Member of Financial Accounting Standards Foundation

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

August 5, 2016

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*): August 12, 2016
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 three months of the fiscal year ending March 2017 (April 1, 2016 – June 30, 2016)

(1) Consolidated business results (sum total) (%: Change from the same period of the previous fiscal year)

	Net sales		Operating income		Profit before tax		Profit for the period		Profit 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 Three Months to June 2016	246,529	(6.8)	3,020	(17.6)	2,476	(29.3)	1,431	(28.3)	1,000	(44.5)	(4,118)	–
First Three Months to June 2015	264,501	–	3,663	–	3,503	–	1,997	–	1,802	–	4,663	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First Three Months to June 2016	2.38	2.38
First Three Months to June 2015	4.28	4.28

(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 operating income is the operating profit on the condensed consolidated statements of net income.
The basic earnings per share and the diluted earnings per share are calculated based on the profit 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 June 30, 2016	434,947	114,967	86,643	19.9
As of March 31, 2016	443,592	120,706	91,599	20.6

2. Dividends

	Annual dividends				
(Record date)	End of first quarter	End of second quarter	End of third quarter	Year end	Fiscal
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2016	–	2.50	–	2.50	5.00
Fiscal year ending March 2017	–				
Fiscal year ending March 2017 (Forecasts)		3.00	–	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 income		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,250,000	18.3	22,000	17.2	21,000	15.9	11,500	28.4	27.33

(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 operating income is the operating profit on the condensed consolidated statements of net income.
The basic earnings per share is calculated based on the profit 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 three months (2016/6): 422,501,010 shares Fiscal year (2016/3): 422,501,010 shares
2. Number of treasury stock
   First three months (2016/6): 1,725,781 shares Fiscal year (2016/3): 1,723,802 shares
3. Average number of shares during the period (First three months)
   First three months (2016/6): 420,776,286 shares First three months (2015/6): 420,833,199 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 Three 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 Three Months of the Fiscal Year Ending March 2017

(1) Details of consolidated results

During the first three months under review (from April 1, 2016 to June 30, 2016), the U.S. economy remained steady, but there was a fair share of uncertainty about the economies in other parts of the world. This uncertainty stemmed from concerns over the rising risk of a downturn in the global economy, reflecting the slowdown in the China, the driver of the global economy, the loss of growth momentum in Asia and emerging economies, and concerns over the political stability in Europe due to the Brexit issue.
The overall Japanese economy remained stagnant, given the adverse effects on corporate earnings and the stagnant growth in personal consumption caused by the appreciation of the yen and declining share prices.

In this environment, the results of the Group for the first three months under review are as shown below.
Consolidated revenue fell ¥5,864 million (3.5%) year on year, to ¥160,194 million. The consolidated gross profit increased ¥1,685 million (8.4%) from a year earlier, to ¥21,718 million. Consolidated operating profit fell ¥643 million (17.6%) from a year earlier, to ¥3,020 million, reflecting higher selling, general and administrative expenses. Profit before tax declined ¥1,027 million (29.3%) year on year, to ¥2,476 million as a result of a deterioration in the share of profit (loss) of investments accounted for using the equity method. Profit attributable to owners of the parent fell ¥802 million (44.5%) year on year, to ¥1 billion.

Results for each business segment are described below.

(i) Electronics & Devices

In the ICT solutions business, transactions with manufacturers remained steady. However, the mobile business suffered a sluggish kick-off. The electronics components and materials business and the semiconductors manufacturing equipment business faced tough conditions, mainly due to the rapid appreciation of the yen and a slowdown in the smartphone market.
As a result of these conditions, revenue in the Electronics and Devices Division rose ¥1,855 million year on year, to ¥52,846 million. Operating profit climbed ¥421 million to ¥1,583 million.

(ii) Foods & Grain

The food business turned in a solid performance, driven by transactions for agricultural products. In addition, the recovery in the market enabled the meat products business to recover from the slump in the previous period. 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 Division rose ¥3,354 million year on year, to ¥58,860 million. Operating profit decreased ¥38 million, to ¥344 million.

(iii) Steel, Materials & Plant

The functional chemicals business recovered from the slackness that was seen following the consumption tax hike. In the plant business, transactions involving machine tools and industrial machinery remained sluggish due to the effects of foreign exchange rates. 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 Division declined ¥11,685 million year on year, to ¥28,089 million. Operating profit fell ¥995 million, to a negative ¥445 million.

(iv) Motor Vehicles & Aerospace

In the motor vehicles and parts business, transactions involving motor vehicle parts remained sluggish, reflecting the appreciation of the yen. In the aerospace business, transactions of aircraft parts remained stable, despite the effects of the reaction to the performance for the same period in the previous fiscal year.
As a result, revenue in the Motor Vehicles & Aerospace Division rose ¥362 million year on year, to ¥17,285 million. Operating profit fell ¥229 million, to ¥1,284 million.

(v) Other

Revenue increased ¥248 million from a year earlier, to ¥3,111 million. Operating profit climbed ¥180 million, to ¥249 million.

(2) Details of financial position

(i) Assets, liabilities and net asset

Total assets at the end of the first three months of the fiscal year under review declined ¥8,645 million from the end of the previous fiscal year, to ¥434,947 million.

Interest-bearing debt increased ¥1,824 million from the end of the previous fiscal year, to ¥138,691 million. Net interest-bearing debt, which is interest-bearing debt minus cash and bank deposits, rose ¥11,557 million from the end of the previous fiscal year, to ¥60,370 million.

In equity, equity attributable to owners of the parent fell ¥4,956 million from the end of the previous fiscal year, to ¥86,643 million. This mainly reflected a fall in exchange differences on translation of foreign operations stemming from the appreciation of the yen, and a decline in financial assets measured at fair value through other comprehensive income due to the effects of lower share prices.

As a result, the equity ratio came to 19.9%. The net debt-equity ratio (“net DER”) was 0.7 times.

(ii) Cash flows

Cash and cash equivalents at the end of the first three months under review fell ¥9,652 million from the end of the previous fiscal year, to ¥77,814 million.

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

(Cash flows from operating activities)

Net cash provided by operating activities in the first three months under review stood at ¥1,767 million (versus net cash used of ¥296 million in the first three months 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 three months under review was ¥10,852 million (versus net cash used of ¥2,566 million in the first three months 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 provided by financing activities in the first three months under review came to ¥725 million (versus net cash used of ¥2,267 million in the first three months of the previous fiscal year), reflecting an increase in short-term borrowings and other factors.

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

We have not changed the forecasts for consolidated results that we announced on May 10, 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 June 30, 2016
Assets		
Current assets		
Cash and cash equivalents	87,466	77,814
Trade and other receivables	163,540	148,790
Inventories	80,195	80,303
Other financial assets	2,596	2,337
Other current assets	12,776	16,263
Total current assets	346,574	325,510
Non-current assets		
Property, plant and equipment	26,883	25,539
Goodwill	4,631	6,128
Intangible assets	8,083	21,707
Investments accounted for using the equity method	7,420	7,254
Trade and other receivables	460	600
Other investments	31,535	29,695
Other financial assets	5,441	5,376
Deferred tax assets	9,084	9,129
Other non-current assets	3,477	4,003
Total non-current assets	97,017	109,437
Total assets	443,592	434,947

(Million yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	142,143	126,489
Bonds and borrowings	61,989	63,968
Other financial liabilities	7,129	13,153
Income taxes payable	2,274	3,865
Provisions	31	75
Other current liabilities	19,465	21,586
Total current liabilities	233,034	229,138
Non-current liabilities		
Bonds and borrowings	74,877	74,722
Other financial liabilities	6,679	6,901
Retirement benefits liabilities	6,024	6,634
Provisions	1,272	1,283
Deferred tax liabilities	297	637
Other non-current liabilities	699	662
Total non-current liabilities	89,851	90,841
Total liabilities	322,885	319,980
Equity		
Share capital	27,781	27,781
Capital surplus	26,463	26,463
Retained earnings	29,103	28,958
Treasury stock	(235)	(235)
Other components of equity		
Exchange differences on translation of foreign operations	2,912	(265)
Financial assets measured at fair value through other comprehensive income	6,967	6,186
Cash flow hedges	(1,393)	(2,244)
Total other components of equity	8,486	3,676
Total equity attributable to owners of the parent	91,599	86,643
Non-controlling interests	29,107	28,323
Total equity	120,706	114,967
Total liabilities and equity	443,592	434,947

(2) Condensed consolidated statements of income / Condensed consolidated statements of comprehensive income

(Condensed consolidated statements of income)

(First three months)

(Million yen)

	FY2016 First quarter (From April 1, 2015 to June 30, 2015)	FY2017 First quarter (From April 1, 2016 to June 30, 2016)
Revenue	166,058	160,194
Cost of sales	(146,024)	(138,475)
Gross profit	20,033	21,718
Selling, general and administrative expenses	(17,011)	(18,552)
Other income (expenses)		
Gain (loss) on sale or disposal of property, plant and equipment and intangible assets, net	(24)	515
Other income	806	279
Other expenses	(140)	(940)
Total other income (expenses)	641	(145)
Operating profit	3,663	3,020
Finance income		
Interest income	109	93
Dividend income	333	345
Other finance income	5	–
Total finance income	448	438
Finance costs		
Interest expenses	(617)	(557)
Other finance costs	(22)	(42)
Total finance costs	(640)	(599)
Share of profit (loss) of investments accounted for using the equity method	31	(383)
Profit before tax	3,503	2,476
Income tax expense	(1,506)	(1,044)
Profit for the period	1,997	1,431
Profit for the period attributable to:		
Owners of the parent	1,802	1,000
Non-controlling interests	194	430
Total	1,997	1,431
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	4.28	2.38
Diluted earnings per share (yen)	4.28	2.38
Net sales (Note)	264,501	246,529

(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 three months)

(Million yen)

	FY2016 First quarter (From April 1, 2015 to June 30, 2015)	FY2017 First quarter (From April 1, 2016 to June 30, 2016)
Profit for the period	1,997	1,431
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Financial assets measured at fair value through other comprehensive income	1,246	(798)
Remeasurement of defined benefit pension plans	(108)	51
Share of other comprehensive income of investments accounted for using the equity method	3	0
Total items that will not be reclassified to profit and loss	1,141	(746)
Items that may be reclassified to profit and loss		
Exchange differences on translation of foreign operations	1,647	(4,000)
Cash flow hedges	(79)	(815)
Share of other comprehensive income of investments accounted for using the equity method	(43)	11
Total items that may be reclassified to profit and loss	1,524	(4,804)
Other comprehensive income for the year, net of tax	2,665	(5,550)
Total comprehensive income for the period	4,663	(4,118)
Total comprehensive income for the period attributable to:		
Owners of the parent	4,325	(3,903)
Non-controlling interests	337	(215)
Total	4,663	(4,118)

(3) Condensed consolidated statement of changes in equity

(Million yen)

	FY2016 First quarter (From April 1, 2015 to June 30, 2015)	FY2017 First quarter (From April 1, 2016 to June 30, 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
Equity transactions with non-controlling interests	0	0
Balance at the end of the period	26,621	26,463
Retained earnings		
Balance at the beginning of the period	21,879	29,103
Dividends	(631)	(1,051)
Profit for the period attributable to owners of the parent	1,802	1,000
Reclassification from other components of equity	(185)	(94)
Balance at the end of the period	22,865	28,958
Other components of equity		
Balance at the beginning of the period	14,185	8,486
Exchange differences on translation of foreign operations	1,464	(3,177)
Financial assets measured at fair value through other comprehensive income	1,245	(786)
Cash flow hedges	(78)	(851)
Remeasurement of defined benefit pension plans	(108)	(88)
Reclassification to retained earnings	185	94
Balance at the end of the period	16,893	3,676
Treasury stock		
Balance at the beginning of the period	(222)	(235)
Acquisition of treasury stock	(2)	(0)
Balance at the end of the period	(224)	(235)
Total equity attributable to owners of the parent	93,937	86,643
Non-controlling interests		
Balance at the beginning of the period	28,771	29,107
Dividends to non-controlling interests	(456)	(561)
Equity transactions with non-controlling interests	0	(6)
Profit for the period attributable to non-controlling interests	194	430
Other components of equity	142	(646)
Exchange differences on translation of foreign operations	136	(779)
Financial assets measured at fair value through other comprehensive income	4	(10)
Cash flow hedges	1	3
Remeasurement of defined benefit pension plans	–	140
Balance at the end of the period	28,651	28,323
Total Equity	122,588	114,967
Total comprehensive income for the period attributable to:		
Owners of the parent	4,325	(3,903)
Non-controlling interests	337	(215)
Total comprehensive income for the period	4,663	(4,118)

(4) Condensed consolidated statements of cash flows

(Million yen)

	FY2016 First quarter (From April 1, 2015 to June 30, 2015)	FY2017 First quarter (From April 1, 2016 to June 30, 2016)
Cash flows from operating activities:		
Profit for the period	1,997	1,431
Depreciation and amortization	778	762
Finance income and costs	191	160
Share of (profit) loss of investments accounted for using the equity method	(31)	383
(Gain) loss on sale or disposal of property, plant and equipment and intangible assets	24	(515)
Income tax expense	1,506	1,044
(Increase) decrease in trade and other receivables	24,112	26,520
Decrease (increase) in inventories	(11,718)	(586)
Increase (decrease) in trade and other payables	(11,198)	(26,411)
Increase (decrease) in retirement benefit liabilities	(63)	(90)
Other	(2,355)	3,099
Sub total	3,244	5,799
Interest received	114	105
Dividends received	545	588
Interest paid	(447)	(368)
Income taxes paid	(3,753)	(4,358)
Net cash provided by (used in) operating activities	(296)	1,767
Cash flows from investing activities:		
Payments for property, plant and equipment	(533)	(452)
Proceeds from sales of property, plant and equipment	138	2,196
Payments for intangible assets	(126)	(147)
Purchases of other investments	(2,132)	(61)
Proceeds from sale of other investments	0	133
Proceeds from (payments for) acquisition of subsidiaries	–	(12,786)
Increase in loans receivable	(614)	(113)
Proceeds from collection of loans receivable	693	323
Other	8	55
Net cash provided by (used in) investing activities	(2,566)	(10,852)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	363	2,960
Proceeds from long-term borrowings	2,000	–
Repayment of long-term borrowings	(3,709)	(693)
Dividends paid	(542)	(926)
Payments for acquisition of subsidiaries' interests from the non-controlling interests	–	(3)
Dividends paid to non-controlling interests	(311)	(527)
Other	(67)	(83)
Net cash provided by (used in) financing activities	(2,267)	725
Increase (decrease) in cash and cash equivalents, net	(5,130)	(8,359)
Cash and cash equivalents at the beginning of the 3period	66,485	87,466
Effect of exchange rate changes on cash and cash equivalents	154	(1,292)
Cash and cash equivalents at end of the period	61,509	77,814

(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 three months (From April 1, 2015 to June 30, 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	50,991	55,506	39,774	16,923	163,195	2,863	–	166,058
Inter-segment	75	0	24	1	101	21	(123)	–
Total revenues	51,067	55,507	39,798	16,924	163,297	2,885	(123)	166,058
Segment profit	1,162	382	550	1,513	3,608	69	(14)	3,663

(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 ¥14 million for segment income includes the inter-segment elimination of negative ¥14 million.

II. First three months under review (From April 1, 2016 to June 30, 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	52,846	58,860	28,089	17,285	157,082	3,111	–	160,194
Inter-segment	62	1	14	–	77	15	(93)	–
Total revenues	52,908	58,862	28,104	17,285	157,160	3,127	(93)	160,194
Segment profit (loss)	1,583	344	(445)	1,284	2,766	249	3	3,020

(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) The adjustment of ¥3 million for segment profit (loss) includes an inter-segment elimination of ¥3 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)

	FY2016 First quarter (From April 1, 2015 to June 30, 2015)	FY2017 First quarter (From April 1, 2016 to June 30, 2016)
Segment profit	3,663	3,020
Finance income and finance costs	(191)	(160)
Share of profit (loss) of investments accounted for using the equity method	31	(383)
Profit before tax	3,503	2,476

(Matters related to business combinations, etc.)

No important business combinations took place in the first three months of the previous fiscal year (from April 1, 2015 to June 30, 2015).

The major business combination that took place in the first three months under review (from April 1, 2016 to June 30, 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, 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 June 30, 2016 are included.

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

Revenue:	¥5,777 million
Profit for the period:	-¥210 million

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

(Significant subsequent events)
Not applicable.