Translation

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FY2019, the year ending March 31, 2020

Flash Report on the Consolidated Results for the Third Quarter Ended December 31, 2019 [JGAAP]

February 20, 2020

Company Name:	DAIICHIKOSHO CO., LTD.				
Stock Exchange Listing:	Tokyo Stock Exchange				
Code Number:	7458				
URL:	https://www.dkkaraoke.co.jp				
Representative:	Tadahiro Hoshi, President				
Contact:	Yasuhisa Nishihara,				
	Corporate Officer and General Manager, Accounting Department				
Phone:	+81-3-3280-2151				
Date to Submit the Quart	erly Securities Report: February 13, 2020				
Start Date for Dividend Payment: —					
Availability of Suppleme	ntary Briefing Material on Quarterly Financial Results: None				

Schedule of Quarterly Financial Results Briefing Session: None

(Amounts below one million yen are truncated.)

1. Consolidated Performance for the Nine Months Ended December 31, 2019 (From April 1, 2019, to December 31, 2019)

(1) Consolidated operating results (Percentage figures indicate increase/decrease from a year earlier.)

	Net sales	3	Operating inc	ome	Ordinary in	come
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2019	111,832	3.6	16,484	(1.3)	17,397	(1.8)
Nine months ended December 31, 2018	107,911	1.1	16,704	(2.7)	17,707	(1.7)

	Net income attributable to owners of parent		Basic earnings per share	Fully diluted net income per share
	Millions of yen	%	Yen	Yen
Nine months ended December 31, 2019	11,580	(22.2)	204.42	204.15
Nine months ended December 31, 2018	14,878	29.6	261.43	261.12

(Note) Comprehensive income:

Nine months ended December 31, 2019: 11,688 million yen (18.1) %

Nine months ended December 31, 2018: 14,274 million yen 18.2 %

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	184,431	136,995	73.3
As of March 31, 2019	188,814	132,636	69.3

(Reference) Shareholders' equity:

As of December 31, 2019: As of March 31, 2019: 135,242 million yen 130,915 million yen

2. Dividend

		Annual dividend					
	First Quarter Second Quarter Third Quarter Year-end Ann						
	Yen	Yen	Yen	Yen	Yen		
Year ended March 31, 2019	—	56.00	—	56.00	112.00		
Year ending March 31, 2020	—	56.00	—				
Year ending March 31, 2020				57.00	113.00		
(forecast)				57.00	115.00		

(Note) Changes in dividends forecast from most recently announced figures: None

3. Forecast Consolidated Performance for FY2019, the Year Ending March 31, 2020 (From April 1, 2019, to March 31, 2020)

(Percentage figures indicate increase/decrease from a year earlier.)

	Net sales	5	Operating ir	ncome	Ordinary in	come
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending March 31, 2020 (full year)	145,900	1.4	20,200	2.7	21,200	1.5

	Net income attrib owners of pa		Basic earnings per share
	Millions of yen	%	Yen
Year ending March 31, 2020 (full year)	13,100	(16.0)	231.92

(Note) Changes in forecast of consolidated performance from most recently announced figures: None

*Notes

- (1) Significant changes in subsidiaries during the period under review (changes to specific subsidiaries resulting in changes in scope of consolidation): None
- (2) Adoption of special accounting policies for quarterly financial statements: None
- (3) Changes in accounting standard, accounting estimation change and error correction
 - 1) Changes due to changes in accounting standard: None
 - 2) Changes due to changes in accounting standard except (3) 1): None
 - 3) Changes due to accounting estimation change: None
 - 4) Error correction: None

(4) Number of common shares issued

1) Number of shares issued	As of	57,234,200		57,234,200
(including treasury shares)	December 31, 2019	shares	March 31, 2019	shares
2) Number of shares of treasury	As of	748,662	As of	580,290
shares	December 31, 2019	shares	March 31, 2019	shares
3) Average number of shares	Nine months ended	56,648,852	Nine months ended	56,910,852
during the period	December 31, 2019	shares	December 31, 2018	shares

* These consolidated financial results are outside the scope of quarterly review by Certified Public Accountants or auditing corporations.

* Explanation for the appropriate use of performance forecasts and other special notes: The statements regarding forecast of financial results in this report are based on the information that is available, as well as estimates, assumptions and projections that are believed to be reasonable at the time of publication. Therefore, there might be cases in which actual results greatly differ from forecast values.

Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

	FY2018 (As of March 31, 2019)	(Millions of yen) Current Third quarter (As of December 31, 2019)
Assets	(115 01 101101 51, 2017)	(115 01 December 51, 2017)
Current assets		
Cash and deposits	57,182	47,570
Notes and accounts receivable - trade	5,205	7,306
Inventories	5,464	7,390
Other	6,762	5,803
Allowance for doubtful accounts	(133)	(142)
Total current assets	74,482	67,928
Non-current assets		
Property, plant and equipment		
Karaoke equipment for rental, net	9,108	9,585
Karaoke cabin and restaurant facilities, net	19,462	20,832
Land	39,794	39,794
Other, net	7,249	7,594
Total property, plant and equipment	75,614	77,806
Intangible assets		
Goodwill	3,407	3,054
Other	6,944	7,312
Total intangible assets	10,351	10,366
Investments and other assets		
Investment securities	4,849	4,427
Leasehold and guarantee deposits	14,976	15,458
Other	8,612	8,515
Allowance for doubtful accounts	(71)	(70)
Total investments and other assets	28,366	28,330
Total non-current assets	114,332	116,503
Total assets	188,814	184,431

DAIICHIKOSHO CO., LTD.

		(Millions of yen)
	FY2018	Current Third quarter
Liabilities	(As of March 31, 2019)	(As of December 31, 2019)
Current liabilities		
Notes and accounts payable - trade	3,469	6,926
Short-term borrowings	3,264	3,223
Current portion of bonds	6,500	
Income taxes payable	6,030	1,059
Provision for bonuses	1,156	1,103
Other	12,689	12,148
Total current liabilities	33,111	24,462
Non-current liabilities	55,111	24,402
Long-term borrowings	11 200	11 271
Provision for retirement benefits for directors (and other	11,890	11,271
officers)	909	901
Retirement benefit liability	6,670	7,037
Other	3,595	3,763
Total non-current liabilities	23,066	22,973
Total liabilities	56,178	47,436
Net assets	50,178	47,450
Shareholders' equity		
Share capital	12,350	12,350
Capital surplus	4,003	4,003
Retained earnings	117,709	122,915
Treasury shares	(2,986)	(3,911)
Total shareholders' equity	131,077	135,357
Accumulated other comprehensive income	151,077	155,557
Valuation difference on available-for-sale securities	814	835
Revaluation reserve for land	(733)	(733)
Foreign currency translation adjustment	47	(755)
Remeasurements of defined benefit plans	(289)	(211)
Total accumulated other comprehensive income	(161)	(115)
Share acquisition rights	302	287
Non-controlling interests	1,417	1,465
Total net assets	132,636	136,995
Total liabilities and net assets	188,814	184,431
rown nuonninos una not assorts	100,014	104,431

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)

Nine months ended December 31, 2018, to December 31, 2018, to December 31, 2019, to Decem			(Millions of yen)
(From April 1, 2018, to December 31, 2019) (From April 1, 2019, to December 31, 2019) Net sales 107,911 111.832 Cost of sales 65,563 69,219 Gross profit 42,347 42,613 Selling, general and administrative expenses 25,643 26,129 Operating income 16,704 16,484 Non-operating income 42 24 Foreign exchange gains 216 - Other 764 7955 Total non-operating income 1,312 1,114 Non-operating expenses 1 90 Foreign exchange losses - 14 Interest expenses 121 90 Foreign exchange losses - 14 Other 109 94 Total non-operating expenses 109 94 Iotal non-operating expenses - 14 Cancellation penalty 78 1 Other 109 94 17,707 Total non-operating expenses 5,220 0			
December 31, 2018)December 31, 2019)Net sales $107,911$ $111,832$ Cost of sales $65,563$ $69,219$ Gross profit $42,347$ $42,613$ Selling, general and administrative expenses $25,643$ $26,129$ Operating income $16,704$ $16,484$ Non-operating income 42 24 Cooperative monetary aid received 288 294 Foreign exchange gains 216 $-$ Other 764 795 Total non-operating income $1,312$ $1,114$ Non-operating expenses 121 90 Foreign exchange losses $ 14$ Cancellation penalty 78 1 Other 109 94 Total non-operating expenses 308 201 Ordinary income $5,220$ 0 Gain on sales of investment securities $5,220$ 0 Gain on sales of investment securities $ 308$ Loss on disposal of non-current assets 172 135 Impairment loss $ 130$ Total extraordinary losses $ 130$ Income taxes - current $7,765$ 5.903 Income taxes - current $7,765$ 5.903 Income taxes - deferred 109 262 Total income taxes $ 16,998$ Income taxes - deferred 109 262 Total income taxes $ 16,998$ Income taxes - deferred 109 262 Total income taxes $-$ <td></td> <td></td> <td></td>			
Net sales107,911111,832Cost of sales $65,563$ $69,219$ Gross profit $42,347$ $42,613$ Selling, general and administrative expenses $25,643$ $26,129$ Operating income $16,704$ $16,484$ Non-operating income 42 24 Cooperative monetary aid received 288 294 Foreign exchange gains 216 $-$ Other 764 795 Total non-operating income 1211 90 Foreign exchange losses $ 14$ Cancellation penalty 78 11 Other 109 94 Total non-operating expenses $117,707$ $17,397$ Extraordinary income $5,220$ 0 Gain on sales of non-current assets $5,220$ 0 Gain on sales of non-current assets 172 135 Impairment loss 16 76 Loss on sales of investment securities $ 130$ Total extraordinary income $ 16$ Loss on sales of investment securities $ 130$ Total extraordinary losses 188 439 Income before income taxes $22,801$ $16,998$ Income taxes - current $7,765$ $5,903$ Income taxes - current $7,765$ $5,903$ Income taxes - defered 109 262 Total income taxes $7,765$ $5,935$ Not extraordinary losses $ 16,482$ Income taxes - current $7,765$ $5,903$ <td></td> <td></td> <td></td>			
Cost of sales $65,563$ $69,219$ Gross profit $42,347$ $42,613$ Selling, general and administrative expenses $25,643$ $26,129$ Operating income $16,704$ $16,484$ Non-operating income 42 24 Cooperative monetary aid received 288 294 Foreign exchange gains 216 $-$ Other 764 795 Total non-operating income $1,312$ $1,114$ Non-operating expenses 121 90 Foreign exchange losses $ 14$ Cancellation penalty 78 1 Other 109 94 Total non-operating expenses 308 201 Other $17,707$ $17,397$ Extraordinary income $5,220$ 0 Gain on sales of investment securities 61 39 Total extraordinary income $5,281$ 40 Extraordinary losses 16 76 Loss on sales of investment securities $ 130$ Total extraordinary losses 188 439 Income before income taxes $22,801$ $16,998$ Income taxes - current $7,765$ $5,093$ Income taxes - current $7,765$ $5,093$ Income taxes $7,874$ $5,355$ Net income $14,926$ $11,642$ Net income attributable to non-controlling interests 48 62		December 31, 2018)	December 31, 2019)
Gross profit $142,347$ $42,613$ Selling, general and administrative expenses $25,643$ $26,129$ Operating income $16,704$ $16,484$ Non-operating income 42 24 Cooperative monetary aid received 288 294 Foreign exchange gains 216 $-$ Other 764 795 Total non-operating income $1,312$ $1,114$ Non-operating expenses $ 14$ Interest expenses $ 14$ Cancellation penalty 78 1 Other 109 94 Total non-operating expenses 308 201 Other $17,707$ $17,397$ Extraordinary income $5,220$ 0 Gain on sales of non-current assets $5,220$ 0 Gain on sales of non-current assets 16 76 Loss on alses of investment securities $ 96$ Loss on sales of investment securities $-$		107,911	111,832
Selling, general and administrative expenses $25,643$ $26,129$ Operating income16,70416,484Non-operating income4224Cooperative monetary aid received288294Foreign exchange gains216-Other764795Total non-operating income1,3121,114Non-operating expenses12190Foreign exchange losses-14Cancellation penalty781Other10994Total non-operating expenses308201Other10994Total non-operating expenses308201Other10994Total non-operating expenses308201Other10994Total non-operating expenses308201Ordinary income5,2200Gain on sales of non-current assets5,2200Gain on sales of non-current assets172135Impairment loss1676Loss on sales of non-current assets172135Inpairment loss1676Loss on valuation of investment securities-130Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - current7,7655,093Income taxes7,8745,355Net income attributable to non-controlling interests4862	Cost of sales	65,563	69,219
Operating income 16,704 16,844 Non-operating income 42 24 Interest income 288 294 Foreign exchange gains 216 - Other 764 795 Total non-operating income 1,312 1,114 Non-operating expenses 1 121 90 Foreign exchange losses - 14 42 24 Cancellation penalty 78 1 1 90 Foreign exchange losses - 14 109 94 104 109 94 104 109 94 104 109 94 104 109 94 104 109 94 104 109 94 105 109 94 104 109 94 104 103 11 11 90 11 11 90 11 11 11 11 11 11 11 11 11 11 11 11 11 11	Gross profit	42,347	42,613
Non-operating income4224Interest income4224Cooperative monetary aid received288294Foreign exchange gains216 $-$ Other764795Total non-operating income1,3121,114Non-operating expenses12190Foreign exchange losses $-$ 114Cancellation penalty781Other10994Total non-operating expenses308201Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income5,2200Gain on sales of non-current assets5,2200Gain on sales of non-current assets5,2200Cata extraordinary income5,28140Extraordinary losses1676Loss on disposal of non-current assets172135Impairment loss1676309Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - current7,8745,355Net income attributable to non-controlling interests4862	Selling, general and administrative expenses	25,643	26,129
Interest income4224Cooperative monetary aid received288294Foreign exchange gains216-Other764795Total non-operating income1,3121,114Non-operating expenses12190Foreign exchange losses-144Cancellation penalty781Other10994Total non-operating expenses308201Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income5,2200Gain on sales of non-current assets6139Total extraordinary income5,28140Extraordinary losses1676Loss on disposal of non-current assets172135Impairment loss1676Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - current7,8745,355Net income attributable to non-controlling interests4862	Operating income	16,704	16,484
Cooperative monetary aid received288294Foreign exchange gains216Other764795Total non-operating income1,3121,114Non-operating expenses12190Foreign exchange losses-14Cancellation penalty781Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income6139Total extraordinary income6139Total extraordinary income5,2200Gain on sales of non-current assets5,2200Gain on sales of non-current assets172135Impairment loss1676Loss on valuation of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses118439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - current7,8745,355Net income attributable to non-controlling interests4862	Non-operating income		
Foreign exchange gains 216 - Other 764 795 Total non-operating income 1,312 1,114 Non-operating expenses 121 90 Interest expenses 121 90 Foreign exchange losses - 14 Cancellation penalty 78 1 Other 109 94 Total non-operating expenses 308 201 Ordinary income 17,707 17,397 Extraordinary income 5,220 0 Gain on sales of non-current assets 5,220 0 Gain on sales of non-current assets 5,220 0 Gain on sales of non-current assets 5,221 40 Extraordinary income 5,281 40 Extraordinary losses 172 135 Impairment loss 16 76 Loss on valuation of investment securities - 130 Total extraordinary losses 188 439 Income taxes - current 7,765 5,093	Interest income	42	24
Other 764 795 Total non-operating income 1,312 1,114 Non-operating expenses 121 90 Interest expenses 121 90 Foreign exchange losses - 14 Cancellation penalty 78 1 Other 109 94 Total non-operating expenses 308 201 Ordinary income 17,707 17,397 Extraordinary income 5,220 0 Gain on sales of non-current assets 5,220 0 Gain on sales of non-current assets 5,281 40 Extraordinary income 5,281 40 Extraordinary losses 172 135 Impairment loss 16 76 Loss on valuation of investment securities - 130 Total extraordinary losses 188 439 Income before income taxes 12,801 16,998 Income before income taxes 7,874 5,355 Net income 7,874 5,355	Cooperative monetary aid received	288	294
Total non-operating income1,3121,114Non-operating expenses12190Foreign exchange losses-14Cancellation penalty781Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income5,2200Gain on sales of non-current assets5,2200Gain on sales of non-current assets5,2200Gain on sales of non-current assets5,28140Extraordinary income1172135Inpairment loss11676Loss on disposal of non-current assets-96Loss on valuation of investment securities-96Loss on valuation of investment securities-96Loss on valuation of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income7,8745,355Net income attributable to non-controlling interests4862	Foreign exchange gains	216	—
Non-operating expensesInterest expenses12190Foreign exchange losses-14Cancellation penalty781Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income17,70717,397Extraordinary income6139Total extraordinary income6139Total extraordinary income5,28140Extraordinary income5,28140Extraordinary losses11676Loss on disposal of non-current assets172135Impairment loss1676Loss on valuation of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Other	764	795
Interest expenses12190Foreign exchange losses–14Cancellation penalty781Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income5,2200Gain on sales of non-current assets5,2200Gain on sales of non-current assets6139Total extraordinary income6139Total extraordinary income5,28140Extraordinary losses11676Loss on disposal of non-current assets172135Impairment loss11676Loss on valuation of investment securities–96Loss on valuation of investment securities–96Loss on valuation of investment securities–130Total extraordinary losses118439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Total non-operating income	1,312	1,114
Foreign exchange losses-14Cancellation penalty781Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income5,2200Gain on sales of non-current assets5,2200Gain on sales of investment securities6139Total extraordinary income5,28140Extraordinary losses172135Impairment loss1676Loss on disposal of non-current assets172135Impairment loss1676Loss on valuation of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Non-operating expenses		· · · · · ·
Cancellation penalty781Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income17,70717,397Extraordinary income6139Gain on sales of non-current assets6,2200Gain on sales of investment securities6139Total extraordinary income5,28140Extraordinary losses172135Impairment loss1676Loss on disposal of non-current assets1676Loss on valuation of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Interest expenses	121	90
Other10994Total non-operating expenses308201Ordinary income17,70717,397Extraordinary income6139Gain on sales of non-current assets5,2200Gain on sales of investment securities6139Total extraordinary income5,28140Extraordinary losses172135Impairment loss11676Loss on disposal of non-current assets172135Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Foreign exchange losses	_	14
Total non-operating expenses 308 201 Ordinary income $17,707$ $17,397$ Extraordinary income 61 39 Gain on sales of non-current assets $5,220$ 0 Gain on sales of investment securities 61 39 Total extraordinary income $5,281$ 40 Extraordinary losses 172 135 Impairment loss 116 76 Loss on disposal of non-current assets 172 135 Impairment loss $ 96$ Loss on sales of investment securities $ 96$ Loss on valuation of investment securities $ 130$ Total extraordinary losses 188 439 Income before income taxes $22,801$ $16,998$ Income taxes - current $7,765$ $5,093$ Income taxes - deferred 109 262 Total income taxes $7,874$ $5,355$ Net income $14,926$ $11,642$ Net income attributable to non-controlling interests 48 62	Cancellation penalty	78	1
Ordinary income17,70717,397Extraordinary incomeGain on sales of non-current assets5,2200Gain on sales of investment securities6139Total extraordinary income5,28140Extraordinary losses172135Loss on disposal of non-current assets172135Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Other	109	94
Extraordinary income1Gain on sales of non-current assets5,2200Gain on sales of investment securities6139Total extraordinary income5,28140Extraordinary losses172135Loss on disposal of non-current assets172135Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Total non-operating expenses	308	201
Gain on sales of non-current assets5,2200Gain on sales of investment securities6139Total extraordinary income5,28140Extraordinary losses172135Loss on disposal of non-current assets172135Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Ordinary income	17,707	17,397
Gain on sales of investment securities6139Total extraordinary income5,28140Extraordinary losses172135Loss on disposal of non-current assets172135Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Extraordinary income		
Total extraordinary income5,28140Extraordinary losses1140Extraordinary losses172135Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Gain on sales of non-current assets	5,220	0
Extraordinary lossesLoss on disposal of non-current assets172135Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Gain on sales of investment securities	61	39
Loss on disposal of non-current assets172135Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income attributable to non-controlling interests4862	Total extraordinary income	5,281	40
Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income attributable to non-controlling interests4862	Extraordinary losses		
Impairment loss1676Loss on sales of investment securities-96Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income attributable to non-controlling interests4862	Loss on disposal of non-current assets	172	135
Loss on valuation of investment securities-130Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income attributable to non-controlling interests4862		16	76
Total extraordinary losses188439Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Loss on sales of investment securities	—	96
Income before income taxes22,80116,998Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Loss on valuation of investment securities	—	130
Income taxes - current7,7655,093Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Total extraordinary losses	188	439
Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Income before income taxes	22,801	16,998
Income taxes - deferred109262Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Income taxes - current	7,765	5,093
Total income taxes7,8745,355Net income14,92611,642Net income attributable to non-controlling interests4862	Income taxes - deferred		
Net income14,92611,642Net income attributable to non-controlling interests4862	Total income taxes		5,355
Net income attributable to non-controlling interests4862	Net income		
	Net income attributable to non-controlling interests		,

(Quarterly Consolidated Statements of Comprehensive Income)

		(Millions of yen)
	Nine months ended	Nine months ended
	December 31, 2018	December 31, 2019
	(From April 1, 2018, to	(From April 1, 2019, to
	December 31, 2018)	December 31, 2019)
Net income	14,926	11,642
Other comprehensive income		
Valuation difference on available-for-sale securities	(699)	20
Foreign currency translation adjustment	(22)	(52)
Remeasurements of defined benefit plans, net of tax	70	77
Total other comprehensive income	(652)	46
Comprehensive income	14,274	11,688
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,226	11,626
Comprehensive income attributable to non-controlling interests	48	62

Notes to the Quarterly Consolidated Financial Statements

(Segment Information)

Nine months ended December 31, 2018 (From April 1, 2018, to December 31, 2018)

							(M	illions of yen)
	Reportable segments							Posted
	Commercial karaoke	Karaoke cabin and restaurant	Music software	Subtotal	Other	Total	Adjusted amount (Note)	amount to the consolidated quarterly statements of income
Sales	48,093	47,703	5,611	101,408	6,502	107,911	_	107,911
Segment income or Segment loss (Operating income or Operating loss)	11,157	6,439	(74)	17,522	1,266	18,789	(2,084)	16,704

Note: The (2,084) million yen adjustment posted to segment income or segment loss is primarily composed of general and administrative expenses incurred by the administrative department at the head office that are not attributable to any particular reportable segment.

Nine months ended December 31, 2019 (From April 1, 2019, to December 31, 2019)

The months end		1 31, 2017 (1	r tom April	1, 2017, 10	Determber t	, 2017)	(M	lillions of yen)
	Commercial karaoke	Reportable Karaoke cabin and restaurant	e segments Music software	Subtotal	Other	Total	Adjusted amount (Note)	Posted amount to the consolidated quarterly statements of income
Sales	49,645	49,308	5,779	104,733	7,099	111,832	_	111,832
Segment income (Operating income)	11,107	6,079	125	17,311	1,199	18,511	(2,026)	16,484

Note: The (2,026) million yen adjustment posted to segment income is primarily composed of general and administrative expenses incurred by the administrative department at the head office that are not attributable to any particular reportable segment.