Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2017 [J-GAAP] (Consolidated)

February 9, 2017

Company Name:	Kintetsu World Express, Inc. (KWE)		
Stock exchange listed on:	Tokyo Stock Exchange (First Section)		
Company code:	9375	URL:	https://www.kwe.co.jp

Representative: President and Chief Executive Officer Nobutoshi Torii
Inquiries: General Manager of Accounting and Finance Dept. Kazuo Inui TEL: +81-3-6863-6445

The date of filing the quarterly financial statements: February 13, 2017
The date of the dividend payment start (planned): –
Preparation of quarterly earnings presentation material: No
Holding of quarterly financial results briefing: No

(Figures are rounded down to the nearest million yen.)

1. Consolidated earnings results for the first nine months of the fiscal year ending March 2017 (April 1, 2016 – December 31, 2016)

(1) Consolidated business results

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
First nine months ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
December 31, 2016	349,542	18.4	8,585	(20.4)	8,731	(29.3)	2,386	(67.0)
December 31, 2015	295,159	26.3	10,781	7.8	12,342	11.9	7,238	30.2

(Note) Comprehensive income First nine months ended December 31, 2016: (22,073) million yen (— %)
First nine months ended December 31, 2015: 2,712 million yen (negative 70.0 %)

	Net income per share	Diluted net income per share
First nine months ended	(Yen)	(Yen)
December 31, 2016	33.14	—
December 31, 2015	100.53	—

(Note) The Company conducted a stock split at a ratio of 1:2 of common stock on October 1, 2015. Net income per share is calculated based on the assumption that the stock split was conducted on April 1, 2015.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of December 31, 2016	357,134	106,963	27.7	1,372.99
As of March 31, 2016	385,902	135,199	32.5	1,741.44

(Reference) Shareholders' equity As of December 31, 2016: 98,851 million yen As of March 31, 2016: 125,379 million yen

2. Dividends

	Annual dividends				
	Q1	Q2	Q3	Year-end	Full fiscal year
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31, 2016	—	20.00	—	16.00	—
Fiscal year ending March 31, 2017	—	10.00	—		
Fiscal year ending March 31, 2017 (Forecasts)				16.00	26.00

(Note) Revisions to the most recently disclosed dividend forecasts: No

(Note) The Company conducted a stock split at a ratio of 1:2 of common stock on October 1, 2015. For the second quarter of the fiscal year ended March 31, 2016, actual amount of dividends before the stock split is presented.

3. Consolidated earnings forecasts for the fiscal year ending March 2017 (April 1, 2016– March 31, 2017)

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full fiscal year	462,000	9.9	11,500	(25.1)	11,300	(36.9)	2,800	(71.4)	38.89

(Note) Revisions to the most recently disclosed earnings forecasts: Yes

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries in accordance with changes in the scope of consolidation): No

(2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: Yes
Note: Please refer to "2. Matters concerning Summery Information (Notes), (2) Application of Special Accounting Treatment in Preparing the Quarterly Consolidated Financial Statements" on page 6 of the attachment.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
(a) Changes in accounting policies with revision of accounting standards, etc.: No
(b) Changes in accounting policies other than the above (a): No
(c) Changes in accounting estimates: No
(d) Restatement of revisions: No

(4) Number of issued shares (common shares)

(a) Number of issued shares (including treasury shares)	As of December 31, 2016:	72,000,000 shares	As of March 31, 2016:	72,000,000 shares
(b) Number of treasury shares	As of December 31, 2016:	2,364 shares	As of March 31, 2016:	2,309 shares
(c) Average number of shares during the period	First nine months ended December 31, 2016:	71,997,683 shares	First nine months ended December 31, 2015:	71,998,164 shares

(Note) The Company conducted a stock split at a ratio of 1:2 of common stock on October 1, 2015. Average number of shares during first nine months ended December 31, 2015 is calculated based on the assumption that the stock split was conducted on April 1, 2015.

* Implementation status of quarterly review procedures

The quarterly review procedures stipulated in the Financial Instruments and Exchange Act are not applicable to this Financial Results report, and the procedures have not been completed when this Financial Results report was disclosed.

* Explanation of the proper use of earnings forecasts and other special notes

(Remarks on forward-looking statements)
The statements about future described on this report such as earnings forecasts have been made based on information currently available and certain assumptions considered reasonable, and it is not intended to assure that we will achieve such results. Actual earnings may differ significantly from the above forecasts for various reasons. For the assumptions for earnings forecasts and cautions regarding the use of the earnings forecasts, please refer to "1. Qualitative Information concerning Consolidated Earnings Results for the First Nine Months of the Fiscal Year Ending March 2017 (3) Explanation about Future Forecast Information including Consolidated Earnings Forecast" on page 6.

1. Qualitative Information concerning Consolidated Earnings Results for the First Nine Months of the Fiscal Year Ending March 2017

(1) Explanation about Operating Results

During the nine months ended December 31, 2016, the U.S. economy continued to expand and Europe showed a gradual recovery in spite of the Brexit concerns. In Asia, China remained flat and the overall economy showed only a moderate growth.

The Japanese economy continued to show a gradual recovery as a whole due to an improvement in consumer spending and production despite weak capital investment.

In the global market, amid the stagnant world trade volume, demand for air freight showed only moderate growth and demand for sea freight was sluggish overall.

Operating results by each segment are as follows.

Starting from the current fiscal year, consolidated subsidiaries unified the fiscal year-end from December 31 to March 31, except for "APLL" (APL Logistics Ltd and its group companies), and there is three-month difference in the year-on-year comparison. Therefore, the year-on-year comparison of volume is omitted for all segments except Japan.

Japan

Air freight exports increased 14.6%*1 year-on-year due to favorable shipment of electronic components, mainly semiconductors, as well as semiconductor manufacturing equipment. Air freight imports increased 1.5%*2 due to a steady growth in electronic products. As for sea freight, exports increased 8.9%*3 due to increases in equipment, machinery and construction materials, and imports increased 3.4%*2 due to steady movements in automotive-related products and computer peripherals. In logistics, the volume grew due to an increase in medical products.

As a result, net sales for Japan, including domestic subsidiaries, decreased 1.9% to 81,188 million yen due to a decline in fuel surcharges, but operating income increased 7.6% to 3,008 million yen.

*1 based on weight *2 based on number of shipments *3 based on TEUs (Twenty-foot Equivalent Units)

The Americas

Air freight exports decreased due to a backlash of increased demand in the previous year caused by the U.S. West Coast port congestion. Air freight imports decreased in automotive-related products and electronic products. In sea freight, exports increased steadily in aerospace products and imports also showed a steady increase mainly with existing customers. Logistics were weak due to decline in handling volume for major customers in the U.S. and Canada.

As a result, net sales for the Americas decreased 19.4% to 32,008 million yen, and operating income fell 41.8% to 1,596 million yen.

The exchange rate was U.S.$1 = ¥ 106.63 and U.S.$1 = ¥ 120.89 for the nine months ended December 31, 2016 and the nine months ended September 30, 2015, respectively.

Europe, Middle East & Africa

Air freight exports increased mainly in automotive-related products, but imports remained the same level as the previous year due to sluggish shipments as a whole despite a steady growth in automotive-related products. In sea freight, while volume of plant-related products increased for export, import volume was low due to slackened shipment of electronic products. In logistics, the volume increased mainly in South Africa and Netherlands.

As a result, net sales for Europe, Middle East & Africa decreased 15.5% to 22,594 million yen, and operating income increased 21.9% to 779 million yen.

The exchange rate was €1 = ¥ 118.02 and €1 = ¥ 134.77 for the nine months ended December 31, 2016 and the nine months ended September 30, 2015, respectively.

East Asia & Oceania

Air freight exports decreased mainly in electronic products. Air freight imports remained the same level as the previous year with a steady growth in smartphone-related products. As for sea freight, exports showed a steady increase due to stable shipment of existing customers and sales expansion, and imports were low due to sluggish demand overall. In logistics, the volume increased mainly in China and Taiwan.

As a result, net sales for East Asia & Oceania decreased 17.6% to 56,865 million yen, and operating income decreased 7.7% to 3,767 million yen.

Southeast Asia

Air freight exports increased due to growth in electronic products and automotive-related products. Air freight imports were sluggish mainly in smartphone-related products. For sea freight, exports increased due to favorable growth mainly in electronic products and automotive-related products, and imports also increased in telecommunication-related products. In logistics, the volume increased in Thailand, India, and Vietnam.

As a result, net sales for Southeast Asia decreased 7.3% to 33,103 million yen, but operating income rose 55.1% to 2,089 million yen due to decrease in cost of sales.

APLL

As for logistics services for automotive, the handling volume of finished cars increased in the U.S., but logistics services for retail, consumer and industrial field lacked active movements overall due to stagnant market. Sea freight forwarding was sluggish due to weak market and a decrease in volume.

As a result, net sales of APLL was 130,365 million yen and the company secured operating income of 1,527 million yen despite an increase in costs for enhancement of business base associated with the separation from the former parent company, but recorded net operating loss of 2,966 million yen due mainly to goodwill amortization.

APLL was included in the scope of consolidation from the third quarter of FY ended March 31, 2016 and therefore year-on-year comparisons are omitted.

The exchange rate was U.S. $1 = ¥ 108.69 for the nine months ended December 31, 2016 (APLL used the average rate for the period from January 1, 2016 to September 30, 2016 because APLL's fiscal year-end remained unchanged from December 31).

As described above, net sales for the nine months ended December 31, 2016 increased 18.4% to 349,542 million yen, operating income decreased 20.4% to 8,585 million yen, ordinary income decreased 29.3% to 8,731 million yen, and net income attributable to owners of the parent decreased 67.0% to 2,386 million yen.

(2) Explanation about Financial Position

1) Assets, liabilities, and net assets

Total assets as of December 31, 2016 decreased 28,767 million yen from March 31, 2016 to 357,134 million yen. Current assets decreased 4,022 million yen to 174,431 million yen due mainly to a decrease in other current assets of 7,758 million yen despite increases in cash and deposits of 3,347 million yen and in notes and operating accounts receivable of 458 million yen. Non-current assets decreased 24,744 million yen to 182,702 million yen due to decreases in intangible assets of 22,249 million yen including amortization of goodwill and in investments and other assets of 1,824 million yen including recognition of impairment loss for goodwill associated with a non-consolidated subsidiary accounted for using equity method.

Total liabilities decreased 531 million yen to 250,171 million yen. Current liabilities increased 6,595 million yen to 105,001 million yen due to decreases in notes and operating accounts payable-trade of 2,503 million yen and in provision for bonuses of 701 million yen, an increase in short-term loans payable of 9,335 million yen resulting from a transfer of current portion of long-term loans payable to short-term loans payable and new borrowings for working capital needed for enhancement of APLL's business base associated with the separation from the former parent company, and recording provision for loss on arbitration ruling of 741 million yen. Non-current liabilities decreased 7,126 million yen to 145,169 million yen due to decreases in long-term loans payable resulting from the aforementioned transfer of current portion of long-term loans payable to short-term loans payable and in other non-current liabilities of 1,489 million yen.

Total net assets as of December 31, 2016 decreased 28,236 million yen from March 31, 2016 to 106,963 million yen due to a decrease in foreign currency translation adjustment of 28,129 million yen as a result of a stronger yen compared to March 31, 2016, despite an increase in retained earnings.

Consequently, the equity ratio decreased to 27.7% from 32.5 % as of March 31, 2016.

(3) Explanation about Future Forecast Information including Consolidated Earnings Forecast

The Group revised consolidated earnings forecasts for the year ending March 31, 2017 announced on November 8, 2016 as follows:

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (Announced on November 8, 2016)	481,000	12,500	13,000	7,000	¥97.23
Revised forecast (B)	462,000	11,500	11,300	2,800	¥38.89
Differences (B) − (A)	(19,000)	(1,000)	(1,700)	(4,200)	―
Change (%)	(4.0)	(8.0)	(13.1)	(60.0)	―
(Ref.) Year ended March 31, 2016	420,252	15,356	17,907	9,773	¥135.74

(Reason of revision)

Due to sluggish airfreight volume and increase in air freight cost ratio in the Americas and East Asia & Oceania, consolidated net sales and operating income are expected to be below our projection.

Also, we recorded non-operating expenses due to impairment loss of 774 million yen for goodwill associated with a non-consolidated subsidiary accounted for using equity method in Hong Kong.

In addition, we recorded provision for loss on arbitration ruling of 678 million yen in extraordinary losses following the arbitration ruling ordering us to pay the damages related to a vessel charter agreement in India.

(Note) Cautionary Statement concerning Earnings Forecasts

The forecasts above are based on information currently available. Actual performance may differ from the above forecasts due to various factors.

2. Matters concerning Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(Changes in the fiscal year, etc. of consolidated subsidiaries)

Previously, Kintetsu World Express (U.S.A.), Inc. and other 61 consolidated subsidiaries that had fiscal year-end of December 31 were consolidated with certain adjustments made for material transactions that took place between December 31 and March 31 which is the consolidated fiscal year-end. However, in order to ensure more appropriate disclosure of the consolidated financial statements, Kintetsu World Express (U.S.A.), Inc. and other 43 consolidated subsidiaries changed their fiscal year-end to March 31, and Kintetsu World Express (China) Co., Ltd. and other 17 consolidated subsidiaries prepared the provisional financial statements as of December 31, 2016. As a result, the consolidated financial statements for the nine months ended December 31, 2016 contain the results for the nine months from April 1, 2016 to December 31, 2016.

Accordingly, earnings from January 1, 2016 to March 31, 2016 were adjusted in retained earnings in consolidation.

(2) Application of Special Accounting Treatment in Preparing the Quarterly Consolidated Financial Statements

Tax expenses are calculated as income before income taxes for the period multiplied by the estimated effective tax rate. The effective tax rate is reasonably estimated taking into consideration deferred tax accounting as the rate applicable to income before income taxes for the consolidated fiscal year including the quarter ended December 31, 2016.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY3/16 (As of March 31, 2016)	Third quarter of FY3/17 (As of December 31, 2016)
Assets		
Current assets		
Cash and deposits	70,580	73,928
Notes and operating accounts receivable	88,500	88,959
Other	20,527	12,769
Allowance for doubtful accounts	(1,153)	(1,224)
Total current assets	178,454	174,431
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,124	20,165
Land	14,006	14,393
Other, net	10,813	10,713
Total property, plant and equipment	45,944	45,272
Intangible assets		
Goodwill	75,768	63,299
Customer-related assets	41,797	33,674
Other	16,550	14,894
Total intangible assets	134,117	111,868
Total investments and other assets	27,386	25,561
Total non-current assets	207,447	182,702
Total assets	385,902	357,134
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	40,338	37,834
Short-term loans payable	28,190	37,526
Income taxes payable	3,470	3,368
Provision for bonuses	4,008	3,306
Provision for directors' bonuses	335	232
Provision for loss on arbitration ruling	–	741
Other	22,063	21,991
Total current liabilities	98,406	105,001
Non-current liabilities		
Long-term loans payable	137,320	131,597
Net defined benefit liability	2,640	2,725
Other	12,335	10,846
Total non-current liabilities	152,296	145,169
Total liabilities	250,703	250,171

(Millions of yen)

	FY3/16 (As of March 31, 2016)	Third quarter of FY3/17 (As of December 31, 2016)
Net assets		
Shareholders’ equity		
Capital stock	7,216	7,216
Capital surplus	4,293	4,018
Retained earnings	103,271	105,036
Treasury shares	(3)	(3)
Total shareholders’ equity	114,777	116,266
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,338	1,557
Deferred gains or losses on hedges	(4)	–
Foreign currency translation adjustment	9,473	(18,655)
Remeasurements of defined benefit plans	(205)	(316)
Total accumulated other comprehensive income	10,602	(17,414)
Non-controlling interests	9,819	8,111
Total net assets	135,199	106,963
Total liabilities and net assets	385,902	357,134

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

(Millions of yen)

	First nine months of FY3/16 (April 1, 2015— December 31, 2015)	First nine months of FY3/17 (April 1, 2016— December 31, 2016)
Net sales	295,159	349,542
Cost of sales	246,245	287,681
Operating gross profit	48,913	61,860
Selling, general and administrative expenses	38,132	53,274
Operating income	10,781	8,585
Non-operating income		
Interest income	451	365
Dividends income	32	35
Amortization of negative goodwill	8	8
Share of profit of entities accounted for using equity method	382	–
Foreign exchange gains	774	655
Miscellaneous income	506	369
Total non-operating income	2,155	1,433
Non-operating expenses		
Interest expenses	570	696
Share of loss of entities accounted for using equity method	–	552
Miscellaneous expenses	23	38
Total non-operating expenses	593	1,287
Ordinary income	12,342	8,731
Extraordinary income		
Gain on sales of non-current assets	–	18
Settlement received	–	429
Total extraordinary income	–	447
Extraordinary losses		
Loss on retirement of non-current assets	4	12
Loss on litigation	–	36
Provision for loss on arbitration ruling	–	678
Total extraordinary losses	4	727
Income before income taxes	12,338	8,451
Income taxes	4,504	5,240
Net income	7,833	3,211
Net income attributable to non-controlling interests	595	824
Net income attributable to owners of the parent	7,238	2,386

(Millions of yen)

	First nine months of FY3/16 (April 1, 2015— December 31, 2015)	First nine months of FY3/17 (April 1, 2016— December 31, 2016)
Net income	7,833	3,211
Other comprehensive income		
Valuation difference on available-for-sale securities	(202)	220
Deferred gains or losses on hedges	2	4
Foreign currency translation adjustment	(4,563)	(22,942)
Remeasurements of defined benefit plans	87	(22)
Share of other comprehensive income of entities accounted for using equity method	(445)	(2,543)
Total other comprehensive income	(5,121)	(25,284)
Comprehensive income	2,712	(22,073)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,405	(22,013)
Comprehensive income attributable to non-controlling interests	307	(59)

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes concerning Going Concern Assumption)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Notes to quarterly consolidated statement of income)

(Share of loss of entities accounted for using equity method)

First nine months of the fiscal year ending March 2017 (April 1, 2016 – December 31, 2016)

Impairment loss of 774 million yen for goodwill associated with a non-consolidated subsidiary accounted for using equity method in Hong Kong is included.

(Provision for loss on arbitration ruling)

First nine months of the fiscal year ending March 2017 (April 1, 2016 – December 31, 2016)

An arbitration proceeding demanding to pay damages related to a vessel charter agreement was brought against Kintetsu World Express (India) Pvt. Ltd., our consolidated subsidiary, and, in November 2016, the London Maritime Arbitrators Association issued an arbitration ruling ordering the company to pay the damages. As the ruling increased the probability of making the payment, we recorded provision for loss on arbitration ruling in extraordinary losses.

(Segment Information, etc.)

[Segment information]

Ⅰ First nine months of the fiscal year ended March 2016 (April 1, 2015 – December 31, 2015)

1. Information about sales, income/loss for each reportable segment

(Millions of yen)

	Reportable segment							Other Note 1	Total	Adjustment Note 2	Carrying amount on quarterly consolidated statements of income Note 3
	Japan	The Americas	Europe, Middle East & Africa	East Asia & Oceania	Southeast Asia	APLL	Total				
Net sales											
Net sales to outside customers	80,663	36,991	25,908	67,939	34,999	48,396	294,897	262	295,159	—	295,159
Inter-segment sales/transfers	2,066	2,731	843	1,057	700	—	7,399	1,574	8,973	(8,973)	—
Total net sales	82,729	39,722	26,751	68,996	35,700	48,396	302,297	1,836	304,133	(8,973)	295,159
Segment income (loss)	2,796	2,743	639	4,082	1,346	(1,314)	10,294	482	10,776	4	10,781

Notes: 1. Other refers to business not included in reportable segments and mainly consists of incidental logistics operations within the Group.
2. The 4 million yen adjustment in segment income is an elimination of income generated from business between segments.
3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.
4. Major countries or regions except Japan and APLL in each category are as follows:
(1) The Americas: United States, Canada, Mexico, and Latin American countries
(2) Europe, Middle East & Africa: United Kingdom, Germany, France, Italy, Netherlands, Belgium, Switzerland, Ireland, other European countries, Russia, African countries, and Middle Eastern countries
(3) East Asia & Oceania: Hong Kong, China, South Korea, Taiwan, and Australia
(4) Southeast Asia: Singapore, Malaysia, Thailand, India, Indonesia, Vietnam, Philippines, and Cambodia

2. Information about assets for each reportable segment

During the three months ended June 30, 2015, the Company acquired all shares in APL Logistics Ltd and APL Logistics Ltd and its group companies (“APLL”) were included in the scope of consolidation. As a result, “APLL” segment asset increased 201,549 million yen compared to the balance as of March 31, 2015.

3. Information regarding impairment loss of non-current assets or goodwill for each reportable segment

(Significant change in goodwill)

Allocation of the acquisition cost of APL Logistics Ltd which was accounted for using provisional amounts for the three months ended June 30, 2015 was finalized during the nine months ended December 31, 2015. The resulting increase in goodwill in “APLL” for the nine months ended December 31, 2015 was 75,611 million yen.

As the Company has adopted “Accounting Standards for Business Combinations”, goodwill decreased by 563 million yen as of April 1, 2015. As for the changes of goodwill amount by segment, “Japan” decreased by 17 million yen, “Europe, Middle East & Africa” decreased by 154 million yen, “Southeast Asia” decreased by 595 million yen and “East Asia & Oceania” increased by 203 million yen.

II First nine months of the fiscal year ending March 2017 (April 1, 2016 – December 31, 2016)

1. Information about sales, income/loss for each reportable segment

(Millions of yen)

	Reportable segment							Other Note 1	Total	Adjustment Note 2	Carrying amount on quarterly consolidated statements of income Note 3
	Japan	The Americas	Europe, Middle East & Africa	East Asia & Oceania	Southeast Asia	APLL	Total				
Net sales											
Net sales to outside customers	79,119	29,932	21,866	55,717	32,366	130,301	349,304	237	349,542	—	349,542
Inter-segment sales/transfers	2,069	2,076	728	1,148	737	63	6,822	1,292	8,114	(8,114)	—
Total net sales	81,188	32,008	22,594	56,865	33,103	130,365	356,126	1,530	357,656	(8,114)	349,542
Segment income (loss)	3,008	1,596	779	3,767	2,089	(2,966)	8,273	306	8,580	4	8,585

Notes: 1. Other refers to business not included in reportable segments and mainly consists of incidental logistics operations within the Group.
2. The 4 million yen adjustment in segment income is an elimination of income generated from business between segments.
3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.
4. Major countries or regions except Japan and APLL in each category are as follows:
(1) The Americas: United States, Canada, Mexico, and Latin American countries
(2) Europe, Middle East & Africa: United Kingdom, Germany, France, Italy, Netherlands, Belgium, Switzerland, Ireland, other European countries, Russia, African countries, and Middle Eastern countries
(3) East Asia & Oceania: Hong Kong, China, South Korea, Taiwan, and Australia
(4) Southeast Asia: Singapore, Malaysia, Thailand, India, Indonesia, Vietnam, Philippines, and Cambodia

2. Information regarding impairment loss of non-current assets or goodwill for each reportable segment

(Significant impairment loss of non-current assets)

For the nine months ended December 31, 2016, "East Asia & Oceania" segment recorded impairment loss of 774 million yen for goodwill associated with a non-consolidated subsidiary accounted for using equity method in Hong Kong.

(Significant change in goodwill)

For the three months ended June 30, 2016, "APLL" segment acquired shares of India Infrastructure and Logistics Private Limited and consolidated the company, resulting in an increase in goodwill of 2,104 million yen. The amount of goodwill is based on a provisional calculation as allocation of the acquisition cost has not been completed.