

## Consolidated Financial Results for the Third Quarter Ended December 31, 2018

Asahi Holdings, Inc. [IFRS]

February 1, 2019

Stock code:	5857
Shares listed:	Tokyo Stock Exchange (First Section)
URL:	<a href="https://www.asahiholdings.com">https://www.asahiholdings.com</a>
Representative	Tomoya Higashiura, Representative Director and President Kunihiko Chogo, General Manager, Corporate Planning & Communications Department
For further information please contact:	(Phone) +81-3-6270-1833
Filing date of Quarterly Report:	February 13, 2019
Start of dividend payment:	-
Supplementary materials for the financial results:	Yes
Investor conference for the financial results:	No

(Rounded down to the nearest million yen)

### 1. Results of the nine months ended December 31, 2018 (From April 1, 2018 to December 31, 2018)

(1) Results of operations (cumulative) (Percentage: Changes relative to corresponding previous period)

	Revenue		Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The nine months ended												
December 31, 2018	91,294	3.5	9,923	(6.7)	9,221	(10.8)	6,273	(14.7)	6,273	(14.3)	8,593	15.6
December 31, 2017	88,197	12.4	10,639	31.7	10,342	31.3	7,357	29.5	7,319	31.2	7,432	59.8

	Basic earnings per share	Diluted earnings per share
The nine months ended	Yen	Yen
December 31, 2018	158.88	158.67
December 31, 2017	220.32	220.32

### (2) Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
December 31, 2018	156,684	68,764	68,764	43.9
March 31, 2018	131,484	64,435	64,435	49.0

### 2. Dividend payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	-	30.00	-	33.00	63.00
Year ending March 31, 2019	-	60.00	-		
Year ending March 31, 2019 (Forecast)				60.00	120.00

(Note) Revisions in dividend forecast in the current quarter: No

3. Forecast (From April 1, 2018 to March 31, 2019) (Percentage: Changes relative to corresponding previous period)

	Revenue		Operating income		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2019	120,000	3.6	14,000	1.5	13,800	2.9	9,500	0.9	239.90

(Note) Revisions in forecast in the current quarter: No

\* Notes

(1) Changes in significant subsidiaries during the current quarter: No

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes other than (i) above: No

(iii) Changes in accounting estimates: No

For details, please refer to page 11 “ 2. Condensed Consolidated Financial Statements (7) Notes on Condensed Consolidated Financial Statements (3.Changes in accounting policies)”.

(3) Number of issued shares (common stock)

(i) Number of issued shares at the quarter end (including treasury shares)

As of December 31, 2018	39,854,344 shares
As of March 31, 2018	39,854,344 shares

(ii) Number of treasury shares at the quarter end

As of December 31, 2018	505,487 shares
As of March 31, 2018	255,287 shares

(iii) Averaged number of shares during the period (quarterly cumulative period)

Nine months ended December 31, 2018	39,487,710 shares
Nine months ended December 31, 2017	33,222,363 shares

\*The quarterly financial statements are not subject to quarterly reviews by accounting auditors.

(Notes on forward looking statements, etc.)

These forecast performance figures are based on the information currently available to the company's management and certain assumptions judged rational. Accordingly, these might be cases in which actual results materially differ from forecasts of this report. Please refer to page 3 “1. Qualitative Information (3) Consolidated Performance Forecasts” for the assumptions used and other notes.

Table of contents of the appendix

1. Qualitative Information .....	2
(1) Consolidated Business Performance.....	2
(2) Consolidated Financial Position and Cash Flows for the nine months ended December 31, 2018.....	2
(3) Consolidated Performance Forecasts.....	3
2. Condensed Consolidated Financial Statements.....	4
(1) Condensed Consolidated Statements of Financial Position .....	4
(2) Condensed Consolidated Statements of Income for the nine months ended December 31, 2018 .....	6
(3) Condensed Consolidated Statements of Comprehensive Income for the nine months ended December 31, 2018.....	7
(4) Condensed Consolidated Statements of Changes in Equity.....	8
(5) Condensed Consolidated Statements of Cash Flows .....	10
(6) Notes on Assumptions for Going Concern .....	11
(7) Notes on Condensed Consolidated Financial Statements .....	11
1. Reporting entity.....	11
2. Basis of preparation .....	11
3. Changes in accounting policies.....	11
4. Significant accounting estimates and associated judgments.....	12
5. Segment information.....	13
6. Subsequent events.....	14

## 1. Qualitative Information

### (1) Consolidated Business Performance

In the Japanese economy during the third quarter of the current fiscal year (April 1, 2018 through December 31, 2018), corporate earnings remained generally favorable in a Goldilocks economy despite some differences among industries. The future prospects for domestic and international economy continue to be opaque due to many factors that put brakes on global economic growth including the intensifying trade conflict between the U.S. and China, issues associated with Brexit and destabilization of administrations in Europe. Under these conditions, the group's results in each business segment were as follows.

#### Precious Metals Business

Revenue from business in the precious metal recycling sector in Japan, South Korea and Malaysia expanded from the same period in the previous year. Also, the revenue of precious metal refining business in North America improved over the same period a year before. As a result of these accomplishments, revenue and operating income in this segment increased from the same period of the previous year.

#### Environmental Preservation Business

While the volume of industrial waste discharged in Japan is on a downward trend, revenue in this segment increased from the same period of the previous year, thanks to efforts to develop new customers. However, operating income in this segment decreased from the same period of the previous year due in part to the impact of expenses for the withdrawal from photosensitive material business in this fiscal year.

#### Life & Health Business

The construction demand remained high primarily in the Tokyo metropolitan area, which led to a steady increase in revenue from fire-fighting and air-conditioning equipment. However, revenue from health care equipment decreased from the same period of the previous year. Consequently, both revenue and operating income in this segment were lower than those in the same period of the previous year.

As a result of the above, revenue during the third quarter of the current fiscal year was 91,294 million yen, a year-on-year increase of 3,097 million yen (+3.5 percent). Operating income was 9,923 million yen, a decrease of 715 million yen (-6.7 percent) year-on-year. Profit before tax was 9,221 million yen, a year-on-year decrease of 1,121 million yen (-10.8 percent). Profit was 6,273 million yen, a year-on-year decrease of 1,083 million yen (-14.7 percent). Profit attributable to owners of parent for the period was therefore 6,273 million yen, a decrease of 1,045 million yen (-14.3 percent) year-on-year. By segment, revenue in the Precious Metal Business was 62,352 million yen, a year-on-year increase of 4,870 million yen (+8.5 percent). Revenue in the Environmental Preservation Business was 12,592 million yen, a year-on-year increase of 547 million yen (+4.5 percent). Revenue in the Life & Health Business was 16,385 million yen, a year-on-year decrease of 2,343 million yen (-12.5 percent).

### (2) Consolidated Financial Position and Cash Flows for the nine months ended December 31, 2018

As of December 31, 2018, total assets amounted to 156,684 million yen, up 25,200 million yen from the previous fiscal year end. This was due mainly to the increase of 26,570 million yen in trade and other receivables and the decrease of 4,324 million yen in cash and cash equivalents.

Total liabilities amounted to 87,920 million yen, up 20,871 million yen from the previous fiscal year end. This was due mainly to the increase of 23,014 million yen in loans payable and decrease of 1,948 million yen in income tax payable.

Total equity amounted to 68,764 million yen, up 4,329 million yen from the previous fiscal year end. This was due mainly to comprehensive income of 8,593 million yen.

As a result, the equity attributable to owners of parent ratio changed to 43.9%, from 49.0% at the end of the previous fiscal year.

Net cash used by operating activities amounted to 22,142 million yen due mainly to 9,221 million yen of profit before tax, 1,743 million yen of depreciation and amortization, 26,723 million yen of increase in trade and other receivables, 6,265 million yen of income taxes paid.

Net cash used in investing activities amounted to 1,739 million yen due mainly to 1,725 million yen of purchase of property, plant and equipment.

Net cash provided in financial activities amounted to 19,354 million yen due mainly to 23,717 million yen of net increase in loans payable and 3,657 million yen of cash dividends paid.

As a result, cash and cash equivalents as of December 31, 2018 decreased 4,324 million yen from March 31, 2018, to 19,815 million yen.

**(3) Consolidated Performance Forecasts**

Consolidated performance forecast for the fiscal year have not changed from the forecast announced on May 8, 2018.

## 2. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statements of Financial Position

	As of March 31, 2018	As of December 31, 2018
	Millions of yen	Millions of yen
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	24,140	19,815
Trade and other receivables	36,973	63,544
Inventories	22,466	24,063
Income tax receivables	1,474	548
Other financial assets	660	2,921
Other current assets	2,380	2,686
Total current assets	88,096	113,579
Non-current assets		
Property, plant and equipment	32,870	32,673
Goodwill	8,243	8,243
Intangible assets	740	587
Deferred tax assets	853	969
Net defined benefit asset	124	95
Financial assets	537	495
Other non-current assets	18	39
Total non-current assets	43,388	43,104
Total assets	131,484	156,684

	As of March 31, 2018	As of December 31, 2018
	Millions of yen	Millions of yen
<b><u>LIABILITIES and EQUITY</u></b>		
Liabilities		
Current liabilities		
Trade and other payables	14,179	15,968
Loans payable	22,515	45,046
Income tax payable	3,012	1,064
Other financial liabilities	506	679
Provision	1,484	766
Other current liabilities	3,400	2,436
Total current liabilities	<u>45,099</u>	<u>65,962</u>
Non-current liabilities		
Loans payable	18,600	19,083
Deferred tax liabilities	1,440	1,473
Net defined benefit liability	153	157
Other financial liabilities	1,754	1,243
Total non-current liabilities	<u>21,949</u>	<u>21,958</u>
Total liabilities	67,049	87,920
Equity		
Capital stock	7,790	7,790
Capital surplus	10,381	10,353
Treasury stock	(386)	(955)
Retained earnings	50,282	52,876
Other components of equity	(3,632)	(1,300)
Total equity attributable to owners of parent	<u>64,435</u>	<u>68,764</u>
Total equity	<u>64,435</u>	<u>68,764</u>
Total liabilities and equity	<u><u>131,484</u></u>	<u><u>156,684</u></u>

(2) Condensed Consolidated Statements of Income for the nine months ended December 31, 2018

	The nine months ended December 31, 2017	The nine months ended December 31, 2018
	Millions of yen	Millions of yen
Revenue	88,197	91,294
Cost of sales	<u>(66,824)</u>	<u>(70,496)</u>
Gross profit	21,372	20,798
Selling, general and administrative expenses	(10,817)	(10,838)
Other operating income	206	191
Other operating expenses	<u>(122)</u>	<u>(228)</u>
Operating income	10,639	9,923
Finance income	47	15
Finance cost	<u>(344)</u>	<u>(717)</u>
Profit before tax	10,342	9,221
Income tax expenses	<u>(2,985)</u>	<u>(2,947)</u>
Profit	<u>7,357</u>	<u>6,273</u>
Profit attributable to:		
Owners of parent	7,319	6,273
Non-controlling interests	<u>37</u>	<u>-</u>
Profit	<u>7,357</u>	<u>6,273</u>
Earnings per share		
Basic earnings per share (Yen)	220.32	158.88
Diluted earnings per share (Yen)	220.32	158.67



(3) Condensed Consolidated Statements of Comprehensive Income for the nine months ended December 31, 2018

	The nine months ended December 31, 2017	The nine months ended December 31, 2018
	Millions of yen	Millions of yen
Profit	7,357	6,273
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	20	(19)
Remeasurements of defined benefit plans	(2)	(16)
Total items that will not be reclassified to profit or loss	17	(36)
Items that will be reclassified to profit or loss		
Cash flow hedges	(366)	2,421
Translation adjustments of foreign operations	423	(65)
Total items that will be reclassified to profit or loss	57	2,356
Other comprehensive income, net of tax	75	2,319
Comprehensive income	<u>7,432</u>	<u>8,593</u>
Comprehensive income attributable to:		
Owners of parent	7,391	8,593
Non-controlling interests	40	-
Comprehensive income	<u>7,432</u>	<u>8,593</u>

(4) Condensed Consolidated Statements of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2017	4,480	6,126	(5,371)	42,783	(3,618)	(104)
Profit	-	-	-	7,319	-	-
Other comprehensive income	-	-	-	-	422	(366)
Total comprehensive income	-	-	-	7,319	422	(366)
Issuance of new shares	2,500	2,480	-	-	-	-
Purchase of treasury stock	-	-	(0)	-	-	-
Disposal of treasury stock	-	1,266	4,985	-	-	-
Dividends	-	-	-	(1,955)	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	(337)	-	-	-	-
Reclassified from other components of equity to retained earnings	-	-	-	(2)	-	-
Share-based payment transactions	-	32	-	-	-	-
Total transactions with owners	2,500	3,442	4,985	(1,958)	-	-
Balance at December 31, 2017	6,981	9,569	(386)	48,144	(3,196)	(470)

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity					
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Total	Non-controlling interests	Total equity
Balance at April 1, 2017	7	-	(3,716)	44,303	524	44,827
Profit	-	-	-	7,319	37	7,357
Other comprehensive income	18	(2)	72	72	2	75
Total comprehensive income	18	(2)	72	7,391	40	7,432
Issuance of new shares	-	-	-	4,981	-	4,981
Purchase of treasury stock	-	-	-	(0)	-	(0)
Disposal of treasury stock	-	-	-	6,252	-	6,252
Dividends	-	-	-	(1,955)	-	(1,955)
Changes in ownership interests in subsidiaries that do not result in loss of control	3	-	3	(333)	(540)	(874)
Reclassified from other components of equity to retained earnings	0	2	2	-	-	-
Share-based payment transactions	-	-	-	32	-	32
Total transactions with owners	3	2	5	8,975	(540)	8,434
Balance at December 31, 2017	28	-	(3,637)	60,670	24	60,694

(Millions of yen)

## Equity attributable to owners of parent

	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Translation adjustments of foreign operations	Cash flow hedges
Balance at April 1, 2018	7,790	10,381	(386)	50,282	(3,624)	(34)
Profit	-	-	-	6,273	-	-
Other comprehensive income	-	-	-	-	(65)	2,421
Total comprehensive income	-	-	-	6,273	(65)	2,421
Purchase of treasury stock	-	-	(744)	-	-	-
Disposal of treasury stock	-	24	70	-	-	-
Dividends	-	-	-	(3,667)	-	-
Reclassified from other components of equity to retained earnings	-	-	-	(11)	-	-
Share-based payment transactions	-	(52)	104	-	-	-
Total transactions with owners	-	(27)	(568)	(3,679)	-	-
Balance at December 31, 2018	7,790	10,353	(955)	52,876	(3,690)	2,386

(Millions of yen)

## Equity attributable to owners of parent

	Other components of equity		Total	Total	Total equity
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans			
Balance at April 1, 2018	27	-	(3,632)	64,435	64,435
Profit	-	-	-	6,273	6,273
Other comprehensive income	(19)	(16)	2,319	2,319	2,319
Total comprehensive income	(19)	(16)	2,319	8,593	8,593
Purchase of treasury stock	-	-	-	(744)	(744)
Disposal of treasury stock	-	-	-	95	95
Dividends	-	-	-	(3,667)	(3,667)
Reclassified from other components of equity to retained earnings	(4)	16	11	-	-
Share-based payment transactions	-	-	-	52	52
Total transactions with owners	(4)	16	11	(4,264)	(4,264)
Balance at December 31, 2018	2	-	(1,300)	68,764	68,764

(5) Condensed Consolidated Statements of Cash Flows

	The nine months ended December 31, 2017	The nine months ended December 31, 2018
	Millions of yen	Millions of yen
Net cash provided by (used in) operating activities		
Profit before tax	10,342	9,221
Depreciation and amortization	1,690	1,743
Impairment loss	43	15
Finance income and finance cost	315	675
Decrease (increase) in inventories	(4,898)	(1,590)
Decrease (increase) in trade and other receivables	(13,037)	(26,723)
Increase (decrease) in trade and other payables	(456)	1,584
Other, net	1,461	(1,523)
Subtotal	(4,539)	(16,598)
Interest and dividends income received	16	15
Interest expenses paid	(319)	(661)
Income taxes paid	(3,243)	(6,265)
Income taxes refund	953	1,366
Net cash provided by (used in) operating activities	(7,132)	(22,142)
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(100)
Proceeds from withdrawal of time deposits	11	-
Purchase of property, plant and equipment	(2,268)	(1,725)
Proceeds from sales of property, plant and equipment	161	221
Purchase of intangible assets	(212)	(103)
Proceeds from sales and redemption of investments	5	12
Other, net	7	(43)
Net cash provided by (used in) investing activities	(2,295)	(1,739)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	9,767	24,727
Repayment of long-term loans payable	(270)	(1,010)
Proceeds from issuance of common stock	5,001	-
Proceeds from sales of treasury stock	6,252	95
Purchase of treasury stock	(0)	(744)
Payment to acquire interests in subsidiaries from non-controlling interests	(874)	-
Cash dividends paid	(1,954)	(3,657)
Other, net	(50)	(55)
Net cash provided by (used in) financing activities	17,871	19,354
Effect of exchange rate change on cash and cash equivalents	11	202
Net increase (decrease) in cash and cash equivalents	8,454	(4,324)
Cash and cash equivalents at beginning of period	10,798	24,140
Cash and cash equivalents at end of period	19,253	19,815

## (6) Notes on Assumptions for Going Concern

Not applicable

## (7) Notes on Condensed Consolidated Financial Statements

### 1. Reporting entity

Asahi Holdings, Inc. (hereinafter the “Company”) is a company located in Japan. The Company’s condensed consolidated financial statements for the nine months ended December 31, 2018 comprise the financial statements of the Company as well as its subsidiaries (hereinafter the “Group”).

For the main activities of the Group, please refer to Note 5. “Segment information.”

### 2. Basis of preparation

#### (1) Statement of compliance with IFRS

The condensed consolidated financial statements of the Group have been prepared based on IAS 34 “Interim Financial Reporting.”

Having met the requirements for a Specified Company under the Designated International Accounting Standards, as prescribed in Article 1-2 of the Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007), the Group adopts the provisions of Article 93 of the aforementioned rules.

#### (2) Basis of measurement

The condensed consolidated financial statements of the Group have been prepared based on costs of acquisition, except for the specified financial instruments that have been measured at fair value.

#### (3) Functional currency and presentation currency

The condensed consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company, and figures less than one million yen are rounded down to the nearest million yen.

### 3. Changes in accounting policies

The significant accounting policies adopted for the condensed consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended March 31, 2018, with the exception of the items described below.

The income tax for the nine months ended December 31, 2018 was calculated based on the estimated average annual effective tax rate.

#### (Adoption of IFRS 15 “Revenue from Contracts with Customers”)

The Group has adopted IFRS 15 “Revenue from Contracts with Customers”(published in May 2014) and “Clarifications to IFRS 15” (published in April 2016)(hereinafter, collectively referred to as “IFRS 15”) from the first quarter ended June 30, 2018. When applying IFRS 15, as a transition measure the Group applies this standard retrospectively with the cumulative effects of initially applying this standard recognized at the date of initial application.

In accordance with IFRS 15, except for interests and dividend income stipulated by IFRS 9 “ Financial instruments”, revenue is recognizes based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

Our group is engaged in the sales of precious metals, massage chairs, electrolytic hydrogen water generator, hearing aids, heating equipment and other items. Regarding these products, revenue is recognized when the goods are transferred to the customer, a point at which the customer has control of the goods and performance obligation is deemed to have been satisfied. As for revenue pertaining to intermediate treatment or other processing of industrial wastes, revenue is recognized when the treatment of the said industrial waste is completed, a point at which the customer has control and performance obligation is deemed to have been

satisfied.

Regarding revenues pertaining to the design, construction and other works on fire-fighting, air conditioning and sanitary equipment, revenue is recognized in accordance with the progress of performance obligation. Progress is measured according to input method based on the costs incurred and other means.

Also, revenue is measured at a value derived by deducting discounts, rebates, returns, etc. from the consideration undertaken in the contract with the customer.

The application of IFRS 15 does not have a significant impact on the performance or financial conditions of our group.

#### 4. Significant accounting estimates and associated judgments

In preparing condensed consolidated financial statements, the management is required to make judgment, estimates and assumptions that affect the adoption of accounting policies and the amounts of assets, liabilities, revenues and expenses. Actual results may differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of a change in accounting estimates is recognized as the accounting period in which such change occurs as well as the accounting periods to be affected in the future.

The estimates and judgments made by the management that may have material impacts on the figures in the condensed consolidated financial statements are the same as those for the consolidated financial statements for the fiscal year ended March 31, 2018.

## 5. Segment information

### (1) Overview of reporting segments

The Group's reporting segments are those Group constituent units for which separate financial information is obtainable, and which the Board of Directors subjects to regular examination in order to decide the allocation of management resources and evaluate business results.

As a pure holding company, the Company is in charge of overall strategic function for the Group, whereas operating companies of the Group engage in the precious and rare metals recycling business and the refining and processing business, industrial waste management and other environmental preservation business, and life & health business including manufacturing and selling of health equipment.

Therefore, the Group is composed of product and service segments based on business sectors. The three reporting segments are the Precious Metal Business, the Environmental Preservation Business, and the Life & Health Business. Meanwhile, these reporting segments are not be aggregated.

The Precious Metals Business engages mainly in recycling and selling of precious and rare metals such as gold, silver, palladium, and platinum, as well as refining and processing of precious metals such as gold and silver. The main work of Environmental Preservation Business is the collection, transport and intermediate processing of industrial waste. In the Life & Health Business, the main work is the manufacture and sales of massagers, hearing aids, and other health equipment, the manufacture and sales of electric heaters, the design and installation of radiant heating and air conditioning systems, and the design and installation of disaster prevention equipment.

### (2) Segment revenue and performance

Accounting policies of the reporting segments are the same as those of the Group stated in "Note 3. Changes in accounting policies."

Revenue and other performance of each reportable segment of the Group are as follows.

For the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(Millions of yen)

	Reporting segment			Total	Adjustment	Consolidated
	Precious Metals Business	Environmental Preservation Business	Life & Health Business			
Revenue						
External revenue	57,481	11,987	18,728	88,197	-	88,197
Intersegment revenue	-	57	0	57	(57)	-
Total	<u>57,481</u>	<u>12,044</u>	<u>18,728</u>	<u>88,254</u>	<u>(57)</u>	<u>88,197</u>
Operating income by business segment	<u>8,623</u>	<u>2,620</u>	<u>1,194</u>	<u>12,438</u>	<u>(1,799)</u>	<u>10,639</u>
Finance income						47
Finance costs						<u>(344)</u>
Profit before tax						<u>10,342</u>

(Note) 1. Intersegment transactions are based on prevailing market prices.

2. Adjustments of operating income by business segment are mainly corporate expenses that are not allocated to each reporting segment.

For the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(Millions of yen)

	Reporting segment			Total	Adjustment	Consolidated
	Precious Metals Business	Environmental Preservation Business	Life & Health Business			
Revenue						
External revenue	62,352	12,557	16,385	91,294	-	91,294
Intersegment revenue	-	34	0	34	(34)	-
Total	<u>62,352</u>	<u>12,592</u>	<u>16,385</u>	<u>91,329</u>	<u>(34)</u>	<u>91,294</u>
Operating income by business segment	<u>8,720</u>	<u>2,446</u>	<u>591</u>	<u>11,758</u>	<u>(1,834)</u>	<u>9,923</u>
Finance income						15
Finance costs						<u>(717)</u>
Profit before tax						<u>9,221</u>

(Note) 1. Intersegment transactions are based on prevailing market prices.

2. Adjustments of operating income by business segment are mainly corporate expenses that are not allocated to each reporting segment.

## 6. Subsequent events

Not applicable