



February 14, 2017

Press Release

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Notice of Recording of Extraordinary Income and Extraordinary Losses

The Company would like to report the recording of extraordinary income and extraordinary losses during the consolidated fiscal year ended December 31, 2016 (January 1 – December 31, 2016) as outlined below.

1. Extraordinary income

Extraordinary income of 966 million yen was recorded as described below.
(Breakdown)

Profit on negative goodwill associated with the acquisition of a business: 955 million yen
Profit from reversal of new stock acquisition rights associated with lapsed new stock acquisition rights: 11 million yen

2. Extraordinary losses

Extraordinary losses of 1,188 million yen were recorded as described below.

(1) The Company

An extraordinary loss of 656 million yen was recorded by the Company.
(Breakdown)

Impairment loss from certain stores with decreased profitability and stores planned to be closed within a year in the Domestic Retail Business: 115 million yen

Impairment loss from trademark rights associated with decreased profitability in the Overseas Business: 13 million yen

Impairment loss from subleased properties with decreased profitability in the Other Business: 17 million yen

Provision for loss associated with the withdrawal from the electric power-assisted bicycle business and the disposable diaper business in the Overseas Business: 429 million yen

Losses mainly from penalties and on the retirement of non-current assets associated with store closure in the Domestic Retail Business: 81 million yen

(2) Domestic subsidiaries

An extraordinary loss of 250 million yen was recorded by the domestic subsidiaries.
(Breakdown)

Impairment loss from stores and plants planned to be closed within a year in the Domestic Retail Business: 54 million yen

Losses mainly on the retirement of non-current assets associated with store renovations in the Domestic Retail Business: 73 million yen

Losses mainly on retirement of non-current assets associated with store closure in the Domestic Retail Business: 11 million yen

Provision for loss associated with the withdrawal from the electric power-assisted bicycle business in the

Overseas Business: 112 million yen

(3) Chinese subsidiaries

An extraordinary loss of 280 million yen was recorded by the Chinese subsidiaries.

(Breakdown)

Losses from the streamlining of stores associated with store closure in the Overseas Business (formerly the Branch Store Business in China): 280 million yen

3. Effects on business results

The Briefing on Financial Statements for the Fiscal Year ended December 31, 2016, which is announced today, reflects the effects of the above.

End.