Summary of Financial Statements for Q3 term Ending December 2016 (Japanese Standards)(consolidated)

November 14, 2016

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Planned Starting Date for Dividend Payments: —
Supplementary documents for quarterly results: NO
Quarterly results briefing: NO

(Rounded down to nearest million yen)

1. Consolidated Results for Q3 term Ending December 2016 (January 1, 2016 to September 30, 2016)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q3 of FY2016	49,403	△31.9	139	△98.2	92	△98.8	186	△97.4
Q3 of FY2015	72,574	–	7,551	–	7,500	–	7,095	–

(Note) Comprehensive income Q3 of FY2016: 393 million yen (△94.5%) Q3 of FY2015: 7,122 million yen (–%)

	Net income per share	Diluted net income per share
	Yen	Yen
Q3 of FY2016	2.87	–
Q3 of FY2015	113.97	112.81

(Note) The year-on-year increase/decrease of Q3 term Ending December 2015 is not given because a retroactive revision was made in accordance with changes to the accounting policy.
A reverse stock split of 10 common shares to one was conducted on July 1, 2016. Net income per share has been calculated by assuming that this reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Q3 of FY2016	59,649	46,302	77.5
FY2015	58,108	47,907	82.3

(For reference) Shareholders' equity Q3 of FY2016: 46,198 million yen FY2015: 47,803 million yen

2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2015	–	–	–	0.00	0.00
FY2016	–	–	–		
FY2016 (forecast)				0.00	0.00

(Note) Revision to the forecast publicized most recently: No
A reverse stock split of 10 common shares to one was conducted on July 1, 2016. Accordingly, the above amount of the year-end dividend per share (forecast) for the fiscal year ending December 2016 takes into account the effect of this reverse stock split. As a result, the above amount of the year-end dividend per share (forecast) for the fiscal year ending December 2016 takes into account the effect of the reverse stock split, and the total annual dividend is stated as "–."

3. Results forecast for FY2016 (from January 1, 2016 to December 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Full year	65,000	△29.9	1,250	△85.4	1,250	△85.5

(Note) Revision to the forecast publicized most recently: No
(Note) While the Company has been restructuring its unprofitable businesses, activities for new businesses related to existing businesses such as cross-border EC, the Taiwan business, and the real estate operation business have been carried out concurrently, making it difficult to determine the specific financial impact on the businesses. For this reason, the earnings forecast includes only net sales, operating income, and ordinary income.

Notes

(1) Important changes in subsidiaries in the first half under review: No

(2) Application of accounting specific to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policy and changes or restatement of accounting estimates

(i)	Changes in accounting policy due to revisions to accounting standards etc.:	Yes
(ii)	Changes in accounting policy other than those in (i):	No
(iii)	Changes in accounting estimates:	No
(iv)	Restatement of accounting estimates:	No

(4) Number of issued shares (common shares)

(i) Number of issued shares at the end of period (including treasury stock):	Q3 of FY2016	66,388,103
	FY2015	66,388,103
(ii) Number of shares of treasury stock at the end of period:	Q3 of FY2016	1,918,017
	FY2015	401,633
(iii) Average number of issued shares during period (from the beginning of fiscal year)	Q3 of FY2016	64,900,111
	Q3 of FY2015	62,254,628

(Note) A reverse stock split of 10 common shares to one was conducted on July 1, 2016. The number of shares of treasury stock at the end of period and the average number of issued shares during the period have been calculated by assuming that this reverse stock split was conducted at the beginning of the previous consolidated fiscal year.

Status of a quarterly review

This summary of quarterly consolidated financial statements falls outside the scope of the quarterly review procedure under the Financial Instruments and Exchange Act. The quarterly review procedure under the Financial Instruments and Exchange Act for quarterly financial results has been completed at the time this summary of quarterly consolidated financial statements was disclosed.

Explanation on the proper use of results forecasts and other special notes

Forward-looking statements, including results forecasts, in this document are based on information that the Group has obtained and certain assumptions that the Group believes to be reasonable. Actual results may differ significantly due to a variety of factors.

For assumptions regarding the results forecasts and notes to the forecasts, please refer to the Analysis of operating results on page 2 of the accompanying materials.

Dividends and earnings forecast after reverse stock split

The Company conducted a reverse stock split (of 10 common shares to one) with an effective date of July 1, 2016, based on the resolution of the 40th ordinary general meeting of shareholders held on March 25, 2016. Accordingly, the amount of the year-end dividend per share (forecast) for the fiscal year ending December 2016 and the amount of the net income per share in the full-year consolidated earnings forecast for the fiscal year ending December 2016 have been revised to take into account the effect of the reverse stock split.

○ Contents of attached document

1. Qualitative Information on Consolidated Results for the First Three Quarters of FY2016

(1) Explanation of operating results

The forward-looking statements made in this report were prepared at the Group's discretion based on information available as of the end of this quarterly consolidated fiscal year.

During the first three quarters of the consolidated fiscal year under review, a number of risks emerged, including a sharp decline in Chinese stocks early this year, the victory of the pro-Brexit camp in the U.K. referendum in June, and terrorist attacks worldwide, and the Company sees global economies in a lull. The Japanese economy is believed to be continuing a moderate recovery trend, despite sluggish exports and production due to the continued strength of the yen and a slowdown in emerging economies.

Looking at trends of foreign tourists visiting Japan related to the Company's core business, information provided by the Japan National Tourist Organization (JNTO) indicated that the number of foreign tourists who visited Japan in the July-September quarter of 2016 rose 17.1% year on year but their consumption declined 2.9%, the first decline in 19 quarters, partly due to the stronger yen.

In this environment, the Laox Group continues to target all of Asia as its market, and is striving to embody "premium Japan" by providing high-quality, reliable products, and world-renowned Japanese hospitality and service.

In the domestic retail business, the Company acquired the women's shoes planning and wholesale business of Shin-Ei Corporation and the shoes manufacturing and sales business of Shinko Seika Kogyo Co., Ltd. in the third quarter to expand its product lineup and enhance customer satisfaction. In response to trends with inbound tourists, the Company promoted the scrapping and building of its duty-free stores, opening three stores, including the Sapporo Tanukikoji store and Niigata Airport store, and closing two, including the Sapporo Parco store.

In its overseas business, the Company launched new initiatives such as the supply of merchandise to stores in Wind Lion Plaza Duty-free Shopping Mall in the Cross-Strait Free Trade Center in Taiwan. Meanwhile, the Company is working to improve results in its existing businesses, including e-commerce for Chinese customers and sales of private-brand disposable diapers, by transferring operations to local subsidiaries and launching new products.

In the Other Business segment, the Company acquired Chiba Port Square in the first quarter with Greenland Hong Kong Holdings Ltd., the largest Chinese real estate developer, and is planning to remodel the facility to meet the demand of inbound tourists not only for shopping, but also for dining, lodging, and amusement.

As a result, the financial results for the first three quarters of the consolidated fiscal year under review showed net sales of 49,403 million yen (down 31.9% from 72,574 million yen for the same period of the previous year), operating income of 139 million yen (down 98.2% from 7,551 million yen for the same period of the previous year), ordinary income of 92 million yen (down 98.8% from 7,500 million yen for the same period of the previous year), and net income attributable to owners of parent of 186 million yen (down 97.4% from 7,095 million yen for the same period of the previous year). Laox will continue developing its business model of embodying "premium Japan" in the global market, focusing on China and other parts of Asia, in an effort to become an innovative global company.

The financial results of each business segment are as follows:

1) Domestic Retail Business

In this segment, the impact of the strong yen, a decline in the average selling price due to changes in demand of foreign tourists in Japan for merchandise, a shift from group tours to individual trips (foreign independent travel, or FIT), and other factors continued from the first quarter of this consolidated fiscal year. There was also an increase in expenses for the expansion of stores. As a result, the first three quarters of the consolidated fiscal year under review saw net sales of 47,373 million yen (down 28.0% from 65,772 million yen for the same period of the previous year) and operating income of 2,258 million yen (down 76.2% from 9,492 million yen for the same period of the previous year).

2) Overseas Businesses

In this segment, the Company started new initiatives such as the supply of merchandise to Taiwan and took steps to improve existing businesses, including e-commerce for Chinese customers and sales of private-brand disposable diapers. However, preliminary expenses were required, and the closure of Chinese stores during the first quarter had an adverse effect. This resulted in net sales of 1,683 million yen (down 73.2% from 6,270 million yen for the same period of the previous year) and an operating loss of 478 million yen (operating loss of 606 million yen for the same period of the previous fiscal year) for the first three quarters of the consolidated fiscal year under review.

3) Other Businesses

Expenses were incurred in this segment for the preparation of the Chiba Port Square business, and there was a cancelation of a subleasing contract. This resulted in net sales of 357 million yen (down 32.6% from 531 million yen for the same period of the previous year) and an operating loss of 54 million yen (operating loss of 41 million yen for the same period of the previous year) for the first three quarters of the consolidated fiscal year under review.

(2) Explanation of financial conditions

1) Assets, Liabilities, and Net assets

(Assets)

Total assets at the end of the third quarter of the consolidated fiscal year under review stood at 59,649 million yen (compared to 58,108 million yen at the end of the previous fiscal year).

The increase in total assets was largely attributable to increases of 1,788 million yen in buildings and structures, 897 million yen in furniture and fixtures, 466 million yen in goodwill, 637 million yen in investment securities, 1,397 million yen in shares of subsidiaries and associates, and 2,574 million yen in investments in capital of subsidiaries and associates, despite a decrease of 6,042 million yen in cash and deposits.

(Liabilities)

Total liabilities amounted to 13,346 million yen (compared to 10,201 million yen at the end of the previous fiscal year)

The increase in liabilities stemmed primarily from an increase in short-term loans payable of 4,500 million yen despite decreases in notes and accounts payable-trade of 672 million yen and in income taxes payable of 720 million yen.

(Net assets)

Net assets stood at 46,302 million yen (compared to 47,907 million yen at the end of the previous fiscal year).

The decline in net assets was due primarily to an increase of 1,998 million yen in treasury stock.

(3) Explanation of future predictive information such as consolidated results forecasts, etc.

The full-year consolidated financial forecast announced in the Summary of (Consolidated) Financial Statements for the First Half of Fiscal Year Ending December 31, 2016 (Japanese Standards) dated August 12, 2016 has not been changed.

2. Explanation of Summary Information (explanatory notes)

(1) Important changes in subsidiaries in the first three quarters under review

No corresponding items.

(2) Application of accounting specific to the preparation of quarterly consolidated financial statements

The tax expenses of the Company and part of its consolidated subsidiaries have been calculated by multiplying the rationally estimated effective tax rate after applying tax effect accounting to the income before income taxes for the consolidated fiscal year, which includes the third quarter of the consolidated fiscal year under review, to the income/loss before income taxes for the quarter.

(3) Changes in accounting policy and changes or restatement of accounting estimates

Standards such as the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013) (hereinafter the “Accounting Standard for Business Combinations”), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013) (hereinafter the “Consolidated Accounting Standards”), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013) (hereinafter, the “Accounting Standard for Business Divestitures”) have been applied from the first quarter of this consolidated fiscal year. In addition, the method for recognizing the differences arising from changes in the Company’s equity in its continuously controlled subsidiaries has been changed to a method that recognizes these differences as capital surplus, while the method for recognizing expenses for acquisition has been changed to a method that recognizes these as expenses for the consolidated fiscal year in which they are accrued. For business combinations implemented after the beginning of the first quarter of the consolidated fiscal year, the method will be changed to one that reflects the revision of the distributed amounts of acquisition cost by determining provisional accounting treatment in the quarterly consolidated financial statements for the quarterly consolidated accounting period to which the date of business combination belongs. In addition, the Company has changed the presentation of quarterly net income and other items and the presentation of minority interests to non-controlling interest. To reflect these changes, the quarterly consolidated financial statements and consolidated financial statements for the first three quarters ended September 30, 2015 and fiscal year ended December 31, 2015 have been replaced.

The application of the Accounting Standard for Business Combinations and the other standards follows the transitional treatment specified in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statement, and Article 57-4 (4) of the Accounting Standard for Business Divestitures. It has been and will continue to be applied from the beginning of the first quarter of this consolidated financial year.

These changes will have no effect on the profit and loss in the consolidated quarterly financial statements.

(Changes in the treatment of purchase discounts)

The Company has treated discounts on purchases received in the cash payment for product supply as cash discounts on purchase under non-operating income. In the fourth quarter of the previous consolidated fiscal year, however, the method was changed to one that would include these discounts in the cost of goods sold as a purchase deduction item. This has resulted in differences between the accounting policies applied to the comparative information included in the quarterly consolidated financial statements for the consolidated cumulative quarter belonging to the consolidated fiscal year under review and those applied to the quarterly consolidated financial statements for the corresponding consolidated cumulative quarter in the previous consolidated fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Units: 1,000 yen)

	FY2015 (As of December 31, 2015)	Third quarter of FY2016 (As of September 30, 2016)
Assets		
Current assets		
Cash and deposits	7,794,957	1,751,990
Notes and accounts receivable - trade	3,363,547	2,316,000
Merchandise and finished goods	14,758,092	15,644,731
Raw materials and supplies	61,913	63,370
Work in process	45,566	73,223
Accounts receivable	1,896,218	1,846,219
Advance payments - trade	1,215,542	933,407
Prepaid expenses	432,925	579,662
Current portion of guarantee deposits	69,351	68,681
Other	342,126	388,046
Allowance for doubtful accounts	(97,657)	(68,070)
Total current assets	29,882,584	23,597,264
Non-current assets		
Property, plant and equipment		
Buildings and structures (net)	2,115,688	3,903,938
Machinery, equipment and vehicles (net)	95,346	38,753
Tools, furniture and fixtures (net)	896,914	1,794,641
land	111,778	186,478
Lease assets (net)	25,927	81,581
Construction in progress	299,815	32,113
Total non-current assets	3,545,468	6,037,507
Intangible assets		
Goodwill	–	466,159
Trademark right	3,857	84,066
Software	147,489	230,851
Lease assets	19,087	14,167
Software in progress	56,550	76,710
Other	901	901
Total intangible assets	227,885	872,856
Investments and other assets		
Investment securities	81,272	718,941
Shares of subsidiaries and associates	204,908	1,602,517
Investments in capital of subsidiaries and associates	–	2,574,896
Long-term fixed-period deposits	19,000,000	19,000,000
Deferred tax assets	284,692	294
Long-term loans receivable	121,154	132,350
Lease and guarantee deposits	4,804,370	5,199,400
Other	305,675	308,484
Allowance for doubtful accounts	(464,483)	(470,685)
Total investments and other assets	24,337,589	29,066,199
Total non-current assets	28,110,944	35,976,563
Deferred assets		
Share issuance cost	115,176	75,307
Total deferred assets	115,176	75,307
Total assets	58,108,705	59,649,135

(Units: 1,000 yen)

	FY2015 (As of December 31, 2015)	Third quarter of FY2016 (As of September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,345,598	4,673,288
Short-term loans payable	–	4,500,900
Current portion of long-term loans	69,014	69,014
Accounts payable - other	1,078,837	1,451,137
Accrued expenses	608,990	350,313
Lease obligations	24,880	27,509
Income taxes payable	829,485	109,020
Provision for bonuses	195,005	64,921
Provision for director’s bonuses	18,565	66
Provision for point card certificates	9,593	7,167
Provision for loss from product warranty	21,944	19,646
Provision for loss on withdrawal from employees’ pension fund	100,000	100,000
Asset retirement obligations	8,975	7,055
Other	243,055	309,896
Total current liabilities	8,553,948	11,689,937
Non-current liabilities		
Long-term loans payable	370,378	301,363
Long-term guarantees deposited	369,368	352,604
Net defined benefit liabilities	391,405	422,650
Provision for director’s retirement benefits	23,633	23,633
Lease obligations	21,812	67,907
Provision for loss on litigation	2,218	2,218
Allowance for business structure improvement expenses	–	191,875
Asset retirement obligations	266,273	262,081
Deferred tax liabilities	45,914	24,566
Other	156,225	7,681
Total non-current liabilities	1,647,230	1,656,580
Total liabilities	10,201,178	13,346,518
Net assets		
Shareholder’s equity		
Capital stock	22,633,662	22,633,662
Capital surplus	18,920,205	18,920,205
Retained earnings	6,298,772	6,485,070
Treasury shares	(421,107)	(2,419,850)
Total shareholder’s equity	47,431,532	45,619,087
Total amount of other comprehensive income		
Valuation difference on available-for-sale securities	6,079	(14,050)
Foreign currency translation adjustment	365,573	593,237
Total amount of other comprehensive income	371,653	579,187
Subscription right to shares	104,340	104,340
Non-controlling interest	–	–
Total net assets	47,907,526	46,302,616
Total liabilities and net assets	58,108,705	59,649,135

(2) Quarterly consolidated profit and loss statement and quarterly consolidated comprehensive income statement

Quarterly consolidated profit and loss statement

First three quarters

(Units: 1,000 yen)

	First three quarters of FY2015 (From January 1 to September 30, 2015)	First three quarters of FY2016 (From January 1 to September 30, 2016)
Net sales	72,574,371	49,403,356
Cost of sales	47,676,119	31,535,329
Gross profit	24,898,252	17,868,026
Selling, general and administrative expenses		
Advertising expenses	67,758	150,449
Sales commission	10,262,520	6,691,817
Promotion expenses	109,437	222,160
Haulage expenses	216,249	347,460
Depreciation	348,173	620,569
Salaries and allowances	2,159,020	3,441,168
Legal welfare expenses	284,084	515,696
Retirement benefit expenses	82,281	89,796
Bonuses	229,446	161,729
Provision for bonuses	56,582	63,855
Director’s bonuses	17,620	4,597
Provision for directors’ bonuses	4,406	466
Provision for directors’ retirement benefits	10,161	–
Rents	1,830,225	3,441,287
Rent expenses	203,234	112,144
Other	1,465,460	1,865,559
Total selling, general and administrative expenses	17,346,662	17,728,758
Operating income	7,551,589	139,267
Non-operating income		
Interest expenses	54,357	95,010
Reversal of allowance for doubtful accounts	–	12,734
Other	32,873	11,653
Total non-operating income	87,231	119,398
Non-operating expenses		
Interest payable	4,578	12,927
Sales discount	1,901	1,769
Amortization of stock issuance cost	33,108	39,868
Foreign exchange losses	13,654	108,219
Provision of allowance for doubtful accounts	70,712	–
Other	14,570	3,632
Total non-operating expenses	138,526	166,418
Ordinary income	7,500,294	92,247

(Units: 1,000 yen)

	First three quarters of FY2015 (From January 1 to September 30, 2015)	First three quarters of FY2016 (From January 1 to September 30, 2016)
Extraordinary income		
Reversal of impairment loss	205,871	-
Gain on bargain purchase	142,159	983,934
Total extraordinary income	348,031	983,934
Extraordinary losses		
Impairment loss	–	14,904
Loss on disposal of non-current assets	–	64,795
Loss on liquidation of stores	–	276,890
Provision for loss on withdrawal from employees’ pension fund	170,000	–
Allowance for business structure improvement expenses	–	191,875
Total extraordinary loss	170,000	548,466
Net income before income taxes	7,678,325	527,715
Income taxes-current	583,288	341,417
Net income	7,095,037	186,297
Net income attributable to non-controlling interests	–	–
Net income attributable to owners of parent	7,095,037	186,297

Quarterly consolidated comprehensive income account statement
First three quarters

(Units: 1,000 yen)

	First three quarters of FY2015 (From January 1 to September 30, 2015)	First three quarters of FY2016 (From January 1 to September 30, 2016)
Net income	7,095,037	186,297
Other comprehensive income		
Valuation difference on available-for-sale securities	1,990	(20,129)
Foreign currency translation adjustment	25,927	227,664
Total of other comprehensive income	27,917	207,534
Comprehensive income	7,122,955	393,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,122,955	393,832
Comprehensive income attributable to non-controlling interests	–	–

(3) Explanatory notes regarding quarterly consolidated financial statement

(Explanatory notes regarding assumption of going concern)

No corresponding items.

(Explanatory notes in case of remarkable change in monetary amount of shareholders' equity)

No corresponding items.

(Segment information, etc.)

I. First three quarters of FY2015 (from January 1 to September 30, 2015)

1. Information concerning monetary amount of sales and profit or loss of each reporting segment

(Units: 1,000 yen)

	Reporting segment			Total	Amount of adjustment Note: 1	Amount appropriated in quarterly consolidated profit and loss statement Note: 2
	Domestic retail business	Overseas business	Other business			
Sales						
Sales to extremal clients	65,772,671	6,270,326	531,373	72,574,371	–	72,574,371
Internal sales or transfers between segment	–	–	–	–	–	–
Total	65,772,671	6,270,326	531,373	72,574,371	–	72,574,371
Segment profit (loss)	9,492,894	(606,105)	(41,221)	8,845,566	(1,293,977)	7,551,589

(Notes) 1. Segment profit amount of adjustment -1,293,977 thousand yen indicates expenses for whole company without dividing for each reporting segment. Whole company expenses mainly consist of personnel expenses and general management expenses not belonging to reporting segments.

2. Segment profit (loss) is adjusted with operating income from the quarterly consolidated profit and loss statement.

2. Information concerning impairment loss or goodwill, etc. of non-current assets in each reporting segment

(Significant impairment loss associated with non-current assets)

No corresponding items.

(Significant change in goodwill)

No corresponding items.

(Gain on bargain purchase)

In the first three quarters of FY2016, a gain on bargain purchase of 142,159,000 yen was posted in the domestic retail business.

II. First three quarters of FY2016 (from January 1 to September 30, 2016)

1. Information concerning monetary amount of sales and profit or loss of each reporting segment

(Units: 1,000 yen)

	Reporting segment			Total	Amount of adjustment Note: 1	Amount appropriated in quarterly consolidated profit and loss statement Note: 2
	Domestic retail business	Overseas business	Other business			
Sales						
Sales to extremal clients	47,362,276	1,683,153	357,927	49,403,356	–	49,403,356
Internal sales or transfers between segment	11,121	–	–	11,121	(11,121)	–
Total	47,373,397	1,683,153	357,927	49,414,477	(11,121)	49,403,356
Segment profit (loss)	2,258,598	(478,846)	(54,793)	1,724,959	(1,585,691)	139,267

(Notes) 1. Segment profit amount of adjustment -1,585,691 thousand yen indicates expenses for whole company without dividing for each reporting segment. Whole company expenses mainly consist of personnel expenses and general management expenses not belonging to reporting segments.

2. Segment profit (loss) is adjusted with operating income from the quarterly consolidated profit and loss statement.

2. Information concerning impairment loss or goodwill, etc. of non-current assets in each reporting segment

(Significant impairment loss associated with non-current assets)

No corresponding items.

(Significant change in goodwill)

In the first three quarters of FY2016, goodwill of 474,060 thousand yen was posted in the domestic retail business.

(Gain on bargain purchase)

In the first three quarters of FY2016, a gain on bargain purchase of 983,934 thousand yen was posted in the domestic retail business.

3. Items regarding changes of reporting segment, etc.

Based on the closure of all stores in China, etc. during the first quarter of the fiscal year ending December 2016, the existing “China store opening business” and “foreign trade agency business” have been changed so as to be integrated as “overseas business.” Also, the name of the reporting segment has accordingly been changed from “domestic store business” to “domestic retail business.”

Moreover, segment information for first three quarters of the fiscal year ended December 2015 is produced by rearrangement based on reporting segments used in first three quarters of the fiscal year ending December 2016.