



Summary of Consolidated Financial Results for the Six-month Period Ended September 30, 2020 (Japanese accounting standards)

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Name of listed firm: Nojima Corporation

Listed on the Tokyo Stock Exchange

Code No.: 7419

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Supplemental materials on quarterly financial results: Available

Briefing session for quarterly financial results for analysts: Scheduled

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

1. Consolidated financial results for the six-month period ended September 30, 2020 (April 1, 2020 - September 30, 2020)

(1) Consolidated results of operations

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		EBITDA		Net income attributable to shareholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period ended September 30, 2020	240,787	-10.7	17,505	49.2	44,199	239.1	26,449	28.6	38,269	313.6
Six-month period ended September 30, 2019	269,634	9.6	11,735	24.7	13,034	23.4	20,571	24.5	9,251	25.4

Note: Comprehensive income: Six-month period ended September 30, 2020: 43,636 million yen (436.8%)

Six-month period ended September 30, 2019: 8,128 million yen (5.2%)

For detailed information, including definitions and methods used to calculate indicators, see p. 2, "1. Qualitative Information on Quarterly Consolidated Financial Performance: (1) Explanation of operating results."

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six-month period ended September 30, 2020	770.12		752.87	
Six-month period ended September 30, 2019	184.37		182.48	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of September 30, 2020	310,509		129,090		40.9		2,589.33	
As of March 31, 2020	286,247		90,268		30.8		1,759.32	

Reference: Equity: As of September 30, 2020: 127,119 million yen As of March 31, 2020: 88,246 million yen

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen				
FY ended March 2020	-	20.00	-	20.00	40.00
FY ending March 2021	-	22.00	-	-	-
FY ending March 2021 (planned)	-	-	-	22.00	44.00

Note: Revisions to the most recently announced dividend forecast: Yes

End of 2Q FY2020: Ordinary dividend 18.00 yen, 60th anniversary dividend 2.00 yen

3. Forecasts of consolidated financial results for the fiscal year ending March 2021 (April 1, 2020 - March 31, 2021)

(Percentages indicate changes from the previous year.)

	Net sales		Operating income		Ordinary income		EBITDA		Net income attributable to shareholders of the parent company		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Full-year	503,000	-4.0	30,000	32.8	56,000	131.2	46,000	15.8	45,000	182.8	916.61	

Note: Revisions to the most recently announced consolidated earnings forecast: No

* Notes

- (1) Significant changes in subsidiaries during this period
(changes in designated subsidiaries resulting in changes in the scope of consolidation): No
Added: ___ company(ies) (name(s): _____) Removed: ___ company(ies) (name(s): _____)
- (2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- i. Changes in accounting policies due to revisions in accounting standards and other regulations: No
 - ii. Changes in accounting policies for reasons other than i.: No
 - iii. Changes in accounting estimates: No
 - iv. Restatement of prior period financial statements: No

(4) Number of shares issued and outstanding (common stock)

i. Number of shares issued and outstanding at the end of the period (including treasury stock)	As of September 30, 2020	51,289,616 shares	As of March 31, 2020	51,289,616 shares
ii. Number of shares of treasury stock at the end of the period	As of September 30, 2020	2,195,854 shares	As of March 31, 2020	1,129,909 shares
iii. Average number of shares during the period	Six-month period ended September 30, 2020	49,692,322 shares	Six-month period ended September 30, 2019	50,181,210 shares

Note: The number of shares of treasury stock above includes shares held in trust accounts (394,600 shares as of September 30, 2020 and 14,000 shares as of March 31, 2020) for the employee stock ownership plan (ESOP). Shares of the Company's own stock held in ESOP trust accounts are included in treasury stock subtracted from the calculation of the average number of shares during the period (288,099 shares for the six-month period ended September 30, 2020 and 261,667 shares for the six-month period ended September 30, 2019).

* Quarterly financial statements are not subject to audits by certified public accountants or auditing firms

* Explanation concerning the appropriate use of forecasts of business performance and other notes

Note on forward-looking statements:

Forecasts of business performance and other forward-looking statements in this release are based on information currently available and certain assumptions the Company deems reasonable at the time of preparation. They do not constitute a guarantee of future results. Actual results may differ materially from those of any forward-looking statements for various reasons.

○ Contents of attached documents

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of operating results

During the six-month period ended September 30, 2020, Japan's economic activity was stagnant with sluggish personal consumption due to the spread of the coronavirus disease (COVID-19) infection. The outlook for the economy remains uncertain with the number of people testing positive for the COVID-19 infection continuing to be high.

Under these circumstances, the Nojima Group focused on being the leader in the digital field and achieving the industry's highest customer satisfaction. To achieve these goals, we sought to establish sales floors where shoppers can easily find what they want, and provide customer services reflecting the perspectives of customers, while working to improve consulting-based sales and enhancing customer services to meet their needs. In addition, we demonstrated group synergies by promoting the IoT broadband connection service, which is closely related to the daily life of people and offered by NIFTY, at our group stores. In the home electronics market, sales of digital products, as well as OEL TVs, PCs, and peripherals used for teleworking, performed well.

As a result, for the six-month period ended September 30, 2020, we recorded net sales of 240,787 million yen (89.3% of the figure for the six-month period ended September 30, 2019), operating income of 17,505 million yen (149.2% of the figure for the six-month period ended September 30, 2019), ordinary income of 44,199 million yen (339.1% of the figure for the six-month period ended September 30, 2019) with the application of the equity method by Suruga Bank Ltd., and net income attributable to shareholders of the parent company of 38,269 million yen (413.6% of the figure for the six-month period ended September 30, 2019).

EBITDA(*), which the Group considers to be an important indicator of business performance, stood at 26,449 million yen (128.6% of the figure for the six-month period ended September 30, 2019).

(* EBITDA = ordinary income + interest expenses + interest on bonds + depreciation + amortization of goodwill – share of profit of entities accounted for using equity method

Business performance by segment is outlined below.

(Operation of digital home electronics retail stores)

In response to the lifting of the government's emergency declaration, we resumed operations at all stores. Sales of home and digital products remained solid, as a result of the Group's strengths in consulting-based sales by our own employees that meet customers' needs for "quality." And, we endeavored to provide high-quality services by enhancing online education and training.

As a result, net sales in this segment totaled 118,120 million yen (103.6% of the figure for the six-month period ended September 30, 2019), and segment income was 12,593 million yen (149.3% of the figure for the six-month period ended September 30, 2019).

(Operation of mobile carrier stores)

With the revision of the Telecommunications Business Act, and the spread of COVID-19, the number of mobile phones declined. However, besides collaborating with telecommunications carriers, we continued to work on transforming into a high-quality career shop by enhancing recruitment, education, and training, with the aim of developing human resources in anticipation of future needs.

As a result, net sales in this segment totaled 79,203 million yen (76.2% of the figure for the six-month period ended September 30, 2019), and segment income was 3,474 million yen (138.1% of the figure for the six-month period ended September 30, 2019).

(Internet business)

Under fiercely competitive market conditions in the Internet service provider section, new subscriptions of @nifty Hikari and Docomo Hikari, a wholesale service of FLET'S Hikari provided by NTT East and NTT West, increased due to an increase in the time people spend at home and teleworking. Furthermore, we concentrated on measures for effectively attracting new customers such as promoting broad band services at our group stores, while at the same time developing more high-quality Hikari broadband.

As a result, net sales in this segment totaled 23,271 million yen (96.6% of the figure for the six-month period ended September 30, 2019), and segment income was 2,115 million yen (141.8% of the figure for the six-month period ended September 30, 2019).

(Overseas business)

Under a severe economic environment affected by COVID-19 in individual countries, we gradually reopened stores by relaxing lock-down measures. We promoted Nojima-style consulting sales, which aim to increase the number of our company's customers who derive satisfaction from enriching their lives with good products and services. Simultaneously, we continued to implement structural reforms, such as closing deficit stores and adjusting sales, general, and administrative expenses.

As a result, net sales in this segment totaled 17,604 million yen (72.0% of the figure for the six-month period ended September 30, 2019), and segment income was 640 million yen (156.3% of the figure for the six-month period ended September 30, 2019).

(Stores in operation)

With seven new store openings and two store closures, including scrap-and-build, the number of digital home electronics retail stores stood at 186, or 210 including 24 dedicated communications device stores with the closure and sale of five stores.

In the operation of mobile carrier stores, following the new opening and acquisition of five stores and the closure and sale of 11 stores, including scrap-and-build, the number of stores, including both directly-operated carrier stores and franchises, stood at 613.

In the overseas business, with four store closures, the number of stores stood at 73.

In the light of these factors, the number of stores as of September 30, 2020 is as shown below.

Stores in operation

Classification	Directly operated	Franchises	Total
Operation of digital home electronics retail stores	210 stores	-	210 stores
Digital home electronics retail stores	186 stores	-	186 stores
Dedicated communications device stores	24 stores	-	24 stores
Operation of mobile carrier stores	412 stores	201 stores	613 stores
Carrier stores	400 stores	194 stores	594 stores
Others	12 stores	7 stores	19 stores
Overseas business	73 stores	-	73 stores
Total	695 stores	201 stores	896 stores

(2) Explanation of financial position

Assets, liabilities and net assets

(Assets)

Total assets as of September 30, 2020 were 310,509 million yen, up 24,262 million yen from the end of the previous fiscal year.

This increase was due mainly to a decrease of 1,568 million yen to 132,714 million yen in current assets and an increase of 25,831 million yen to 177,795 million yen in non-current assets.

The primary factors underlying the decrease in current assets included decreases of 14,074 million yen and 3,247 million yen in accounts receivable-trade and merchandise and products, respectively, despite an increase of 8,987 million yen in cash and deposits.

The main causes of the increase in non-current assets included an increase of 30,258 million yen in investment securities, despite decreases of 2,135 million yen, 1,403 million yen, and 849 million yen in contractual intangible assets, goodwill, and lease assets, respectively.

(Liabilities)

Total liabilities as of September 30, 2020 were 181,418 million yen, down 14,560 million yen from the end of the previous fiscal year.

This decrease was due mainly to decreases of 5,631 million yen to 108,750 million yen in current liabilities and 8,928 million yen to 72,668 million yen in non-current liabilities.

The primary factors underlying the decrease in current liabilities included decreases of 10,000 million yen and 9,006 million yen in current portion of bonds and accounts payable-trade, respectively, despite increases of 9,421 million yen, 2,132 million yen, and 1,145 million yen in short-term loans payable, advances received, and accrued income taxes.

The main causes of the decrease in non-current liabilities included decreases of 7,255 million yen, 872 million yen, and 849 million yen in long-term loans payable, deferred tax liabilities, and lease liabilities, respectively, despite an increase of 373 million yen in retirement benefit liabilities.

(Net assets)

Net assets as of September 30, 2020 totaled 129,090 million yen, up 38,822 million yen from the end of the previous fiscal year, due to factors including an increase of 37,265 million yen in retained earnings.

These factors resulted in an equity ratio of 40.9%, up 10.1 points from the end of the previous fiscal year.

Cash flow

Cash and cash equivalents (“funds” hereinafter) as of September 30, 2020 totaled 26,168 million yen (the figure as of September 30, 2019 was 22,409 million yen).

The status of each category of cash flow and the main reasons are described below.

(Cash flow from operating activities)

Funds gained by operating activities totaled 25,203 million yen (101.3% of the figure for the six-month period ended September 30, 2019).

This was due mainly to 44,302 million yen in net income before taxes and other adjustments, 25,146 million yen in share of profit of entities accounted for using equity method, 9,075 million yen in decrease in notes and accounts payable-trade, and 5,611 million yen in increase in accounts receivable-other, despite a decrease of 14,315 million yen in accounts receivable-trade and 5,818 million yen in depreciation.

(Cash flow from investment activities)

Funds used in investment activities totaled 3,015 million yen (146.5% of the figure for the six-month period ended September 30, 2019).

This was due mainly to expenditures of 1,422 million yen for purchases of tangible non-current assets in connection with new store openings and 1,255 million yen of payments for lease and guarantee deposits, despite proceeds of 289 million yen from sales of investments in securities.

(Cash flow from financing activities)

Funds used for financing activities totaled 13,269 million yen (65.0% of the figure for the six-month period ended September 30, 2019).

This was due mainly to expenditures of 10,699 million yen, 10,005 million yen, and 5,678 million yen for the repayment of long-term loans payable, redemption of bonds, and purchase of treasury shares, respectively, despite a net increase of 9,411 million yen in short-term loans payable and proceeds of 4,300 million yen from long-term loans payable.

(3) Information on forward-looking statements forecasts of consolidated financial results

Forecasts of consolidated financial results have not been revised since the release of the “Summary of Consolidated Financial Results for the Six-month Period Ended September 30, 2021 and the Fiscal Year Ending March 2021” on October 20, 2020.

Dividends have been revised since the release of the “Summary of Consolidated Financial Results for the Fiscal year Ended March 2020” on May 12, 2020.

Please refer to the “Announcement of dividend payment (interim dividend) and the revision of year-end dividend forecast (an increase)” that was announced today (October 29, 2020) for more details.

2. Quarterly Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	Previous fiscal year (as of March 31, 2020)	Second quarter of the current fiscal year (as of September 30, 2020)
Assets		
Current assets		
Cash and deposits	17,181	26,169
Accounts receivable-trade	69,978	55,904
Merchandise and products	40,923	37,676
Accounts receivable-other	6,250	11,863
Other	2,984	3,482
Allowance for doubtful accounts	-3,035	-2,382
Total current assets	134,283	132,714
Non-current assets		
Tangible non-current assets		
Buildings and structures (net)	15,808	15,736
Tools, fixtures, and facilities (net)	2,243	2,639
Lease assets (net)	8,010	7,160
Land	8,488	8,488
Other (net)	822	657
Total tangible non-current assets	35,372	34,682
Intangible assets		
Goodwill	24,758	23,355
Software	1,563	1,413
Trademark rights	937	703
Contractual intangible assets	46,412	44,277
Customer-related intangible assets	1,985	1,654
Other	179	584
Total intangible assets	75,836	71,987
Investments and other assets		
Investment securities	17,415	47,673
Deferred tax assets	9,159	8,738
Lease and guarantee deposits	12,004	12,686
Other	2,262	2,117
Allowance for doubtful accounts	-86	-91
Total investments and other assets	40,755	71,125
Total non-current assets	151,964	177,795
Total assets	286,247	310,509

(Million yen)

	Previous fiscal year (as of March 31, 2020)	Second quarter of the current fiscal year (as of September 30, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	50,244	41,237
Short-term loans payable	7,226	16,648
Current portion of long-term loans payable	7,031	7,950
Current portion of bonds	10,010	10
Accounts payable-other	7,433	7,002
Accrued income taxes	4,921	6,066
Accrued consumption tax	2,203	2,360
Accrued expenses	3,414	3,803
Advances received	3,067	5,199
Unearned revenue	7,218	6,754
Deposits received	2,283	2,250
Reserve for points	5,075	4,280
Reserve for bonuses	1,524	1,857
Reserve for promotion of admissions	90	211
Lease liabilities	2,140	2,201
Other	495	914
Total current liabilities	114,381	108,750
Non-current liabilities		
Bonds	5,005	5,000
Long-term loans payable	38,014	30,758
Reserve for guarantees for merchandise sold	3,794	3,790
Reserve for directors' retirement benefits	210	200
Retirement benefit liabilities	8,423	8,796
Deferred tax liabilities	13,506	12,634
Lease liabilities	6,437	5,588
Other	6,204	5,898
Total non-current liabilities	81,596	72,668
Total liabilities	195,978	181,418
Net assets		
Shareholders' equity		
Capital stock	6,330	6,330
Capital surplus	6,046	5,641
Retained earnings	83,795	121,061
Treasury stock	-2,358	-5,710
Total shareholders' equity	93,814	127,323
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-4,938	285
Currency conversion adjustments	-535	-406
Accumulated adjustment to retirement benefits	-94	-82
Deferred gains or losses on hedges	-	-0
Total accumulated other comprehensive income	-5,567	-203
Stock acquisition rights	2,008	1,970
Non-controlling interests	12	-
Total net assets	90,268	129,090
Total liabilities and net assets	286,247	310,509

(2) Consolidated income statement and consolidated statement of comprehensive income

Consolidated income statement

(For the six-month period)

	(Million yen)	
	Six-month period of the previous fiscal year (April 1, 2019 - September 30, 2019)	Six-month period of the current fiscal year (April 1, 2020 - September 30, 2020)
Net sales	269,634	240,787
Cost of sales	196,911	166,456
Gross profit on sales	72,723	74,331
Sales, general, and administrative expenses		
Advertising expenses	9,518	9,313
Salaries, allowances, and bonuses	19,646	17,676
Provision for bonuses	1,481	1,842
Retirement benefit expenses	538	566
Rents	8,087	7,102
Depreciation	5,445	5,417
Amortization of goodwill	1,425	1,414
Other	14,843	13,492
Total sales, general, and administrative expenses	60,987	56,826
Operating income	11,735	17,505
Non-operating income		
Interest income	34	38
Purchase discounts	846	922
Gain on sales of investment securities	431	91
Share of profit of entities accounted for using equity method	33	25,146
Other	581	1,167
Total non-operating income	1,927	27,366
Non-operating expenses		
Interest expenses	404	312
Interest on bonds	54	29
Donations	35	83
Other	134	247
Total non-operating expenses	629	672
Ordinary income	13,034	44,199
Extraordinary income		
Gain on reversal of share acquisition rights	18	115
Gain on sales of non-current assets	141	13
Gain on bargain purchase	28	-
Total extraordinary income	188	129
Extraordinary losses		
Impairment loss	250	26
Total extraordinary losses	250	26
Net income before taxes and other adjustments	12,972	44,302
Income taxes-current	4,766	6,567
Income taxes-deferred	-1,048	-537
Total income taxes	3,718	6,029
Net income	9,254	38,272
Net income attributable to shareholders of the non-controlling interests	2	3
Net income attributable to shareholders of the parent company	9,251	38,269

Consolidated statement of comprehensive income

(For the six-month period)

(Million yen)

	Six-month period of the previous fiscal year (April 1, 2019 - September 30, 2019)	Six-month period of the current fiscal year (April 1, 2020 - September 30, 2020)
Net income	9,254	38,272
Other comprehensive income		
Valuation difference on available-for-sale securities	-594	5,171
Currency conversion adjustments	-556	128
Adjustments for retirement benefit obligations	25	11
Share of other comprehensive income of entities accounted for using equity method	-	52
Total other comprehensive income	-1,125	5,364
Comprehensive income	8,128	43,636
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	8,125	43,633
Comprehensive income attributable to non-controlling interests	2	3

(3) Consolidated cash flow statement

	(Million yen)	
	Six-month period of the previous fiscal year (April 1, 2019 - September 30, 2019)	Six-month period of the current fiscal year (April 1, 2020 - September 30, 2020)
Cash flow from operating activities		
Net income before taxes and other adjustments	12,972	44,302
Depreciation	5,880	5,818
Impairment loss	250	26
Amortization of goodwill	1,425	1,414
Share of loss (profit) of entities accounted for using equity method	-33	-25,146
Increase (decrease) in net defined benefit liability	236	348
Increase (decrease) in allowance for doubtful accounts	-1,254	-675
Increase (decrease) in reserve for points	654	-794
Increase (decrease) in reserve for promotion of admissions	-8	120
Increase (decrease) in reserve for guarantees for merchandise sold	102	-4
Interest and dividend income	-120	-360
Interest expenses	404	312
Decrease (increase) in accounts receivable-trade	13,150	14,315
Decrease (increase) in inventories	8,389	3,422
Decrease (increase) in accounts receivable-other	-263	-5,611
Increase (decrease) in notes and accounts payable-trade	-7,140	-9,075
Increase (decrease) in accrued consumption taxes	-658	156
Increase (decrease) in accounts payable-other	-2,710	-673
Increase (decrease) in advances received	2,586	2,132
Increase (decrease) in unearned revenue	9	-856
Other	-2,192	1,181
Subtotal	31,681	30,352
Interest and dividend income received	136	376
Interest expenses paid	-551	-368
Income taxes (paid) or refunded	-6,434	-5,157
Cash flow from operating activities	24,872	25,203

	(Million yen)	
	Six-month period of the previous fiscal year (April 1, 2019 - September 30, 2019)	Six-month period of the current fiscal year (April 1, 2020 - September 30, 2020)
Cash flow from investment activities		
Purchase of tangible non-current assets	-2,098	-1,422
Purchase of intangible assets	-430	-461
Proceeds from sales of investments in securities	1,143	289
Payments for lease and guarantee deposits	-559	-1,255
Proceeds from collection of lease and guarantee deposits	147	142
Other	-261	-307
Cash flow from investment activities	-2,058	-3,015
Cash flow from financing activities		
Increase (decrease) in short-term loans payable	893	9,411
Proceeds from long-term loans payable	3,100	4,300
Repayment of long-term loans payable	-23,236	-10,699
Purchase of treasury stock	-0	-5,678
Proceeds from sales of treasury stock	380	359
Proceeds from exercise of employee share option	14	1,304
Redemption of bonds	-5	-10,005
Cash dividends paid	-856	-1,003
Repayments for lease obligations	-1,120	-1,174
Other	414	-83
Cash flow from financing activities	-20,415	-13,269
Effect of exchange rate changes on cash and cash equivalents	-721	75
Increase (decrease) in cash and cash equivalents	1,675	8,993
Starting balance of cash and cash equivalents	20,733	17,174
Ending balance of cash and cash equivalents	22,409	26,168

(4) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Significant changes in shareholders' equity)

During the six-month period ended September 30, 2020, based on a resolution of the Board of Directors meeting held on May 12, 2020, the Company distributed total dividends of 1,003 million yen from retained earnings. Suruga Bank Ltd. has been included within the scope of the equity method from the first quarter under review.

As a result, retained earnings as of September 30, 2020 were 121,061 million yen.

The Company acquired 1,467,400 shares of treasury stock based on the resolution of the Board of Directors meeting held on June 19, 2020.

As a result, treasury stock was 5,710 million yen as of September 30, 2020, increasing 3,351 million yen in the second quarter under review.

(Segment information, etc.)

[Segment information]

I Six-month period of the previous fiscal year (April 1, 2019 – September 30, 2019)

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

(Million yen)

	Reporting segment					Other (*1)	Total	Adjustments (*2)	Amount on consolidated quarterly income statement (*3)
	Operation of digital home electronics retail stores	Operation of mobile carrier stores	Internet business	Overseas business	Subtotal				
Net sales									
Net sales to external customers	113,528	103,820	23,976	24,447	265,773	3,861	269,634	-	269,634
Internal sales or transfers between segments	536	66	120	-	723	291	1,014	-1,014	-
Subtotal	114,065	103,887	24,096	24,447	266,497	4,152	270,649	-1,014	269,634
Segment income	8,434	2,516	1,492	409	12,853	275	13,128	-94	13,034

Notes:

*1. The "Other" business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the sports business, the training business, the mega-solar business, the animal medical business, and the software development business.

*2. Adjustments to segment income consist of companywide costs not distributed among reporting segments.

*3. Segment income is adjusted with ordinary income on the quarterly consolidated income statement.

2. Information on impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment losses on non-current assets)

The carrying amount of a group of assets that have recorded a continued loss from business activities is reduced to the recoverable amount and the reduced amount is recorded as an impairment loss under extraordinary loss.

The amount recorded in the reporting segment was 162 million yen for the operation of digital home electronics retail stores, 39 million yen for the operation of mobile carrier stores, and 48 million yen for the operation of Internet business.

(Significant change in amount of goodwill)

Not applicable

II Six-month period of the current fiscal year (April 1, 2020 – September 30, 2020)

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

(Million yen)

	Reporting segment					Other (*1)	Total	Adjustments (*2)	Amount on quarterly consolidated income statement (*3)
	Operation of digital home electronics retail stores	Operation of mobile carrier stores	Internet business	Overseas business	Subtotal				
Net sales									
Net sales to external customers	117,011	79,110	23,128	17,604	236,854	3,933	240,787	-	240,787
Internal sales or transfers between segments	1,109	93	142	-	1,345	215	1,561	-1,561	-
Subtotal	118,120	79,203	23,271	17,604	238,199	4,149	242,348	-1,561	240,787
Segment income	12,593	3,474	2,115	640	18,823	25,484	44,308	-109	44,199

Notes:

- *1. The “Other” business segment consists of businesses not included in the reporting segments above. These include the shopping mall business, the sports business, the training business, the mega-solar business, the animal medical business, the software development business, and the financial services business.
- *2. Adjustments to segment income consist of companywide costs not distributed among reporting segments.
- *3. Segment income is adjusted with ordinary income on the quarterly consolidated income statement.

2. Information on impairment losses on non-current assets or goodwill for each reportable segment

(Significant impairment losses on non-current assets)

The carrying amount of a group of assets that have recorded a continued loss from business activities is reduced to the recoverable amount and the reduced amount is recorded as an impairment loss under extraordinary loss.

The amount recorded in the reporting segment was 8 million yen for the operation of digital home electronics retail stores and 17 million yen for the operation of mobile carrier stores.

(Significant change in amount of goodwill)

Not applicable