

Suntory Holdings Limited

August 5, 2016

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 (English Translation, UNAUDITED)

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(Fractions of millions have been truncated)

1. Consolidated operating results and financial positions for the six months of the current fiscal year
(January 1, 2016 - June 30, 2016)

(1) Operating results (% figures represent change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥million	%	¥ million	%	¥million	%	¥million	%
Six months ended								
June 30, 2016	1,273,069	3.0	87,277	14.0	75,647	14.2	35,633	129.5
June 30, 2015	1,236,336	11.5	76,527	18.8	66,238	6.0	15,529	(9.7)

Referential Information : Income before amortization of goodwill and others

	Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥million	%	¥million	%
Six months ended						
June 30, 2016	121,387	10.3	109,758	10.0	63,476	44.4
June 30, 2015	110,049	31.4	99,759	21.9	43,943	40.2

Note: Income before amortization of goodwill and others = Income + Amortization of Goodwill, Trademarks and other recognized in connection with M&A

	Basic net income per share	Diluted net income per share
Six months ended	¥	¥
June 30, 2016	52.11	-
June 30, 2015	22.73	-

(2) Financial positions

	Total assets	Net assets	Ratio of equity to total assets
As of	¥ million	¥ million	%
June 30, 2016	4,133,767	941,882	16.6
December 31, 2015	4,606,990	1,162,629	18.6

Reference: Shareholders' equity (Equity excluding non-controlling interests)

As of June 30, 2016: ¥ 685,103 million As of December 31, 2015: ¥ 857,673 million

(3) Cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at period-end
Six months ended	¥ million	¥ million	¥ million	¥ million
June 30, 2016	75,569	(11,994)	39,793	344,735
June 30, 2015	85,307	(44,931)	(10,558)	227,724

2. Consolidated result forecast for the fiscal year ending December 2016

(January 1, 2016 - December 31, 2016)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Fiscal year ending									
December 31, 2016	2,730,000	1.6	188,000	1.6	160,000	2.4	50,000	10.5	73.15

Note: 1. Revision of the forecast from recently announced figures: No
2. % figures represent change from previous fiscal year.

Reference: Income before amortization of goodwill and others

258,000	1.2	230,000	1.8	108,000	4.4
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Operating Results

1. Summary of Interim Consolidated Financial Results for the Current Fiscal Year

During the first six months of FY2016 (from January 1, 2016 to June 30, 2016), overall the global economy made a gradual recovery, despite signs of weakness in some areas. Gradual recovery continued in the Japanese economy, but some weakness was seen, such as in personal consumption and in corporate profits.

Amid these circumstances, the Suntory Group has actively expanded business in each of three segments, "Non-Alcoholic Beverages and Food," "Alcoholic Beverages," and "Other Businesses" both domestically and abroad. In the first six months of the fiscal year under review, net sales increased by 3.0% from the same period of last year to 1.2731 trillion yen, operating income by 14.0% to 87.3 billion yen, ordinary income by 14.2% to 75.6 billion yen, and net income attributable to owners of parent by 129.5% to 35.6 billion yen.

Moreover, due to the impact of the 2016 Kumamoto Earthquake, an extraordinary loss of 10.1 billion yen was posted.

When calculations exclude amortization of goodwill and others in line with global standards, operating income increased by 10.3% to 121.4 billion yen, ordinary income by 10.0% to 109.8 billion yen, and net income attributable to owners of parent by 44.4% to 63.5 billion yen.

<Non-Alcoholic Beverages and Food Segment>

Suntory Beverage & Food Limited focused on strengthening brands and creating new demand, while all members of the Suntory Beverage & Food aimed to strengthen profitability by reforming the cost structure and improve product quality based on insights provided by its group companies.

The domestic business aimed to create new demand by introducing products with new value and strengthening the lineup of high-value-added products such as Food for Specified Health Uses (FOSHU) in addition to strengthening core brands, thereby achieving year-on-year growth in sales volumes.

Suntory Tennensui promoted the brand's characteristics of "clear and refreshing" and "natural and healthy" as its unique value. In particular, sales of *Suntory Yogurina & Minami-Alps Tennensui* performed well, and the brand's overall sales volume grew significantly.

The *BOSS* brand continued to focus on promoting its flagship products, and sales volume for the bottle-shaped canned coffees *Premium BOSS Black* and *Premium BOSS Bito* grew significantly, driving sales for the brand as a whole. In June the caffeine-free *Boss Decaf Black* was launched, with the aim of expanding the coffee-drinking scene.

The *Iyemon* brand continued to propose altering flavors to suit the changing season. Furthermore, sales volumes for the FOSHU green tea *Iyemon Tokucha* grew significantly, with the result that sales volume for the brand as a whole grew strongly.

In FOSHU products, the company is driving market expansion and building for itself an unshakable position. We continued to work on proactive marketing for *Iyemon Tokucha* and *Suntory Black Oolong*

Tea, and sales volumes for FOSHU products considerably outperformed previous-year levels.

Suntory Beverage Solution Limited started its operations in April in order to provide even higher added value to customers in the vending machine, fountain and water dispenser operations. Together with Suntory Foods Limited, it took initiatives to enhance consumer response capabilities and sales capabilities in each of these areas.

The Company has also conducted further development and cost reductions on its main brands in each area of its international business.

In Europe, we conducted proactive marketing, primarily for key brands such as *Orangina*, *Oasis*, *Schweppes*, *Lucozade* and *Ribena*. In France, in a difficult operating environment, sales volumes for *Orangina* and *Oasis* fell below previous-year levels. In the UK, *Lucozade* posted steady sales due to brand revitalization and *Ribena* sales volumes also rose year on year. In Spain, the Group continued to push the cooperation with PepsiCo, Inc. that began last year and sales continued to be strong in the on-premise market. Also, by following on from the handling of *Highland Spring* bottled water in the UK that began in December of last year and launching the flavored tea *May Tea* in France in May, the Group bolstered its brand portfolio across the whole of Europe.

In Asia the target has been set to strengthening the business base in each country and conducted marketing focused on leading brands. As for the health food business, in Thailand, sales of *BRAND'S Essence of Chicken* and so on were steady. In the beverage business, in Vietnam, the Group took steps to strengthen marketing for Suntory brand products such as the launch of green tea *TEA+ MATCHA* in April, and sales remained strong along with PepsiCo brands.

In Oceania, in addition to revitalizing its mainstay energy drink *V*, the Group worked to expand sales by conducting aggressive marketing activities for the Suntory brand product *OVI*.

In the U.S., in addition to further strengthening sales of North Carolina - based PepsiCo brands, improvements to operational efficiency were implemented in sales and distribution. We also began sales of the *OVI* Suntory brand in January.

As a result of the above, net sales for the Non-Alcoholic Beverages and Food Segment increased 9.1% year on year to 674.5 billion yen, and operating income by 5.4% to 49.2 billion.

< Alcoholic Beverages Segment >

Comparable sales for Beam Suntory Inc. increased at a mid-single digit rate year to date. Results benefited from broad-based geographic growth, sustained premiumization, and strong gains for brands including *Jim Beam*, *Maker's Mark*, *Teacher's*, *Courvoisier* and *Hornitos*. In addition to the strong results, the company's premium whisky craftsmanship continued to be recognized at prestigious international tasting competitions, including top honors for the *Hibiki* brand, *Jim Beam Black* and *Knob Creek Rye*. Reflecting the adverse impact of currency exchange rates and divestitures, sales on a reported basis were down year on year.

Sales growth in Beam Suntory's Americas region was led by mid-single-digit growth in the United States. Results were driven by solid U.S. shipment growth for the company's leading bourbon brands -- *Jim Beam* and *Maker's Mark* -- as well as for brands including *Courvoisier*, *Sauza*, *Hornitos*, *Basil Hayden's* and *EFFEN*. *Jim Beam* benefited from rising consumer demand for the core *Jim Beam* expression, plus favorable trends for line extensions including *Jim Beam Apple*. Reflecting strong

premiumization and successful on-premise activations, the fastest growth in the U.S. came from the company's premium whisky, tequila and vodka brands.

In Beam Suntory's International region, strong year-to-date sales growth reflected region-wide share gains, premiumization and robust growth in Western Europe, Russia, Australia, India, Southeast Asia and Global Travel Retail. Results in the region benefited from especially strong growth for the company's premium malt whiskies, fueled by the Peated Malts of Distinction campaign, as well as the performance of *Canadian Club*, *Courvoisier* and *Maker's Mark*. Strong demand for *Teacher's* Scotch in India and *Larios* gin in Spain added to the year-to-date results.

Beam Suntory's Japan business (Suntory Spirits Limited) saw 3% year-on-year growth in sales. Japan remains the fastest-growing market for the *Jim Beam* brand, with year-to-date volumes up 49% fueled by successful promotion on- and off-premise of the Jim Beam Highball. RTD products grew volumes 14% year to date as consumers increasingly enjoy them as their beverage of choice with meals. The RTD performance was fueled by 16% volume growth for the *-196°C Strong Zero* brand and 23% year-on-year volume growth for *Horoyoi*, driven by its appealing flavors and successful brand communication activities. *Canned Kaku Highball* and *canned Torys Highball* continued their momentum, with the volume of canned highball products increasing 31% year-on-year.

Suntory Beer Limited sold a record high of 33.14 million cases^{*1} (up 1% year on year), while the overall market^{*2} is estimated to be down about 1% year on year. The market share of the Company's beer-type beverages^{*3} reached a record high of 16.0% (based on shipping volumes taxable by the National Tax Agency).

For *The Premium Malt's* we offered a new value proposition to the domestic beer market by launching the concept ale beer *The Premium Malt's Kaoru Ale*, and also implemented aggressive marketing activities such as hosting *The Premium Malt's Festival* experience events in 17 cities nationwide. As for *The Malt's*, the company refined the content and packaging to reinforce the appeal of this product as an "umami" beer. In the *Kinmugi* brand, *Kinmugi* itself rose by 5% year on year while *Kinmugi (75% Less Sugar^{*4})* increased by a strong 11% year on year.

For *All Free*, the top-selling^{*5} brand among alcohol-free beer-type beverages, we worked on expanding consumers through proactive marketing activities, such as refreshing the content and packaging and using campaigns that leverage the web.

*1. Converted to large bottles (1 case = 633 ml x 20 bottles)

*2. Including alcohol - free beer - type beverages

*3. Excluding alcohol - free beer - type beverages

*4. Compared to the Company's *Kinmugi*

*5. Source: Intage SRI, January - December 2015 (total for supermarkets, convenience stores, liquor-selling department stores and retail/wholesale liquor shops nationwide)

Suntory Wine International Limited net sales were affected by the foreign exchange rate, and fell slightly. Excluding the impact of the forex rate, net sales rose 2% year on year. In the domestic market, "Japanese wine" made from grapes grown entirely in Japan recorded significant year on year growth of 21% in sales volume, as a result of initiatives to increase contact points with customers, such as by selling by the glass in restaurants. *Suntory Tomi no Oka Winery Tomi White 2013* won the Gold Medal at the *Les Citadelles du Vin* international wine competition, making it five consecutive years that the company's "Japanese Wine" has won a Gold Medal. Wines matched to specific cuisine and ingredients, such as

Carnivor and *El Grill*, have been well received by consumers and imported wines in the medium to high-price ranges also grew.

As a result of the above, net sales for the Alcoholic Beverages Segment were 466.1 billion yen, down 1.9% year on year, and operating income was 39.5 billion yen, up 24.1% year on year.

<Other Businesses Segment>

For Suntory Wellness Limited, the *Sesamin* series and the *F.A.G.E.* anti-aging skin-care cosmetics and others posted strong net sales, growing 13% year on year. New products performed well for Häagen-Dazs Japan, Inc. Dynac Corporation and other restaurant businesses also posted strong results. Also, in March of this year Suntory (China) Holding Co., Ltd. dissolved its joint venture with Tsingtao Brewery Co., Ltd., leaving the Other Businesses segment with net sales of 132.5 billion yen, down 7.6% year on year, and operating income of 16.2 billion yen, up 8.1% year on year.

In addition, domestic sales rose to 825.2 billion yen, up 11.4% year on year, and overseas sales fell to 447.9 billion yen, down 9.6% year on year. Overseas net sales excluding the effects of the forex rate were down 0.3% year on year.

Furthermore, the overseas share of net sales was 35.2% and the overseas share of operating income before amortization of goodwill and others was 51.2%.

Since our very inception, Suntory has aggressively pursued interests while also putting forth initiatives to contribute to culture and society and implement environmental activities based on Suntory's founding spirit of "Sharing the Profit with Society."

We continue to provide Great East Japan Earthquake recovery assistance through our programs "Activities to Support Recovery of the Fishing Industry," "Youth Support Initiatives," "Support for Challenged Sports (for Persons with Disabilities)" and "Support through Culture, the Arts, and Sports," which thus far have totaled 10.8 billion yen since the earthquake. In addition, in July of last year, the Company concluded an official partner agreement with the Japan Wheelchair Basketball Federation, so as to support Japan's wheelchair basketball.

Moreover, in terms of support for the areas hit by the 2016 Kumamoto earthquake, in addition to sending relief supplies immediately after the earthquake in May we made a donation of 100 million yen.

As for our environmental activities, we continue to actively work on the *Suntory Natural Water Sanctuaries*, by which we have cultivated water resources covering approximately 8,000 hectares. We aim to expand this area by 2020 to double the volume of groundwater used at our plants in Japan. In addition to its activities within Japan the Suntory "*Mizuiku*" Natural Water Education Program, which conveys water's importance to children, is in its second year of operation in Vietnam, where it is being implemented in Ho Chi Minh and other areas. We are also working on lighter packaging materials and promoting reductions in the amount of water and energy used in our production processes. With the cooperation of an American company, we are now developing 100% plant-derived ingredient PET bottles, and construction of a trial plant began in January.

2. Full-Year Forecast

For the period ending in December 2016, the Company is anticipating sales of 2.73 trillion yen, up 1.6% year on year, operating income of 188 billion yen, up 1.6% year on year, ordinary income of 160 billion yen, up 2.4% year on year, and net income attributable to owners of parent of 50 billion yen, up 10.5% year on year.

In terms of income before amortization of goodwill and others, operating income will be 258 billion yen, up 1.2% year on year, ordinary income will be 230 billion yen, up 1.8% year on year, and net income attributable to owners of parent will be 108 billion yen, up 4.4% year on year.

(There are no changes to the performance forecast announced on February 15, 2016.)

Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2015	As of June 30, 2016	Change
ASSETS			
Current assets	1,205,761	1,233,429	27,667
Cash and deposits	258,622	345,366	86,744
Notes and accounts receivable - trade	380,562	344,771	(35,791)
Inventories	438,927	411,708	(27,218)
Other	129,758	132,939	3,180
Allowance for doubtful accounts	(2,109)	(1,357)	751
Non-current assets	3,400,453	2,899,702	(500,751)
Property, plant and equipment	686,068	597,323	(88,745)
Buildings and structures, net	198,016	167,302	(30,713)
Machinery, equipment and vehicles, net	255,743	215,991	(39,751)
Tools, furniture and fixtures, net	63,223	60,310	(2,912)
Land	106,203	96,815	(9,387)
Other	62,881	56,902	(5,978)
Intangible assets	2,512,908	2,107,791	(405,116)
Goodwill	1,136,879	959,808	(177,070)
Trademarks	1,285,478	1,070,076	(215,401)
Other	90,550	77,906	(12,644)
Investments and other assets	201,477	194,587	(6,889)
Investment securities	119,633	106,142	(13,490)
Other	83,153	89,670	6,517
Allowance for doubtful accounts	(1,309)	(1,225)	84
Deferred assets	774	636	(138)
TOTAL ASSETS	4,606,990	4,133,767	(473,222)

(Millions of yen)

	As of December 31, 2015	As of June 30, 2016	Change
LIABILITIES			
Current liabilities	934,627	936,862	2,234
Notes and accounts payable - trade	146,790	138,128	(8,661)
Electronically recorded obligations - operating	109,333	118,306	8,973
Short-term loans payable	161,664	248,709	87,044
Current portion of bonds	51,918	33,498	(18,420)
Accrued alcohol tax	55,064	33,631	(21,432)
Accrued consumption taxes	22,349	14,746	(7,602)
Income taxes payable	36,629	20,996	(15,632)
Accounts payable - other	157,615	131,042	(26,573)
Accrued expenses	83,008	87,668	4,660
Provision for bonuses	26,149	18,306	(7,842)
Other	84,104	91,827	7,722
Non-current liabilities	2,509,733	2,255,022	(254,710)
Bonds payable	421,883	387,436	(34,447)
Long-term loans payable	1,427,812	1,325,052	(102,760)
Deferred tax liabilities	471,066	404,084	(66,981)
Provision for directors' retirement benefits	1,004	868	(136)
Net defined benefit liability	33,926	31,262	(2,664)
Other	154,039	106,319	(47,720)
TOTAL LIABILITIES	3,444,361	3,191,885	(252,475)
NET ASSETS			
Shareholders' equity	790,288	813,484	23,195
Capital stock	70,000	70,000	-
Capital surplus	(20,780)	137,965	158,746
Retained earnings	743,354	607,803	(135,551)
Treasury stock	(2,285)	(2,285)	-
Accumulated Other Comprehensive Income	67,384	(128,380)	(195,764)
Valuation difference on available-for-sale securities	26,427	20,908	(5,518)
Deferred gains or losses on hedges	(3,803)	(10,633)	(6,830)
Foreign currency translation adjustment	53,256	(130,660)	(183,917)
Remeasurements of defined benefit plans	(8,496)	(7,994)	501
Non-controlling interests	304,956	256,778	(48,177)
TOTAL NET ASSETS	1,162,629	941,882	(220,746)
TOTAL LIABILITIES AND NET ASSETS	4,606,990	4,133,767	(473,222)

Consolidated Statements of Income

(Millions of yen)

	Six months ended June 30, 2015	Six months ended June 30, 2016	Change
Net sales	1,236,336	1,273,069	36,732
Cost of sales	614,354	605,134	(9,219)
Gross profit	621,982	667,934	45,952
Selling, general and administrative expenses	545,455	580,657	35,202
Operating income	76,527	87,277	10,749
Non-operating income	6,245	5,109	(1,135)
Interest income	443	536	93
Dividends income	688	606	(81)
Share of profit of entities accounted for using equity method	1,167	2,197	1,029
Foreign exchange gains	744	-	(744)
Miscellaneous income	3,201	1,768	(1,433)
Non-operating expenses	16,534	16,738	204
Interest expenses	14,390	14,070	(320)
Miscellaneous expenses	2,143	2,668	525
Ordinary income	66,238	75,647	9,409
Extraordinary income	3,259	17,666	14,407
Gain on sales of non-current assets	891	2,031	1,139
Gain on sales of shares of subsidiaries and associates	2,332	4,500	2,168
Gain on transfer of business	-	8,306	8,306
Gain on reversal of obligations	-	2,684	2,684
Other	35	143	108
Extraordinary loss	8,266	16,058	7,792
Loss on abandonment of non-current assets	1,541	1,944	403
Restructuring cost	3,853	2,681	(1,171)
Losses from a natural disaster	-	10,133	10,133
Other	2,871	1,298	(1,572)
Income before income taxes	61,231	77,255	16,023
Income taxes - current	35,180	33,008	(2,172)
Income taxes - deferred	(1,329)	(4,229)	(2,900)
Net income	27,380	48,476	21,096
Net income attributable to non-controlling interests	11,850	12,842	991
Net income attributable to owners of parent	15,529	35,633	20,104

Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended June 30, 2015	Six months ended June 30, 2016
Cash flows from operating activities		
Income before income taxes	61,231	77,255
Depreciation and amortization	43,392	45,751
Amortization of goodwill	31,164	31,547
Interest and dividends income	(1,131)	(1,143)
Interest expenses	14,390	14,070
Share of profit of entities accounted for using equity method	(1,167)	(2,197)
Gain on sales of subsidiaries and associates	(2,332)	(4,500)
Gain on transfer of business	-	(8,306)
Loss on abandonment of non-current assets	1,541	1,944
(Increase) decrease in notes and accounts receivable - trade	(20,066)	130
Increase in inventories	(26,692)	(27,028)
Increase in notes and accounts payable - trade	28,127	18,130
Decrease in accrued consumption taxes, alcohol taxes	(17,141)	(25,550)
Other, net	22,255	17,947
Subtotal	133,572	138,051
Interest and dividend income received	1,158	2,438
Interest expenses paid	(15,664)	(15,747)
Income taxes paid	(33,759)	(49,172)
Net cash provided by (used in) operating activities	85,307	75,569
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(50,941)	(51,804)
Proceeds from sales of property, plant and equipment and intangible assets	3,735	4,382
Purchase of investment securities	(393)	(968)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	2,816	6,872
Proceeds from transfer of business	-	25,832
Other, net	(149)	3,691
Net cash provided by (used in) investing activities	(44,931)	(11,994)
Cash flows from financing activities		
Increase in short-term bank loans and commercial papers	30,732	50,621
Proceeds from long-term loans payable	5,004	86,091
Repayment of long-term loans payable	(28,398)	(57,356)
Proceeds from issuance of bonds	-	50,000
Redemption of bonds	(900)	(67,492)
Repayments of lease obligations	(1,050)	(4,856)
Cash dividends paid	(8,199)	(8,205)
Cash dividends paid to non-controlling interests	(7,774)	(8,198)
Other, net	27	(810)
Net cash provided by (used in) financing activities	(10,558)	39,793
Effect of exchange rate change on cash and cash equivalents	(1,401)	(16,622)
Net increase in cash and cash equivalents	28,416	86,745
Cash and cash equivalents at beginning of period	199,308	257,990
Cash and cash equivalents at end of period	227,724	344,735

Segment Information

1. Summary of reportable segments

The reportable segments of the Suntory Group are constituent units of the Group whose separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating the business results.

The Suntory group comprises, under a holding company structure, various business companies based on their primary business activities. Each of these business companies work out a comprehensive strategy applicable to their products and services and carries out their business activities.

Consequently, the Suntory group has decided its two reportable segments, namely, Beverage and Food, Alcoholic Beverage, by combining the business companies with the emphasis on the business company units in consideration of the similarity of their economic characteristics.

Main products and services by each reportable segment are as follows

Reportable segment	Main products
Beverage and Food	Non-alcoholic beverages, health drinks, processed food, other products
Alcoholic Beverage	Spirits, beer, wine and other alcoholic beverages
Others	Operations in China, health food, ice cream, restaurants, flowers and other operations

2. Reportable segments

Six months ended June 30, 2015

(Millions of yen)

	Beverage and Food	Alcoholic Beverage	Others	Total	Adjustment ⁽¹⁾	Consolidated Total ⁽²⁾
Net sales						
Sales to customers	618,044	474,896	143,395	1,236,336	-	1,236,336
Inter-segment sales	4,297	2,549	5,358	12,205	(12,205)	-
Total sales	622,342	477,446	148,754	1,248,542	(12,205)	1,236,336
Segment income	46,693	31,783	14,991	93,468	(16,940)	76,527

Six months ended June 30, 2016

(Millions of yen)

	Beverage and Food	Alcoholic Beverage	Others	Total	Adjustment ⁽¹⁾	Consolidated Total ⁽²⁾
Net sales						
Sales to customers	674,466	466,096	132,506	1,273,069	-	1,273,069
Inter-segment sales	4,580	2,453	5,140	12,175	(12,175)	-
Total sales	679,047	468,550	137,646	1,285,244	(12,175)	1,273,069
Segment income	49,210	39,458	16,203	104,873	(17,595)	87,277

Note: 1. Corporate general and administrative expenses, and inter-segment eliminations that are not allocated to specific segments are included in "Adjustment".

Amounts are stated below.

Six months ended June 30, 2015	(Millions of yen)
Adjustment on segment income (loss)	(16,940)
Corporate general and administrative expenses that are not attributable to any reportable segment	(16,977)
Inter-segment eliminations	37
Six months ended June 30, 2016	(Millions of yen)
Adjustment on segment income (loss)	(17,595)
Corporate general and administrative expenses that are not attributable to any reportable segment	(17,629)
Inter-segment eliminations	33

2. Segment income (loss) is adjusted for operating income described in the Consolidated Statements of Income.