated other comprehensive income          | 108,924                                 | 21,309                                   |
| <b>Total net assets</b>                               | <b>9,053,781</b>                        | <b>8,842,421</b>                         |
| <b>Total liabilities and net assets</b>               | <b>12,291,968</b>                       | <b>12,725,150</b>                        |

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Income**  
**(Three-month period ended April 30, 2018)**

(Thousands of yen)

|   | Three months ended April 30,<br>2017<br>(From February 1, 2017<br>to April 30, 2017) | Three months ended April 30,<br>2018<br>(From February 1, 2018<br>to April 30, 2018) |
|---|--|--|
| Net sales   | 4,987,155  | 5,498,770  |
| Cost of sales   | 3,347,209  | 3,739,671  |
| Gross profit  | 1,639,945  | 1,759,099  |
| Selling, general and administrative expenses            | 1,140,434  | 1,214,626  |
| Operating income  | 499,511  | 544,472  |
| Non-operating income                                    |  |  |
| Foreign exchange gains                                  | 20,100   | -  |
| Subsidy income  | 3,680  | 2,842  |
| Other   | 4,844  | 3,063  |
| Total non-operating income                              | 28,626   | 5,906  |
| Non-operating expenses                                  |  |  |
| Interest expenses                                       | -  | 401  |
| Foreign exchange losses                                 | -  | 21,943   |
| Other   | 275  | 3,847  |
| Total non-operating expenses                            | 275  | 26,193   |
| Ordinary income   | 527,862  | 524,185  |
| Extraordinary income                                    |  |  |
| Gain on sales of investment securities                  | -  | 4,499  |
| Total extraordinary income                              | -  | 4,499  |
| Extraordinary losses                                    |  |  |
| Loss on retirement of noncurrent assets                 | -  | 1,996  |
| Loss on sales of noncurrent assets                      | -  | 47   |
| Directors' retirement benefits                          | -  | 71,887   |
| Total extraordinary losses                              | -  | 73,931   |
| Income before income taxes and minority interests       | 527,862  | 454,753  |
| Income taxes  | 252,734  | 237,986  |
| Net income  | 275,127  | 216,766  |
| Profit (loss) attributable to non-controlling interests | (5,396)  | -  |
| Profit attributable to owners of parent                 | 280,524  | 216,766  |

**Consolidated Statement of Comprehensive Income**  
**(Three-month period ended April 30, 2018)**

(Thousands of yen)

|  | Three months ended April 30,<br>2017<br>(From February 1, 2017<br>to April 30, 2017) | Three months ended April 30,<br>2018<br>(From February 1, 2018<br>to April 30, 2018) |
|--|--|--|
| Profit   | 275,127  | 216,766  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | (253)  | (1,021)  |
| Foreign currency translation adjustments                       | (85,156)   | (86,593)   |
| Total other comprehensive income                               | (85,409)   | (87,614)   |
| Total comprehensive income                                     | 189,718  | 129,151  |
| Comprehensive income attributable to:                          |  |  |
| Comprehensive income attributable to owners of parent          | 198,151  | 129,151  |
| Comprehensive income attributable to non-controlling interests | (8,433)  | -  |

### **(3) Notes to Consolidated Financial Statements**

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Changes in important subsidiaries during the current quarter term jointed cumulative period)  
During the 1st consolidated quarter cumulative accounting period, we acquired all shares of Situs Management Inc., and thus included it within the scope of consolidation. This company is now recognized as a specified subsidiary of the Group.

(Use of particular accounting treatments in preparation of quarterly consolidated financial statements)

(Calculation of income taxes payable)

The tax expenses of the Group and certain consolidated subsidiaries are estimated reasonably based on effective tax rates after applying tax effect accounting for income before income taxes and minority interests for the consolidated fiscal year, including the first quarter under review, multiplying quarterly income before income taxes and minority interests by the relevant estimated effective tax rate.

(Segment Information)

1. Three months ended April 30, 2017 (from February 1, 2017 to April 30, 2017)

(1) Net sales and income (loss) by reporting segment

(Thousands of yen)

|                                   | Reporting segment                                    |                                    |                                | Others* <sup>1</sup> | Total  | Adjustments* <sup>2</sup> | Amounts in the consolidated statements of income* <sup>3</sup> |           |
|-----------------------------------|--|------------------------------------|--------------------------------|----------------------|--------|---------------------------|--|-----------|
|                                   | Testing/<br>Verification &<br>Evaluation<br>Business | Internet<br>Supporting<br>Business | Medical<br>Related<br>Business |                      |        |                           |  | Total     |
| Net sales                         |  |                                    |                                |                      |        |                           |  |           |
| Sales to third parties            | 4,017,113  | 877,524                            | 59,254                         | 4,953,892            | 33,263 | 4,987,155                 | —  | 4,987,155 |
| Inter-segment sales and transfers | 3,950  | 7,155                              | —                              | 11,105               | —      | 11,105                    | (11,105)   | -         |
| Total                             | 4,021,063  | 884,680                            | 59,254                         | 4,964,998            | 33,263 | 4,998,261                 | (11,105)   | 4,987,155 |
| Segment income (loss)             | 529,490  | 35,439                             | (65,693)                       | 499,236              | 4,385  | 503,622                   | (4,111)  | 499,511   |

\*Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing and media businesses.

2. Adjustment for segment income (loss) of -¥4,111 thousand comprises elimination of intersegment transactions of ¥127,195 thousand and unallocated corporate expenses of -¥131,306 thousand. Unallocated corporate expenses are mainly general administrative expenses.

3. Segment income (loss) is adjusted against the operating income recorded in the consolidated statements of income.

(2) Information regarding impairment losses on fixed assets and goodwill by reporting segment

Not applicable

2. Three months ended April 30, 2018 (from February 1, 2018 to April 30, 2018)

(1) Net sales and income (loss) by reporting segment

(Thousands of yen)

|                                   | Reporting segment                                    |                                    |                                |           | Others* <sup>1</sup> | Total     | Adjustments* <sup>2</sup> | Amounts in the consolidated statements of income* <sup>3</sup> |
|-----------------------------------|--|------------------------------------|--------------------------------|-----------|----------------------|-----------|---------------------------|--|
|                                   | Testing/<br>Verification &<br>Evaluation<br>Business | Internet<br>Supporting<br>Business | Medical<br>Related<br>Business | Total     |                      |           |                           |  |
| Net sales                         |  |                                    |                                |           |                      |           |                           |  |
| Sales to third parties            | 4,175,615  | 1,217,779                          | 70,570                         | 5,463,965 | 34,805               | 5,498,770 | -                         | 5,498,770  |
| Inter-segment sales and transfers | 66,964   | 9,846                              | -                              | 76,811    | -                    | 76,811    | (76,811)                  | -  |
| Total                             | 4,242,580  | 1,227,626                          | 70,570                         | 5,540,776 | 34,805               | 5,575,581 | (76,811)                  | 5,498,770  |
| Segment income (loss)             | 589,938  | 42,300                             | (96,425)                       | 535,813   | 3,948                | 539,761   | 4,710                     | 544,472  |

\*Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing and media businesses.

2. Adjustment for segment income (loss) of ¥4,710 thousand comprises elimination of intersegment transactions of ¥138,842 thousand and unallocated corporate expenses of - ¥134,131 thousand. Unallocated corporate expenses are mainly general administrative expenses.

3. Segment income (loss) is adjusted against the operating income recorded in the consolidated statements of income.

(2) Information regarding impairment losses on fixed assets and goodwill by reporting segment  
Not applicable

(3) Information on changes in reporting segments

From the previous consolidated fiscal year, as the quantitative importance of “Medical Related Business” previously included in “Others” has increased, it is changed to the method of posting as a reportable segment. Following this change, the segment information of the same period of previous year was revised.