

Consolidated Financial Results for the Third Quarter Ended December 31, 2016

Asahi Holdings, Inc. [IFRS]

February 1, 2017

Stock code: 5857
 Shares listed: Tokyo Stock Exchange (First Section)
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(Rounded down to the nearest million yen)

1. Results of the nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)

(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, 2016	78,453	(14.5)	8,079	(0.9)	7,874	(2.6)	5,680	4.4	5,577	4.5	4,650	(0.4)
December 31, 2015	91,809	-	8,155	-	8,085	-	5,439	-	5,338	-	4,669	-

	Basic earning per share	Diluted earning per share
	Yen	Yen
The nine months ended		
December 31, 2016	171.08	-
December 31, 2015	162.73	-

(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, 2016	96,013	51,692	51,195	53.3
March 31, 2016	101,599	48,988	48,591	47.8

2. Dividend payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	-	30.00	-	30.00	60.00
Year ending March 31, 2017	-	30.00	-		
Year ending March 31, 2017 (Forecast)				30.00	60.00

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

3. Forecast (From April 1, 2016 to March 31, 2017) (Percentage: Changes relative to corresponding previous period)

	Revenue		Operating income		Profit before tax		Profit attributable to owners of parent		Basic earning per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2017	110,000	-	10,000	-	10,000	-	6,600	-	202.46

(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: No

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

(iii) Changes in accounting estimates: No

(3) Number of issued shares (common stock)

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

As of December 31, 2016	36,254,344 shares
As of March 31, 2016	36,254,344 shares

(ii) Number of treasury shares at the quarter end

As of December 31, 2016	3,654,887 shares
As of March 31, 2016	3,654,607 shares

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

Nine months ended December 31, 2016	32,599,583 shares
Nine months ended December 31, 2015	32,803,707 shares

*Indication regarding the situation of quarterly review procedures

These financial results are not subject to the quarterly review procedures pursuant to the Financial Instruments and Exchange Act; the procedures for reviewing quarterly financial statements pursuant to the Financial Instruments and Exchange Act are in progress at the time of disclosure of these financial results.

*Statement regarding the proper use of financial forecasts and other special remarks (IFRS adoption)

The Group has adopted IFRS starting from the three months ended June 30, 2016. For details about the differences between IFRS and Japanese GAAP with respect to financial figures, please refer to "3. Condensed Consolidated Financial Statements (7) Notes on Condensed Consolidated Financial Statements 7. First-time Adoption" on page 15 of the appendix of the consolidated financial results.

(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.

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1. Qualitative Information

(1) Consolidated Business Performance

The Japanese economy registered moderate recovery during the third quarter of the current fiscal year (April 1, 2016 through December 31, 2016), backed by improvements in corporate earnings and employment situation, although personal consumption lacked vigor. The slight upward trend is expected to continue in future. However, a global sense of uncertainty – brought about by the impact of the Brexit issue on politics and economy, measures to be adopted by U.S. President Trump after he assumes power, and deceleration of emerging economies including China, among others – has cast a shadow on the prospects of Japanese economy. Under these economic conditions, the group's results in each business segment were as follows.

Precious metal business

Volume of collection in the precious metals recycling business was as follows. In the electronics sector, sustenance of current customers and development of new customers in the E-scrap business and precision cleaning businesses led to an increase in the volume of collection of gold from that of the same period a year earlier despite the continued contraction of the domestic market. In the dental sector, amidst the amount of precious metals used for dental materials declining, the volume of collection of gold and palladium remained at the same level as in the same period last year. In the jewelry sector, the impact of continued drop in the volume of distribution in the purchasing market resulted in lower year-on-year volume of collection of gold and platinum. In the automotive catalyst sector, the volume of collection of platinum and palladium increased from the same period a year earlier despite the continued decline in the number of domestic scrapped vehicles. The average price of precious metals for gold, palladium and platinum was lower than that of the same period a year before. The average price of silver was higher compared with the same period last year.

As for gold and silver refining business in North America, the unit price for commissioned refining business remained at a low level due to continued slowdown of related industries.

Environmental preservation business

Although the volume of industrial waste discharged in Japan is on a downward trend, the overall volume handled remained solid as group companies focused on developing new customers and obtaining contracts by capitalizing on their characteristics and group networks.

Life & health business

In the health care equipment sectors, overall sales of major massage chairs and other products remained sluggish amidst weak personal consumption and other factors despite efforts to expand overseas sales and the sales of small-sized massage chairs, hearing aids, and electrolytic hydrogen water ionizers, among others. As for fire-fighting equipment, business remained strong thanks in part to an increase in building construction projects in the metropolitan area.

As a result of the above, revenue during the third cumulative quarter of the current fiscal year was 78,453 million yen, a year-on-year decrease of 13,356 million yen (-14.5 percent). Operating income was 8,079 million yen, a decrease of 76 million yen (-0.9 percent) year-on-year. Profit before tax was 7,874 million yen, a year-on-year decrease of 211 million yen (-2.6 percent). Profit was 5,680 million yen, a year-on-year increase of 240 million yen (+4.4 percent). Profit attributable to owners of parent for the period was therefore 5,577 million yen, an increase of 238 million yen (+4.5 percent) year-on-year. By segment, revenue in the precious metal business was 48,973 million yen, a year-on-year decrease of 12,751 million yen (-20.7 percent). In the environmental preservation business, revenue was 11,827 million yen, and increase of 350 million yen (+3.1 percent) year-on-year. Revenue in the life & health business was 17,716 million yen, down 964 million yen (-5.2 percent) year-on-year.

Figures stated in these financial results are presented on the basis of the International Financial Reporting Standards (IFRS). Figures for the nine months ended December 31, 2015 and the full-year figures for the previous fiscal year have been presented on the basis of IFRS through the reclassification of the JGAAP-based figures disclosed in the previous fiscal year.

(2) Consolidated Financial Position and Cash Flows for the nine months ended December 31, 2016

As of December 31, 2016, total assets amounted to 96,013 million yen, down 5,585 million yen from the previous fiscal year end. This was due mainly to the decrease of 7,908 million yen in cash and cash equivalents.

Total liabilities amounted to 44,320 million yen, down 8,290 million yen from the previous fiscal year end. This was due mainly to the decrease of 4,355 million yen in trade and other payables.

Total equity amounted to 51,692 million yen, up 2,704 million yen from the previous fiscal year end. This was due mainly to the recording of 4,650 million yen in comprehensive income.

As a result, the equity attributable to owners of parent ratio changed to 53.3%, from 47.8% at the end of the previous fiscal year.

Net cash used in operating activities amounted to 2,770 million yen due mainly to 7,874 million yen of profit before tax, 1,738 million yen of depreciation and amortization, 2,370 million yen of increase in inventories, 4,327 million yen of decrease in trade and other payables, and 4,874 million yen of income taxes paid.

Net cash used in investing activities amounted to 2,165 million yen due mainly to 2,093 million yen of purchase of property, plant and equipment.

Net cash used in financial activities amounted to 2,896 million yen due mainly to 918 million yen of net decrease in loans payable, and 1,953 million yen of cash dividends paid.

As a result, cash and cash equivalents as of December 31, 2016 decreased 7,908 million yen from March 31, 2016, to 8,656 million yen.

(3) Consolidated Performance Forecasts

Consolidated performance forecast for the fiscal year have not changed from the forecast announced on May 10, 2016.

2. Notes Regarding Summary Information

(1) Changes in important subsidiaries during the current quarter

Not applicable

(2) Changes in accounting policies, accounting estimates

Not applicable

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

	As of April 1, 2015 (Date of transition to IFRS)	As of March 31, 2016	As of December 31, 2016
	Millions of yen	Millions of yen	Millions of yen
ASSETS			
Current assets			
Cash and cash equivalents	10,841	16,564	8,656
Trade and other receivables	15,851	14,644	17,513
Inventories	15,817	15,090	17,486
Income tax receivables	2,506	2,520	826
Other financial assets	674	105	275
Other current assets	930	811	690
Subtotal	46,622	49,737	45,449
Non-current assets held for sale	-	-	109
Total current assets	46,622	49,737	45,558
Non-current assets			
Property, plant and equipment	33,663	31,788	31,871
Goodwill	21,737	16,922	15,907
Intangible assets	906	969	893
Deferred tax assets	1,291	1,381	953
Net defined benefit asset	154	-	136
Financial assets	807	771	671
Other non-current assets	13	27	20
Total non-current assets	58,573	51,861	50,455
Total assets	105,195	101,599	96,013

	As of April 1, 2015 (Date of transition to IFRS)	As of March 31, 2016	As of December 31, 2016
	Millions of yen	Millions of yen	Millions of yen
<u>LIABILITIES and EQUITY</u>			
Liabilities			
Current liabilities			
Trade and other payables	11,787	15,125	10,770
Loans payable	26,441	7,115	6,572
Income tax payable	2,111	2,012	414
Other financial liabilities	46	187	257
Provisions	1,259	1,522	1,234
Other current liabilities	3,638	2,953	1,782
Total current liabilities	<u>45,286</u>	<u>28,917</u>	<u>21,031</u>
Non-current liabilities			
Loans payable	6,550	20,503	20,622
Deferred tax liabilities	2,061	1,582	1,643
Net defined benefit liability	126	142	140
Other financial liabilities	72	1,465	874
Other non-current liabilities	0	-	8
Total non-current liabilities	<u>8,810</u>	<u>23,693</u>	<u>23,289</u>
Total liabilities	54,096	52,610	44,320
Equity			
Capital stock	4,480	4,480	4,480
Capital surplus	6,116	6,112	6,123
Treasury stock	(5,159)	(5,371)	(5,371)
Retained earnings	44,999	45,845	49,607
Other components of equity	346	(2,476)	(3,644)
Total equity attributable to owners of parent	<u>50,783</u>	<u>48,591</u>	<u>51,195</u>
Non-controlling interests	315	396	497
Total equity	<u>51,098</u>	<u>48,988</u>	<u>51,692</u>
Total liabilities and equity	<u>105,195</u>	<u>101,599</u>	<u>96,013</u>

(2) Condensed Consolidated Statements of Income for the nine months ended December 31, 2016

	The nine months ended December 31, 2015	The nine months ended December 31, 2016
	Millions of yen	Millions of yen
Revenue	91,809	78,453
Cost of sales	(71,814)	(59,473)
Gross profit	19,994	18,979
Selling, general and administrative expenses	(11,573)	(11,371)
Other operating income	96	662
Other operating expenses	(362)	(191)
Operating income	8,155	8,079
Finance income	27	10
Finance cost	(97)	(215)
Profit before tax	8,085	7,874
Income tax expenses	(2,646)	(2,194)
Profit	5,439	5,680
Profit attributable to:		
Owners of parent	5,338	5,577
Non-controlling interests	101	103
Profit	5,439	5,680
Earning per share		
Basic earning per share (Yen)	162.73	171.08

(3) Condensed Consolidated Statements of Comprehensive Income for the nine months ended December 31, 2016

	The nine months ended December 31, 2015	The nine months ended December 31, 2016
	Millions of yen	Millions of yen
Profit	5,439	5,680
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	15	(5)
Remeasurements of defined benefit plans	(1)	121
Total items that will not be reclassified to profit or loss	13	115
Items that will be reclassified to profit or loss		
Cash flow hedges	(160)	61
Translation adjustments of foreign operations	(622)	(1,207)
Total items that will be reclassified to profit or loss	(782)	(1,145)
Other comprehensive income, net of tax	(769)	(1,029)
Comprehensive income	4,669	4,650
Comprehensive income attributable to:		
Owners of parent	4,575	4,549
Non-controlling interests	94	100
Comprehensive income	4,669	4,650

(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, 2015	4,480	6,116	(5,159)	44,999	-	313
Profit	-	-	-	5,338	-	-
Other comprehensive income	-	-	-	-	(614)	(160)
Total comprehensive income	-	-	-	5,338	(614)	(160)
Purchase of treasury stock	-	-	(0)	-	-	-
Disposal of treasury stock	-	40	127	-	-	-
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-
Dividends	-	-	-	(1,966)	-	-
Lapse of subscription rights to shares	-	(44)	-	44	-	-
Reclassified from other components of equity to retained earnings	-	-	-	(0)	-	-
Total transactions with owners	-	(3)	126	(1,922)	-	-
Balance at December 31, 2015	<u>4,480</u>	<u>6,112</u>	<u>(5,033)</u>	<u>48,414</u>	<u>(614)</u>	<u>153</u>

(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
Balance at April 1, 2015	33	-	346	50,783	315	51,098
Profit	-	-	-	5,338	101	5,439
Other comprehensive income	14	(1)	(762)	(762)	(7)	(769)
Total comprehensive income	14	(1)	(762)	4,575	94	4,669
Purchase of treasury stock	-	-	-	(0)	-	(0)
Disposal of treasury stock	-	-	-	167	-	167
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	(29)	(29)
Dividends	-	-	-	(1,966)	-	(1,966)
Lapse of subscription rights to shares	-	-	-	-	-	-
Reclassified from other components of equity to retained earnings	(1)	1	0	-	-	-
Total transactions with owners	(1)	1	0	(1,799)	(29)	(1,829)
Balance at December 31, 2015	<u>46</u>	<u>-</u>	<u>(415)</u>	<u>53,559</u>	<u>379</u>	<u>53,939</u>

(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, 2016	4,480	6,112	(5,371)	45,845	(2,125)	(380)
Profit	-	-	-	5,577	-	-
Other comprehensive income	-	-	-	-	(1,204)	61
Total comprehensive income	-	-	-	5,577	(1,204)	61
Purchase of treasury stock	-	-	(0)	-	-	-
Disposal of treasury stock	-	-	-	-	-	-
Dividends	-	-	-	(1,955)	-	-
Reclassified from other components of equity to retained earnings	-	-	-	140	-	-
Share-based payment transactions	-	10	-	-	-	-
Total transactions with owners	-	10	(0)	(1,815)	-	-
Balance at December 31, 2016	4,480	6,123	(5,371)	49,607	(3,330)	(318)

(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
Balance at April 1, 2016	29	-	(2,476)	48,591	396	48,988
Profit	-	-	-	5,577	103	5,680
Other comprehensive income	(5)	121	(1,027)	(1,027)	(2)	(1,029)
Total comprehensive income	(5)	121	(1,027)	4,549	100	4,650
Purchase of treasury stock	-	-	-	(0)	-	(0)
Disposal of treasury stock	-	-	-	-	-	-
Dividends	-	-	-	(1,955)	-	(1,955)
Reclassified from other components of equity to retained earnings	(19)	(121)	(140)	-	-	-
Share-based payment transactions	-	-	-	10	-	10
Total transactions with owners	(19)	(121)	(140)	(1,945)	-	(1,945)
Balance at December 31, 2016	3	-	(3,644)	51,195	497	51,692

(5) Condensed Consolidated Statements of Cash Flows

	The nine months ended December 31, 2015	The nine months ended December 31, 2016
	Millions of yen	Millions of yen
Net cash provided by (used in) operating activities		
Profit before tax	8,085	7,874
Depreciation and amortization	1,792	1,738
Impairment loss	316	112
Finance income and finance cost	72	157
Decrease (increase) in inventories	2,077	(2,370)
Decrease (increase) in trade and other receivables	965	(2,910)
Increase (decrease) in trade and other payables	(1,431)	(4,327)
Other, net	(890)	(57)
Subtotal	10,988	216
Interest and dividends income received	30	7
Interest expenses paid	(93)	(155)
Income taxes paid	(5,288)	(4,874)
Income taxes refund	1,636	2,036
Net cash provided by (used in) operating activities	7,273	(2,770)
Net cash provided by (used in) investing activities		
Payments into time deposits	-	(183)
Proceeds from withdrawal of time deposits	90	-
Purchase of property, plant and equipment	(1,089)	(2,093)
Proceeds from sales of property, plant and equipment	64	278
Purchase of intangible assets	(297)	(182)
Proceeds from sales and redemption of investments	10	71
Other, net	7	(56)
Net cash provided by (used in) investing activities	(1,214)	(2,165)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(20,471)	4,351
Proceeds from long-term loans payable	20,304	-
Repayment of long-term loans payable	(270)	(5,270)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,964)	(1,953)
Other, net	102	(23)
Net cash provided by (used in) financing activities	(2,300)	(2,896)
Effect of exchange rate change on cash and cash equivalents	128	(75)
Net increase (decrease) in cash and cash equivalents	3,887	(7,908)
Cash and cash equivalents at beginning of period	10,841	16,564
Cash and cash equivalents at end of period	14,729	8,656

(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, 2016 comprise the financial statements of the Company as well as its subsidiaries (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 and matters regarding the first-time adoption thereof

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.

The Group has adopted International Financial Reporting Standards (“IFRS”) from the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017). Thus, the annual consolidated financial statements for the fiscal year ending March 31, 2017 are the first consolidated financial statements prepared based on IFRS standards.

The date of transition to IFRS was April 1, 2015, and the impacts of the transition to IFRS on the Group’s financial position, business performance and cash flows are described in Note 7. First-time adoption.

(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 as mentioned in Note 3. Significant accounting policies.

(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.

(4) Early adoption of new standards

The Group has implemented an early adoption of IFRS 9 “Financial Instruments” (published in November 2009, and revised in July 2014), as from the date of transition to IFRS.

3. Significant accounting policies

Unless otherwise stated, significant accounting policies adopted in these quarterly consolidated financial statements are the same as those adopted in all periods presented in those statements (including consolidated statements of financial position at the IFRS transition date).

Please see the notes on quarterly consolidated financial statements for the first three months of the year ending March 31, 2017 (April 1, 2016 through June 30, 2016), for significant accounting policies adopted by the Group.

4. Significant accounting estimates and associated judgements

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.

Please see the notes on quarterly consolidated financial statements for the first three months of the year ending March 31, 2017 (April 1, 2016 through June 30, 2016), for the management's estimates and judgements that have a significant influence on the amounts recognized in these condensed consolidated financial statements.

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.

The precious metals business engages mainly in recycling and selling of precious and rare metals such as gold, silver, palladium, platinum, and indium, 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. Significant accounting policies."

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

For the nine months ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

(Millions of yen)

	Reporting segment			Total	Adjustment	Consolidated
	Precious metal business	Environmental preservation business	Life & health business			
Revenue						
External revenue	61,725	11,404	18,679	91,809	-	91,809
Intersegment revenue	-	71	1	73	(73)	-
Total	<u>61,725</u>	<u>11,476</u>	<u>18,681</u>	<u>91,882</u>	<u>(73)</u>	<u>91,809</u>
Operating income by business segment	<u>7,151</u>	<u>1,947</u>	<u>887</u>	<u>9,986</u>	<u>(1,831)</u>	<u>8,155</u>
Finance income						27
Finance costs						(97)
Profit before tax						<u>8,085</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, 2016 (from April 1, 2016 to December 31, 2016)

(Millions of yen)

	Reporting segment			Total	Adjustment	Consolidated
	Precious metal business	Environmental preservation business	Life & health business			
Revenue						
External revenue	48,973	11,763	17,716	78,453	-	78,453
Intersegment revenue	-	63	0	63	(63)	-
Total	<u>48,973</u>	<u>11,827</u>	<u>17,716</u>	<u>78,517</u>	<u>(63)</u>	<u>78,453</u>
Operating income by business segment	<u>6,535</u>	<u>2,365</u>	<u>1,014</u>	<u>9,914</u>	<u>(1,835)</u>	<u>8,079</u>
Finance income						10
Finance costs						<u>(215)</u>
Profit before tax						<u>7,874</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

7. First-time adoption

The Group has started to disclose IFRS-based condensed consolidated financial statements from the first quarter under review (from April 1, 2016 to June 30, 2016). The last Japan GAAP-based consolidated financial statements were prepared for the fiscal year ended March 31, 2016, while transition to IFRS took place on April 1, 2015.

(1) Exemption under IFRS 1

A company adopting IFRS for the first time (“first-time adopter”) is required to retrospectively apply the standards required under IFRS, provided, however, that IFRS 1 “First-time Adoption of International Financial Reporting Standards” (“IFRS 1”) specifies certain standards subject to compulsory application of exemption (from the aforementioned retrospective application), along with others subject to voluntary application of exemption. Impacts from the application of these exemptions are adjusted by retained earnings, or other components of equity on the date of transition to IFRS. In the process of transition to IFRS from Japan GAAP, the Group adopted the following exemptions.

- Business combinations

A first-time adopter is allowed to elect not to retrospectively apply IFRS 3 “Business Combinations” to the business combinations that took place before the date of transition to IFRS. The Group elected, by applying this exemption, not to retrospectively apply IFRS 3 to the business combinations that took place before the date of transition. As a result, the amount of goodwill arising from the business combinations before the date of transition is recognized at the book value as at the date of transition based on the Japan GAAP. Incidentally, goodwill is subject to impairment test on the date of transition, regardless of whether there is an indication of impairment loss.

- Foreign currency translation adjustments of foreign operations

Under IFRS 1, an option is allowed whereby cumulative translation differences of foreign operations as at the date of transition to IFRS may be assumed to be nil. The Group elected to assume such cumulative translation differences to be nil as at the date of transition to IFRS.

(2) Compulsory exception under IFRS 1

IFRS 1 prohibits retrospective application of IFRS with respect to “estimates,” “derecognition of financial assets and financial liabilities,” “hedge accounting,” “non-controlling interest,” and “classification and measurement of financial assets.” Thus the Company applies IFRS to these items from the date of transition and onwards.

The reconciliation required to be disclosed at the first-time adoption of IFRS is as follows.

(3) Reconciliation

The reconciliation required to be disclosed at the first-time adoption of IFRS is as follows.

Reconciliation of equity as of April 1, 2015 (date of transition to IFRS)

Line item under Japan GAAP	Japan GAAP	Reclassification of line items	Difference in recognition and measurement	IFRS	Notes	Line item under IFRS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Assets						Assets
Current assets						Current assets
Cash and deposits	11,046	(205)	-	10,841	(1)	Cash and cash equivalents
Notes and accounts receivable-trade	15,146	1,973	(1,267)	15,851	(2),(3) (4)	Trade and other receivables
Inventories	15,630	-	187	15,817	(4)	Inventories
Deferred tax assets	854	(854)	-	-	(6)	
	-	2,506	-	2,506	(2)	Income tax receivables
	-	674	-	674	(1),(3)	Other financial assets
Other	5,919	(4,988)	-	930	(2)	Other current assets
Allowance for doubtful accounts	(40)	40	-	-	(3)	
Total current assets	<u>48,556</u>	<u>(854)</u>	<u>(1,079)</u>	<u>46,622</u>		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	32,334	-	1,328	33,663	(7)	Property, plant and equipment
Goodwill	21,737	-	-	21,737	(8)	Goodwill
Intangible assets	906	-	-	906		Intangible assets
Investment securities	168	(168)	-	-	(5)	
Deferred tax assets	368	854	68	1,291	(6)	Deferred tax assets
Net defined benefit asset	154	-	-	154		Net defined benefit asset
	-	807	-	807	(3),(5)	Financial assets
Other	676	(662)	-	13		Other non-current assets
Allowance for doubtful accounts	(24)	24	-	-	(3)	
Total non-current assets	<u>56,321</u>	<u>854</u>	<u>1,397</u>	<u>58,573</u>		Total non-current assets
Total assets	<u><u>104,877</u></u>	<u><u>-</u></u>	<u><u>317</u></u>	<u><u>105,195</u></u>		Total assets

Line item under Japan GAAP	Japan GAAP	Reclassification of line items	Difference in recognition and measurement	IFRS	Notes	Line item under IFRS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Liabilities						Liabilities and Equity
Current liabilities						Liabilities
Notes and accounts payable-trade	6,161	5,460	165	11,787	(2)	Current liabilities
Short-term loans payable	26,171	270	-	26,441	(9)	Trade and other payables
Current portion of long-term loans payable	270	(270)	-	-	(9)	Loans payable
Accounts payable-other	3,473	(3,473)	-	-	(2)	
Income taxes payable	2,111	-	-	2,111		Income tax payable
	-	46	-	46	(5)	Other financial liabilities
Provisions	1,362	-	(102)	1,259		Provisions
Deferred tax liabilities	776	(776)	-	-	(6)	
Other	5,276	(2,033)	396	3,638	(2), (5),(11)	Other current liabilities
Total current liabilities	45,603	(776)	459	45,286		Total current liabilities
Non-current liabilities						Non-current liabilities
Long-term loans payable	6,550	-	-	6,550		Loans payable
Deferred tax liabilities	1,567	776	(282)	2,061	(6)	Deferred tax liabilities
Net defined benefit liability	126	-	-	126		Net defined benefit liability
	-	72	-	72	(5)	Other financial liabilities
Other	72	(72)	-	0	(5)	Other non-current liabilities
Total non-current liabilities	8,316	776	(282)	8,810		Total non-current liabilities
Total liabilities	53,919	-	176	54,096		Total liabilities
Net assets						Equity
Capital stock	4,480	-	-	4,480		Capital stock
Capital surplus	6,038	77	-	6,116		Capital surplus
Treasury stock	(5,159)	-	-	(5,159)		Treasury stock
Subscription rights to shares	77	(77)	-	-		
Retained earnings	44,459	-	539	44,999	(12), (13)	Retained earnings
Total accumulated other comprehensive income	685	-	(338)	346	(12)	Other components of equity
	50,582	-	200	50,783		Total equity attributable to owners of parent
Non-controlling interests	375	-	(60)	315		Non-controlling interests
Total net assets	50,958	-	140	51,098		Total equity
Total liabilities and net assets	104,877	-	317	105,195		Total liabilities and equity

Reconciliation of equity as of December 31, 2015

Line item under Japan GAAP	Japan GAAP	Reclassification of line items	Difference in recognition and measurement	IFRS	Notes	Line item under IFRS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Assets						Assets
Current assets						Current assets
Cash and deposits	14,830	(101)	-	14,729	(1)	Cash and cash equivalents
Notes and accounts receivable-trade	12,944	2,237	(324)	14,858	(2),(3) (4)	Trade and other receivables
Inventories	13,997	-	(286)	13,710	(4)	Inventories
Deferred tax assets	705	(705)	-	-	(6)	
	-	1,061	-	1,061	(2)	Income tax receivables
	-	578	-	578	(1),(3)	Other financial assets
Other	5,552	(3,803)	(41)	1,707	(2)	Other current assets
Allowance for doubtful accounts	(26)	26	-	-	(3)	
Total current assets	48,003	(705)	(652)	46,645		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	31,099	-	1,058	32,157	(7)	Property, plant and equipment
Goodwill	20,564	-	1,226	21,791	(8)	Goodwill
Intangible assets	976	-	-	976		Intangible assets
Investment securities	182	(182)	-	-	(5)	
Deferred tax assets	207	705	97	1,010	(6)	Deferred tax assets
Net defined benefit asset	141	-	(19)	122		Net defined benefit asset
	-	773	-	773	(3),(5)	Financial assets
Other	654	(626)	-	28		Other non-current assets
Allowance for doubtful accounts	(35)	35	-	-	(3)	
Total non-current assets	53,791	705	2,364	56,861		Total non-current assets
Total assets	101,795	-	1,711	103,506		Total assets

Line item under Japan GAAP	Japan GAAP	Reclassification of line items	Difference in recognition and measurement	IFRS	Notes	Line item under IFRS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Liabilities						Liabilities and Equity
Current liabilities						Liabilities
Notes and accounts payable-trade	6,678	4,045	32	10,756	(2)	Current liabilities
Short-term loans payable	5,649	5,270	-	10,919	(9)	Trade and other payables
Current portion of long-term loans payable	5,270	(5,270)	-	-	(9)	Loans payable
Accounts payable-other	2,078	(2,078)	-	-	(2)	
Income taxes payable	861	-	-	861		Income tax payable
	-	38	-	38	(5)	Other financial liabilities
Provisions	1,020	-	135	1,156		Provisions
Deferred tax liabilities	1	(1)	-	-	(6)	
Other	3,552	(2,004)	330	1,878	(2), (5),(11)	Other current liabilities
Total current liabilities	25,112	(1)	499	25,610		Total current liabilities
Non-current liabilities						Non-current liabilities
Long-term loans payable	21,584	-	(290)	21,294	(10)	Loans payable
Deferred tax liabilities	2,248	1	(249)	1,999	(6)	Deferred tax liabilities
Net defined benefit liability	138	-	-	138		Net defined benefit liability
	-	68	455	524	(5),(10)	Other financial liabilities
Other	68	(68)	-	-	(5)	Other non-current liabilities
Total non-current liabilities	24,040	1	(84)	23,957		Total non-current liabilities
Total liabilities	49,153	-	414	49,567		Total liabilities
Net assets						Equity
Capital stock	4,480	-	-	4,480		Capital stock
Capital surplus	6,112	-	-	6,112		Capital surplus
Treasury stock	(5,033)	-	-	(5,033)		Treasury stock
Retained earnings	46,607	-	1,806	48,414	(12), (13)	Retained earnings
Total accumulated other comprehensive income	73	-	(489)	(415)	(12)	Other components of equity
	52,242	-	1,317	53,559		Total equity attributable to owners of parent
Non-controlling interests	399	-	(19)	379		Non-controlling interests
Total net assets	52,642	-	1,297	53,939		Total equity
Total liabilities and net assets	101,795	-	1,711	103,506		Total liabilities and equity

Reconciliation of equity as of March 31, 2016

Line item under Japan GAAP	Japan GAAP	Reclassification of line items	Difference in recognition and measurement	IFRS	Notes	Line item under IFRS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Assets						Assets
Current assets						Current assets
Cash and deposits	16,668	(103)	-	16,564	(1)	Cash and cash equivalents
Notes and accounts receivable-trade	11,558	3,827	(741)	14,644	(2),(3) (4)	Trade and other receivables
Inventories	15,244	-	(153)	15,090	(4)	Inventories
Deferred tax assets	937	(937)	-	-	(6)	
	-	2,520	-	2,520	(2)	Income tax receivables
	-	105	-	105	(1),(3)	Other financial assets
Other	7,192	(6,380)	-	811	(2)	Other current assets
Allowance for doubtful accounts	(31)	31	-	-	(3)	
Total current assets	51,570	(937)	(895)	49,737		Total current assets
Non-current assets						Non-current assets
Property, plant and equipment	30,791	-	997	31,788	(7)	Property, plant and equipment
Goodwill	19,136	-	(2,213)	16,922	(8)	Goodwill
Intangible assets	969	-	-	969		Intangible assets
Investment securities	155	(155)	-	-	(5)	
Deferred tax assets	322	937	121	1,381	(6)	Deferred tax assets
	-	771	-	771	(3),(5)	Financial assets
Other	664	(637)	-	27		Other non-current assets
Allowance for doubtful accounts	(21)	21	-	-	(3)	
Total non-current assets	52,019	937	(1,095)	51,861		Total non-current assets
Total assets	103,589	-	(1,990)	101,599		Total assets

Line item under Japan GAAP	Japan GAAP	Reclassification of line items	Difference in recognition and measurement	IFRS	Notes	Line item under IFRS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Liabilities						Liabilities and Equity
Current liabilities						Liabilities
Notes and accounts payable-trade	8,875	6,063	186	15,125	(2)	Current liabilities
Short-term loans payable	1,845	5,270	-	7,115	(9)	Trade and other payables
Current portion of long-term loans payable	5,270	(5,270)	-	-	(9)	Loans payable
Accounts payable-other	1,891	(1,891)	-	-	(2)	
Income taxes payable	2,012	-	-	2,012		Income tax payable
	-	187	-	187	(5)	Other financial liabilities
Provisions	1,534	-	(11)	1,522		Provisions
Other	7,012	(4,359)	300	2,953	(2), (5),(11)	Other current liabilities
Total current liabilities	28,442	-	475	28,917		Total current liabilities
Non-current liabilities						Non-current liabilities
Long-term loans payable	21,584	-	(1,080)	20,503	(10)	Loans payable
Deferred tax liabilities	1,937	-	(355)	1,582	(6)	Deferred tax liabilities
Net defined benefit liability	142	-	-	142		Net defined benefit liability
Provisions	119	-	(119)	-		
	-	62	1,403	1,465	(5),(10)	Other financial liabilities
Other	62	(62)	-	-	(5)	
Total non-current liabilities	23,846	-	(153)	23,693		Total non-current liabilities
Total liabilities	52,288	-	322	52,610		Total liabilities
Net assets						Equity
Capital stock	4,480	-	-	4,480		Capital stock
Capital surplus	6,112	-	-	6,112		Capital surplus
Treasury stock	(5,371)	-	-	(5,371)		Treasury stock
Retained earnings	47,524	-	(1,678)	45,845	(12), (13)	Retained earnings
Total accumulated other comprehensive income	(1,884)	-	(591)	(2,476)	(12)	Other components of equity
	50,862	-	(2,270)	48,591		Total equity attributable to owners of parent
Non-controlling interests	438	-	(42)	396		Non-controlling interests
Total net assets	51,300	-	(2,312)	48,988		Total equity
Total liabilities and net assets	103,589	-	(1,990)	101,599		Total liabilities and equity

Notes on reconciliation of equity

(1) Reclassification of cash and deposits

Time deposits with deposit terms of over three months, which were included in “cash and deposits” under Japan GAAP, are reclassified into “other financial assets (current)” under IFRS.

(2) Reclassification of other current assets and current liabilities

Accounts receivable – other, which were included in “other” of current assets under Japan GAAP, have been reclassified as “trade and other receivables” and “Income tax receivables” under IFRS, while accounts payable – other, which was presented as a separate item of current liabilities, and accrued expenses, which were included in “other” under Japan GAAP, have been reclassified as “trade and other payables” under IFRS.

(3) Reclassification of allowance for doubtful accounts

“Allowance for doubtful accounts (current),” which was separately presented under Japan GAAP, has been reclassified under IFRS to be directly deducted from “trade and other receivables” as well as “other financial assets (current)” to present their net amounts, while “allowance for doubtful accounts (non-current)” has also been reclassified under IFRS to be directly deducted from “financial assets (non-current)” to present the net amount.

(4) Adjustment to operating receivables and inventories due to changes in timing of revenue recognition

Timing of revenue recognition for some of the transactions of sales of goods which were recognized on shipment basis under Japan GAAP has been changed to customer delivery basis under IFRS, whereby operating receivables and inventories are subject to adjustments accordingly.

(5) Reclassification of other financial assets and financial liabilities

“Investment securities,” which were presented separately under Japan GAAP, have been reclassified as “financial assets (non-current)” under IFRS. Lease obligations, which were included in “other” of current liabilities and “other” of non-current liabilities under Japan GAAP, have been reclassified as “other financial liabilities (current)” and “other financial liabilities (non-current),” respectively, under IFRS.

(6) Reclassification of deferred tax assets and deferred tax liabilities, review of recoverability of deferred tax assets

Since IFRS requires all deferred tax assets and liabilities to be classified as non-current items without making a distinction between current and non-current items, deferred tax assets and liabilities which were previously recorded as current items have been reclassified as non-current items. Meanwhile, as a result of the adoption of IFRS, the recoverability of all deferred tax assets is currently under review and consideration.

(7) Adjustment to the recorded amount of property, plant and equipment

Under the Japan GAAP, the Group was mainly using the declining-balance method for the purpose of depreciating property, plant and equipment (excluding lease assets); under the IFRS, the Group has adopted the straight-line method.

Fixed asset acquisition tax, which was treated as expenses under Japan GAAP, is capitalized under IFRS.

(8) Adjustment to the recorded amount of goodwill

Goodwill was amortized over a certain period of time under Japan GAAP, whereas it is not subject to amortization under IFRS. In addition, goodwill was subject to reviews for decisions on impairment only when there was an indication of impairment under Japan GAAP, while impairment tests are conducted every reporting period under IFRS.

Based on the difference between Japan GAAP and IFRS, the precious metal business segment recognized 3,776 million yen impairment loss in the fiscal year ended March 31, 2016. Recoverable amount is measured at value in use, and calculated by discounting future cash flows using 11.84% discount rate.

(9) Reclassification of loans payable

“Current portion of long-term loans payable,” which was presented as a separate item of current liabilities, has been reclassified as “loans payable (current)” under IFRS.

(10) Adjustment to loans payable and other financial liabilities

With respect to derivative transactions for the purpose of avoiding risks associated with fluctuations of interest rate of long-term borrowings as well as those of exchange rate, exceptional accounting (tokurei-shori) and designated hedge accounting (furiate-shori) were adopted for the basis of hedge accounting under Japan GAAP, whereas under IFRS, they are measured at fair value.

(11) Adjustment to other current liabilities

Allowance for unused compensated absences, which was not accounted for under Japan GAAP, is recorded as "other current liabilities" under IFRS.

(12) Reclassification of accumulated translation adjustments for overseas subsidiaries

Exemption under IFRS 1 was elected at the first-time adoption, whereby the accumulated translation adjustments as at the date of transition to IFRS have been wholly reclassified as retained earnings.

(13) Reconciliation of retained earnings

	Date of transition to IFRS (April 1, 2015)	As of December 31, 2015	As of March 31, 2016
	Millions of yen	Millions of yen	Millions of yen
Adjustment to trade receivables and inventories	(359)	(41)	(156)
Adjustment to recorded amount of property, plant and equipment	1,328	1,058	997
Adjustment to recorded amount of goodwill	-	1,226	(2,213)
Reconciliation of compensated absences payable	(874)	(861)	(895)
Reclassification of accumulated translation adjustments for overseas subsidiaries	338	338	338
Other	(305)	(201)	(162)
Subtotal	128	1,519	(2,092)
Tax effect reconciliation	351	267	371
Reconciliation for non-controlling interests	60	19	42
Total	539	1,806	(1,678)

Reconciliation of profit or loss and comprehensive income for the nine months ended December 31, 2015
(from April 1, 2015 to December 31, 2015)

Line item under Japan GAAP	Japan GAAP	Reclassification of line items	Difference in recognition and measurement	IFRS	Notes	Line item under IFRS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Net sales	90,830	-	978	91,809	(1)	Revenue
Cost of sales	(71,078)	-	(735)	(71,814)	(1)	Cost of sales
Gross profit	19,751	-	243	19,994		Gross profit
Selling, general and administrative expenses	(12,646)	(55)	1,128	(11,573)	(2)	Selling, general and administrative expenses
	-	144	(48)	96	(3)	Other operating income
	-	(344)	(17)	(362)	(4)	Other operating expenses
Operating income	7,105	(255)	1,305	8,155		Operating income
Non-operating income	75	(75)	-	-	(3),(5)	
Non-operating expenses	(171)	171	-	-	(4),(5)	
Extraordinary income	107	(107)	-	-	(3)	
Extraordinary loss	(316)	316	-	-	(4)	
	-	37	(10)	27	(5)	Finance income
	-	(143)	45	(97)	(5)	Finance cost
Income before income taxes	6,799	(55)	1,341	8,085		Profit before tax
Income taxes-current	(2,384)	(183)	(77)	(2,646)		Income tax expenses
Income taxes-deferred	(239)	239	-	-		
Profit	4,176	-	1,263	5,439		Profit
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss
Valuation difference on available-for-sale securities	13	-	1	15		Financial assets measured at fair value through other comprehensive income
	-	-	(1)	(1)		Remeasurements of defined benefit plans
	13	-	(0)	13		Total of items that will not be reclassified to profit or loss
						Items that will be reclassified to profit or loss
Deferred gains or losses on hedges	5	-	(165)	(160)		Cash flow hedges
Foreign currency translation adjustment	(637)	-	15	(622)		Translation adjustments of foreign operations
	(632)	-	(150)	(782)		Total of items that will be reclassified to profit or loss
Total other comprehensive income	(618)	-	(151)	(769)		Other comprehensive income, net of tax
Comprehensive income	3,557	-	1,112	4,669		Comprehensive income

Reconciliation of profit or loss and comprehensive income for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

Line item under Japan GAAP	Japan GAAP	Reclassification of line items	Difference in recognition and measurement	IFRS	Notes	Line item under IFRS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Net sales	118,473	-	879	119,352	(1)	Revenue
Cost of sales	(92,719)	-	(675)	(93,394)	(1)	Cost of sales
Gross profit	25,753	-	204	25,958		Gross profit
Selling, general and administrative expenses	(17,048)	(72)	1,421	(15,699)	(2)	Selling, general and administrative expenses
	-	157	(48)	109	(3)	Other operating income
	-	(545)	(3,765)	(4,310)	(4)	Other operating expenses
Operating income	8,705	(460)	(2,187)	6,057		Operating income
Non-operating income	89	(89)	-	-	(3),(5)	
Non-operating expenses	(284)	284	-	-	(4),(5)	
Extraordinary income	109	(109)	-	-	(3)	
Extraordinary loss	(512)	512	-	-	(4)	
	-	40	(1)	39	(5)	Finance income
	-	(251)	24	(227)	(5)	Finance cost
Income before income taxes	8,106	(72)	(2,165)	5,868		Profit before tax
Income taxes-current	(3,153)	251	18	(2,883)		Income tax expenses
Income taxes-deferred	179	(179)	-	-		
Profit	5,132	-	(2,146)	2,985		Profit
Other comprehensive income						Other comprehensive income
Valuation difference on available-for-sale securities	(4)	-	-	(4)		Items that will not be reclassified to profit or loss Financial assets measured at fair value through other comprehensive income
	-	-	(99)	(99)		Remeasurements of defined benefit plans
	(4)	-	(99)	(103)		Total of items that will not be reclassified to profit or loss
Deferred gains or losses on hedges	(425)	-	(268)	(693)		Items that will be reclassified to profit or loss Cash flow hedges
Foreign currency translation adjustment	(2,148)	-	15	(2,133)		Translation adjustments of foreign operations
	(2,573)	-	(252)	(2,826)		Total of items that will be reclassified to profit or loss
Total other comprehensive income	(2,577)	-	(352)	(2,930)		Other comprehensive income, net of tax
Comprehensive income	2,554	-	(2,499)	55		Comprehensive income

Notes on reconciliation of profit or loss and comprehensive income

(1) Revenue and cost of sales

Timing of revenue recognition for some of the transactions of sales of goods which were recognized on shipment basis under Japan GAAP has been changed to customer delivery basis, whereby revenue and cost of sales are subject to adjustments accordingly under IFRS.

(2) Selling, general and administrative expenses

Goodwill was subject to amortization under Japan GAAP, whereas it is not under IFRS, and therefore, the amount of amortization of goodwill under Japan GAAP has been reversed.

(3) Other operating income

Gain on sales of non-current assets and others, which were presented as extraordinary income under Japan GAAP, are presented as other operating income under IFRS.

(4) Other operating expenses

Loss on sale and disposal of non-current assets and others, which were presented as extraordinary loss under Japan GAAP, are presented as other operating expense under IFRS. Based on the difference between Japan GAAP and IFRS, the precious metal business segment recognized 3,776 million yen impairment loss for the fiscal year ended March 31, 2016.

(5) Finance income and costs

Interest income, dividend income, and foreign exchange gain, which were presented as non-operating income under Japan GAAP, as well as interest expenses and foreign exchange losses, which were presented as non-operating expenses under Japan GAAP, are presented as finance income and finance costs, respectively, under IFRS.

Reconciliation of cash flows for the fiscal year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

There is no significant difference between the consolidated statements of cash flows disclosed based on Japan GAAP and those disclosed based on IFRS.