

Consolidated Financial Results Announcement for the Nine Months Ended September 30, 2011

Company name: SBS Holdings, Inc.
 Stock exchange listing: JASDAQ
 Stock code: 2384
 URL: <http://www.sbs-group.co.jp/>
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 Preparation of supplementary references regarding quarterly results: No
 Holding the briefing of quarterly results: No
 Date for commencement of dividend payments (planned): —

1. Consolidated Financial Results for the Nine Months Ended September 30, 2011 (from January 1, 2011 to September 30, 2011)

(Figures are rounded to the nearest one million yen.)

(1) Consolidated business results (Percentages show change in value from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
9 Months Ended September 30, 2011	88,974	(0.5)	1,041	(68.0)	665	(81.1)	308	(83.0)
9 Months Ended September 30, 2010	89,465	3.1	3,255	88.9	3,525	50.4	1,807	(18.1)

	Net income per share	Diluted net income per share
	Yen	Yen
9 Months Ended September 30, 2011	2,508.02	—
9 Months Ended September 30, 2010	14,791.91	14,751.35

(2) Consolidated financial condition

	Total assets	Net assets	Equity ratio	Net asset per share
	Million yen	Million yen	%	yen
As of September 30, 2011	98,121	22,585	22.7	180,778.79
As of December 31, 2010 (FY2010)	96,408	22,616	23.2	182,492.27

(Reference) Shareholders' equity

As of September 30, 2011: ¥22,281 million; As of December 31, 2010 (FY2010): ¥22,344 million

2. Dividend Status

(Base date)	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of Q4	Total
FY2010	—	0.00	—	3,000.00	3,000.00
FY2011	—	0.00	—	3,000.00	3,000.00
FY2011 (forecast)	—	0.00	—	3,000.00	3,000.00

(Note) Corrections regarding current dividend forecasts: None

3. Consolidated Financial Forecast for the Year Ending December 31, 2011 (January 1, 2011 – December 31, 2011)

(Percentage figures for the full year denote the year-on-year increase or decrease. Percentage figures for the half year denote the increase or decrease from the previous corresponding term.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	120,000	0.1	2,700	(36.6)	2,200	(48.7)	1,300	(39.3)	10,617.45

(Note) Corrections regarding current consolidated forecast figures: None

4. Others (For details, please see “Other information” on page 5.)

- (1) Important changes of subsidiaries during the term: Yes
New (1): Nippon Record Center Company Limited
Eliminated: None
(Note) Changes in major subsidiaries during the period (Change in specific subsidiaries as a result of a change in the scope of consolidation)
- (2) Use of simplified accounting policies and application of specific accounting policies: Yes
(Note) Changes in accounting principles, procedures or reporting methods used in preparation of financial statements (changes in important items concerning preparation of financial statements)
- (3) Changes in accounting principles, procedures or reporting methods
1) Changes associated with the revision of accounting principles, etc.: Yes
2) Change other than 1): No
(Note) Changes in accounting principles, procedures or reporting methods used in preparation of quarterly financial statements (changes in important items concerning preparation of quarterly financial statements)
- (4) Number of shares issued (common stock)
1) Number of shares issued at end of term (including treasury stock)
9 Months Ended September 30, 2011: 130,684 shares
FY2010: 130,684 shares
2) Number of treasury stock at end of term
9 Months Ended September 30, 2011: 7,433 shares
FY2010: 8,244 shares
3) Average number of outstanding shares during the period (Accumulative figures for quarter)
9 Months Ended September 30, 2011: 122,840 shares
9 Months Ended September 30, 2010: 122,198 shares

*Indication regarding the situation of quarterly review procedures

Quarterly review procedures according to the Financial Instruments and Exchange Act do not apply to this quarterly announcement, and at the time of this announcement, quarterly review procedures according to the Financial Instruments and Exchange Act are being carried out.

* Explanation about the proper use of financial forecasts and other important notes

Since any forward-looking statements about financial outlook printed in this document are based on information currently available to the company and on certain assumptions deemed reasonable, actual results may differ significantly due to variety of factors. For assumptions used for financial forecasts and cautions on using these forecasts, refer to “Consolidated Performance Forecast” on page 4.

I. Business Performance

1. Analysis of Operations

Japanese economy, in the third quarter of the consolidated period (nine months ended September 30, 2011), had a fall in economic activities and personal consumption due to the Great East Japan Earthquake (hereinafter called as "earthquake"). The economy is recovering gradually with the subsequent restoration and reconstruction. However, the future continued to be uncertain due to the problems such as extreme appreciation of yen and the electricity shortage.

In the logistic industry, despite the operation shutdowns to the earthquake as well as the downturn of cargo movements due to production cut is getting recovered and normalized with restoration. However, slump in export related business due to yen appreciation, downward pressure in the price was intensified due to the requests from customers to reduce distribution cost and fierce competition among the peers.

Under such environment, our Group gave the priority to the recovery and restoration of the affected customers, then, worked hard for the recovery of the Group's own distribution functions in Tohoku and Kanto region.

Meanwhile, Our Group made efforts to promote business, investments and international strategies aiming for 3PL Corporate Group which has the logistic functions in all directions. It made strategic moves towards its future growth by starting new 3PL business, acquiring Nippon Record Center Company and takeover of India's logistic company Atlas Logistics Pvt. Ltd. (acquisition completed on 10th October).

As a result, net sales for the third quarter of the consolidated period (nine months ended September 30, 2011), in spite of the expansion of 3PL business and M&A effect were ¥88,974 million (down 0.5% from the previous corresponding period) due to an impact of decline because of earthquake and liquidation of the owned logistic facilities conducted in the last year.

In terms of profit, some signs of recovery were seen in the beginning of third quarter consolidated period, however, since the significant impact of the downturn in the operating ratio, after the earthquake, lasted for a while, the operating income was ¥1,041 million (down 68.0%), ordinary income was ¥665 million (down 81.1%). In terms of quarterly net income it was ¥38 million (down 83.0%). ¥193 million losses from the damage in logistic facilities and vehicles and ¥379 million losses on adjustment for changes of accounting standard for asset retirement obligations were reported as extraordinary losses. On the contrary, there was also an extraordinary gain of ¥41 million gain on sales of noncurrent assets.

Financial results by segment are as follows.

As a result of introducing management approach from this consolidated fiscal year, the reportable segments are "Logistics Business", "Property Management Business" and "Other Business". Among these, the real estate leasing business is separated from the "Logistics Business" till previous consolidated fiscal year. Development, sales and leasing business of the logistic facilities from "Financial Business" are clubbed together and a new "Property Management Business" is established. Further "Human Resource Business," "Marketing Business," "Financial Business excluding Property Management" and "Other Business" are integrated to "Other Business."

(Logistics Business)

In logistic business, sales increased from 3 newly consolidated companies namely VL Loginet Co. Ltd., AC System Corporation and Nippon Record Center Company Limited, which entered into the Group during the period of previous year to the current year. In addition, the group also worked to expand the business with 3PL services that came newly on-stream. As a result, net sales were ¥82,833 million. Meanwhile, despite the recovery trend since the second quarter onwards, decreased amount of cargo due to the earthquake influenced reduction in operating ratio and the operating income was ¥43 million.

Meanwhile, VL Loginet Co. Ltd. merged with TL Logicom Co. Ltd. on 1st July.

(Property Management Business)

Real estate business consists of renting properties held as offices, residential or storage facilities and development and sales of distribution facilities. Despite a decrease in rental income of the logistic center sold during the previous year, net sales were ¥1,789 million, with operating income at ¥837 million.

(Other business)

Other Business consists of human resources, environment, marketing etc. Since human resource business and environment business did not perform well, net sales were ¥4,350 million, with operating loss at ¥229 million.

Note) Since the classification of segment information is changed from current consolidated fiscal year, the comparison between the current third quarter and the previous corresponding period is not provided.

2. Analysis of the financial position

(1) Status of assets, liabilities and net assets

Total assets at the end of the third quarter were ¥98,121 million which was increased by ¥1,712 million from the end of the previous year. This was mainly due to the increase in cash and cash equivalents of ¥257 million.

Total liabilities were ¥75,535 million which was increased by ¥1,744 million from the end of the previous year. This was mainly due to the increase in short-term borrowings of ¥1,170 million and long-term borrowings of ¥2,236 million.

Meanwhile, net assets were ¥22,585 million which was decreased by ¥31 million from the end of the previous year. This was primarily due to quarterly net income of ¥38 million and dividend payment of ¥383 million.

(2) Status of cash flow

Cash and cash equivalents (hereinafter called as "cash") at the end of the third quarter increased ¥257 million to ¥9,890 million from the end of the previous year.

The main factors affecting each cash flow were as below.

(Cash flow from operating activities)

Cash obtained from operating activities was ¥2,432 million (cash inflow of ¥7,191 million for the previous year). This was due to cash inflow from depreciation and amortization of ¥2,674 million and decreased notes and accounts receivables of ¥854 million and net quarterly income before taxes and other adjustments of ¥454 million etc. However, there were cash outflow from the expenses including decrease in notes and accounts payable of ¥228 million and corporate tax payment of ¥1,249 million etc.

(Cash flow from investment activities)

Cash used in investment activities was ¥1,948 million (¥2,624 million cash inflow for the previous year). This is mainly due to the cash outflow from acquisition of property, plant and equipment and intangible assets for ¥1,531 million and the stock acquisition resulting in the changes in the scope of consolidation for ¥165 million, however, meanwhile there was a cash inflow of ¥1,227 by sales of property, plant and equipment and intangible assets.

(Cash flow from financial activities)

Cash provided or used by the financial activities was ¥2,024 million (¥11,677 million cash outflow in the previous year). This was mainly due to the finance through long-term debt of ¥7,290 million and short-term debt with a net increase of ¥1,170 million. On the other hand, there was cash outflow from the repayment of long-term debt of ¥5,053 million and the payment of dividends of ¥ 383million.

3. Consolidated Performance Forecast

The deteriorated Japanese economy due to earthquake showed the signs of recovery with the normalization of production and sales activities, however, new problems such as appreciation of yen still remain uncertain in future.

The SBS Group needs to watch such business environment. As of today, we keep the performance forecast for the year ending December 31, 2011 that have once been revised and announced on August 9, 2011.

II. Other Information

1. Outline of Major Changes in Subsidiaries

Nippon Record Center Company Limited has been included in the scope of consolidation through the stock acquisition as of April 1, 2011.

2. Outline of Simplified and Peculiar Accounting Processes

(Simplified accounting)

(1) Calculation method for general credit loan loss estimate

Since it was determined there was no significant difference in the loan loss ratio at the end of this third quarter and that calculated at the end of the previous financial year, the loan loss estimate was calculated using the loan loss ratio from the previous financial year.

(2) Evaluation method for inventories

For the book value devaluation of inventories, the book value is devalued only for those that clearly have a loss of profitability, with the net sale value being estimated.

(3) Computation method for depreciation of fixed assets

For assets that employ the fixed-rate method, the depreciation costs for the consolidated financial year are split proportional by period and calculated.

Also, some consolidated subsidiaries create budgets considering the acquisitions, sales and losses of noncurrent assets within the year, with yearly amortization estimates calculated using proportional splits per period based on these estimates.

(4) Calculation method for corporate taxes, deferred tax assets and deferred tax liabilities

For determination of the recovery of deferred tax assets, no significant changes occurred in the operating environment or occurrence of temporary disparities since the end of the previous financial year, so the methods for predicting future financial results and tax planning from the end of the previous financial year will be used.

3. Outline of Changes to the Principles, Procedures, and Display Methods, etc., for Accounting Method

(Changes to Accounting Standards)

Since the first quarter, the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No.18, March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No.21, March 31, 2008) have been applied.

This resulted in a ¥45,374 thousand decrease in operating income and ordinary income, with net quarterly income before taxes and other adjustments decreasing by ¥424,931 thousand. Also, due to application of these accounting standards the change to asset retirement obligations was ¥323,405 thousand.

(Change to Presentation Methods)

Due to application of Cabinet Office Ordinance on Amending Regulations for Balance Sheet Terminology, Format and Creation Methods (Cabinet Office Ordinance No. 5, March 24, 2009) according to Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, December 26, 2008), the category "Income before minority interests (loss)" is displayed in this quarter.

III. Consolidated Financial Statement

1. Consolidated Balance Sheets

(As of September 30, 2011 and March 31, 2010)

(Thousands of yen)

	3Q FY2011 (As of Sep. 30, 2011)	FY2010 Summary (As of Dec. 31, 2010)
ASSETS		
Current assets		
Cash and deposits	9,926,324	7,418,624
Notes and accounts receivable-trade	13,767,965	15,128,171
Short-term investment securities	300,687	300,686
Inventories	7,724,909	7,810,137
Other	6,659,574	5,290,621
Allowance for doubtful accounts	(183,494)	(49,352)
Total current assets	38,195,967	35,898,890
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	34,342,731	33,369,955
Accumulated depreciation and impairment loss	(20,621,837)	(19,573,076)
Buildings and structures, net	13,720,894	13,796,878
Machinery, equipment and vehicles	16,456,779	16,830,584
Accumulated depreciation and impairment loss	(14,062,497)	(14,104,749)
Machinery, equipment and vehicles, net	2,394,282	2,725,834
Land	32,850,775	32,984,319
Lease assets	5,028,904	5,179,368
Accumulated depreciation and impairment loss	(2,225,201)	(1,973,564)
Lease assets, net	2,803,702	3,205,804
Other	2,798,713	1,906,048
Accumulated depreciation and impairment loss	(238,2673)	(1,537,505)
Other, net	416,040	368,543
Total property, plant and equipment	52,185,695	53,081,381
Intangible assets	1,170,599	1,282,978
Investments and other assets		
Investments and other assets	6,742,192	6,233,156
Allowance for doubtful accounts	(173,195)	(87,910)
Total investments and other assets	6,568,997	6,145,246
Total noncurrent assets	59,925,291	60,509,606
Total assets	98,121,259	96,408,496

(Thousands of yen)

	3Q FY2011 (As of Sep. 30, 2011)	FY2010 Summary (As of Dec. 31, 2010)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	6,794,930	7,002,890
Short-term loans payable	18,840,000	17,670,000
Current portion of long-term loans payable	9,920,781	5,690,617
Current portion of bonds	256,000	256,000
Income taxes payable	212,327	825,842
Provision for bonuses	1,363,258	580,718
Other	5,399,147	6,401,308
Total current liabilities	42,786,446	38,427,376
Noncurrent liabilities		
Bonds payable	1,430,000	1,686,000
Long-term loans payable	17,409,512	19,403,194
Provision for retirement benefits	3,449,507	3,597,915
Other	10,460,427	10,677,392
Total noncurrent liabilities	32,749,447	35,364,502
Total liabilities	75,535,893	73,791,879
NET ASSETS		
Shareholders' equity		
Capital stock	3,833,934	3,833,934
Capital surplus	5,418,063	5,418,063
Retained earnings	14,014,716	14,100,121
Treasury stock	(689,796)	(765,058)
Total shareholders' equity	22,576,917	22,587,060
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(194,161)	(97,632)
Deferred gains or losses on hedges	(101,588)	(145,073)
Total valuation and translation adjustments	(295,750)	(242,706)
Subscription rights to shares	10,203	3,152
Minority interests	293,995	269,111
Total net assets	22,585,365	22,616,617
Total liabilities, net assets	98,121,259	96,408,496

2. Consolidated Statements of Operations**(Nine Months Ended September 30, 2010 and 2011)**

(Thousands of yen)

	3Q FY2010 (Jan. 1, 2010 – Sep. 30, 2010)	3Q FY2011 (Jan. 1, 2011 – Sep. 30, 2011)
Net sales	89,465,841	88,974,531
Cost of sales	80,265,937	81,141,136
Gross profit	9,199,904	7,833,395
Selling, general and administrative expenses	5,944,873	6,791,444
Operating income	3,255,030	1,041,951
Non-operating income		
Interest income	19,145	9,038
Dividends income	85,617	70,601
Amortization of negative goodwill	685,438	–
Other	112,264	77,216
Total non-operating income	902,465	156,856
Non-operating expenses		
Interest expenses	521,519	456,694
Bond issuance cost	14,445	–
Other	96,166	76,916
Total non-operating expenses	632,131	533,610
Ordinary income (loss)	3,525,364	665,196
Extraordinary income		
Gain on sales of noncurrent assets	394,241	401,527
Other	107,556	128,238
Total extraordinary income	501,797	529,765
Extraordinary loss		
Loss on valuation of investment securities	472,093	–
Loss on adjustment for changes of accounting standard for retirement obligations	–	379,557
Loss on disaster	–	193,168
Other	251,162	168,024
Total extraordinary loss	723,256	740,750
Net quarterly income (loss) before taxes and other adjustments	3,303,906	454,211
Income taxes-current	1,373,427	547,792
Income taxes-deferred	52,329	(404,602)
Total income taxes	1,425,757	143,189
Income before minority interests (loss)	–	311,022
Minority interest income (loss)	70,606	2,937
Net income (loss)	1,807,542	308,084

2. Consolidated Statements of Cash Flows

(Nine Months Ended September 30, 2010 and 2011)

(Thousands of yen)

	3Q FY2010 (Jan. 1, 2010 – Sep. 30, 2010)	3Q FY2011 (Jan. 1, 2011 – Sep. 30, 2011)
Net cash provided by (used in) operating activities		
Net quarterly income (loss) before taxes and other adjustments	3,303,906	454,211
Depreciation	2,904,599	2,674,570
Amortization of negative goodwill	(685,438)	—
Increase (decrease) in allowance for doubtful accounts	(320,745)	218,347
Increase (decrease) in provision for bonuses	706,041	736,540
Increase (decrease) in provision for retirement benefits	(242,060)	(172,408)
Interest and dividends income	(104,762)	(79,639)
Interest expenses	521,519	456,694
Bond issuance cost	14,445	—
Loss (gain) on valuation of investment securities	472,093	—
Loss (gain) on sales of property, plant and equipment and intangible assets	(371,211)	(344,897)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	379,557
Decrease (increase) in notes and accounts receivable-trade	1,835,912	854,939
Decrease (increase) in inventories	2,265,428	19,691
Increase (decrease) in notes and accounts payable-trade	(524,704)	(228,947)
Other	(529,817)	(862,988)
Subtotal	9,245,207	4,105,671
Interest and dividends income received	104,403	78,641
Interest expenses paid	(591,518)	(502,219)
Income taxes (paid) refund	(1,565,231)	(1,249,932)
Net cash provided by (used in) operating activities	7,191,860	2,432,161

3. Consolidated Statements of Cash Flows (continue)

(Thousands of yen)

	3Q FY2010 (Jan. 1, 2010 – Sep. 30, 2010)	3Q FY2011 (Jan. 1, 2011 – Sep. 30, 2011)
Net cash provided by (used in) investing activities		
Payments into time deposits	(26,000)	(24,000)
Proceeds from withdrawal of time deposits	24,000	24,000
Purchase of short-term investment securities	(599,550)	(299,880)
Proceeds from redemption of securities	300,000	300,000
Purchase of property, plant and equipment and intangible assets	(1,246,154)	(1,531,516)
Proceeds from sales of property, plant and equipment and intangible assets	5,117,942	1,227,977
Purchase of investments in subsidiaries resulting in change in	(736,673)	(1,605,522)
Other	(209,136)	(39,963)
Net cash provided by (used in) investing activities	2,624,427	(1,948,903)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(7,020,000)	1,170,000
Proceeds from long-term loans payable	4,141,000	7,290,000
Repayment of long-term loans payable	(8,055,427)	(5,053,517)
Proceeds from issuance of bonds	585,554	—
Redemption of bonds	(208,000)	(256,000)
Proceeds from sales of treasury stock	—	64,913
Cash dividends paid	(281,055)	(383,484)
Cash dividends paid to minority shareholders	(1,113)	(5,070)
Other	(838,228)	(802,224)
Net cash provided by (used in) financing activities	(11,677,271)	2,024,617
Effect of exchange rate change on cash and cash equivalents	(114)	(175)
Net increase (decrease) in cash and cash equivalents	(1,861,097)	2,507,699
Cash and cash equivalents at the beginning of period	10,455,186	7,382,624
Cash and cash equivalents at end of quarter	8,594,089	9,890,324

IV. Segment information

Information on the business segments
3Q FY2010 (January 1, 2010 – September 30, 2010)

	(Thousands of yen)							
	Logistics Business	Marketing Business	Human Resource Business	Financial Business	Other Business	Total (Thousand)	Elimination or Corporate Total	Consolidated
Net sales								
(1) Sales to external customers	79,422,778	1,436,323	3,165,764	4,964,490	456,484	89,465,841	-	89,465,841
(2) Inter-segment sales or transfers	164,133	139,753	149,351	1,056,041	44,052	1,553,331	(1,553,331)	-
Total	79,606,911	1,576,076	3,315,116	6,020,532	500,536	91,019,173	(1,553,331)	89,465,841
Operating income (loss)	1,888,660	27,949	36,827	1,198,343	(11,479)	3,140,301	114,728	3,255,030

Notes:

1. Business segment has been classified in term of similarity in nature and the way of delivery of services.

2. Main services of each business segment are as follows;

- (1) Logistics Business: Total logistics business (general logistics, international logistics, forwarding, special transportation, in-door logistics, etc.); food logistics (three-temperature logistics, home delivery); specialized logistics (same-day delivery); third-party logistics (3PL) business in which above logistic services are collectively provided; logistics consulting business.
- (2) Marketing Business: marketing; advertising production and agent; mail order services; mailing service with parcel network (parcel delivery including catalog)
- (3) Human Resources Business: Personnel dispatch service; fee-based placement service
- (4) Financial Business: Asset management and development of logistics facilities; leasing and sales of vehicle, fuel, tires, etc.; insurance agency
- (5) Other Business: Information services (development and maintenance of logistics information system including WMS); environmental service (waste management, product recycle service, etc.)

[Segment Information by Location]

3Q FY2010 (January 1, 2010 – September 30, 2010)

Since there are no consolidated subsidiaries or external branches in countries or regions outside of Japan, nothing applies to this category.

[Overseas Sales]

3Q FY2010 (January 1, 2010 - September 30, 2010)

Because total overseas sales came to less than 10% of consolidated net sales, this description has been omitted.

[Segment Information]

1. Overview of Reporting Segments

Separate financial segments can be acquired for component units of our company group reporting segments, and the board of directors periodically considers them to evaluate results and determine division of management resources.

The SBS Group is affiliated with SBS Holdings which is a pure holdings company, with each company operating independently to formulate strategies and carry out operating activities, but for core business of the SBS Group, our company performs overall management.

Based on these reasons, the SBS Group splits reporting segments into “logistics business”, “property management business” and “other business”.

“Logistics business” includes truck freight, rail freight, low temperature distribution, international logistics, distribution center operations, distributive processing, and express delivery for companies, home deliveries, 3PL businesses that are commissioned for all of these inclusively, logistics consulting, and related businesses.

“Property management business” includes the renting of facilities for use as offices, residences, or storage, as well as development and sales of logistics facilities.

“Other business” includes human resources, environmental, and marketing businesses.

2. Information Concerning Net Sales and Profits and Losses for Reporting Segments
3Q FY2011 (January 1, 2011 – September 30, 2011)

(Thousands of yen)

	Reporting Segment				Adjustment Amount *1	Consolidated Quarterly Income Statement Amount *2
	Logistics Business	Property Management Business	Other Business	Total		
Net sales						
Sales to external customers	82,833,963	1,789,851	4,350,717	88,974,531	-	88,974,531
Inter-segment sales or transfers	251,422	15,644	398,366	665,433	(655,433)	-
Total	83,085,385	1,805,495	4,749,083	89,639,964	(655,433)	88,974,531
Segment income (loss)	403,652	837,556	(229,594)	1,011,614	30,336	1,041,951

(Note)

1. The adjustment amount for segment income (loss) is ¥21,893 thousand in trading between segments and from ¥8,443 thousand not allocated to reporting segments by the parent company (company releasing the quarterly financial statement).
2. Segment income (loss) is adjusted with operating income, as recorded in consolidated quarterly income statements.

(Additional Information)

As of this consolidated first quarter, we are applying "Accounting Standards for Displaying Segment Information, etc." (Corporate Accounting Standards vol. 17, March 27, 2009) and "Application Guideline for Accounting Standards for Displaying Segment Information" (Corporate Accounting Standards Application Guideline vol. 20, March 21, 2008).