4. CONSOLIDATED FINANCIAL STATEMENTS and RELATED NOTES

(1) Consolidated Statement of Financial Position

(Millions of yen)

	March 31, 2017	March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	92,628	149,913
Trade and other receivables	243,195	263,453
Inventories	136,020	139,536
Income tax receivables	1,878	4,327
Other financial assets	6,924	1,427
Other current assets	18,799	23,018
Total current assets	499,446	581,676
Non-current assets		
Property, plant and equipment	190,580	192,941
Goodwill and intangible assets	209,577	332,699
Investments accounted for using the equity method	3,489	3,601
Other financial assets	47,542	47,507
Deferred tax assets	48,129	37,540
Other non-current assets	6,668	7,942
Total non-current assets	505,988	622,230
Total assets	1,005,435	1,203,907

(Millions of yen)

	March 31, 2017	March 31, 2018
Liabilities		
Current liabilities		
Trade and other payables	156,090	173,996
Bonds and borrowings	41,294	33,136
Income tax payables	5,554	5,038
Provisions	5,659	8,472
Other financial liabilities	372	1,874
Other current liabilities	41,275	48,888
Total current liabilities	250,246	271,407
Non-current liabilities		
Bonds and borrowings	144,218	260,530
Retirement benefit liabilities	61,267	51,599
Provisions	1,136	4,288
Other financial liabilities	4,362	59,781
Deferred tax liabilities	5,222	12,558
Other non-current liabilities	4,833	8,152
Total non-current liabilities	221,040	396,911
Total liabilities	471,286	668,318
Equity		
Share capital	37,519	37,519
Share premium	202,631	184,841
Retained earnings	276,709	298,366
Treasury shares	(9,214)	(10,189)
Subscription rights to shares	998	934
Other components of equity	15,685	13,041
Equity attributable to owners of the company	524,331	524,513
Non-controlling interests	9,818	11,075
Total equity	534,149	535,588
Total liabilities and equity	1,005,435	1,203,907

(2) Consolidated Statement of Profit or Loss

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Revenue	962,555	1,031,256
Cost of sales	502,616	541,453
Gross profit	459,938	489,803
Other income	14,147	24,856
Selling, general and administrative expenses	416,622	443,996
Other expenses	7,328	16,819
Operating profit	50,135	53,844
Finance income	2,724	3,778
Finance costs	3,451	7,851
Share of loss of investments accounted for using the equity method	66	647
Profit before tax	49,341	49,124
Income tax expense	17,856	16,916
Profit for the year	31,485	32,207
Profit attributable to:		
Owners of the company	31,542	32,248
Non-controlling interests	(56)	(41)
Earnings per share		
Basic	63.65 yen	65.17 yen
Diluted	63.47 yen	64.96 yen

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit for the year	31,485	32,207
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans (net of tax)	1,519	2,985
Net gain (loss) on revaluation of financial assets measured at fair value (net of tax)	3,958	1,044
Share of other comprehensive income of investments accounted for using the equity method (net of tax)	(0)	0
Total items that will not be reclassified to profit or loss	5,477	4,030
Items that may be subsequently reclassified to profit or loss		
Net gain (loss) on derivatives designated as cash flow hedges (net of tax)	697	232
Exchange differences on translation of foreign operations (net of tax)	(12,324)	(1,854)
Share of other comprehensive income of investments accounted for using the equity method (net of tax)	(18)	26
Total items that may be subsequently reclassified to profit or loss	(11,645)	(1,595)
Total other comprehensive income	(6,168)	2,435
Total comprehensive income	25,317	34,642
Total comprehensive income attributable to:		
Owners of the company	25,556	33,952
Non-controlling interests	(239)	690

(4) Consolidated Statement of Changes in Equity

(Millions of yen)

	Share capital	Share premium	Retained earnings	Treasury shares	Subscription rights to shares	Other components of equity	Equity attributable to owners of the company	Non-controlling interests	Total equity
Balance at April 1, 2016	37,519	203,397	258,562	(9,408)	1,009	23,204	514,285	696	514,981
Profit for the year	–	–	31,542	–	–	–	31,542	(56)	31,485
Other comprehensive income	–	–	–	–	–	(5,985)	(5,985)	(182)	(6,168)
Total comprehensive income	–	–	31,542	–	–	(5,985)	25,556	(239)	25,317
Dividends	–	–	(14,865)	–	–	–	(14,865)	–	(14,865)
Acquisition and disposal of treasury shares	–	–	(62)	194	–	–	131	–	131
Share-based payments	–	–	–	–	(10)	–	(10)	–	(10)
Changes in non-controlling interests due to changes in subsidiaries	–	–	–	–	–	–	–	9,805	9,805
Equity transactions, etc. with non-controlling shareholders	–	177	–	–	–	–	177	340	517
Put options written on non-controlling interests	–	(943)	–	–	–	–	(943)	(784)	(1,728)
Transfer from other components of equity to retained earnings	–	–	1,533	–	–	(1,533)	–	–	–
Total transactions, etc. with owners	–	(765)	(13,395)	194	(10)	(1,533)	(15,510)	9,361	(6,149)
Balance at March 31, 2017	37,519	202,631	276,709	(9,214)	998	15,685	524,331	9,818	534,149
Profit for the year	–	–	32,248	–	–	–	32,248	(41)	32,207
Other comprehensive income	–	–	–	–	–	1,703	1,703	731	2,435
Total comprehensive income	–	–	32,248	–	–	1,703	33,952	690	34,642
Dividends	–	–	(14,850)	–	–	–	(14,850)	–	(14,850)
Acquisition and disposal of treasury shares	–	–	(89)	(975)	–	–	(1,065)	–	(1,065)
Share-based payments	–	144	–	–	(63)	–	80	–	80
Changes in non-controlling interests due to changes in subsidiaries	–	–	–	–	–	–	–	35,924	35,924
Equity transactions, etc. with non-controlling shareholders	–	(135)	–	–	–	–	(135)	61	(73)
Put options written on non-controlling interests	–	(17,799)	–	–	–	–	(17,799)	(35,419)	(53,218)
Transfer from other components of equity to retained earnings	–	–	4,348	–	–	(4,348)	–	–	–
Total transactions, etc. with owners	–	(17,790)	(10,592)	(975)	(63)	(4,348)	(33,770)	566	(33,203)
Balance at March 31, 2018	37,519	184,841	298,366	(10,189)	934	13,041	524,513	11,075	535,588

(5) Consolidated Statement of Cash Flow

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	49,341	49,124
Depreciation and amortization expenses	51,804	56,257
Impairment losses and reversal of impairment losses	379	592
Share of profit (loss) of investments accounted for using the equity method	66	647
Interest and dividends income	(2,688)	(3,201)
Interest expenses	2,848	5,043
(Gain) loss on sales and disposals of property, plant and equipment, and intangible assets	1	(19,889)
(Increase) decrease in trade and other receivables	1,806	(7,665)
(Increase) decrease in inventories	(12,446)	(169)
Increase (decrease) in trade and other payables	1,171	11,546
Decrease in transfer of lease assets	(6,831)	(6,856)
Increase (decrease) in retirement benefit liabilities	(3,045)	(4,786)
Others	(5,145)	139
Subtotal	77,263	80,783
Dividends received	525	605
Interest received	2,007	2,041
Interest paid	(2,792)	(4,010)
Income taxes paid	(8,343)	(14,052)
Net cash flows from operating activities	68,659	65,367

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from investing activities		
Purchase of property, plant and equipment	(32,731)	(26,941)
Purchase of intangible assets	(8,733)	(11,014)
Proceeds from sales of property, plant and equipment, and intangible assets	1,873	23,486
Purchase of investments in subsidiaries	(25,453)	(116,942)
Purchase of interests in investments accounted for using the equity method	—	(741)
Purchase of investment securities	(178)	(1,610)
Proceeds from sales of investment securities	111	2,357
Payments for loans receivable	(123)	(46)
Collection of loans receivable	139	122
Payments for transfer of business	(3,845)	(1,060)
Others	(1,651)	(1,345)
Net cash flows from investing activities	(70,594)	(133,737)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	3,140	(15,187)
Proceeds from bonds issuance and long-term loans payable	36,833	145,712
Redemption of bonds and repayments of long-term loans payable	(27,829)	(23,325)
Purchase of treasury shares	(3)	(1,164)
Cash dividends paid	(14,858)	(14,848)
Proceeds from share issuance to non-controlling shareholders	—	35,419
Others	370	32
Net cash flows from financing activities	(2,347)	126,638
Effect of exchange rate changes on cash and cash equivalents	(3,029)	(980)
Net increase (decrease) in cash and cash equivalents	(7,309)	57,285
Cash and cash equivalents at the beginning of the year	99,937	92,628
Cash and cash equivalents at the end of the year	92,628	149,913

(6) Notes to the Consolidated Financial Statements

[Notes Regarding Going Concern Assumptions]

None.

[Other Income]

Components of other income are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Gain on sales of property, plant and equipment, and intangible assets	1,003	20,858
Patent-related income	7,751	—
Others	5,392	3,998
Total	14,147	24,856

[Other Expenses]

Components of other expenses are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Special extra retirement payment	155	5,332
Business structure improvement expenses	1,486	4,620
Loss on disposal of mass-produced trial products	2,165	1,804
Loss on sales and disposals of property, plant and equipment, and intangible assets	1,004	968
Others	2,515	4,093
Total	7,328	16,819

[Segment Information]

(a) Reportable segments

Reportable segments of the Group are the constituent business units of the Group for which separate financial data is available and that are examined on a regular basis for the purpose of enabling the Group's management to decide on the allocation of resources and evaluate results of operations. The Group establishes business segments by product and service category and formulates comprehensive strategies and conducts business activities in Japan and overseas for the products and services of each business category.

Previously, reportable segments were classified into three segments, namely "Business Technologies Business," "Healthcare Business," and "Industrial Business." A change to this business segmentation has been made and starting from the first quarter of this fiscal year, segment information is presented for the four segments of "Office Business," "Professional Print Business," "Healthcare Business," and "Industrial Business."

This change reflects organizational realignment carried out to promote strategies as set out in "SHINKA 2019," our Medium Term Business Plan that is implemented from this fiscal year. In "SHINKA 2019," businesses are grouped into "core business," "growth business," and "new business," this last group comprising areas for which a management base will be built in the medium term. "Core business" and "growth business" are classified into the four reporting segments, while "new business" is included in "others." In conjunction with this realignment, the previous segment of "Business Technologies Business" is split into "Office Business" and "Professional Print Business," and the industrial inkjet component business unit, which was previously included in the "Business Technologies Business" segment, is now reported under "Industrial Business."

The segment information for the fiscal year ended March 31, 2017 presented in this report is based on the new business segmentation.

The business content of each reportable segment is as follows:

	Business content
Office Business	Development, manufacture, and sales of MFPs and related consumables; provision of related solutions and services
Professional Print Business	Development, manufacture, and sales of digital printing systems and related consumables; provision of various printing services, solutions, and services
Healthcare Business	Development, manufacture, and sales of, and provision of services for, diagnostic imaging systems (digital X-ray diagnostic imaging, diagnostic ultrasound systems, etc.); provision of digitalization, networking, solutions, and services in the medical field
Industrial Business	<Materials and Components> Development, manufacture, and sales of such products as TAC film for LCD displays, OLED lighting, Industrial inkjet printheads, and lenses for industrial and professional use, etc.
	<Optical Systems for Industrial Use> Development, manufacture, and sales of measuring instruments, etc.

(b) Information on reportable segments

Information on each reportable segment of the Group is provided below. Segment profit refers to operating profit.

Fiscal year ended March 31, 2017

(Millions of yen)

	Reportable segments					Others	Total
	Office Business	Professional Print Business	Healthcare Business	Industrial Business	Total		
Revenue							
External	558,226	203,969	89,940	101,552	953,688	8,866	962,555
Intersegment (Note)	2,434	330	873	4,347	7,986	22,971	30,957
Total	560,661	204,299	90,814	105,899	961,674	31,838	993,513
Segment profit (loss)	44,346	8,254	2,863	22,033	77,499	(9,008)	68,491
Other items							
Depreciation and amortization expenses	23,550	8,992	4,000	8,923	45,467	199	45,667
Impairment losses on non-financial assets	113	53	0	124	292	–	292

(Note) Intersegment revenue is based on market prices, etc.

Fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segments					Others	Total
	Office Business	Professional Print Business	Healthcare Business	Industrial Business	Total		
Revenue							
External	583,886	214,256	96,513	118,247	1,012,904	18,351	1,031,256
Intersegment (Note)	1,838	349	1,046	4,913	8,148	20,792	28,940
Total	585,724	214,606	97,560	123,161	1,021,052	39,144	1,060,197
Segment profit (loss)	44,905	9,279	5,572	23,454	83,212	(14,850)	68,361
Other items							
Depreciation and amortization expenses	25,224	9,574	4,038	8,173	47,011	3,487	50,498
Impairment losses on non-financial assets	9	360	–	–	369	223	592

(Note) Intersegment revenue is based on market prices, etc.

Differences between the amount of "Totals" for reportable segments and the amount of the consolidated financial statements and the principal content of these differences are provided below.

(Millions of yen)

Revenue	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Total revenue of reportable segments	961,674	1,021,052
Revenue categorized in “Others”	31,838	39,144
Total of reportable segments and “Others”	993,513	1,060,197
Adjustments (Note)	(30,957)	(28,940)
Revenue reported in consolidated financial statements	962,555	1,031,256

(Note) Adjustments are intersegment eliminations.

(Millions of yen)

Profit	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Total operating profit of reportable segments	77,499	83,212
Operating profit (loss) categorized in “Others”	(9,008)	(14,850)
Total of reportable segments and “Others”	68,491	68,361
Adjustments (Note)	(18,356)	(14,517)
Operating profit reported in consolidated financial statements	50,135	53,844

(Note) Adjustments include intersegment eliminations and corporate expenses, which are mainly general administration expenses and basic research expenses not attributed to any reportable segment. Other income and other expenses not attributed to any reportable segment are also included.

(Millions of yen)

Other items	Total of reportable segments		Others		Adjustments (Note)		Total amounts reported on the consolidated financial statements	
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Depreciation and amortization expenses	45,467	47,011	199	3,487	6,136	5,759	51,804	56,257
Impairment losses on non-financial assets	292	369	—	223	89	—	382	592

(Note) Adjustments for depreciation and amortization expenses and impairment losses are mainly for facilities that are not attributed to any reportable segment.

(c) Information by Geographical Area

External revenue by geographical area is as follows:

(Millions of yen)

Revenue	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Japan	192,297	196,393
U.S.A.	249,669	271,547
Europe	299,902	324,744
China	73,211	80,467
Asia	72,114	79,161
Others	75,359	78,942
Total	962,555	1,031,256

(Note) Revenue classifications are based on customers' geographical locations. There are no key countries presented separately other than those in the above table.

A geographic breakdown of the carrying amounts of non-current assets (excluding financial assets, deferred tax assets, and post-retirement benefit assets) is as follows:

(Millions of yen)

Non-current assets	March 31, 2017	March 31, 2018
Japan	205,495	206,108
U.S.A.	73,310	194,027
Europe	95,391	101,845
China	17,109	17,521
Asia	14,059	13,295
Others	4,768	4,229
Total	410,135	537,029

(d) Information on Principal Customers

No transactions with any single external customer account for 10% or more of revenue.

[Earnings per Share]

A calculation of basic and diluted earnings per share is as follows:

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Basis of calculating basic earnings per share		
Profit for the year attributable to owners of the company [millions of yen]	31,542	32,248
Profit for the year not attributable to owners of the company [millions of yen]	—	—
Profit for the year to calculate basic earnings per share [millions of yen]	31,542	32,248
Weighted average number of ordinary shares outstanding during the period [thousands of shares]	495,554	494,865
Basic earnings per share [yen]	63.65	65.17
Basis of calculating diluted earnings per share		
Profit for the year to calculate basic earnings per share [millions of yen]	31,542	32,248
Adjustments of profit for the year [millions of yen]	—	—
Profit for the year to calculate diluted earnings per share [millions of yen]	31,542	32,248
Weighted average number of ordinary shares outstanding during the period [thousands of shares]	495,554	494,865
Impact of dilutive effects [thousands of shares]	1,409	1,560
Weighted average number of diluted ordinary shares outstanding during the period [thousands of shares]	496,963	496,426
Diluted earnings per share [yen]	63.47	64.96

[Business Combinations]

Acquisition of Ambry Genetics Corporation

(a) Description of the business combination

On October 18, 2017, the Group completed merger procedures between Konica Minolta Geno., Inc. (hereafter, "SPC2") and Ambry Genetics Corporation (hereafter, "Ambry"), a US firm engaged in genetic testing, with Ambry as the surviving company. SPC2 is a wholly owned subsidiary of Konica Minolta PM., Inc. (hereafter, "SPC1"), which is a company set up through joint investment with Innovation Network Corporation of Japan (hereafter, "INCJ") for the purpose of acquisition of Ambry.

Ambry was made a subsidiary by making a cash payment to shareholders of Ambry as a merger consideration, and converting SPC2 shares owned by SPC1 into shares of the surviving company.

Following the conclusion of the transaction, the Group's ownership ratio in Ambry stands at 60% and that of INCJ at 40%.

Ambry, which possesses cutting-edge genetic diagnostics technology, sophisticated product development capabilities, a variety of test items, advanced test processing competencies, and overwhelming strength in the genetic counselor channel, has become a leader in the US market for genetic testing, which has recorded remarkable growth, primarily in the rapidly expanding field of oncology. The company, which started the world's first-ever exome analysis testing for diagnostic purposes, provides genetic tests in a variety of clinical fields, such as hereditary and non-hereditary tumors, heart disease, respiratory disease, and neurological disorders. The company's extensive and cutting-edge laboratory in California has amassed a track record of more than 1 million genetic tests.

Through the acquisition of Ambry, the Company will not only acquire Ambry's state-of-the-art genetic diagnostics technology, advanced IT analysis technology that makes full use of bioinformatics, a large cutting-edge laboratory for specimen testing, and lucrative service business, but will also be able to enhance the core technologies crucial to the grouping of patients and new drug development by combining Konica Minolta's proprietary High-Sensitivity Tissue Testing (HSTT) technology with Ambry's genetic diagnostics technology, to achieve global growth in the field of precision medicine.

(b) Fair value of the consideration for acquisition and recognized value of assets acquired and liabilities assumed, as of the acquisition date

(Millions of yen)

Fair value of the consideration for acquisition (Note 1)	
Cash	86,591
Payable amount (Note 2)	2,289
Contingent consideration	1,914
Total	90,796
Recognized value of assets acquired and liabilities assumed	
Cash and cash equivalents	2,162
Trade and other receivables	2,991
Inventories	474
Property, plant and equipment	4,052
Intangible assets	35,494
Other assets	2,629
Trade and other payables	(723)
Bonds and borrowings	(1,995)
Deferred tax liabilities	(13,289)
Other liabilities	(2,761)
Total	29,035
Goodwill (Note 3)	61,760

(Notes)

1. The fair value of the consideration for acquisition includes proceeds from share issuance to non-controlling shareholders. With respect to non-controlling interests, because put options are attached hereto, these are transferred to financial liabilities. The difference between the fair value of said financial liabilities and the transfer amount of ¥35,419 million is recorded as share premium.
2. This is the amount that is payable as of the release of this report resulting from price adjustments to the consideration for acquisition.
3. Goodwill largely represents excess earnings power of the acquired company and synergy effect expected from the acquisition, no part of which is expected to be tax-deductible.
4. The above amounts are provisional because adjustment of the consideration for acquisition and allocation of the consideration for acquisition based on fair values of identifiable assets and liabilities have not been completed.

(c) Contingent consideration

Contingent consideration in the business combination is calculated based on the agreement to pay an additional consideration in proportion to the performance level that will be achieved over the two fiscal years following the date of the acquisition of Ambry. There is a possibility that payment of US$200 million at a maximum may occur. The fair value of the contingent consideration is calculated using Monte Carlo simulation.

Changes in contingent consideration during the fiscal year ended March 2018 are as follows:

(Millions of yen)

Balance at April 1, 2017	—
Business Combinations	1,914
Settlement	—
Change in fair value	(573)
Effect of exchange rate fluctuations	(65)
Balance at March 31, 2018	1,274

(d) Acquisition-related costs

Acquisition-related costs of ¥2,129 million incurred in the business combination were recognized in "selling, general and administrative expenses." Note that the ¥138 million that was incurred in the previous fiscal year was expensed in the previous fiscal year.

(e) Performance after the acquisition date

The effect of the business combination of said company on the consolidated statement of profit or loss for the fiscal year ended March 31, 2018 was ¥6,196 million in revenue and ¥643 million in loss attributable to owners of the company.

(f) Pro-forma information (unaudited information)

If it is assumed that the business combination of said company took place at the beginning of the period under review, on April 1, 2017, its effect on the consolidated statement of profit or loss for the fiscal year ended March 31, 2018 would be ¥17,287 million in revenue and ¥622 million in loss attributable to owners of the company.

Acquisition of equity interest in Invicro, LLC

(a) Description of the business combination

As of November 10, 2017, the Group used cash to acquire 95% of equity interest in Invicro, LLC (hereafter, “Invicro”), a US-based firm in drug discovery and development services.

Invicro is an imaging Contract Research Organization (CRO) that provides support in drug development with its strength in highly advanced numerical analysis technology and technology for the detection of biomarker, an indicator of body condition.

Together with the acquisition of Ambry mentioned above, the acquisition of Invicro constitutes a cornerstone in Konica Minolta’s entry into the precision medicine business. By combining our proprietary High-Sensitivity Tissue Testing (HSTT) technology with Ambry’s world-leading genetic diagnostics solutions and Invicro’s data analytics, biomarker discovery technology, and image processing technologies, as well as their ability to generate proposals for pharmaceutical companies, we will contribute to a dramatic improvement in productivity for new drug development, and subsequent improvements in Quality of Life (QOL) for patients, while helping to suppress soaring national medical expenses. We will nurture this with the aim of developing a new, highly profitable business.

(b) Fair value of the consideration for acquisition and recognized value of assets acquired and liabilities assumed, as of the acquisition date

(Millions of yen)

Fair value of the consideration for acquisition	
Cash	31,143
Recognized value of assets acquired and liabilities assumed	
Cash and cash equivalents	261
Trade and other receivables	1,759
Inventories	34
Property, plant and equipment	1,306
Intangible assets	10,643
Other assets	398
Trade and other payables	(570)
Bonds and borrowings	(1,564)
Other liabilities	(2,267)
Total	10,002
Non-controlling interests (Note 2)	500
Goodwill (Note 3)	21,640

(Notes)

1. There was no contingent consideration.
2. Non-controlling interests are measured using the ratio of equity attributable to non-controlling interest shareholders to the fair value of the identifiable net assets of the acquired company.
3. Goodwill largely represents excess earnings power of the acquired company and synergy effect expected from the acquisition. The estimate amount of goodwill in tax accounting that is expected to be tax deductible is ¥14,401 million.
4. The above amounts are provisional because adjustment of the consideration for acquisition and allocation of the consideration for acquisition based on fair values of identifiable assets

and liabilities have not been completed.

(c) Acquisition-related costs

Acquisition-related costs of ¥328 million incurred in the business combination were recognized in “selling, general and administrative expenses.”

(d) Performance after the acquisition date

This information is not provided because the effect of the business combination of said company on the consolidated statement of profit or loss for the fiscal year ended March 2018 is immaterial.

(e) Pro-forma information (unaudited information)

The pro-forma information assuming that the business combination of said company took place at the beginning of the fiscal year under review, on April 1, 2017, is not provided because its impact on the consolidated statement of profit or loss for the fiscal year ended March 2018 is immaterial.

[Events after the Reporting Period]

None.