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Consolidated Financial Summary for the First Nine Months of the Fiscal Year Ending March 2017 (IFRS)

February 3, 2017

Company name: Kanematsu Corporation

Stock Exchange listing: Tokyo Stock Exchange

Stock code: 8020

URL: <http://www.kanematsu.co.jp>

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Scheduled date to submit the Quarterly Securities Report (*Shihanki Houkokusho*): February 10, 2017

Scheduled date for commencement of dividend payments: –

Supplementary documents for quarterly results: Yes

Quarterly results briefing: None

(Figures of less than one million are rounded down.)

1. Consolidated business results for the first nine months of the fiscal year ending March 2017 (April 1, 2016 – December 31, 2016)

(1) Consolidated business results (sum total)

(%: Change from the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before tax		Profit for the period		Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Nine Months to December 2016	800,300	(0.3)	15,213	10.8	14,016	5.1	8,855	(1.9)	7,272	(4.0)	12,772	47.7
First Nine Months to December 2015	802,356	–	13,727	–	13,332	–	9,025	–	7,574	–	8,650	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
First Nine Months to December 2016	17.28		17.28	
First Nine Months to December 2015	18.00		18.00	

(Note) In accordance with the accounting practices in Japan, net sales is the aggregate of the value of transactions in which the Consolidated Group is directly involved and the value of transactions in which the Consolidated Group is involved as an agent.

The basic earnings per share and the diluted earnings per share are calculated based on the profit for the period attributable to owners of the parent.

(2) Consolidated financial condition

	Total assets	Total equity	Equity attributable to owners of the parent	Percentage of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of December 31, 2016	482,179	129,716	100,606	20.9
As of March 31, 2016	443,592	120,706	91,599	20.6

2. Dividends

(Record date)	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Year end	Fiscal
Fiscal year ended March 2016	–	2.50	–	2.50	5.00
Fiscal year ending March 2017	–	3.00	–		
Fiscal year ending March 2017 (Forecasts)				3.00	6.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecasts for consolidated results ending March 2017 (April 1, 2016 – March 31, 2017)

(%: Changes from the previous year)

	Net sales		Operating profit		Profit before tax		Profit for the year attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,150,000	8.9	22,000	17.2	20,000	10.4	10,000	11.6	23.77

(Note) Revisions to results forecasts published most recently: None

In accordance with the accounting practices in Japan, net sales is the aggregate of the value of transactions in which the Consolidated Group is directly involved and the value of transactions in which the Consolidated Group is involved as an agent.

The basic earnings per share is calculated based on the profit for the year attributable to owners of the parent.

* Notes

(1) Important change in subsidiaries during the term (Change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- | | |
|---|------|
| 1. Changes in accounting policies required by IFRS: | None |
| 2. Changes in accounting policies other than 1.: | None |
| 3. Changes in accounting estimates: | None |

(3) Number of outstanding shares (common shares)

- | | | | |
|--|--------------------|------------------------------|--------------------|
| 1. Number of outstanding shares including treasury stock | | | |
| First nine months (2016/12): | 422,501,010 shares | Fiscal year (2016/3): | 422,501,010 shares |
| 2. Number of treasury stock | | | |
| First nine months (2016/12): | 1,605,378 shares | Fiscal year (2016/3): | 1,723,802 shares |
| 3. Average number of shares during the period (First six months) | | | |
| First nine months (2016/12): | 420,805,511 shares | First nine months (2015/12): | 420,811,188 shares |

* Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

* Explanation about the proper use of results forecasts, and additional information

The results forecasts and forward-looking statements included in this document are based on information that the Consolidated Group has obtained on the date of the announcement and certain assumptions that the Consolidated Group considers reasonable. The Consolidated Group makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. Refer to “(3) Information on the future outlook, including consolidated business performance forecasts” in “1. Qualitative Information on Consolidated Results, Etc. for the First Nine Months of the Fiscal Year Ending March 2017” on page 3 of accompanying materials for further information on results forecasts.

Accompanying Materials – Contents

1. Qualitative Information on Consolidated Results, Etc. for the First Nine Months of the Fiscal Year Ending March 2017	2
(1) Details of consolidated results	2
(2) Details of financial position	3
(3) Information on the future outlook, including consolidated business performance forecasts	3
2. Matters Relating to Summary Information (Notes).....	3
(1) Important change in subsidiaries during the term	3
(2) Changes in accounting policies and changes in accounting estimates	3
3. Condensed Consolidated Financial Statements	4
(1) Condensed consolidated statement of financial position	4
(2) Condensed consolidated statements of income / Condensed consolidated statements of comprehensive income.....	6
Condensed consolidated statements of income	6
First nine months	6
Condensed consolidated statements of comprehensive income	7
First nine months	7
(3) Condensed consolidated statement of changes in equity	8
(4) Condensed consolidated statements of cash flows.....	9
(5) Notes on condensed consolidated financial statements.....	10
Notes on the going concern assumption.....	10
Notes if there is a significant change in the amount of shareholder’s equity	10
Segment information.....	11
Matters related to business combinations, etc.....	12
Significant subsequent events	13

1. Qualitative Information on Consolidated Results, Etc. for the First Nine Months of the Fiscal Year Ending March 2017

(1) Details of consolidated results

During the first nine months under review (from April 1, 2016 to December 31, 2016), the U.S. economy, particularly personal consumption, continued to expand moderately. The Chinese economy and emerging economies in Asia also continued to grow although the growth slowed down.

The Japanese economy recovered moderately despite weak personal consumption, shored up by the government's economic policy and the Bank of Japan's monetary policy. There remained uncertainty, however, over the Brexit issue and the effects of the change of administration in the U.S. on economies.

In this environment, the results of the Group for the first nine months under review are as shown below.

Consolidated revenue fell ¥13,719 million (2.7%) year on year, to ¥493,744 million. The consolidated gross profit increased ¥8,137 million (12.9%) from a year earlier, to ¥71,382 million. Consolidated operating profit rose ¥1,486 million (10.8%) from a year earlier, to ¥15,213 million, reflecting the increase in gross profit, which was partially offset by an increase in selling, general and administrative expenses and a decline in other revenues and expenses. Profit before tax increased ¥684 million (5.1%) year on year, to ¥14,016 million mainly as a result of a decline in the share of profit (loss) of investments accounted for using the equity method. Profit for the period attributable to owners of the parent fell ¥302 million (4.0%) year on year, to ¥7,272 million.

Results for each business segment are described below.

(i) Electronics & Devices

In the ICT solutions business, transactions with manufacturers remained steady. The mobile business was solid. The semiconductor parts business faced tough conditions.

As a result of these conditions, revenue in the Electronics and Devices segment rose ¥11,962 million year on year, to ¥181,292 million. Operating profit climbed ¥2,396 million to ¥9,112 million.

(ii) Foods & Grain

The food business turned in a solid performance. In addition, the recovery in the market enabled the meat products business to recover from the slump in the previous fiscal year. On the other hand, the feedstuff business faced difficult conditions, mainly because of lower domestic sales prices.

As a result, revenue in the Foods & Grain segment rose ¥4,472 million year on year, to ¥171,368 million. Operating profit climbed ¥783 million, to ¥2,218 million.

(iii) Steel, Materials & Plant

In the plant business, transactions involving machine tools and industrial machinery were steady. In the iron and steel business, the mainstay oilfield tubing business went through a tough time due to weak crude oil prices. The energy business faced steep challenges, given the stagnant market conditions.

As a result, revenue in the Steel, Materials & Plant segment declined ¥17,268 million year on year, to ¥92,687 million. Operating profit fell ¥1,379 million, to ¥1,230 million.

(iv) Motor Vehicles & Aerospace

The motor vehicles and parts business performed well. Meanwhile, profits in the aerospace business declined as transactions of aircraft parts were in an in-between season.

As a result, revenue in the Motor Vehicles & Aerospace segment declined ¥13,043 million year on year, to ¥39,165 million. Operating profit fell ¥788 million, to ¥1,888 million.

(v) Other

Revenue increased ¥160 million from a year earlier, to ¥9,231 million. Operating profit climbed ¥417 million, to ¥713 million.

(2) Details of financial position

(i) Assets, liabilities and equity

Total assets at the end of the first nine months of the fiscal year under review increased ¥38,587 million from the end of the previous fiscal year, to ¥482,179 million.

Interest-bearing debt decreased ¥2,734 million from the end of the previous fiscal year, to ¥134,133 million. Net interest-bearing debt, which is interest-bearing debt minus cash and bank deposits, rose ¥14,842 million from the end of the previous fiscal year, to ¥63,655 million.

In equity, equity attributable to owners of the parent rose ¥9,007 million from the end of the previous fiscal year, to ¥100,606 million, mainly reflecting an increase in retained earnings as a result of a profit for the period attributable to owners of the parent and an increase in financial assets measured at fair value attributable to other comprehensive income from a rise in stock prices.

As a result, the equity ratio came to 20.9%. The net debt-equity ratio (“net DER”) was 0.6 times.

(ii) Cash flows

Cash and cash equivalents at the end of the first nine months under review fell ¥17,855 million from the end of the previous fiscal year, to ¥69,611 million.

The state of cash flows and factors for each category for the first nine months of the fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities in the first nine months under review stood at ¥2,734 million (versus net cash provided of ¥19,635 million in the first half of the previous fiscal year), primarily reflecting the accumulation of operating income.

(Cash flows from investing activities)

Net cash used in investing activities in the first nine months under review was ¥14,216 million (versus net cash used of ¥2,770 million in the first half of the previous fiscal year). This was largely due to payments for the absorption-type merger of Diamondtelecom, Inc. by Kanematsu Telecom Investment Co., Ltd.

(Cash flows from financing activities)

Net cash used in financing activities in the first in the first nine months under review stood at ¥6,251 million (versus ¥13,263 million in the first nine months of the previous fiscal year), reflecting factors such as dividends paid and the repayment of debt.

(3) Information on the future outlook, including consolidated business performance forecasts

We have not changed the forecasts for consolidated results that we announced on November 2, 2016. The forecasts above are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not guarantee that the forecasts will be achieved. Actual results may differ materially from forecasts due to a number of factors.

2. Matters Relating to Summary Information (Notes)

(1) Important change in subsidiaries during the term

Not applicable.

(2) Changes in accounting policies and changes in accounting estimates

Not applicable.

3. Condensed Consolidated Financial Statements

(1) Condensed consolidated statement of financial position

(Million yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	87,466	69,611
Trade and other receivables	163,540	186,263
Inventories	80,195	85,910
Other financial assets	2,596	5,490
Other current assets	12,776	21,359
Total current assets	346,574	368,635
Non-current assets		
Property, plant and equipment	26,883	28,032
Goodwill	4,631	6,536
Intangible assets	8,083	21,847
Investments accounted for using the equity method	7,420	5,601
Trade and other receivables	460	523
Other investments	31,535	36,809
Other financial assets	5,441	5,339
Deferred tax assets	9,084	4,934
Other non-current assets	3,477	3,917
Total non-current assets	97,017	113,543
Total assets	443,592	482,179

(Million yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	142,143	168,563
Bonds and borrowings	61,989	68,157
Other financial liabilities	7,129	7,485
Income taxes payable	2,274	972
Provisions	31	11
Other current liabilities	19,465	25,529
Total current liabilities	233,034	270,719
Non-current liabilities		
Bonds and borrowings	74,877	65,976
Other financial liabilities	6,679	6,396
Retirement benefits liabilities	6,024	6,817
Provisions	1,272	1,389
Deferred tax liabilities	297	538
Other non-current liabilities	699	625
Total non-current liabilities	89,851	81,743
Total liabilities	322,885	352,463
Equity		
Share capital	27,781	27,781
Capital surplus	26,463	26,797
Retained earnings	29,103	33,791
Treasury stock	(235)	(216)
Other components of equity		
Exchange differences on translation of foreign operations	2,912	2,802
Financial assets measured at fair value through other comprehensive income	6,967	9,643
Cash flow hedges	(1,393)	6
Total other components of equity	8,486	12,451
Total equity attributable to owners of the parent	91,599	100,606
Non-controlling interests	29,107	29,109
Total equity	120,706	129,716
Total liabilities and equity	443,592	482,179

(2) Condensed consolidated statements of income / Condensed consolidated statements of comprehensive income
 (Condensed consolidated statements of income)
 (First nine months)

(Million yen)

	Previous first nine months (From April 1, 2015 to December 31, 2015)	First nine months under review (From April 1, 2016 to December 31, 2016)
Revenue	507,463	493,744
Cost of sales	(444,217)	(422,361)
Gross profit	63,245	71,382
Selling, general and administrative expenses	(51,330)	(55,958)
Other income (expenses)		
Gain (loss) on sale or disposal of property, plant and equipment and intangible assets, net	(50)	489
Impairment loss on property, plant and equipment and intangible assets	(205)	(144)
Other income	2,938	950
Other expenses	(870)	(1,506)
Total other income (expenses)	1,812	(210)
Operating profit	13,727	15,213
Finance income		
Interest income	375	314
Dividend income	628	800
Other finance income	6	–
Total finance income	1,010	1,115
Finance costs		
Interest expenses	(1,807)	(1,716)
Other finance costs	(68)	(126)
Total finance costs	(1,875)	(1,842)
Share of profit (loss) of investments accounted for using the equity method	469	(469)
Profit before tax	13,332	14,016
Income tax expense	(4,306)	(5,160)
Profit for the period	9,025	8,855
Profit for the period attributable to:		
Owners of the parent	7,574	7,272
Non-controlling interests	1,450	1,583
Total	9,025	8,855
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	18.00	17.28
Diluted earnings per share (yen)	18.00	17.28
Net sales (Note)	802,356	800,300

(Note) In accordance with the accounting practices in Japan, net sales is the aggregate of the value of transactions in which the Consolidated Group is directly involved and the value of transactions in which the Consolidated Group is involved as an agent.

(Condensed consolidated statements of comprehensive income)
(First nine months)

(Million yen)

	Previous first nine months (From April 1, 2015 to December 31, 2015)	First nine months under review (From April 1, 2016 to December 31, 2016)
Profit for the period	9,025	8,855
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Financial assets measured at fair value through other comprehensive income	605	2,749
Remeasurement of retirement benefits liabilities defined benefit pension plans	(91)	(233)
Share of other comprehensive income of investments accounted for using the equity method	(3)	20
Total items that will not be reclassified to profit and loss	510	2,536
Items that may be reclassified to profit and loss		
Exchange differences on translation of foreign operations	236	108
Cash flow hedges	(970)	1,360
Share of other comprehensive income of investments accounted for using the equity method	(151)	(89)
Total items that may be reclassified to profit and loss	(885)	1,380
Other comprehensive income for the period, net of tax	(375)	3,917
Total comprehensive income for the period	8,650	12,772
Total comprehensive income for the period attributable to:		
Owners of the parent	7,251	10,968
Non-controlling interests	1,399	1,804
Total	8,650	12,772

(3) Condensed consolidated statement of changes in equity

(Million yen)

	Previous first nine months (From April 1, 2015 to December 31, 2015)	First nine months under review (From April 1, 2016 to December 31, 2016)
Equity		
Share capital		
Balance at the beginning of the period	27,781	27,781
Balance at the end of the period	27,781	27,781
Capital surplus		
Balance at the beginning of the period	26,621	26,463
Disposition of treasury stock	0	3
Equity transactions with non-controlling interests	(117)	4
Other changes	–	326
Balance at the end of the period	26,503	26,797
Retained earnings		
Balance at the beginning of the period	21,879	29,103
Dividends	(1,683)	(2,314)
Profit for the period attributable to owners of the parent	7,574	7,272
Reclassification from other components of equity	(89)	(269)
Other changes	0	–
Balance at the end of the period	27,680	33,791
Other components of equity		
Balance at the beginning of the period	14,185	8,486
Exchange differences on translation of foreign operations	125	(109)
Financial assets measured at fair value through other comprehensive income	625	2,719
Cash flow hedges	(983)	1,399
Remeasurement of defined benefit pension plans	(91)	(313)
Reclassification to retained earnings	89	269
Balance at the end of the period	13,951	12,451
Treasury stock		
Balance at the beginning of the period	(222)	(235)
Acquisition of treasury stock	(11)	(3)
Disposition of treasury stock	0	22
Balance at the end of the period	(233)	(216)
Total equity attributable to owners of the parent	95,682	100,606
Non-controlling interests		
Balance at the beginning of the period	28,771	29,107
Dividends to non-controlling interests	(882)	(1,281)
Equity transactions with non-controlling interests	138	(62)
Other changes	–	(457)
Profit for the period attributable to non-controlling interests	1,450	1,583
Other components of equity	(51)	221
Exchange differences on translation of foreign operations	(30)	89
Financial assets measured at fair value through other comprehensive income	(23)	50
Cash flow hedges	3	1
Remeasurement of defined benefit pension plans	–	80
Balance at the end of the period	29,426	29,109
Total Equity	125,108	129,716
Total comprehensive income for the period attributable to:		
Owners of the parent	7,251	10,968
Non-controlling interests	1,399	1,804
Total comprehensive income for the period	8,650	12,772

(4) Condensed consolidated statements of cash flows

(Million yen)

	Previous first nine months (From April 1, 2015 to December 31, 2015)	First nine months under review (From April 1, 2016 to December 31, 2016)
Cash flows from operating activities:		
Profit for the period	9,025	8,855
Depreciation and amortization	2,344	2,099
Impairment loss on property, plant and equipment and intangible assets	205	144
Finance income and costs	864	727
Share of (profit) loss of investments accounted for using the equity method	(469)	469
(Gain) loss on sale or disposal of property, plant and equipment and intangible assets	50	(489)
Income tax expense	4,306	5,160
(Increase) decrease in trade and other receivables	7,159	(4,259)
(Increase) decrease in inventories	6,042	(4,703)
Increase (decrease) in trade and other payables	(5,223)	8,579
Increase (decrease) in retirement benefit liabilities	83	69
Other	277	(5,431)
Sub total	24,667	11,223
Interest received	362	316
Dividends received	1,128	1,401
Interest paid	(1,623)	(1,528)
Income taxes paid	(4,899)	(8,677)
Net cash provided by (used in) operating activities	19,635	2,734
Cash flows from investing activities:		
Payments for property, plant and equipment	(1,646)	(3,497)
Proceeds from sales of property, plant and equipment	267	2,486
Payments for intangible assets	(374)	(398)
Purchases of other investments	(3,371)	(220)
Proceeds from sale of other investments	224	255
Proceeds from (payments for) acquisition of subsidiaries	1,178	(12,786)
Proceeds from (payments for) sale of subsidiaries	(169)	(6)
Increase in loans receivable	(661)	(547)
Proceeds from collection of loans receivable	733	915
Other	1,048	(416)
Net cash provided by (used in) investing activities	(2,770)	(14,216)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	(9,207)	2,959
Proceeds from long-term borrowings	12,923	2,101
Repayment of long-term borrowings	(13,967)	(7,636)
Dividends paid	(1,571)	(2,198)
Payments for acquisition of subsidiaries' interests from non-controlling interests	(158)	(30)
Dividends paid to non-controlling interests	(851)	(1,253)
Other	(430)	(193)
Net cash provided by (used in) financing activities	(13,263)	(6,251)
Increase (decrease) in cash and cash equivalents, net	3,600	(17,733)
Cash and cash equivalents at the beginning of the period	66,485	87,466
Effect of exchange rate changes on cash and cash equivalents	(187)	(121)
Cash and cash equivalents at end of the period	69,899	69,611

(5) Notes on condensed consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes if there is a significant change in the amount of shareholder's equity)

Not applicable.

(Segment information)

I. Previous first nine months (From April 1, 2015 to December 31, 2015)

(Million yen)

	Reported segments					Other (Note 1)	Adjustment (Note 2)	Consolidated
	Electronics & Devices	Foods & Grain	Steel, Materials & Plant	Motor Vehicles & Aerospace	Sub-total			
Revenue								
External	169,330	166,896	109,955	52,208	498,392	9,071	–	507,463
Inter-segment	171	1	35	0	208	57	(265)	–
Total revenues	169,501	166,898	109,991	52,209	498,600	9,128	(265)	507,463
Segment profit	6,716	1,435	2,609	2,676	13,436	296	(5)	13,727

(Note 1) “Other” is a business segment that is not included in the reportable segments and includes the logistics and insurance service business, etc.

(Note 2) Adjustment of negative ¥5 million for segment profit includes the inter-segment elimination of negative ¥5 million.

II. First nine months under review (From April 1, 2016 to December 31, 2016)

(Million yen)

	Reported segments					Other (Note 1)	Adjustment (Note 2)	Consolidated
	Electronics & Devices	Foods & Grain	Steel, Materials & Plant	Motor Vehicles & Aerospace	Sub-total			
Revenue								
External	181,292	171,368	92,687	39,165	484,513	9,231	–	493,744
Inter-segment	218	5	40	–	264	47	(312)	–
Total revenues	181,510	171,374	92,727	39,165	484,777	9,278	(312)	493,744
Segment profit	9,112	2,218	1,230	1,888	14,449	713	50	15,213

(Note 1) “Other” is a business segment that is not included in the reportable segments and includes the logistics and insurance service business, etc.

(Note 2) Adjustment of ¥50 million for segment profit includes the inter-segment elimination of ¥50 million.

The changes in assets related to the absorption-type merger of Diamondtelecom, Inc. by Kanematsu Telecom Investment Co., Ltd. are included in the Electronics and Devices Division. The details of these changes are stated in the Notes (Matters related to business combinations, etc.).

The adjustment from segment profit (operating profit) to profit before tax in the condensed consolidated statements of income is as follow.

(Million yen)

	Previous first nine months (From April 1, 2015 to December 31, 2015)	First nine months under review (From April 1, 2016 to December 31, 2016)
Segment profit	13,727	15,213
Finance income and finance costs	(864)	(727)
Share of profit (loss) of investments accounted for using the equity method	469	(469)
Profit before tax	13,332	14,016

(Matters related to business combinations, etc.)

No important business combinations took place in the first nine months of the previous fiscal year (from April 1, 2015 to December 31, 2015).

The major business combination that took place in the first nine months under review (from April 1, 2016 to December 31, 2016) was as follows.

(1) Details of the business combination

Name of the acquired company:	Diamondtelecom, Inc.
Business of the acquired company:	Information and telecommunication business centered on sales of mobile communication equipment and related equipment
Date of the business combination:	April 1, 2016
Legal form of the business combination:	Acquisition of shares by Kanematsu Telecom Investment Co., Ltd., the Company's wholly owned subsidiary (As a result of the absorption-type merger of the acquired company as of April 1, 2016, the name of the company was changed to Diamondtelecom, Inc.)
Name of the controlling entity after the business combination:	Diamondtelecom, Inc.
Percentage share of voting rights acquired:	100.0%

(2) Main reasons for carrying out the business combination

The mobile business of the Consolidated Group is driven mainly by Kanematsu Communications Limited (hereinafter "Kanematsu Communications"), a wholly owned subsidiary of the Company. With its large market share in the mobile phone sales distribution industry, the mobile business is one of the core businesses of the Group as well as one of the focus areas under the Consolidated Group's medium-term vision, VISION-130.

Diamondtelecom, Inc. (hereinafter "Diamond Telecom") has been engaging in the mobile phone sales business for more than 20 years since its foundation in 1994 as a wholly owned subsidiary of Mitsubishi Electric Corporation, and owns a dominant number of carrier-certified shops throughout Japan. As a result of the acquisition of Diamond Telecom, the Consolidated Group's total sales volume combining the sales of the two companies will reach the industry's top class, and we expect that this will significantly enhance our presence in the mobile phone sales distribution industry.

We also believe that the integration of Diamond Telecom will enable us to create synergies in the Consolidated Group as the Kanematsu Communications' network of carrier-certified shops will be complemented and strengthened by the addition of Diamond Telecom's network and achieve a national network of blue-chip shops, service sophistication through shared human resources and knowhow and the enhancement of management efficiency for both companies.

(3) Acquisition cost of the acquired company and its breakdown

Acquisition cost of the acquired company: ¥17,400 million (Cash as consideration)

(4) Amount of expenses related to the acquisition and the presentation item

The amount of expenses related to the acquisition in relation to the subject business combination is ¥168 million. This amount was included in "Selling, general and administrative expenses" in the consolidated statements of income for the previous fiscal year.

(5) Amounts of assets and liabilities acquired on the date of the business combination and their main breakdown
(Million yen)

Items	Amounts
Fair value of consideration paid	17,400
Cash and cash equivalents	4,613
Trade receivables	12,828
Inventories	1,212
Other current assets	351
Property, plant and equipment	736
Goodwill (*)	1,635
Intangible assets	13,930
Other non-current assets	764
Current liabilities	(17,746)
Non-current liabilities	(925)
Total	17,400

* The details of goodwill are mainly excess earning power and synergy effects with the existing businesses. In addition, the expected amount of goodwill deductible for tax purposes is ¥12,918 million.

(6) Impacts of the business combination on cash flows

Payment of acquisition cost:	-¥17,400 million
Cash and cash equivalents acquired on the date of the business combination:	4,613 million
Payments for purchase of investments in subsidiaries:	-¥12,786 million

(7) Period for the operating results of the acquired company that are included in the condensed consolidated financial statements
The operating results for the period between April 1, 2016 and December 31, 2016 are included.

(8) Information about profit and loss after the date of the acquisition

Revenue:	¥20,176 million
Profit for the period:	-¥40 million

Because the business combination took place at the beginning of the term, there is no pro forma information.

(Significant subsequent events)

Not applicable.