

[The official language for TonenGeneral Sekiyu's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this website. While these English versions have been prepared in good faith, TonenGeneral Sekiyu does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]



Consolidated Financial Results for the Second Quarter 2014 (Japanese GAAP basis)

August 14, 2014

Company name: TonenGeneral Sekiyu K.K. Listed on: Tokyo Stock Exchange
 Code number: 5012 URL: <http://www.tonengeneral.co.jp>
 Representative: J. Mutoh Representative Director and President
 Contact person: K. Kai Manager, Media Relations, Public and Government Relations,
 EMG Marketing Godo Kaisha Tel: 03-6713-4400

Scheduled date of filing Quarterly Securities Report: August 14, 2014

Scheduled date of start of dividends payment: September 12, 2014

Preparation of presentation material for quarterly results: Yes

Briefing for institutional investors: Yes

(Amounts shown in truncated millions of yen)

1. Consolidated financial results for the second quarter 2014 (January 1, 2014 through June 30, 2014)

(1) Operating results

(Percentage figures are the changes from the same period prior year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2QYTD 2014	1,692,402	8.7	(16,427)	-	(17,529)	-	(14,933)	-
2QYTD 2013	1,556,683	15.7	30,942	-	27,979	-	15,048	-

(Note) Comprehensive income: (14,642) Million yen [- %] for 2QYTD 2014 15,060 Million yen [-%] for 2QYTD 2013

	Net income per share	Diluted net income per share
	Yen	Yen
2QYTD 2014	(40.99)	-
2QYTD 2013	41.29	41.28

(2) Financial position

As of	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Jun. 30, 2014	1,489,229	273,885	18.3
Dec. 31, 2013	1,409,081	294,640	20.8

(Reference) Net assets excluding minority interests and subscription rights to shares:

271,962 Million yen as of June 30, 2014 293,596 Million yen as of December 31, 2013

2. Dividends

	Annual dividend				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Full-year
2013	-	19.00	-	19.00	38.00
2014	-	19.00			
2014(Forecast)			-	19.00	38.00

(Note) Revision to the most recent dividend forecast: No

3. Projected consolidated operating results for 2014 (January 1, 2014 through December 31, 2014)

(Percentage figures are the changes from the same period prior year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,600,000	11.1	6,000	(88.5)	4,000	(92.0)	47,000	105.2	129.00

(Note) Revision to the most recent consolidated earnings forecast: Yes

*** Notes**

(1) Change in major subsidiaries in the current quarter year-to-date (change in designated subsidiaries resulting in a change in the scope of consolidation): Yes
Added: 1 company (Name: Kyokuto Petroleum Industries, Ltd)

(2) Adoption of special accounting method in preparing quarterly consolidated financial statements: No

(3) Change in accounting method, change in accounting estimates and restatements

- a. Change in accounting method with accounting standards revisions : No
- b. Change in accounting method other than above : No
- c. Change in accounting estimates : No
- d. Restatements : No

(4) Number of shares issued (Common Stock)

a. Number of shares issued at the end of period (includes treasury shares)					
2Q2014	565,182,000	shares	Full year 2013	565,182,000	shares
b. Number of treasury shares at the end of period					
2Q2014	200,838,122	shares	Full year 2013	200,813,664	shares
c. Average number of shares during the period					
2QYTD2014	364,354,217	shares	2Q YTD 2013	364,488,232	shares

• **Review status of Quarterly Securities Report (*Shihanki-Houkokusho*) for the second quarter 2014**

This report is not required to be included and is not included in the scope of external audit quarterly review conducted pursuant to the Financial Instruments and Exchange Act of Japan. However, PricewaterhouseCoopers Aarata has separately completed their quarterly review of the quarterly consolidated financial statements included in “Financial information,” a part of the Quarterly Securities Report for the Second Quarter 2014. The auditor expressed the conclusion on August 14, 2014 that “nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries as of June 30, 2014, the results of their operations and their cash flows for the six-month period then ended in conformity with accounting principles for quarterly consolidated financial statements generally accepted in Japan.”

• **Explanatory note on the use of projections / other notes**

This filing contains forward-looking statements based on projections and estimates that involve many variables. TonenGeneral Sekiyu K.K. (the “Company”) operates in an extremely competitive business environment and in an industry characterized by rapid changes in supply-demand balance. Certain risks and uncertainties including, without limitation, general economic conditions in Japan and other countries, crude and product prices and the exchange rate between the yen and the U.S. dollar, could cause the Company’s results to differ materially from any projections and estimates presented.

For further information regarding the projections above, please refer to (Attachments) “1. Discussion of quarterly consolidated financial results (3) Discussion of projected consolidated operating results” on page 3.

(Reference) Summary of non-consolidated financial results**1. Non-consolidated financial results for the second quarter 2014 (January 1, 2014 through June 30, 2014)****(1) Operating results**

(Percentage figures are the changes from the same period prior year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2QYTD 2014	1,484,291	(0.1)	(21,575)	-	(21,641)	-	(13,405)	-
2QYTD 2013	1,485,123	9.8	29,769	-	28,721	-	20,269	-

	Net income per share	Diluted net income per share
	Yen	Yen
2QYTD 2014	(36.79)	-
2QYTD 2013	55.61	55.61

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of			
Jun. 30, 2014	1,402,292	253,454	18.1
Dec. 31, 2013	1,413,287	273,676	19.4

(Reference) Net assets excluding subscription rights to shares:

253,307 Million yen as of June 30, 2014

273,604 Million yen as of December 31, 2013

2. Projected non-consolidated operating results for 2014 (January 1, 2014 through December 31, 2014)

(Percentage figures are the changes from the same period prior year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,000,000	(1.1)	(3,000)	(107.3)	68,000	69.2	120,000	358.0	329.35

(Note) Revision to the most recent consolidated earnings forecast: Yes

(Attachments)

Table of contents of attachments

1. Discussion of quarterly consolidated financial results	2
(1) Discussion of consolidated operating results	2
(2) Discussion of consolidated financial condition	2
(3) Discussion of projected consolidated operating results	3
2. Information relating to Notes in summary information	3
(1) Summary of change in major subsidiaries	3
(2) Business and other risks	3
(3) Issues to be addressed	3
3. Quarterly consolidated financial statements	4
(1) Quarterly consolidated balance sheet	4
(2) Quarterly consolidated statement of income and comprehensive income	6
a. Consolidated statement of income	6
b. Consolidated statement of comprehensive income	7
(3) Quarterly consolidated statement of cash flows	8
(4) Notes on assumption of going concern	9
(5) Notes on significant changes in the amount of shareholders' equity	9
(6) Segment information	9

1. Discussion of quarterly consolidated financial results

(1) Discussion of consolidated operating results

Consolidated net sales for the second quarter year-to-date period amounted to 1,692.4 billion yen, an increase of 135.7 billion yen compared to the same period of the previous year, primarily due to the inclusion of MOC Marketing G.K. (its entity form converted from *Kabushiki Kaisha* to *Godo Kaisha* as of August 1, 2014) as a consolidated subsidiary with effect from the current period and higher product prices. Consolidated operating income was a loss of 16.4 billion yen, a decrease of 47.4 billion yen versus the same period of the previous year, primarily as a result of lower industry margins and a decrease in inventory valuation gains which had a favorable effect on previous year's earnings, partly offset by the contribution from the new consolidation of MOC Marketing G.K. Consolidated ordinary income which incorporates non-operating items including share of profit of entities accounted for using equity method, foreign exchange losses and interest expenses was a loss of 17.5 billion yen, a decrease of 45.5 billion yen versus the same period of the previous year. Consolidated net income which includes extraordinary items and income taxes was a loss of 14.9 billion yen, a decrease of 30.0 billion yen versus the same period of the previous year.

Segment results based on operating income less goodwill amortization are shown as follows;

a. Oil segment

Oil segment income was a loss of 19.7 billion yen, a decrease of 46.8 billion yen versus the same period of the previous year. Inventory effects during the current period were a loss of 3.0 billion yen, a 27.1 billion yen decrease versus the same period of the previous year. Oil segment income excluding inventory effects was a loss of 16.6 billion yen, a 19.7 billion yen decrease versus the same period of the previous year, as a result of lower industry margins partly offset by the additional contribution to the Oil business attributable to the new consolidated subsidiary MOC Marketing G.K.

Oil segment income compared with the same period of the previous year

	(Unit: Billion yen)		
	2Q YTD 2013	2Q YTD 2014	Difference
Segment income (loss) as reported	27.2	(19.7)	(46.8)
Inventory effects (loss)	24.1	(3.0)	(27.1)
Segment income (loss) excluding above inventory effects	3.1	(16.6)	(19.7)

b. Chemical segment

Chemical segment income was 11.8 billion yen, a 0.4 billion yen decrease from the same period of the previous year. This year, Chemical segment income experienced a 0.5 billion yen inventory valuation loss versus a 1.8 billion yen inventory valuation gain for the same period of the previous year. Excluding inventory effects, the segment income for the current period was 12.3 billion yen compared to 10.5 billion yen for the same period of the previous year as favorable olefins margins offset the decline in aromatics margins.

(2) Discussion of consolidated financial condition

a. Total assets, liabilities and net assets

The consolidated balance sheet as of June 30, 2014 reflects the Company's acquisition of 95.5% of the shares of MOC Marketing G.K. with a deemed date of acquisition of March 31, 2014 and the impact of Kyokuto Petroleum Industries Ltd.'s change from an associated company accounted by the equity method to a consolidated subsidiary as of the same date as described in "Summary of change in major subsidiaries."

Total assets as of June 30, 2014 were 1,489.2 billion yen, an 80.1 billion yen increase from December 31, 2013, mainly attributable to an increase in inventories primarily offset by decreases in accounts receivable-trade and short-term loans receivable. Liabilities as of June 30, 2014 amounted to 1,215.3 billion yen, a 100.9 billion yen increase from December 31, 2013, mainly attributable to increases in short-term loans payable and bonds payable offset by a decrease in long-term loans payable. Total net assets as of June 30, 2014 amounted to 273.9 billion yen, a 20.8 billion yen decrease from December 31, 2013.

b. Cash flows

At the end of June 2014, the outstanding balance of cash and cash equivalents was 28.5 billion yen, an increase of 9.8 billion yen versus December 31, 2013. Key factors influencing cash flows are summarized below.

In the second quarter year-to-date period, cash flows from operating activities were negative 14.8 billion yen versus a positive 6.8 billion yen in the same period of the previous year. Negative factors such as a decrease in accounts payables due to 7 months equivalent gasoline tax paid in the 6 months period and loss before income taxes and minority interests outweighed positive factors such as a decrease in working capital.

Cash flows from investing activities were negative 35.7 billion yen versus a negative 3.7 billion yen in the same period of the previous year. The current period cash outflows are due mainly to the acquisition of share of MOC Marketing G.K.

Cash flows from financing activities were positive 60.4 billion yen versus a positive 11.0 billion yen in the same period of the previous year. This is due mainly to an increase in short-term loans payable primarily to finance the negative cash flow from operating activities and the acquisition of share of MOC Marketing G.K.

(3) Discussion of projected consolidated operating results

Projected consolidated operating income for full year 2014 is 6.0 billion yen, down by 17.0 billion yen from the prior full year forecast, reflecting weaker than anticipated second quarter results in the Oil segment and weaker oil export margins and better chemical product margins assumed for the rest of the year. No inventory gains or losses have been assumed in this forecast.

To optimize capital structure of the company and its consolidated subsidiary, EMG Marketing Godo Kaisha (EMGM), the dividends payment from EMGM and de-capitalization of EMGM are projected to take place in the fourth quarter 2014. As a result, consolidated net income reflects the income tax effects resulting from the planned de-capitalization of EMGM.

The company reaffirms the full year dividend of 38 yen per share stated in our previous announcement.

Revision of consolidated earnings forecast figures for full-year 2014 (January 1 through December 31, 2014)

(Unit: million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (yen)
Previous forecast (A)	3,700,000	23,000	21,000	7,000	19.21
Revised forecast (B)	3,600,000	6,000	4,000	47,000	129.00
Difference (B-A)	(100,000)	(17,000)	(17,000)	40,000	-
Increase/ (decrease) (%)	(2.7)	(73.9)	(81.0)	571.4	-

2. Information relating to Notes in summary information**(1) Summary of change in major subsidiaries**

In February 2014, the Company acquired 95.5% of the issued stocks of Mitsui Oil Co., Ltd. (currently, MOC Marketing G.K.; its entity form converted from Kabushiki Kaisha to Godo Kaisha as of August 1, 2014). As a result, MOC Marketing G.K. and Toyo Sekiyu Hanbai K.K. have been included in the scope of consolidation effective from the first quarter period with a deemed date of acquisition of March 31, 2014.

MOC Marketing G.K. and other subsidiary of the Company owned each 50% interest in Kyokuto Petroleum Industries, Ltd. As a result, Kyokuto Petroleum Industries, Ltd. has been excluded from the scope of the equity method and included in the scope of consolidation effective from the first quarter period with a deemed date of acquisition of March 31, 2014. This change in the scope of consolidation will have a material effect on consolidated financial statements for the annual period ending December 31, 2014.

A summary of operating results and financial position of MOC Marketing G.K. and Kyokuto Petroleum Industries, Ltd. is provided below.

MOC Marketing G.K. (*)		Kyokuto Petroleum Industries, Ltd.	
	as of March 31, 2014		as of December 31, 2013
Net sales	388,206 million yen	Net sales	638,566 million yen
Ordinary income	1,025 million yen	Ordinary income	7,027 million yen
Net income	2,198 million yen	Net income	4,265 million yen
Net assets	7,895 million yen	Net assets	31,371 million yen
Total assets	85,877 million yen	Total assets	249,524 million yen

Kyokuto Petroleum Industries, Ltd. is a designated subsidiary of the Company.

* The Company name as of March 31, 2014, was MOC Marketing K.K.

(2) Business and other risks

In the context of the business and other risks which were already reported in the Annual Securities Report for 2013, as a result of an ordinance of the Ministry of Economy, Trade and Industry (METI) issued on July 31, 2014 (Ministerial Ordinance for Partial Revision of the Ordinance for Enforcement of the Act on Promotion of Utilization of Non-Fossil Energy Sources and Effective Utilization of Fossil Energy Materials by Energy Suppliers), further improvement in the ratio of the Company's residual oil cracking capacity to its atmospheric distillation capacity is required by March 31, 2017. The Company is currently evaluating the most economical means to respond to this requirement including the potential to reduce atmospheric distillation capacity.

Other than as noted above, no new business risks or other risks have arisen during the second quarter year-to-date period nor up to the filing date of this report.

The statements relative to future events reflect the Company's judgment as of the filing date of this report.

(3) Issues to be addressed

There were no material changes to the business issues to be addressed by the Company Group during the second quarter year-to-date period.

3. Quarterly consolidated financial statements**(1) Quarterly consolidated balance sheet**

(Unit: Million yen)

	2013 (December 31, 2013)	2Q 2014 (June 30, 2014)
Assets		
Current assets		
Cash and deposits	18,655	28,481
Notes and accounts receivable - trade	277,929	238,220
Merchandise and finished goods	108,039	118,668
Semi-finished goods	67,358	99,339
Raw materials	251,701	300,106
Supplies	8,371	10,188
Short-term loans receivable	15,069	64
Other	23,151	23,389
Allowance for doubtful accounts	(325)	(509)
Total current assets	769,953	817,950
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	30,959	34,610
Land	145,927	176,435
Other, net	67,096	82,104
Total property, plant and equipment	243,984	293,149
Intangible assets		
Goodwill	313,108	315,041
Other	21,537	23,625
Total intangible assets	334,646	338,667
Investments and other assets		
Investment securities	35,592	16,772
Other	25,044	22,848
Allowance for doubtful accounts	(139)	(158)
Total investments and other assets	60,496	39,462
Total non-current assets	639,127	671,279
Total assets	1,409,081	1,489,229

(Unit: Million yen)

	2013 (December 31, 2013)	2Q 2014 (June 30, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	321,262	302,707
Gasoline taxes payable	193,193	179,196
Short-term loans payable	123,129	264,266
Commercial papers	30,000	30,000
Income taxes payable	13,822	4,606
Provision	1,537	1,858
Other	88,352	88,937
Total current liabilities	771,297	871,572
Non-current liabilities		
Bonds payable	40,000	75,000
Long-term loans payable	136,197	99,747
Deferred tax liabilities	15,663	18,637
Provision for retirement benefits	122,238	122,224
Provision for repairs	22,369	23,032
Other	6,675	5,129
Total non-current liabilities	343,143	343,770
Total liabilities	1,114,440	1,215,343
Net assets		
Shareholders' equity		
Capital stock	35,123	35,123
Capital surplus	49,561	49,561
Retained earnings	350,736	328,880
Treasury shares	(142,140)	(142,164)
Total shareholders' equity	293,280	271,401
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	315	560
Total accumulated other comprehensive income	315	560
Subscription rights to shares	72	146
Minority interests	971	1,776
Total net assets	294,640	273,885
Total liabilities and net assets	1,409,081	1,489,229

(2) Quarterly consolidated statement of income and comprehensive income
a. Consolidated statement of income
Second quarter YTD period

(Unit: Million yen)

	2Q YTD 2013 (January 1, 2013 through June 30, 2013)	2Q YTD 2014 (January 1, 2014 through June 30, 2014)
Net sales	1,556,683	1,692,402
Cost of sales	1,480,250	1,661,177
Gross profit	76,432	31,225
Selling, general and administrative expenses	45,490	47,652
Operating income (loss)	30,942	(16,427)
Non-operating income		
Interest income	649	65
Dividend income	105	196
Share of profit of entities accounted for using equity method	2,907	407
Compensation income	-	292
Other	52	324
Total non-operating income	3,714	1,286
Non-operating expenses		
Interest expenses	1,919	1,564
Foreign exchange losses	4,674	456
Bond issuance cost	46	155
Other	38	212
Total non-operating expenses	6,677	2,388
Ordinary income (loss)	27,979	(17,529)
Extraordinary income		
Gain on sales of non-current assets	271	208
Gain on step acquisitions	-	431
Total extraordinary income	271	639
Extraordinary losses		
Loss on sales and retirement of non-current assets	527	1,604
Impairment loss	12	82
Settlement package	-	1,169
Total extraordinary losses	539	2,856
Income (loss) before income taxes and minority interests	27,710	(19,745)
Income taxes	12,572	(4,856)
Income (loss) before minority interests	15,137	(14,889)
Minority interests in income	89	43
Net income (loss)	15,048	(14,933)

b. Consolidated statement of comprehensive income
Second quarter YTD period

(Unit: Million yen)

	2Q YTD 2013 (January 1, 2013 through June 30, 2013)	2Q YTD 2014 (January 1, 2014 through June 30, 2014)
Income (loss) before minority interests	15,137	(14,889)
Other comprehensive income		
Valuation difference on available-for-sale securities	(111)	247
Share of other comprehensive income of entities accounted for using equity method	34	0
Total other comprehensive income	(76)	247
Comprehensive income	15,060	(14,642)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,972	(14,687)
Comprehensive income attributable to minority interests	88	45

(3) Quarterly consolidated statement of cash flows

(Unit: Million yen)

	2Q YTD 2013 (January 1, 2013 through June 30, 2013)	2Q YTD 2014 (January 1, 2014 through June 30, 2014)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	27,710	(19,745)
Depreciation	11,118	10,827
Amortization of goodwill	8,462	8,593
Share of (profit) loss of entities accounted for using equity method	(2,907)	(407)
Impairment loss	12	82
Increase (decrease) in provision for retirement benefits	(1,938)	(2,690)
Increase (decrease) in provision for repairs	2,534	(1,585)
Interest and dividend income	(754)	(262)
Interest expenses	1,919	1,564
Loss (gain) on step acquisitions	-	(431)
Settlement package	-	1,169
Compensation income	-	(292)
Loss (gain) on sales and retirement of non-current assets	256	1,396
Decrease (increase) in notes and accounts receivable - trade	34,099	66,036
Decrease (increase) in inventories	(18,025)	3,030
Increase (decrease) in notes and accounts payable - trade	(52,797)	(21,729)
Decrease (increase) in accounts receivable - other	(399)	1,069
Increase (decrease) in accounts payable - other	(13,109)	(44,571)
Other, net	(7,449)	(4,156)
Subtotal	(11,269)	(2,103)
Interest and dividend income received	1,596	1,094
Interest expenses paid	(1,636)	(1,545)
Income taxes refund	28,628	3,954
Income taxes paid	(10,497)	(15,361)
Settlement package paid	-	(1,169)
Proceeds from compensation	-	292
Net cash provided by (used in) operating activities	6,821	(14,839)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,128)	(8,579)
Proceeds from sales of property, plant and equipment	950	831
Purchase of intangible assets	(563)	(2,475)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(25,503)
Payments of long-term loans receivable	(5)	(11)
Collection of long-term loans receivable	47	50
Net cash provided by (used in) investing activities	(3,700)	(35,687)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(18,337)	48,105
Repayments of long-term loans payable	(50,521)	(45,651)
Proceeds from long-term loans payable	50,000	30,000
Increase (decrease) in commercial papers	27,000	-
Proceeds from issuance of bonds	9,953	34,844
Purchase of treasury shares	(130)	(24)
Proceeds from sales of treasury shares	2	1
Cash dividends paid	(6,926)	(6,923)
Net cash provided by (used in) financing activities	11,040	60,352
Net increase (decrease) in cash and cash equivalents	14,161	9,826
Cash and cash equivalents at beginning of period	13,369	18,655
Cash and cash equivalents at end of period	27,530	28,481

(4) Notes on assumption of going concern

Not applicable.

(5) Notes on significant changes in the amount of shareholders' equity

Not applicable.

(6) Segment information**Second quarter YTD 2013 period (January 1, 2013 through June 30, 2013)**

Net sales and segment income by reportable segments

(Unit: Million yen)

	Oil	Chemical	Total	Adjustment (Note) 1, 2	Quarterly consolidated statement of income amount
Net sales					
Sales to customers outside the Company group	1,396,421	160,261	1,556,683	-	1,556,683
Internal transactions	948,901	114,828	1,063,729	(1,063,729)	-
Total	2,345,323	275,089	2,620,412	(1,063,729)	1,556,683
Segment income	27,172	12,231	39,404	(8,462)	30,942

(Note) 1. Adjustment of (1,063,729) million yen represents an elimination of inter-segment transactions.

2. Goodwill amortization of (8,462) million yen is shown in adjustment, as it is not allocated to each segment.

3. Total segment income plus "Adjustment" is the same as operating income in the quarterly consolidated statement of income.

Second quarter YTD 2014 period (January 1, 2014 through June 30, 2014)

Net sales and segment income by reportable segments

(Unit: Million yen)

	Oil	Chemical	Total	Adjustment (Note) 1, 2	Quarterly consolidated statement of income amount
Net sales					
Sales to customers outside the Company group	1,502,775	189,626	1,692,402	-	1,692,402
Internal transactions	1,081,353	33,631	1,114,984	(1,114,984)	-
Total	2,584,129	223,257	2,807,387	(1,114,984)	1,692,402
Segment income (loss)	(19,670)	11,837	(7,833)	(8,593)	(16,427)

(Note) 1. Adjustment of (1,114,984) million yen represents an elimination of inter-segment transactions.

2. Goodwill amortization of (8,593) million yen is shown in the adjustment column as it is not allocated to each segment.

3. Total segment income (loss) plus "Adjustment" is the same as operating loss in the quarterly consolidated statement of income.