

# Consolidated Financial Results for the Three Months ended May 31, 2018

## Seven & i Holdings Co., Ltd.

(URL <http://www.7andi.com/en>)

Securities Code No. 3382

President: Ryuichi Isaka

The Company's shares are listed on the First Section of the Tokyo Stock Exchange.

Submission date of quarterly securities report scheduled: July 13, 2018

Starting date of paying dividend: -

Preparation of brief summary materials for quarterly financial results: Yes

Holding of quarterly financial results presentation: Yes

Note: All amounts less than one million yen have been disregarded.

### 1. Business Results for the Three Months ended May 31, 2018 (from March 1, 2018 to May 31, 2018)

#### (1) Results of Operations (cumulative)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income	
Three Months ended May 31, 2018	1,599,034	8.9%	86,376	2.7%	84,931	1.6%
Three Months ended May 31, 2017	1,468,086	5.3%	84,141	3.3%	83,616	1.5%

  

	Net income Attributable to Owners of Parent		Net Income per Share		Diluted Net Income per Share	
Three Months ended May 31, 2018	42,887	27.5%	48.48	(yen)	48.44	(yen)
Three Months ended May 31, 2017	33,628	(22.1)%	38.02	(yen)	37.98	(yen)

Notes: 1. Comprehensive income:

Three Months ended May 31, 2018: (352) million yen [-%]

Three Months ended May 31, 2017: 19,784 million yen [22.5%]

2. Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.

\*Group's total sales include the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees:

Three Months ended May 31, 2018: 2,851,031 million yen [6.6%]

Three Months ended May 31, 2017: 2,674,956 million yen [4.5%]

#### (2) Financial Position

(Millions of yen, except per share amounts)

	Total Assets	Net Assets	Owners' Equity Ratio	Owners' Equity per Share
As of May 31, 2018	5,808,587	2,531,273	41.0%	2,694.91 (yen)
As of February 28, 2018	5,494,950	2,575,342	44.2%	2,744.08 (yen)

Note: Owners' equity (net assets excluding non-controlling interests and subscription rights to shares) :

As of May 31, 2018: 2,383,843 million yen

As of February 28, 2018: 2,427,264 million yen

### 2. Dividends

Record Date	Dividends per Share (yen)				
	First Quarter	Second Quarter	Third Quarter	Year-end	Annual
Year ended February 28, 2018	-	45.00	-	45.00	90.00
Year ending February 28, 2019	-				
Year ending February 28, 2019 (forecast)		47.50	-	47.50	95.00

Note: Revision of dividends forecast during the current quarterly period: None

### 3. Forecast of Business Results for the Fiscal Year ending February 28, 2019 (from March 1, 2018 to February 28, 2019)

(Millions of yen, except per share amounts)

	Revenues from Operations		Operating Income		Ordinary Income		Net income Attributable to Owners of Parent		Net Income per Share	
<b>Interim Period</b>	3,269,000	9.4%	196,700	1.1%	194,200	0.0%	101,000	12.9%	114.18	(yen)
<b>Entire Year</b>	6,683,000	10.7%	415,000	6.0%	408,500	4.5%	210,000	15.9%	237.41	(yen)

Notes:

- Percentages represent increase (decrease) from the corresponding period in the prior fiscal year.
- Revision of business results forecast during the current quarterly period: None

\*The forecast of Group's total sales includes the sales of Seven-Eleven Japan and 7-Eleven, Inc. franchisees:

Interim Period: 5,900,000 million yen [7.3%]

Entire Year: 11,920,000 million yen [7.9%]

### 4. Others

- Changes in significant subsidiaries during the period:  
(changes in specific subsidiaries accompanying change in scope of consolidation): None  
Added: none Excluded: none
- Application of specific accounting for preparing the quarterly consolidated financial statements: None
- Changes in accounting policies, accounting estimates or restatements
  - Changes due to amendment of accounting standards: None
  - Changes due to other reasons: None
  - Changes in accounting estimates: None
  - Restatements: None
- Number of shares outstanding (common stock)
  - Number of shares outstanding at the end of period (including treasury stock)  
As of May 31, 2018: 886,441,983 shares As of February 28, 2018: 886,441,983 shares
  - Number of treasury stock at the end of period  
As of May 31, 2018: 1,870,280 shares As of February 28, 2018: 1,897,782 shares
  - Average number of shares during the period (cumulative quarterly consolidated period)  
As of May 31, 2018: 884,562,080 shares As of May 31, 2017: 884,495,504 shares

### NOTICE REGARDING QUARTERLY REVIEW PROCEDURES FOR THE QUARTERLY FINANCIAL RESULTS

This quarterly financial results statement is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results statement, the quarterly review procedure based upon the Financial Instruments and Exchange Act has not been completed.

### FORWARD LOOKING STATEMENTS

- The forecast for the year ending February 28, 2019 is based on Seven & i Holdings' hypotheses, plans and estimates at the date of publication. It is possible that some uncertain factors will cause the Company's future performance to differ significantly from the contents of the forecast.
- Brief summary for the first quarter of FY2019 will be posted on the Company's website (<http://www.7andi.com/en/ir/library/kh/201902.html>). The presentation materials related to financial results which will be used at the financial results presentation planned to be held on July 5, 2018, will be posted as soon as possible after the presentation.

**Attached Materials**

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**5. Consolidated Quarterly Financial Statements**  
**(1) Consolidated Quarterly Balance Sheets**

(Millions of yen)

	February 28, 2018	May 31, 2018
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets</b>	<b>2,340,207</b>	<b>2,380,513</b>
Cash and bank deposits	1,316,793	1,307,489
Notes and accounts receivable - trade	337,938	359,189
Trade accounts receivable - financial services	95,482	96,131
Merchandise and finished goods	173,999	183,314
Work in process	27	19
Raw materials and supplies	2,962	2,976
Prepaid expenses	52,282	56,294
ATM-related temporary payments	96,826	89,250
Deferred income taxes	27,981	28,226
Other	241,356	263,518
Allowance for doubtful accounts	(5,441)	(5,895)
<b>Non-current assets</b>	<b>3,154,734</b>	<b>3,428,065</b>
<b>Property and equipment</b>	<b>1,989,455</b>	<b>2,111,746</b>
Buildings and structures, net	872,271	968,961
Furniture, fixtures and equipment, net	327,961	314,909
Land	725,180	766,568
Lease assets, net	4,899	4,283
Construction in progress	53,677	50,447
Other, net	5,463	6,576
<b>Intangible assets</b>	<b>461,966</b>	<b>604,189</b>
Goodwill	251,233	375,465
Software	61,115	76,709
Other	149,617	152,014
<b>Investments and other assets</b>	<b>703,313</b>	<b>712,129</b>
Investments in securities	175,856	191,872
Long-term loans receivable	14,794	14,659
Long-term leasehold deposits	383,276	379,110
Advances for store construction	573	427
Net defined benefit asset	45,620	46,967
Deferred income taxes	28,375	26,752
Other	58,310	55,670
Allowance for doubtful accounts	(3,493)	(3,331)
<b>Deferred assets</b>	<b>7</b>	<b>8</b>
Business commencement expenses	7	8
<b>TOTAL ASSETS</b>	<b>5,494,950</b>	<b>5,808,587</b>

(Millions of yen)

	February 28, 2018	May 31, 2018
	Amount	Amount
<b>LIABILITIES</b>		
<b>Current liabilities</b>	<b>1,944,007</b>	<b>2,213,203</b>
Notes and accounts payable, trade	420,012	464,911
Short-term loans	127,255	265,724
Current portion of bonds	74,999	59,999
Current portion of long-term loans	82,656	69,401
Income taxes payable	32,211	13,624
Accrued expenses	117,362	125,024
Deposits received	174,382	251,649
ATM-related temporary advances	45,165	38,149
Allowance for sales promotion expenses	19,793	19,512
Allowance for bonuses to employees	14,662	26,587
Allowance for bonuses to Directors and Audit & Supervisory Board Members	345	39
Allowance for loss on future collection of gift certificates	1,590	1,507
Provision for sales returns	89	116
Deposits received in banking business	553,522	543,234
Call money	-	50,000
Other	279,957	283,720
<b>Non-current liabilities</b>	<b>975,600</b>	<b>1,064,111</b>
Bonds	305,000	305,000
Long-term loans	393,149	469,602
Deferred income taxes	35,416	32,805
Allowance for retirement benefits to Directors and Audit & Supervisory Board Members	988	876
Allowance for stock payments	95	119
Net defined benefit liability	9,185	7,452
Deposits received from tenants and franchised stores	54,806	54,037
Asset retirement obligations	79,412	83,801
Other	97,546	110,415
<b>TOTAL LIABILITIES</b>	<b>2,919,607</b>	<b>3,277,314</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>	<b>2,348,841</b>	<b>2,352,015</b>
Common stock	50,000	50,000
Capital surplus	409,128	409,154
Retained earnings	1,894,444	1,897,526
Treasury stock, at cost	(4,731)	(4,665)
<b>Total accumulated other comprehensive income</b>	<b>78,423</b>	<b>31,828</b>
Unrealized gains on available-for-sale securities, net of taxes	27,897	30,555
Unrealized losses on hedging derivatives, net of taxes	(92)	(63)
Foreign currency translation adjustments	46,638	(3,153)
Remeasurements of defined benefit plans	3,979	4,488
<b>Subscription rights to shares</b>	<b>2,623</b>	<b>2,524</b>
<b>Non-controlling interests</b>	<b>145,454</b>	<b>144,905</b>
<b>TOTAL NET ASSETS</b>	<b>2,575,342</b>	<b>2,531,273</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>5,494,950</b>	<b>5,808,587</b>

**(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly  
Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income**

(Millions of yen)

	Three Months ended May 31, 2017	Three Months ended May 31, 2018
	Amount	Amount
<b>Revenues from operations</b>	<b>1,468,086</b>	<b>1,599,034</b>
Net sales	1,169,170	1,295,140
Cost of sales	919,536	1,034,555
<b>Gross profit on sales</b>	<b>249,633</b>	<b>260,584</b>
Operating revenues	298,916	303,894
<b>Gross profit from operations</b>	<b>548,549</b>	<b>564,479</b>
Selling, general and administrative expenses	464,408	478,102
<b>Operating income</b>	<b>84,141</b>	<b>86,376</b>
<b>Non-operating income</b>	<b>2,598</b>	<b>2,861</b>
Interest income	1,217	1,353
Equity in earnings of affiliates	370	-
Other	1,010	1,508
<b>Non-operating expenses</b>	<b>3,123</b>	<b>4,306</b>
Interest expenses	1,590	2,585
Interest on bonds	623	580
Equity in losses of affiliates	-	106
Other	909	1,034
<b>Ordinary income</b>	<b>83,616</b>	<b>84,931</b>
<b>Special gains</b>	<b>734</b>	<b>876</b>
Gain on sales of property and equipment	178	686
Gain on sales of property and equipment related to Restructuring	325	-
Other	230	189
<b>Special losses</b>	<b>27,664</b>	<b>15,200</b>
Loss on disposals of property and equipment	3,813	4,772
Impairment loss on property and equipment	1,788	3,942
Loss on sales of shares of subsidiaries	1,644	3,320
Restructuring expenses	18,401	1,262
Other	2,015	1,902
<b>Income before income taxes</b>	<b>56,686</b>	<b>70,607</b>
<b>Total Income taxes</b>	<b>17,999</b>	<b>23,463</b>
Income taxes - current	15,727	24,051
Income taxes - deferred	2,271	(587)
<b>Net income</b>	<b>38,687</b>	<b>47,143</b>
<b>Net income attributable to non-controlling interests</b>	<b>5,058</b>	<b>4,256</b>

# Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three Months ended May 31, 2017	Three Months ended May 31, 2018
	Amount	Amount
<b>Net income</b>	<b>38,687</b>	<b>47,143</b>
Other comprehensive income (loss)		
Unrealized gains on available-for-sale securities, net of taxes	2,867	2,661
Unrealized gains on hedging derivatives, net of taxes	599	24
Foreign currency translation adjustments	(23,122)	(50,644)
Remeasurements of defined benefit plans	810	465
Share of other comprehensive income (loss) of entities accounted for using equity method	(57)	(3)
<b>Total other comprehensive income (loss)</b>	<b>(18,902)</b>	<b>(47,496)</b>
<b>Comprehensive income (loss)</b>	<b>19,784</b>	<b>(352)</b>
Comprehensive income (loss) attributable to owners of parent	15,250	(3,708)
Comprehensive income attributable to non-controlling interests	4,533	3,355

### (3) Consolidated Quarterly Statements of Cash Flows

(Millions of yen)

	Three Months ended May 31, 2017	Three Months ended May 31, 2018
	Amount	Amount
<b>Cash flows from operating activities:</b>		
Income before income taxes	56,686	70,607
Depreciation and amortization	53,014	53,187
Impairment loss on property and equipment	19,055	5,006
Amortization of goodwill	4,229	5,915
Interest income	(1,217)	(1,353)
Interest expenses and interest on bonds	2,214	3,166
Equity in losses (earnings) of affiliates	(370)	106
Gain on sales of property and equipment	(503)	(686)
Loss on disposals of property and equipment	3,879	4,772
Loss on sales of stocks of subsidiaries	1,644	3,320
Decrease in notes and accounts receivable, trade	(11,812)	(32,560)
Decrease in trade accounts receivable, financial services	(1,880)	(648)
Decrease (increase) in inventories	884	(181)
Increase in notes and accounts payable, trade	29,666	55,815
Increase in deposits received	52,075	78,776
Net decrease in corporate bonds in banking business	-	(15,000)
Net decrease in deposits received in banking business	(3,775)	(10,287)
Net increase (decrease) in call money in banking business	(1,000)	50,000
Net change in ATM-related temporary accounts	2,639	554
Other	(18,787)	(4,234)
Subtotal	186,643	266,274
Interest and dividends received	794	915
Interest paid	(2,247)	(2,800)
Income taxes paid	(29,292)	(37,322)
<b>Net cash provided by operating activities</b>	<b>155,898</b>	<b>227,066</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(59,220)	(265,361)
Proceeds from sales of property and equipment	6,222	43,335
Acquisition of intangible assets	(6,617)	(8,759)
Payment for purchase of investments in securities	(663)	(15,133)
Proceeds from sales of investments in securities	13,300	3,200
Proceeds from sales of shares in subsidiaries resulting in change in scope of consolidation	108	-
Payment for sales of shares in subsidiaries resulting in change in scope of consolidation	-	(127)
Payment for long-term leasehold deposits	(3,078)	(3,487)
Refund of long-term leasehold deposits	12,470	8,781
Proceeds from deposits from tenants	700	738
Refund of deposits from tenants	(1,932)	(1,227)
Payment for acquisition of business	(1,056)	(167,327)
Payment for time deposits	(2,060)	(2,323)
Proceeds from withdrawal of time deposits	1,370	997
Other	(3,968)	(1,004)
<b>Net cash used in investing activities</b>	<b>(44,425)</b>	<b>(407,698)</b>



(Millions of yen)

	Three Months ended May 31, 2017	Three Months ended May 31, 2018
	Amount	Amount
<b>Cash flows from financing activities:</b>		
Net increase in short-term loans	3,200	140,646
Proceeds from long-term debts	11,980	106,898
Repayment of long-term debts	(15,889)	(32,540)
Proceeds from commercial paper	-	2,272
Payment for redemption of commercial paper	-	(2,272)
Proceeds from share issuance to non-controlling shareholders	347	0
Dividends paid	(39,296)	(39,365)
Dividends paid to non-controlling interests	(349)	(388)
Other	(7,166)	4,935
<b>Net cash used in financing activities</b>	<b>(47,174)</b>	<b>180,184</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(2,677)</b>	<b>(9,694)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>61,621</b>	<b>(10,141)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,209,497</b>	<b>1,300,383</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,271,118</b>	<b>1,290,241</b>

#### (4) Doubts on the Premise of Going Concern

None

#### (5) Notes to Consolidated Quarterly Statements of Income

A breakdown of Restructuring expenses listed below.

(Millions of yen)

	Three Months ended May 31, 2017	Three Months ended May 31, 2018
Impairment loss	17,267	1,063
Store closing losses	514	184
Early retirement benefit	273	12
Loss on disposals of property and equipment	65	0
Others	280	1
<b>Total</b>	<b>18,401</b>	<b>1,262</b>

#### (6) Segment Information

##### I. Three Months ended May 31, 2017 (From March 1, 2017 to May 31, 2017)

##### 1. Information on Revenues from Operations and Income (Loss) by Reportable Segment

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
<b>Revenues from operations</b>										
<b>Revenues</b>										
1. Customers	227,757	459,923	473,582	160,524	41,383	103,117	1,797	1,468,086	-	1,468,086
2. Intersegment	342	51	2,463	2,113	9,151	641	3,840	18,604	(18,604)	-
<b>Total</b>	<b>228,099</b>	<b>459,975</b>	<b>476,045</b>	<b>162,638</b>	<b>50,534</b>	<b>103,759</b>	<b>5,637</b>	<b>1,486,690</b>	<b>(18,604)</b>	<b>1,468,086</b>
<b>Segment income</b>	<b>59,478</b>	<b>7,045</b>	<b>5,291</b>	<b>400</b>	<b>12,513</b>	<b>1,197</b>	<b>986</b>	<b>86,911</b>	<b>(2,769)</b>	<b>84,141</b>

Notes:

1. The adjustments on segment income of (2,769) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

##### 2. Impairment of Fixed Assets and Goodwill by Reportable Segment

No significant items to be reported.

##### II. Three Months ended May 31, 2018 (From March 1, 2018 to May 31, 2018)

##### 1. Information on Revenues from Operations and Income (Loss) by Reportable Segment

(Millions of yen)

	Reportable segments							Total	Adjustments (Note 1)	Consolidated total (Note 2)
	Domestic convenience store operations	Overseas convenience store operations	Superstore operations	Department store operations	Financial services	Specialty store operations	Others			
<b>Revenues from operations</b>										
<b>Revenues</b>										
1. Customers	233,569	608,521	474,014	139,859	43,885	97,584	1,597	1,599,032	2	1,599,034
2. Intersegment	320	748	2,065	1,755	9,726	433	4,047	19,096	(19,096)	-
<b>Total</b>	<b>233,890</b>	<b>609,269</b>	<b>476,079</b>	<b>141,614</b>	<b>53,611</b>	<b>98,018</b>	<b>5,644</b>	<b>1,618,129</b>	<b>(19,094)</b>	<b>1,599,034</b>
<b>Segment income</b>	<b>55,394</b>	<b>9,382</b>	<b>6,236</b>	<b>365</b>	<b>13,892</b>	<b>2,947</b>	<b>608</b>	<b>88,827</b>	<b>(2,450)</b>	<b>86,376</b>

Notes:

1. The adjustments on segment income of (2,450) million yen are eliminations of intersegment transactions and certain expense items that are not allocated to reportable segments.
2. Segment income is reconciled with the operating income in the Consolidated Quarterly Statements of Income.

## 2. Impairment of Fixed Assets and Goodwill by Reportable Segment

(Significant changes in the amount of goodwill)

In the Overseas convenience store operations segment, the Company's consolidated subsidiary 7-Eleven, Inc. acquired stores and other assets constituting most of convenience store business and gasoline retail business of U.S. company Sunoco LP. As a result of the consolidation, the amount of goodwill increased by 154,116 million yen (US\$1,390,445 thousand) in the first quarter consolidated accounting period.

The amount above is provisional since the purchase price allocation has not been finalized.

Note: The yen amounts were calculated using the January 23, 2018 rate (US\$1 = 110.84 yen) .

### (Reference)

Revenues from operations and operating income by geographic area segments are as described below.

#### Three Months ended May 31, 2017 (From March 1, 2017 to May 31, 2017) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
<b>Revenues</b>						
1. Customers	970,814	468,637	28,634	1,468,086	-	1,468,086
2. Intersegment	188	51	14	255	(255)	-
<b>Total</b>	<b>971,003</b>	<b>468,689</b>	<b>28,649</b>	<b>1,468,342</b>	<b>(255)</b>	<b>1,468,086</b>
<b>Operating income</b>	<b>77,486</b>	<b>6,379</b>	<b>272</b>	<b>84,138</b>	<b>2</b>	<b>84,141</b>

#### Three Months ended May 31, 2018 (From March 1, 2018 to May 31, 2018) (Millions of yen)

	Japan	North America	Others	Total before eliminations	Eliminations	Consolidated total
Revenues from operations						
<b>Revenues</b>						
1. Customers	950,791	617,960	30,282	1,599,034	-	1,599,034
2. Intersegment	202	128	-	330	(330)	-
<b>Total</b>	<b>950,993</b>	<b>618,088</b>	<b>30,282</b>	<b>1,599,365</b>	<b>(330)</b>	<b>1,599,034</b>
<b>Operating income</b>	<b>77,851</b>	<b>8,348</b>	<b>174</b>	<b>86,373</b>	<b>2</b>	<b>86,376</b>

Notes:

1. The classification of geographic area segments is determined according to geographical distances.
2. "Others" consists of the business results in the People's Republic of China, etc.

### (7) Notes on Significant Changes in the Amount of Shareholders' Equity

None

### (8) Business Combination and Other Matters

#### Three months ended May 31, 2018

Business combination by acquisition

##### 1. Outline of the business combination

###### (1) Name and main business of the acquired company

Name: Sunoco LP

Main business: Operation of fuel wholesale and retail, and convenience store business

###### (2) Main reason for the business combination

In accordance with the Medium-Term Management Plan for the Group announced in October 2016, 7-Eleven, Inc. is aiming to achieve average daily merchandise sales per store of \$5,000 and 10,000 stores by the fiscal year ending February 29, 2020, and is working to strengthen its merchandizing capabilities and expand its store network. Sunoco LP has a large number of stores in the State of Texas and the eastern area of the United States, where 7-Eleven, Inc., currently operates stores. By acquiring part of Sunoco LP's convenience store business and gasoline retail business, 7-Eleven, Inc. will expand its store network and offer greater convenience, while also improving profitability. Regarding the stores acquired, 7-Eleven, Inc. signed a contract to receive gasoline from Sunoco LP for the next 15 years.

###### (3) Date of the business combination

January 23, 2018

###### (4) Legal form of the business combination

Acquisition of business

###### (5) The acquired company's name after the business combination

No change

###### (6) Main reason for the decision of the acquiring company

7-Eleven, Inc. received the business with all consideration paid in cash.

2. Period for which the acquired company's operating results are included in the consolidated financial statements

From January 23, 2018 to March 31, 2018

3. Acquisition cost of acquired business and breakdown by type of consideration

Consideration for acquisition	Cash	US\$3,244,015 thousand	(359,566 million yen)
Acquisition cost		US\$3,244,015 thousand	(359,566 million yen)

4. Details and amounts of main acquisition-related costs

Payment for financial and legal investigation US\$35,128 thousand (3,893 million yen)

5. Amount, reason for recognition, and period and method of amortization of goodwill

(1) Amount of goodwill

US\$1,390,445 thousand (154,116 million yen)

The amount above is provisional since the purchase price allocation has not been finalized and fair value measurement of identifiable assets and liabilities at the acquisition date has not been finalized.

(2) Reason for recognition of goodwill

Expected excess earning power of future business development

(3) Period and method of amortization of goodwill

20 years using the straight-line method

6. Total amounts and principal breakdowns of assets received and liabilities assumed on the date of the business combination

Current assets	US\$134,210 thousand	( 14,875 million yen)
Non-current assets	US\$1,842,565 thousand	(204,229 million yen)
Total assets	US\$1,976,775 thousand	(219,105 million yen)
Non-current liabilities	US\$123,204 thousand	( 13,656 million yen)
Total liabilities	US\$123,204 thousand	( 13,656 million yen)

7. Approximate amounts of impact of the business combination on the Company's consolidated statements of income for the fiscal year assuming the business combination was completed at the beginning of the fiscal year, and the calculation method thereof

Information is omitted since the amounts are insignificant.

Note: The yen amounts were calculated using the January 23, 2018 rate (US\$1 = 110.84 yen).