

***KYODO PRINTING CO., LTD.***  
***and Consolidated Subsidiaries***

*Interim Consolidated Financial Statements (Unaudited)*  
*for the Nine-Month Period Ended December 31, 2015*

# KYODO PRINTING CO., LTD. and Consolidated Subsidiaries

## Interim Consolidated Balance Sheets

December 31, 2015 as compared with March 31, 2015 (Unaudited)

|   | Millions of Yen      |                   | Thousands of<br>U.S. Dollars<br>(Note 1) |
|---|----------------------|-------------------|--|
|   | December 31,<br>2015 | March 31,<br>2015 | December 31,<br>2015                     |
| <b>ASSETS</b>                             |                      |                   |  |
| <b>CURRENT ASSETS:</b>                    |                      |                   |  |
| Cash and cash equivalents (Note 4)        | ¥ 13,349             | ¥ 15,368          | \$ 110,743                               |
| Receivables:                              |                      |                   |  |
| Trade notes (Note 5)                      | 5,654                | 5,533             | 46,905                                   |
| Trade accounts                            | 21,090               | 20,077            | 174,962                                  |
| Allowance for doubtful accounts           | (65)                 | (61)              | (539)                                    |
| Short-term investments                    | 376                  | 283               | 3,119                                    |
| Inventories                               | 6,623                | 5,964             | 54,944                                   |
| Deferred tax assets                       | 627                  | 620               | 5,201                                    |
| Prepaid expenses and other current assets | 761                  | 512               | 6,313                                    |
|   | <u>48,419</u>        | <u>48,299</u>     | <u>401,684</u>                           |
| <b>PROPERTY, PLANT AND EQUIPMENT:</b>     |                      |                   |  |
| Land                                      | 15,327               | 15,476            | 127,152                                  |
| Buildings and structures                  | 42,997               | 42,594            | 356,703                                  |
| Machinery and vehicles                    | 49,460               | 50,358            | 410,320                                  |
| Furniture and fixtures                    | 5,931                | 5,819             | 49,203                                   |
| Lease assets                              | 2,088                | 1,782             | 17,322                                   |
| Construction in progress                  | 870                  | 849               | 7,217                                    |
| Total                                     | <u>116,676</u>       | <u>116,880</u>    | <u>967,944</u>                           |
| Accumulated depreciation                  | <u>(78,580)</u>      | <u>(80,099)</u>   | <u>(651,899)</u>                         |
|   | <u>38,096</u>        | <u>36,780</u>     | <u>316,044</u>                           |
| <b>INVESTMENTS AND OTHER ASSETS:</b>      |                      |                   |  |
| Investment securities                     | 17,512               | 16,120            | 145,279                                  |
| Investments in associated companies       | 255                  | 264               | 2,115                                    |
| Intangible assets                         | 1,343                | 1,364             | 11,141                                   |
| Deferred tax assets                       | 140                  | 113               | 1,161                                    |
| Other long-term assets                    | 1,218                | 1,384             | 10,104                                   |
| Allowance for doubtful accounts           | <u>(174)</u>         | <u>(217)</u>      | <u>(1,443)</u>                           |
|   | <u>20,296</u>        | <u>19,030</u>     | <u>168,375</u>                           |
| <b>TOTAL</b>                              | <u>¥ 106,811</u>     | <u>¥ 104,110</u>  | <u>\$ 886,104</u>                        |

## KYODO PRINTING CO., LTD. and Consolidated Subsidiaries

### Interim Consolidated Balance Sheets

December 31, 2015 as compared with March 31, 2015 (Unaudited)

|   | Millions of Yen      |                   | Thousands of<br>U.S. Dollars<br>(Note 1) |
|---|----------------------|-------------------|--|
|   | December 31,<br>2015 | March 31,<br>2015 | December 31,<br>2015                     |
| <b>LIABILITIES AND EQUITY</b>   |                      |                   |  |
| <b>CURRENT LIABILITIES:</b>   |                      |                   |  |
| Current portion of long-term debt   | ¥ 6,194              | ¥ 2,043           | \$ 51,385                                |
| Payables:   |                      |                   |  |
| Trade notes (Note 5)  | 8,766                | 8,423             | 72,722                                   |
| Trade accounts  | 10,661               | 10,004            | 88,443                                   |
| Income taxes payable  | 596                  | 498               | 4,944                                    |
| Accrued bonuses   | 409                  | 1,143             | 3,393                                    |
| Other current liabilities   | 5,857                | 5,199             | 48,589                                   |
| Total current liabilities   | 32,486               | 27,312            | 269,503                                  |
| <b>LONG-TERM LIABILITIES:</b>   |                      |                   |  |
| Long-term debt  | 6,673                | 12,061            | 55,359                                   |
| Liability for retirement benefits   | 5,205                | 5,286             | 43,180                                   |
| Deferred tax liabilities  | 2,668                | 2,235             | 22,133                                   |
| Other long-term liabilities   | 230                  | 202               | 1,908                                    |
| Total long-term liabilities   | 14,779               | 19,786            | 122,606                                  |
| <b>EQUITY:</b>  |                      |                   |  |
| Common stock—authorized, 360,800,000 shares;<br>issued, 90,200,000 shares as of December 31, 2015 and<br>March 31, 2015 | 4,510                | 4,510             | 37,414                                   |
| Capital surplus   | 1,742                | 1,742             | 14,451                                   |
| Retained earnings   | 45,410               | 43,963            | 376,721                                  |
| Treasury stock—at cost, 2,414,960 shares as of December 31,<br>2015 and 2,414,256 shares as of March 31, 2015           | (547)                | (547)             | (4,537)                                  |
| Accumulated other comprehensive income:   |                      |                   |  |
| Unrealized gain (loss) on available-for-sale securities   | 8,053                | 7,021             | 66,807                                   |
| Foreign currency translation adjustments  | 117                  | 188               | 970                                      |
| Remeasurement of defined benefit plans  | 252                  | 126               | 2,090                                    |
| Total   | 59,539               | 57,004            | 493,935                                  |
| Non-controlling interests   | 6                    | 7                 | 49                                       |
| Total equity  | 59,545               | 57,012            | 493,985                                  |
| <b>TOTAL</b>  | <b>¥ 106,811</b>     | <b>¥ 104,110</b>  | <b>\$ 886,104</b>                        |

See notes to interim consolidated financial statements.

## KYODO PRINTING CO., LTD. and Consolidated Subsidiaries

### Interim Consolidated Statements of Income Nine-Month Periods Ended December 31, 2015 and 2014 (Unaudited)

|   | Millions of Yen                           |          | Thousands of<br>U.S. Dollars<br>(Note 1)  |
|---|---|----------|---|
|   | Nine-Month<br>Period Ended<br>December 31 |          | Nine-Month<br>Period Ended<br>December 31 |
|   | 2015                                      | 2014     | 2015                                      |
| NET SALES (Note 6)  | ¥ 70,837                                  | ¥ 69,545 | \$ 587,663                                |
| COST OF SALES   | 58,262                                    | 57,964   | 483,341                                   |
| Gross profit  | 12,575                                    | 11,581   | 104,322                                   |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES<br>(Note 6):       |   |          |   |
| Delivery expenses   | 3,193                                     | 3,267    | 26,489                                    |
| Provision of allowance for doubtful accounts                    | (6)                                       | (32)     | (49)                                      |
| Salaries and allowances   | 4,038                                     | 3,953    | 33,499                                    |
| Provision for employees' bonuses                                | 125                                       | 122      | 1,037                                     |
| Provision for directors' bonuses                                | 45  | 45       | 373                                       |
| Retirement benefit expenses                                     | 260                                       | 288      | 2,156                                     |
| Other   | 2,745                                     | 2,560    | 22,772                                    |
| Total selling, general and administrative expenses              | 10,401                                    | 10,205   | 86,286                                    |
| Operating income (Note 6)                                       | 2,173                                     | 1,375    | 18,027                                    |
| OTHER INCOME (EXPENSES):  |   |          |   |
| Interest and dividend income                                    | 240                                       | 194      | 1,991                                     |
| Interest expenses   | (90)                                      | (122)    | (746)                                     |
| Gain on sales of goods  | 224                                       | 242      | 1,858                                     |
| Rent income (expenses) on facilities                            | 89  | 88       | 738                                       |
| Dividend income of insurance                                    | 137                                       | 124      | 1,136                                     |
| Gain (loss) on sales and retirement of non-current assets       | 138                                       | (126)    | 1,144                                     |
| Other—net   | 140                                       | 55       | 1,161                                     |
| Other income—net  | 878                                       | 454      | 7,283                                     |
| INCOME BEFORE INCOME TAXES                                      | 3,052                                     | 1,830    | 25,319                                    |
| INCOME TAXES  | 903                                       | 634      | 7,491                                     |
| NET INCOME  | 2,148                                     | 1,196    | 17,819                                    |
| NET INCOME (LOSS) ATTRIBUTABLE TO NON-<br>CONTROLLING INTERESTS | (0)                                       | 0        | (0)                                       |
| NET INCOME ATTRIBUTABLE TO OWNERS OF PARENT                     | ¥ 2,149                                   | ¥ 1,196  | \$ 17,828                                 |

## KYODO PRINTING CO., LTD. and Consolidated Subsidiaries

### Interim Consolidated Statements of Income

#### Nine-Month Periods Ended December 31, 2015 and 2014 (Unaudited)

|   | Yen                                       |         | U.S. Dollars                              |      |
|---|---|---------|---|------|
|   | Nine-Month<br>Period Ended<br>December 31 |         | Nine-Month<br>Period Ended<br>December 31 |      |
|   | 2015                                      | 2014    | 2015                                      |      |
| PER SHARE OF COMMON STOCK:              |   |         |   |      |
| Basic net income                        | ¥ 24.48                                   | ¥ 13.63 | \$  | 0.20 |
| Diluted net income                      | 21.66                                     | 13.45   |   | 0.17 |
| Cash dividends applicable to the period | 4.00                                      | 4.00    |   | 0.03 |

See notes to interim consolidated financial statements.

## KYODO PRINTING CO., LTD. and Consolidated Subsidiaries

### Interim Consolidated Statements of Comprehensive Income Nine-Month Periods Ended December 31, 2015 and 2014 (Unaudited)

|   | Millions of Yen                           |         | Thousands of<br>U.S. Dollars<br>(Note 1)  |
|---|---|---------|---|
|   | Nine-Month<br>Period Ended<br>December 31 |         | Nine-Month<br>Period Ended<br>December 31 |
|   | 2015                                      | 2014    | 2015                                      |
| NET INCOME  | ¥ 2,148                                   | ¥ 1,196 | \$ 17,819                                 |
| OTHER COMPREHENSIVE INCOME:   |   |         |   |
| Unrealized gain (loss) on available-for-sale securities                                   | 1,028                                     | 3,082   | 8,528                                     |
| Foreign currency translation adjustments  | (70)                                      | 57      | (580)                                     |
| Remeasurement of defined benefit plans  | 126                                       | 141     | 1,045                                     |
| Share of other comprehensive income in associate<br>accounted for using the equity method | 3   | 1       | 24  |
| Total other comprehensive income  | 1,088                                     | 3,282   | 9,026                                     |
| COMPREHENSIVE INCOME  | ¥ 3,236                                   | ¥ 4,479 | \$ 26,845                                 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:   |   |         |   |
| Owners of parent  | ¥ 3,237                                   | ¥ 4,479 | \$ 26,854                                 |
| Non-controlling interests   | (0)                                       | 0       | (0)                                       |

See notes to interim consolidated financial statements.

## KYODO PRINTING CO., LTD. and Consolidated Subsidiaries

### Interim Consolidated Statements of Cash Flows Nine-Month Periods Ended December 31, 2015 and 2014 (Unaudited)

|  | Millions of Yen                           |         | Thousands of<br>U.S. Dollars<br>(Note 1)  |
|--|---|---------|---|
|  | Nine-Month<br>Period Ended<br>December 31 |         | Nine-Month<br>Period Ended<br>December 31 |
|  | 2015                                      | 2014    | 2015                                      |
| <b>OPERATING ACTIVITIES:</b>   |   |         |   |
| Income before income taxes   | ¥ 3,052                                   | ¥ 1,830 | \$ 25,319                                 |
| Adjustments for:   |   |         |   |
| Income taxes—paid  | (841)                                     | (655)   | (6,976)                                   |
| Depreciation and amortization  | 3,536                                     | 3,172   | 29,334                                    |
| (Gain) Loss on sales and retirement of property, plant and equipment | (138)                                     | 125     | (1,144)                                   |
| Changes in assets and liabilities:                                   |   |         |   |
| (Increase) Decrease in trade receivables                             | (1,134)                                   | 118     | (9,407)                                   |
| (Increase) Decrease in inventories                                   | (659)                                     | (777)   | (5,467)                                   |
| Increase (Decrease) in trade payables                                | 1,000                                     | 158     | 8,296                                     |
| Increase (Decrease) in accrued consumption tax                       | (551)                                     | 500     | (4,571)                                   |
| Increase (Decrease) in liability for retirement benefits             | 106                                       | 275     | 879                                       |
| Increase (Decrease) in accrued expense                               | 109                                       | 361     | 904                                       |
| Increase (Decrease) in accrued bonuses                               | (733)                                     | (724)   | (6,080)                                   |
| Other—net  | 129                                       | 36      | 1,070                                     |
| Total adjustments  | 824                                       | 2,591   | 6,835                                     |
| Net cash provided by operating activities                            | 3,876                                     | 4,422   | 32,155                                    |
| <b>INVESTING ACTIVITIES:</b>   |   |         |   |
| Purchases of property, plant and equipment                           | (3,706)                                   | (2,857) | (30,744)                                  |
| Purchases of intangible assets                                       | (287)                                     | (484)   | (2,380)                                   |
| Proceeds from sales of property, plant and equipment                 | 513                                       | 5       | 4,255                                     |
| Purchases of investment securities                                   | (18)                                      | (120)   | (149)                                     |
| Proceeds from sales of investment securities                         | 62  | 0       | 514                                       |
| Other—net  | (130)                                     | (78)    | (1,078)                                   |
| Net cash used in investing activities                                | (3,567)                                   | (3,535) | (29,591)                                  |
| <b>FORWARD</b>   | ¥ 308                                     | ¥ 887   | \$ 2,555                                  |

## KYODO PRINTING CO., LTD. and Consolidated Subsidiaries

### Interim Consolidated Statements of Cash Flows

#### Nine-Month Periods Ended December 31, 2015 and 2014 (Unaudited)

|   | Millions of Yen                           |          | Thousands of<br>U.S. Dollars<br>(Note 1)  |
|---|---|----------|---|
|   | Nine-Month<br>Period Ended<br>December 31 |          | Nine-Month<br>Period Ended<br>December 31 |
|   | 2015                                      | 2014     | 2015                                      |
| FORWARD   | ¥ 308                                     | ¥ 887    | \$ 2,555                                  |
| FINANCING ACTIVITIES:   |   |          |   |
| Repayments of long-term debt  | (1,610)                                   | (3,897)  | (13,356)                                  |
| Proceeds from issuance of bonds with subscription rights to shares    | -   | 4,982    | -   |
| Dividends paid  | (702)                                     | (702)    | (5,823)                                   |
| Other—net   | (0)                                       | (1)      | (0)                                       |
| Net cash used in financing activities                                 | (2,313)                                   | 381      | (19,188)                                  |
| FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS | (14)                                      | 56       | (116)                                     |
| NET INCREASE IN CASH AND CASH EQUIVALENTS                             | (2,019)                                   | 1,325    | (16,749)                                  |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD                        | 15,368                                    | 13,271   | 127,492                                   |
| CASH AND CASH EQUIVALENTS, END OF PERIOD (Note 4)                     | ¥ 13,349                                  | ¥ 14,596 | \$ 110,743                                |

See notes to interim consolidated financial statements.



# KYODO PRINTING CO., LTD. and Consolidated Subsidiaries

## Notes to Interim Consolidated Financial Statements (Unaudited)

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### 1. BASIS OF PRESENTING INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying interim consolidated financial statements of KYODO PRINTING CO., LTD. (the “Company”) and its consolidated subsidiaries (together, the “Group”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accounting standard for quarterly financial statements requires companies to prepare a set of interim consolidated financial statements for each quarter comprised of the consolidated balance sheet as of the current quarter-end and the consolidated statements of income, and comprehensive income, and cash flows for the year-to-date period. A statement of changes in equity is not required.

The interim consolidated statements of changes in equity are not presented herein.

In preparing these interim consolidated financial statements, certain reclassifications and rearrangements have been made to the interim consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The interim consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.54 to \$1, the approximate rate of exchange as of December 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Japanese yen figures less than a million yen are rounded down to the nearest million yen except for per share data. U.S. dollar figures are translated from millions of yen and rounded down to the nearest thousand dollar except for per share data.

### 2. SIGNIFICANT ACCOUNTING POLICIES

Substantially the same accounting policies have been followed in these interim consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended March 31, 2015, with certain simplified methods, except for the policy specifically allowed and adopted for interim accounting periods described below.

**Tax Expense**—Tax expense for interim period is measured by applying a reasonably estimated effective tax rate for this fiscal year as adjusted after tax effect accounting to income before income taxes for the interim period.

### 3. CHANGES IN ACCOUNTING POLICIES

#### *Application of Revised Accounting Standard for Business Combinations, etc.*

Effective from the three-month period ended June 30, 2015, the Group applied “Revised Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (the “ASBJ”) Statement No. 21, September 13, 2013; hereinafter, the “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; hereinafter, the “Consolidation Accounting Standard”), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter, the “Business Divestitures Accounting Standard”), and other pronouncements. Accordingly, the Group recorded changes in the Company’s ownership interest in a subsidiary in the case where the parent retains control over the subsidiary as capital surplus, and changed to the method where acquisition-related costs are recorded as expenses in the fiscal year of incurrence. With respect to business combinations to be implemented after the beginning of the three-month period ended June 30, 2015, the Group changed to the method where revisions to the allocation of acquisition costs due to finalizing amounts from the

provisional accounting treatments are reflected in the interim consolidated financial statements for the period in which the business combination was carried out. In addition, the change of the presentation method of net income and other accounts and the change of minority interests to non-controlling interests were made. The interim consolidated financial statements for the nine-month period ended December 31, 2014 and the consolidated financial statements for the year ended March 31, 2015 were reclassified to reflect such changes in presentation method.

In the interim consolidated statement of cash flows for the nine-month period ended December 31, 2015, cash flows arising from purchase or sales of investments in subsidiaries not resulting in change of scope of consolidation were recorded under “FINANCING ACTIVITIES,” and cash flows relating to acquisition-related costs of investments in subsidiaries resulting in change of scope of consolidation and costs arising from purchase or sales of investments in subsidiaries not resulting in change of scope of consolidation were recorded under “OPERATING ACTIVITIES.”

The Business Combinations Accounting Standard and other pronouncements are applied transitionally as provided for in paragraph 58-2 (4) of the Business Combinations Accounting Standard, paragraph 44-5 (4) of the Consolidation Accounting Standard and paragraph 57-4 (4) of the Business Divestitures Accounting Standard, and are applied prospectively from the beginning of the three-month period ended June 30, 2015.

There were no effects of this change on profit or loss.

#### 4. SUPPLEMENTARY CASH FLOW INFORMATION

Cash and cash equivalents as of December 31, 2015 and 2014 consisted of the following:

|  | Millions of Yen      |                      | Thousands of<br>U.S. Dollars |
|--|----------------------|----------------------|------------------------------|
|  | December 31,<br>2015 | December 31,<br>2014 | December 31,<br>2015         |
| Cash and time deposits                           | ¥ 13,726             | ¥ 14,877             | \$ 113,870                   |
| Time deposits exceeding three months to maturity | (376)                | (281)                | (3,119)                      |
| Cash and cash equivalents                        | <u>¥ 13,349</u>      | <u>¥ 14,596</u>      | <u>\$ 110,743</u>            |

#### 5. TRADE NOTES AND OTHERS

Notes maturing at the end of the period are settled on their clearance dates. As the balance sheet date of the nine-month period ended December 31, 2015 was a bank holiday, the following amounts of notes matured on the balance sheet date were included in the balance of trade notes and other current liabilities as of December 31, 2015:

|                        | Millions of Yen |              | Thousands of<br>U.S. Dollars<br>(Note 1) |
|------------------------|-----------------|--------------|--|
|                        | Millions of Yen | U.S. Dollars |  |
| Trade notes receivable | ¥ 491           | \$ 4,073     |  |
| Trade notes payable    | 63              | 522          |  |

## 6. SEGMENT INFORMATION

### *Information about Sales and Profit (Loss)*

| <u>December 31, 2015</u>        | Millions of Yen                            |                   |                                       |                      |
|---------------------------------|--|-------------------|---------------------------------------|----------------------|
|                                 | Reportable Segment                         |                   |                                       |                      |
|                                 | Publications and<br>Commercial<br>Printing | Business<br>Media | Living and<br>Industrial<br>Materials | Total                |
| Sales:                          |  |                   |                                       |                      |
| Sales to external customers     | ¥ 32,550                                   | ¥ 22,099          | ¥ 14,862                              | ¥ 69,512             |
| Intersegment sales or transfers | 1,211                                      | 906               | 298                                   | 2,415                |
| Total                           | <u>¥ 33,761</u>                            | <u>¥ 23,006</u>   | <u>¥ 15,160</u>                       | <u>¥ 71,928</u>      |
| Segment profit                  | ¥ 77                                       | ¥ 1,883           | ¥ 168                                 | ¥ 2,128              |
|                                 | Millions of Yen                            |                   |                                       |                      |
|                                 | Other<br>(*1)                              | Total             | Reconciliations<br>(*2)               | Consolidated<br>(*3) |
| Sales:                          |  |                   |                                       |                      |
| Sales to external customers     | ¥ 1,325                                    | ¥ 70,837          | ¥ -                                   | ¥ 70,837             |
| Intersegment sales or transfers | 6,000                                      | 8,416             | (8,416)                               | -                    |
| Total                           | <u>¥ 7,326</u>                             | <u>¥ 79,254</u>   | <u>¥ (8,416)</u>                      | <u>¥ 70,837</u>      |
| Segment profit                  | ¥ 332                                      | ¥ 2,461           | ¥ (288)                               | ¥ 2,173              |

| December 31, 2014               | Millions of Yen                            |                   |                                       |                 |
|---------------------------------|--|-------------------|---------------------------------------|-----------------|
|                                 | Reportable Segment                         |                   |                                       |                 |
|                                 | Publications and<br>Commercial<br>Printing | Business<br>Media | Living and<br>Industrial<br>Materials | Total           |
| Sales:                          |  |                   |                                       |                 |
| Sales to external customers     | ¥ 33,449                                   | ¥ 19,921          | ¥ 14,844                              | ¥ 68,215        |
| Intersegment sales or transfers | 1,397                                      | 798               | 287                                   | 2,482           |
| Total                           | <u>¥ 34,846</u>                            | <u>¥ 20,720</u>   | <u>¥ 15,131</u>                       | <u>¥ 70,698</u> |
| Segment profit                  | ¥ 676                                      | ¥ 426             | ¥ 291                                 | ¥ 1,394         |

|                                 | Millions of Yen |                 |                         |                      |
|---------------------------------|-----------------|-----------------|-------------------------|----------------------|
|                                 | Other<br>(*1)   | Total           | Reconciliations<br>(*2) | Consolidated<br>(*3) |
| Sales:                          |                 |                 |                         |                      |
| Sales to external customers     | ¥ 1,330         | ¥ 69,545        | ¥ -                     | ¥ 69,545             |
| Intersegment sales or transfers | 6,523           | 9,006           | (9,006)                 | -                    |
| Total                           | <u>¥ 7,853</u>  | <u>¥ 78,552</u> | <u>¥ (9,006)</u>        | <u>¥ 69,545</u>      |
| Segment profit                  | ¥ 303           | ¥ 1,697         | ¥ (321)                 | ¥ 1,375              |

| December 31, 2015               | Thousands of U.S. Dollars (Note 1)         |                   |                                       |                   |
|---------------------------------|--|-------------------|---------------------------------------|-------------------|
|                                 | Reportable Segment                         |                   |                                       |                   |
|                                 | Publications and<br>Commercial<br>Printing | Business<br>Media | Living and<br>Industrial<br>Materials | Total             |
| Sales:                          |  |                   |                                       |                   |
| Sales to external customers     | \$ 270,034                                 | \$ 183,333        | \$ 123,295                            | \$ 576,671        |
| Intersegment sales or transfers | 10,046                                     | 7,516             | 2,472                                 | 20,034            |
| Total                           | <u>\$ 280,081</u>                          | <u>\$ 190,857</u> | <u>\$ 125,767</u>                     | <u>\$ 596,714</u> |
| Segment profit                  | \$ 638                                     | \$ 15,621         | \$ 1,393                              | \$ 17,653         |

|                                 | Thousands of U.S. Dollars (Note 1) |                   |                         |                      |
|---------------------------------|------------------------------------|-------------------|-------------------------|----------------------|
|                                 | Other<br>(*1)                      | Total             | Reconciliations<br>(*2) | Consolidated<br>(*3) |
| Sales:                          |                                    |                   |                         |                      |
| Sales to external customers     | \$ 10,992                          | \$ 587,663        | \$ -                    | \$ 587,663           |
| Intersegment sales or transfers | 49,776                             | 69,819            | (69,819)                | -                    |
| Total                           | <u>\$ 60,776</u>                   | <u>\$ 657,491</u> | <u>\$ (69,819)</u>      | <u>\$ 587,663</u>    |
| Segment profit                  | \$ 2,754                           | \$ 20,416         | \$ (2,389)              | \$ 18,027            |

Notes: (\*1) "Other" refers to business segments not included in the reportable segment, which mainly includes logistics business, insurance business and real estate management business.

(\*2) Reconciliations for segment profit refer to corporate expenses and primarily consist of general and administrative expenses and research and development costs that are not attributable to any reportable segments.

(\*3) Segment profit is adjusted to the operating income stated in the interim consolidated statements of income.

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