

Consolidated Financial Results for the Third Quarter Ended December 31, 2017

Asahi Holdings, Inc. [IFRS]

February 1, 2018

Stock code:	5857
Shares listed:	Tokyo Stock Exchange (First Section)
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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, 2017 (From April 1, 2017 to December 31, 2017)

(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, 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
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)

	Basic earnings per share	Diluted earnings per share
The nine months ended	Yen	Yen
December 31, 2017	220.32	—
December 31, 2016	171.08	—

(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, 2017	116,250	60,694	60,670	52.2
March 31, 2017	88,976	44,827	44,303	49.8

2. Dividend payments

	Dividends per share				
	First quarter	Second quarter	Third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	—	30.00	—	30.00	60.00
Year ending March 31, 2018	—	30.00	—		
Year ending March 31, 2018 (Forecast)				33.00	63.00

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

Year-end dividends per share for the fiscal year ending March 31, 2018 (Forecast) include a commemorative dividend of 3 yen per share and an ordinary dividend of 30 yen per share.

3. Forecast (From April 1, 2017 to March 31, 2018) (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, 2018	120,000	12.3	13,700	572.1	13,400	665.1	9,200	—	264.55

(Note) Revisions in forecast in the current quarter: Yes

For details, please refer to “Notice Regarding Revision of Consolidated Financial Results Forecast” made public on February 1, 2018.

* 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, 2017	38,974,344 shares
As of March 31, 2017	36,254,344 shares

(ii) Number of treasury shares at the quarter end

As of December 31, 2017	255,187 shares
As of March 31, 2017	3,654,987 shares

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

Nine months ended December 31, 2017	33,222,363 shares
Nine months ended December 31, 2016	32,599,583 shares

*The quarterly financial statements are not subject to quarterly reviews.

(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.

Explanatory materials for quarterly financial result will be posted on our website.

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1. Qualitative Information

(1) Consolidated Business Performance

In the Japanese economy during the third quarter of the current fiscal year (April 1, 2017 through December 31, 2017), moderate expansion continued while personal consumption and other areas lacked vigor. Prospects for the global economy remain opaque due to geopolitical risks and other factors.

Under these conditions, the group's results in each business segment were as follows.

Precious metal business

The condition of the precious metal business according to sectors was as follows. In the electronics sector, the volume of collection of gold was larger than in the same period a year earlier. In the dental sector, the volume collection of gold and palladium was larger than in the same period in the previous year. In the jewelry sector, the volume of collection of gold and platinum expanded from the same period a year before. In the automotive catalyst sector, the volume of collection of palladium and platinum increased from the same period in the previous year. As for gold and silver refining business in North America, revenue from refining business decreased from the previous-year level despite an increase in the volume of gold commissioned for refining from the previous year, which is due in part to the lowering of unit price of transactions.

Regarding the average prices of precious metals, the average prices of gold and palladium rose from the same period in the previous year, while those for silver and platinum fell during the same period.

Environmental preservation business

With the volume of industrial waste discharged in Japan on a downward trend in general, the volume of waste handled by the group registered a decrease from the same period in the previous year for some items. Nevertheless, the group launched conscientious efforts to meet the needs of waste generating companies for appropriate disposal, develop new customers and obtain contracts by capitalizing on their characteristics and inter-company collaboration. Consequently, the group's sales revenue and operating income exceeded the levels in the same period in the preceding year.

Life & health business

In the health care equipment sectors, sales revenue saw an increase from the same period in the previous year, thanks to the launching of a new, large-size massage chair and stepped-up marketing to promote the mail order sales of massage chairs. As for fire-fighting equipment, the number of contracted works exceeded the level in the previous year due to the high construction demand that continued primarily in the metropolitan area.

As a result of the above, revenue during the third cumulative quarter of the current fiscal year was 88,197 million yen, a year-on-year increase of 9,743 million yen (+12.4 percent). Operating income was 10,639 million yen, an increase of 2,560 million yen (+31.7 percent) year-on-year. Profit before tax was 10,342 million yen, a year-on-year increase of 2,468 million yen (+31.3 percent). Profit was 7,357 million yen, a year-on-year increase of 1,676 million yen (+29.5 percent). Profit attributable to owners of parent for the period was therefore 7,319 million yen, an increase of 1,742 million yen (+31.2 percent) year-on-year. By segment, revenue in the precious metal business was 57,481 million yen, a year-on-year increase of 8,508 million yen (+17.4 percent). In the environmental preservation business, revenue was 12,044 million yen, and increase of 217 million yen (+1.8 percent) year-on-year. Revenue in the life & health business was 18,728 million yen, up 1,012 million yen (+5.7 percent) year-on-year.

(2) Consolidated Financial Position and Cash Flows for the nine months ended December 31, 2017

As of December 31, 2017, total assets amounted to 116,250 million yen, up 27,273 million yen from the previous fiscal year end. This was due mainly to the increase of 13,155 million yen in trade and other receivables and increase of 8,454 million yen in cash and cash equivalents

Total liabilities amounted to 55,555 million yen, up 11,406 million yen from the previous fiscal year end. This was due mainly to the increase of 10,004 million yen in loans payable.

Total equity amounted to 60,694 million yen, up 15,867 million yen from the previous fiscal year end. This was due mainly to increases of 2,500 million yen in capital stock, 3,442 million yen in capital surplus and 7,432 million yen in comprehensive income, coupled with a decrease of 4,985 million yen in treasury stock

deducted from equity.

As a result, the equity attributable to owners of parent ratio changed to 52.2%, from 49.8% at the end of the previous fiscal year.

Net cash used in operating activities amounted to 7,132 million yen due mainly to 10,342 million yen of profit before tax, 1,690 million yen of depreciation and amortization, 4,898 million yen of increase in inventories, 13,037 million yen of increase in trade and other receivables, and 3,243 million yen of income taxes paid.

Net cash used in investing activities amounted to 2,295 million yen due mainly to 2,268 million yen of purchase of property, plant and equipment.

Net cash provided by financial activities amounted to 17,871 million yen due mainly to 9,497 million yen of net increase in loans payable, 5,001 million yen of increase in proceeds from issuance of common stock, 6,252 million yen of increase in proceeds from sales of treasury stock and 1,954 million yen of cash dividends paid.

As a result, cash and cash equivalents as of December 31, 2017 increased 8,454 million yen from March 31, 2017, to 19,253 million yen.

(3) Consolidated Performance Forecasts

On October 26, 2017, Asahi Holdings, Inc. (hereinafter the “Company”) revised the consolidated financial results forecast announced on May 10, 2017. Nevertheless, the precious metal prices and collection volume of precious metals are expected to exceed the estimates of previous forecast. Therefore, the Company has revised the consolidated financial results forecast again.

The revised forecast of operating income, profit before tax and profit attributable to owner of parent are expected to stand at record-high.

Revision of consolidated financial results forecast for fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(Millions of yen, %)

	Revenue	Operating income	Profit before tax	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous Forecast (A) (Announced on October 26, 2017)	120,000	12,500	12,300	8,300	254.61
Revised Forecast (B)	120,000	13,700	13,400	9,200	264.55
Change (B - A)	—	1,200	1,100	900	—
Change (%)	—	9.6	8.9	10.8	—
(Ref.) Results for the fiscal year ended March 31, 2017	106,828	2,038	1,751	(1,213)	(37.24)

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

	As of March 31, 2017	As of December 31, 2017
	Millions of yen	Millions of yen
ASSETS		
Current assets		
Cash and cash equivalents	10,798	19,253
Trade and other receivables	15,557	28,713
Inventories	17,356	22,295
Income tax receivables	1,574	881
Other financial assets	103	0
Other current assets	664	1,489
Total current assets	46,056	72,633
Non-current assets		
Property, plant and equipment	31,987	32,869
Goodwill	8,238	8,243
Intangible assets	918	980
Deferred tax assets	1,167	948
Net defined benefit asset	64	26
Financial assets	528	529
Other non-current assets	15	17
Total non-current assets	42,920	43,616
Total assets	88,976	116,250

	As of March 31, 2017	As of December 31, 2017
	Millions of yen	Millions of yen
<u>LIABILITIES and EQUITY</u>		
Liabilities		
Current liabilities		
Trade and other payables	12,710	12,383
Loans payable	2,720	13,645
Income tax payable	1,061	1,816
Other financial liabilities	191	615
Provisions	1,490	1,111
Other current liabilities	2,613	3,783
Total current liabilities	<u>20,787</u>	<u>33,357</u>
Non-current liabilities		
Loans payable	20,195	19,273
Deferred tax liabilities	1,790	1,710
Net defined benefit liability	143	148
Other financial liabilities	1,221	1,066
Other non-current liabilities	10	—
Total non-current liabilities	<u>23,361</u>	<u>22,198</u>
Total liabilities	44,148	55,555
Equity		
Capital stock	4,480	6,981
Capital surplus	6,126	9,569
Treasury stock	(5,371)	(386)
Retained earnings	42,783	48,144
Other components of equity	(3,716)	(3,637)
Total equity attributable to owners of parent	<u>44,303</u>	<u>60,670</u>
Non-controlling interests	524	24
Total equity	<u>44,827</u>	<u>60,694</u>
Total liabilities and equity	<u>88,976</u>	<u>116,250</u>

(2) Condensed Consolidated Statements of Income for the nine months ended December 31, 2017

	The nine months ended December 31, 2016	The nine months ended December 31, 2017
	Millions of yen	Millions of yen
Revenue	78,453	88,197
Cost of sales	<u>(59,473)</u>	<u>(66,824)</u>
Gross profit	18,979	21,372
Selling, general and administrative expenses	(11,371)	(10,817)
Other operating income	662	206
Other operating expenses	<u>(191)</u>	<u>(122)</u>
Operating income	8,079	10,639
Finance income	10	47
Finance cost	<u>(215)</u>	<u>(344)</u>
Profit before tax	7,874	10,342
Income tax expenses	<u>(2,194)</u>	<u>(2,985)</u>
Profit	<u>5,680</u>	<u>7,357</u>
Profit attributable to:		
Owners of parent	5,577	7,319
Non-controlling interests	<u>103</u>	<u>37</u>
Profit	<u>5,680</u>	<u>7,357</u>
Earnings per share		
Basic earnings per share (Yen)	171.08	220.32

(3) Condensed Consolidated Statements of Comprehensive Income for the nine months ended December 31, 2017

	The nine months ended December 31, 2016	The nine months ended December 31, 2017
	Millions of yen	Millions of yen
Profit	5,680	7,357
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(5)	20
Remeasurements of defined benefit plans	121	(2)
Total items that will not be reclassified to profit or loss	115	17
Items that will be reclassified to profit or loss		
Cash flow hedges	61	(366)
Translation adjustments of foreign operations	(1,207)	423
Total items that will be reclassified to profit or loss	(1,145)	57
Other comprehensive income, net of tax	(1,029)	75
Comprehensive income	4,650	7,432
Comprehensive income attributable to:		
Owners of parent	4,549	7,391
Non-controlling interests	100	40
Comprehensive income	4,650	7,432

(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, 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)	—	—	—
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)
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

(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		Total	Total	Non-controlling interests	Total
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans				
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

(5) Condensed Consolidated Statements of Cash Flows

	The nine months ended December 31, 2016	The nine months ended December 31, 2017
	Millions of yen	Millions of yen
Net cash provided by (used in) operating activities		
Profit before tax	7,874	10,342
Depreciation and amortization	1,738	1,690
Impairment loss	112	43
Finance income and finance cost	157	315
Decrease (increase) in inventories	(2,370)	(4,898)
Decrease (increase) in trade and other receivables	(2,910)	(13,037)
Increase (decrease) in trade and other payables	(4,327)	(456)
Other, net	(57)	1,461
Subtotal	216	(4,539)
Interest and dividends income received	7	16
Interest expenses paid	(155)	(319)
Income taxes paid	(4,874)	(3,243)
Income taxes refund	2,036	953
Net cash provided by (used in) operating activities	(2,770)	(7,132)
Net cash provided by (used in) investing activities		
Payments into time deposits	(183)	—
Proceeds from withdrawal of time deposits	—	11
Purchase of property, plant and equipment	(2,093)	(2,268)
Proceeds from sales of property, plant and equipment	278	161
Purchase of intangible assets	(182)	(212)
Proceeds from sales and redemption of investments	71	5
Other, net	(56)	7
Net cash provided by (used in) investing activities	(2,165)	(2,295)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	4,351	9,767
Repayment of long-term loans payable	(5,270)	(270)
Proceeds from issuance of common stock	—	5,001
Proceeds from sales of treasury stock	—	6,252
Purchase of treasury stock	(0)	(0)
Payment to acquire interests in subsidiaries from non-controlling interests	—	(874)
Cash dividends paid	(1,953)	(1,954)
Other, net	(23)	(50)
Net cash provided by (used in) financing activities	(2,896)	17,871
Effect of exchange rate change on cash and cash equivalents	(75)	11
Net increase (decrease) in cash and cash equivalents	(7,908)	8,454
Cash and cash equivalents at beginning of period	16,564	10,798
Cash and cash equivalents at end of period	8,656	19,253

(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, 2017 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.

(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

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, 2017.

The income tax for the nine months ended December 31, 2017 was calculated based on the estimated average annual effective tax rate.

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, 2017.

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 for the consolidated financial statements for the fiscal year ended March 31, 2017.

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

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 cost						(215)
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.

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 metal 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 cost						<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.

6. Subsequent events

Not applicable