Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2017

April 1, 2016 to December 31, 2016

Calbee, Inc.

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

SUMMARY OF FINANCIAL STATEMENTS (consolidated)

Third Quarter Results for the Fiscal Year Ending March 31, 2017

Calbee, Inc. **February 1, 2017**

URL: https://www.calbee.com

Stock exchange listings: Tokyo 1st section, code number 2229
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Representative: Shuji Ito, President & COO, Representative Director
Scheduled date for submission of the third quarter financial report: February 8, 2017
Scheduled date for distribution of dividends: --
Availability of supplementary explanatory material for the third quarter results: Available
Quarterly results presentation meeting: Yes (for institutional investors and analysts)

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

(1) Consolidated Operating Results

Millions of yen, rounded down

	Nine months ended December 31, 2016		Nine months ended December 31, 2015	
		% change		% change
Net sales	188,944	2.0	185,166	12.5
Operating income	22,244	1.5	21,909	13.5
Ordinary income	22,328	5.2	21,230	1.4
Profit attributable to owners of parent	14,407	7.6	13,392	13.6
Earnings per share (¥)	107.83		100.34	
Earnings per share (diluted) (¥)	107.70		100.14	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.
2. Comprehensive income: Nine months ended December 31, 2016: ¥15,252 million (10.4%)
Nine months ended December 31, 2015: ¥13,819 million (-11.3%)

(2) Consolidated Financial Position

Millions of yen, rounded down

	As of December 31, 2016	As of March 31, 2016
Total assets	188,291	174,878
Net assets	141,651	131,469
Shareholders' equity/total assets (%)	69.6	69.1

Shareholders' equity: As of December 31, 2016: ¥131,117 million
As of March 31, 2016: ¥120,912 million

2) Dividends per share

Yen

	FY ended March 31, 2016	FY ending March 31, 2017 (forecast)
Interim period	0.00	0.00
Year-end	35.00	40.00
Annual	35.00	40.00

Note: Changes from the most recently announced dividend forecast: None

3) Consolidated forecasts for the fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

Millions of yen

	Fiscal year ending March 31, 2017	
		% change
Net sales	250,000	1.6
Operating income	28,500	1.3
Ordinary income	28,200	6.2
Profit attributable to owners of parent	18,200	8.3
Earnings per share (¥)	136.18	

Notes: 1. The percentages shown above are a comparison with the same period in the previous fiscal year.
2. Changes from the most recently announced results forecast: Yes

Notes

(1) Transfers of important subsidiaries during the period (transfers of specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Use of special accounting procedures: None

(3) Changes in accounting policy, changes in accounting estimates, and restatements:
1. Changes in accounting policies following revisions of accounting standards: None
2. Changes in accounting policies other than 1.: Yes
3. Changes in accounting estimates: Yes
4. Restatements: None

Note: Changes made during the period to the depreciation method are included in Changes in accounting estimates and changes in accounting policy for which categorization is difficult. For further details, please see page 8, 2. Summary information and related items (3) Changes in accounting policy, changes in accounting estimates, and restatements.

(4) Number of outstanding shares (common stock)

	December 31, 2016:	March 31, 2016:
1. Number of outstanding shares (including treasury shares)	133,809,800 shares	133,769,800 shares
2. Number of treasury shares	166,997 shares	193,452 shares
	Nine months to December 31, 2016:	Nine months to December 31, 2015:
3. Average number of shares during the period	133,610,509 shares	133,470,485 shares

Note: Regarding Calbee stock held in trust as treasury stock within shareholders' equity, the number of treasury shares includes 166,165 of these shares as of December 31, 2016 and 192,620 of these shares as of March 31, 2016, and the average number of shares excludes 148,803 treasury shares in the nine months to December 31, 2016, and 207,814 treasury shares in the nine months to December 31, 2015.

Disclosure of status of quarterly report review procedures

At time of disclosure of this quarterly financial report the company was not subject to the review procedures for quarterly securities reports as stipulated under the Financial Instruments and Exchange Law, therefore these review procedures have not been completed.

Appropriate use of financial forecasts and other items

1. Forecasts, etc., recorded in this document include forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations. For details of forecasts please see Page 7, 1. Operating Results (3) Consolidated forecasts for the fiscal year ending March 31, 2017.
2. The earnings per share forecast for the fiscal year ending March 31, 2017 is calculated using 133,642,803 shares as the expected average number of shares for the period.
3. Calbee, Inc. has scheduled a financial results phone conference for institutional investors and analysts for February 1, 2016. An audio recording of the call will be made available on our Japanese website after the conference.

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1. Operating results

(1) Summary of business performance

(All comparisons are with the first nine months of the previous fiscal year, unless stated otherwise.)

During the nine-month period under review, frail consumer sentiment and weakness in consumer spending remained despite the Japanese economy underwent a mild recovery, as corporate manufacturing activity and exports increased amid a favorable employment and earnings environment. The outlook for the business environment was uncertain on concern that business performance would deteriorate due to oil prices bottoming out and raw material prices rising on the weaker yen, despite improved business sentiment stemming from the Japanese currency's weakening from November.

In this environment, Calbee Group (hereafter "Calbee") made adjustments to production in its domestic business, including delaying the launch of some new *Potato Chips* products, due to concerns about raw material supply shortages due to typhoon damage in Hokkaido in the first half of this fiscal year. This was offset by sales expansion of *Potato Chips Crisp* fabricated potato chips and proactive marketing activities, and the domestic snack business remained at the same level year on year. Sales of cereal product *Frugra* also grew, supported by continued strong demand. As a results, the total of the domestic sales increased year on year. In overseas business, sales decreased year on year due to the impact of the strong yen on foreign currency translation amounts.

Consolidated net sales for the nine-month period under review increased 2.0% to ¥188,944 million. Operating income increased 1.5% to ¥22,244 million due to decreased sales in the key regions for overseas business and increase selling expenses accompanying proactive sales promotional activities, which partially offset by increase in sales primarily in the domestic market and lower costs on raw materials and others. The operating income ratio was 11.8% as the same level as the previous year. Ordinary income increased 5.2% to ¥22,328 million due to a decrease in business commencement expenses for new overseas subsidiaries and inventory disposal costs. Profit attributable to owners of parent increased by 7.6% to ¥14,407 million due to a decrease in profit attributable to non-controlling interests resulting from a decrease in profit from overseas joint venture businesses.

Millions of yen, rounded down

	Q3 FY ending March 31, 2017		Q3 FY ended March 31, 2016		Growth in yen	Growth on local currency basis
	Amount	%	Amount	%		
Domestic sales	168,045	88.9	162,934	88.0	＋ 3.1%	＋ 3.1%
Overseas sales	20,899	11.1	22,232	12.0	－ 6.0%	＋ 6.7%
Total	188,944	100.0	185,166	100.0	＋ 2.0%	＋ 3.6%

Results by business are as follows.

1) Production and sale of snacks and other foods business

Net sales increased by 2.0% to ¥186,280 million, driven by sales growth in cereals and the launch of new snacks, which offset the impact of decreased sales of potato-based and corn-based snacks and lower sales in overseas business.

Snack foods:

Snack food sales decreased 0.9% to ¥150,770 million.

- Potato-based snacks

  Net sales decreased 0.3% year on year to ¥94,620 million.

  Potato Chips: Sales decreased 2.1% to ¥57,207 million due to the delayed launch of some new products on concern over a supply shortage of potato.

Jagarico: Sales increased 4.0% to ¥27,355 million driven by strong demand and a product line-up enhanced through flavor development.

Jagabee/Jaga Pokkuru: Sales decreased 1.4% to ¥10,057 million mainly due to lower sales of *Jagabee*.

- Flour-based snacks

Net sales were flat, increasing 0.7% year on year to ¥16,694 million on stable sales of *Sapporo Potato* and other products.

- Corn- and bean-based snacks

Net sales decreased 7.9% year on year to ¥13,142 million on lower sales of corn-based snacks such as popcorn, despite strong sales of bean-based snacks such as *Sayaendo*.

- Other new snacks

Net sales grew strongly, increased 32.1% year on year to ¥5,412 million due in part to the second quarter launch of our *Potato Chips Crisp* fabricated potato chips.

- Overseas business

Net sales decreased 6.0% year on year to ¥20,899 million on the effects of foreign currency translation differences. Sales fell year on year in the key regions of North America, where sales to large customers decreased, and South Korea, where sales growth lagged on delays to new product launches. Other regions such as the UK, where we made a full-fledged entry this fiscal year, and Indonesia, where we began sales from the second quarter, contributed to increased sales. Excluding foreign currency translation effects, sales increased 6.7% year on year.

Cereals, bread and others;

Net sales of cereals and processed bread grew strongly, increasing 16.1% year on year to ¥35,509 million. This was mainly due to growth in sales of cereal product *Frugra* following an increase in production capacity in the first quarter.

2) Other businesses

Net sales increased 8.4% year on year to ¥2,664 million due in part to higher potato-related sales, despite lower sales in the distribution business and a decline in promotional tool sales.

(2) Analysis of financial position

(All comparisons are with the end of the previous fiscal year, unless stated otherwise.)

1) Assets, liabilities and net assets

Total assets as of December 31, 2016 were ¥188,291 million, an increase of ¥13,413 million. The primary factor contributing to this outcome was an increase in accounts receivable due to the year-end bank holidays causing the deferral of settlements to the following month.

Liabilities increased ¥3,231 million to ¥46,640 million primarily due to an increase in short-term loans payable, partially offset by a decrease in income taxes payable.

Net assets increased ¥10,181 million to ¥141,651 million on an increase in retained earnings.

The shareholders' equity ratio increased 0.5 percentage points from the end of the previous fiscal year to 69.6%.

2) Cash flow

Cash and cash equivalents as of December 31, 2016 were ¥36,036 million, ¥11,287 million lower than at the end of the previous fiscal year. The main influencing factors are detailed below.

Cash flows from operating activities

Operating activities during the period under review resulted in a net cash inflow of ¥160 million, a decrease of ¥3,464 million compared to the same term of the previous year. Factors influencing this outcome included an increase in income before income taxes and non-controlling interests, partially offset by an increase in notes and accounts receivable - trade.

Cash flows from investing activities

Investing activities during the period under review resulted in a net cash outflow of ¥11,992 million, an increase of ¥2,725 million compared to the same term of the previous year.
Factors influencing this outcome included an increase in outflows from the acquisition of securities and decreased inflows from the redemption of securities, partially offset by decreased outflows for the purchase of property, plant and equipment.

Cash flows from financing activities

Financing activities during the period under review resulted in a net cash inflow of ¥556 million, an increase of ¥3,414 million compared to the same term of the previous year, due to an increase in short-term loans, partially offset by an increase in cash dividends paid.

(3) Consolidated forecasts for the fiscal year ending March 31, 2017

Taking into account our business performance during the nine months under review and latest performance, the consolidated forecasts for the fiscal year ending March 31, 2017 have been revised as follows.

The full year forecasts for net sales are expected to underperform the previously announced forecast. This is due to the effect of the strong yen on foreign currency translation and delays to earnings recovery of North America and South Korea as the key regions for overseas business, while in domestic business, sales of potato-based snacks decreased caused by the potato supply shortage, and slumping sales of corn-based snacks continued. Operating income is expected to underperform the previous forecast, mainly due to lower sales in North America and South Korea. Profit attributable to owners of parent is expected to exceed the previous forecast, due to lower profit attributable to non-controlling interests.
These forecasts are based on foreign exchange rates of: US$1 = ¥109.38 for the full fiscal year ending March 31, 2017.

Millions of yen, rounded down

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Revised forecast (A)	250,000	28,500	28,200	18,200
Previous forecast (B)	262,000	31,000	30,000	17,800
Change (A - B)	-12,000	-2,500	-1,800	+400
Change (%)	-4.6	-8.1	-6.0	+2.2

2. Summary information and related items

(1) Transfers of important subsidiaries during the period

No applicable items.

(2) Use of special accounting procedures

No applicable items.

(3) Changes in accounting policy, changes in accounting estimates, and restatements

(Changes in accounting policy which are difficult to distinguish from changes in accounting estimates)

Until the end of last year, Calbee, Inc. and certain of its domestic consolidated subsidiaries mainly used the declining-balance method to depreciate property, plant and equipment. For the first quarter of the fiscal year ending March 2017 this has been changed to the straight-line method. Calbee foresees stable utilization of property, plant and equipment based on expansion of its domestic and overseas production facilities as well as revising investment policy. As a result of reviewing its depreciation method, Calbee concluded that the straight-line method to distribute expenses more evenly would be more appropriate to reflect its usage of property, plant and equipment.

Compared to the previous method, for the nine-month period under review the impact on operating income is an increase of ¥1,371 million, and the impact on ordinary income and income before income taxes and non-controlling interests is an increase of ¥1,403 million.

3. Consolidated financial statements

(1) Consolidated balance sheets

Millions of yen, rounded down

	As of December 31, 2016	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	15,380	22,784
Notes and accounts receivable - trade	42,616	23,021
Securities	28,999	28,999
Inventories	9,670	9,268
Other	6,450	6,855
Allowance for doubtful accounts	(10)	(4)
Total current assets	103,106	90,925
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,033	25,915
Machinery, equipment and vehicles, net	29,147	23,998
Land	11,660	11,642
Construction in progress	1,723	7,506
Other, net	1,485	1,096
Total property, plant and equipment	72,050	70,159
Intangible assets		
Goodwill	1,768	2,245
Other	2,958	3,314
Total intangible assets	4,727	5,559
Investments and other assets		
Investments and other assets, gross	8,478	8,303
Allowance for doubtful accounts	(70)	(69)
Total investments and other assets	8,407	8,233
Total non-current assets	85,185	83,953
Total assets	188,291	174,878

Consolidated balance sheets, continued

Millions of yen, rounded down

	As of December 31, 2016	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,313	10,350
Short-term loans payable	5,860	—
Income taxes payable	2,911	4,604
Provision for bonuses	3,086	4,195
Provision for directors' bonuses	133	128
Provision for stocks payment	—	65
Other	15,273	14,124
Total current liabilities	36,579	33,469
Non-current liabilities		
Long-term loans payable	273	313
Provision for directors' retirement benefits	486	527
Provision for management board incentive plan trust	111	121
Net defined benefit liability	7,566	7,489
Asset retirement obligations	651	645
Other	972	842
Total non-current liabilities	10,061	9,939
Total liabilities	46,640	43,408
Net assets		
Shareholders' equity		
Capital stock	12,017	12,008
Capital surplus	11,582	11,572
Retained earnings	107,739	98,013
Treasury shares	(539)	(609)
Total shareholders' equity	130,799	120,985
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	746	608
Foreign currency translation adjustment	961	904
Remeasurements of defined benefit plans	(1,389)	(1,585)
Total accumulated other comprehensive income	318	(72)
Subscription rights to shares	12	15
Non-controlling interests	10,522	10,541
Total net assets	141,651	131,469
Total liabilities and net assets	188,291	174,878

(2) Consolidated statements of income and comprehensive income

Nine-month period ended December 31, 2016
Consolidated statements of income

Millions of yen, rounded down

	April 1, 2016 to December 31, 2016	April 1, 2015 to December 31, 2015
Net sales	188,944	185,166
Cost of sales	105,121	104,905
Gross profit	83,823	80,261
Selling, general and administrative expenses	61,578	58,351
Operating income	22,244	21,909
Non-operating income		
Interest income	64	129
Dividend income	36	33
Other	369	270
Total non-operating income	470	433
Non-operating expenses		
Interest expenses	20	5
Business commencement expenses	129	449
Depreciation	128	75
Loss on abandonment of inventories	―	302
Other	108	279
Total non-operating expenses	386	1,112
Ordinary income	22,328	21,230
Extraordinary income		
Gain on sale of non-current assets	11	6
Subsidy income	91	―
Gain on sales of shares of subsidiaries and associates	―	370
Other	13	27
Total extraordinary income	115	404
Extraordinary losses		
Loss on sales of non-current assets	4	3
Loss on retirement of non-current assets	406	164
Other	18	34
Total extraordinary losses	429	201
Income before income taxes and non-controlling interests	22,015	21,433
Income taxes – current	6,492	6,073
Income taxes – deferred	706	791
Total income taxes	7,198	6,865
Profit	14,816	14,567
Profit attributable to non-controlling interests	409	1,175
Profit attributable to owners of parent	14,407	13,392

Consolidated statements of comprehensive income

Millions of yen, rounded down

	April 1, 2016 to December 31, 2016	April 1, 2015 to December 31, 2015
Profit	14,816	14,567
Other comprehensive income		
Valuation difference on available-for-sale securities	137	39
Foreign currency translation adjustment	103	(894)
Remeasurements of defined benefit plans, net of tax	195	106
Total other comprehensive income	436	(748)
Comprehensive income	15,252	13,819
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,797	12,876
Comprehensive income attributable to non-controlling interests	454	942

Three-month period ended December 31, 2016
Consolidated statements of income

Millions of yen, rounded down

	October 1, 2016 to December 31, 2016	October 1, 2015 to December 31, 2015
Net sales	65,290	64,224
Cost of sales	36,044	35,549
Gross profit	29,245	28,674
Selling, general and administrative expenses	20,754	19,572
Operating income	8,490	9,101
Non-operating income		
Foreign exchange gains	1,073	25
Interest income	19	29
Other	98	77
Total non-operating income	1,192	132
Non-operating expenses		
Business commencement expenses	56	99
Depreciation	37	24
Settlement package	―	91
Loss on effluent treatment	―	80
Other	37	42
Total non-operating expenses	131	337
Ordinary income	9,551	8,896
Extraordinary income		
Subsidy income	91	―
Gain on sales of shares of subsidiaries and associates	―	370
Other	2	25
Total extraordinary income	93	395
Extraordinary losses		
Loss on retirement of non-current assets	190	74
Other	19	8
Total extraordinary losses	210	82
Income before income taxes and non-controlling interests	9,434	9,210
Income taxes – current	3,066	2,286
Income taxes – deferred	20	820
Total income taxes	3,087	3,106
Profit	6,347	6,103
Profit (loss) attributable to non-controlling interests	(76)	365
Profit attributable to owners of parent	6,423	5,737

Consolidated statements of comprehensive income

Millions of yen, rounded down

	October 1, 2016 to December 31, 2016	October 1, 2015 to December 31, 2015
Profit	6,347	6,103
Other comprehensive income		
Valuation difference on available-for-sale securities	(27)	54
Foreign currency translation adjustment	2,496	93
Remeasurements of defined benefit plans, net of tax	72	35
Total other comprehensive income	2,540	182
Comprehensive income	8,887	6,286
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,915	5,724
Comprehensive income attributable to non-controlling interests	972	562

(3) Consolidated statements of cash flows

Millions of yen, rounded down

	April 1, 2016 to December 31, 2016	April 1, 2015 to December 31, 2015
Cash flows from operating activities		
Income before income taxes and non-controlling interests	22,015	21,433
Depreciation	5,365	5,426
Amortization of goodwill	469	521
Increase (decrease) in allowance for doubtful accounts	6	(1)
Increase (decrease) in provision for bonuses	(1,112)	(657)
Increase (decrease) in provision for directors' bonuses	5	(67)
Increase (decrease) in provision for stocks payment	(5)	(4)
Increase (decrease) in net defined benefit liability	298	213
Decrease (increase) in net defined benefit assets	36	(62)
Increase (decrease) in provision for directors' retirement benefits	(40)	(49)
Interest and dividend income	(101)	(162)
Interest expenses	20	5
Foreign exchange losses (gains)	25	330
Loss (gain) on sales of investment securities	—	(24)
Loss (gain) on sales of shares of subsidiaries and associates	—	(370)
Loss (gain) on sales of non-current assets	(7)	(3)
Loss on retirement of non-current assets	406	164
Decrease (increase) in notes and accounts receivable - trade	(19,523)	(8,812)
Decrease (increase) in inventories	(368)	(1,953)
Increase (decrease) in notes and accounts payable - trade	(1,102)	968
Decrease (increase) in accounts receivable - other	8	(167)
Increase (decrease) in accounts payable - other	482	(381)
Increase (decrease) in accrued consumption taxes	1,056	(1,623)
Other, net	562	(2,223)
Subtotal	8,497	12,497
Interest and dividend income received	107	145
Interest expenses paid	(17)	(4)
Income taxes paid	(8,427)	(9,014)
Net cash provided by (used in) operating activities	160	3,624

Consolidated statements of cash flows, continued

Millions of yen, rounded down

	April 1, 2016 to December 31, 2016	April 1, 2015 to December 31, 2015
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,877)	(16,395)
Proceeds from sale of property, plant and equipment	16	28
Purchase of intangible assets	(333)	(1,668)
Purchase of securities	(9,998)	(3,998)
Proceeds from redemption of securities	6,000	13,000
Purchase of investment securities	(12)	(12)
Proceeds from sales of investment securities	—	24
Payments of loans receivable	—	(150)
Collection of loans receivable	32	195
Payments into time deposits	(725)	(932)
Proceeds from withdrawal of time deposits	823	730
Payments for guarantee deposits	(171)	(114)
Proceeds from collection of guarantee deposits	144	214
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(92)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	42	—
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(108)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	62	—
Other, net	5	11
Net cash provided by (used in) investing activities	(11,992)	(9,267)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	5,814	—
Proceeds from long-term loans payable	—	394
Repayments of long-term loans payable	(47)	—
Proceeds from exercise of share options	16	37
Proceeds from share issuance to non-controlling shareholders	—	1,308
Cash dividends paid	(4,677)	(3,737)
Dividends paid to non-controlling interests	(474)	(815)
Repayments of lease obligations	(74)	(43)
Net cash provided by (used in) financing activities	556	(2,856)
Effect of exchange rate change on cash and cash equivalents	(11)	(130)
Net increase (decrease) in cash and cash equivalents	(11,287)	(8,630)
Cash and cash equivalents at beginning of period	47,323	42,572
Cash and cash equivalents at end of period	36,036	33,941

(4) Notes to consolidated financial statements

(Notes related to going concern assumption)
No applicable items.

(Notes on occurrence of significant changes to shareholders' equity)
No applicable items.

(Subsequent events)
(Acquisition of equity interest in subsidiary)

Calbee, Inc. (hereafter "Calbee") resolved on January 23, 2017 that Calbee America, Inc. (hereafter "CAI") would acquire the entire equity interest held by R.D. Offutt Company (hereafter "RDO") in Calbee North America, LLC (hereafter "CNA"), of which previously RDO and CAI each held a 50/50 interest. This transaction was completed on January 31, 2017, making CNA a fully-owned subsidiary of CAI.

I. Overview of transaction
   1. Name and business description of acquired company
      Name of acquired company: Calbee North America, LLC
      Description of business: Manufacture and sales of snacks
   2. Date on which business combination was effected
      January 31, 2017
   3. Legal form of business combination
      Acquisition of equity interest from non-controlling shareholders
   4. Name of company after business combination
      No change in name
   5. Other matters with regard to transaction
      To strengthen business in North America, CAI acquired equity interest in CNA from non-controlling shareholders and made CNA its fully-owned subsidiary.

II. Overview of accounting treatment
   The acquisition will be accounted for as a transaction with non-controlling shareholders under common control, based on ASBJ Statement No.21, "Accounting Standard for Business Combinations" and ASBJ Guidance No.10, "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures", issued on September 13, 2013.

III. Details to be reported in case of acquisition of equity interest in subsidiary
   Purchase price and its breakdown
   Purchase price of equity interest paid by cash USD 85 million

IV. Details about change in shareholders' equity by transaction with non-controlling shareholders
   1. Main reason for change in capital surplus
      Acquisition of equity interest in subsidiary
   2. Amount of capital surplus decrease due to transaction with non-controlling shareholders
      The amount of capital surplus decrease due to transaction with non-controlling shareholders is under evaluation at the time of the consolidated financial statements.