

CJ Corporation and Subsidiaries

Consolidated Financial Statements

December 31, 2015 and 2014

CJ Corporation and Subsidiaries

Index

December 31, 2015 and 2014

	Page(s)
Independent Auditor's Report	1 – 2
Consolidated Financial Statements	
Consolidated Statements of Financial Position.....	3 - 4
Consolidated Statements of Income	5
Consolidated Statements of Comprehensive Income.....	6
Consolidated Statements of Changes in Equity	7 - 8
Consolidated Statements of Cash Flows.....	9 - 10
Notes to Consolidated Financial Statements	11 – 131



Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
CJ Corporation

We have audited the accompanying consolidated financial statements of CJ Corporation (“the Company”) and its subsidiaries (collectively referred as “the Group”), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the Korean Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CJ Corporation and its subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with the Korean IFRS.

Other Matters

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Samul PricewaterhouseCoopers

Seoul, Korea
March 10, 2016

This report is effective as of March 10, 2016, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

CJ Corporation and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2015 and 2014

<i>(in thousands of Korean won)</i>	Notes	2015	2014
Assets			
Current assets			
Cash and cash equivalents	6	1,195,080,774	991,166,042
Short-term financial instruments	6,7	615,418,191	864,030,761
Short-term loans receivable	6	51,141,544	61,932,350
Trade receivables	6,8	2,655,668,392	2,516,322,061
Other current financial assets	6,8,9	317,407,463	544,558,392
Advance payments		350,654,221	242,904,304
Inventories	10	1,495,391,511	1,421,771,573
Biological assets	11	28,537,526	18,563,527
Other current assets	12	234,282,272	227,885,772
		<u>6,943,581,894</u>	<u>6,889,134,782</u>
Non-current assets held-for-sale	13	<u>6,623,190</u>	<u>104,753,704</u>
Non-current assets			
Non-current available-for-sale financial assets	6,14	605,950,246	624,417,159
Investment in joint ventures and associates	15	870,068,511	645,500,536
Property, plant and equipment	16	9,475,638,230	9,108,937,572
Intangible assets	17	4,249,566,250	4,313,115,007
Investment property	18	269,048,117	310,651,293
Other non-current financial assets	6,8,9	535,095,029	465,975,870
Deferred income tax assets	22	261,630,827	239,309,403
Other non-current assets	12	344,941,212	337,523,486
		<u>16,611,938,422</u>	<u>16,045,430,326</u>
Total assets		<u>23,562,143,506</u>	<u>23,039,318,812</u>

CJ Corporation and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2015 and 2014

<i>(in thousands of Korean won)</i>	Notes	2015	2014
Liabilities			
Current liabilities			
Trade payables	6	1,398,350,609	1,302,361,117
Short-term borrowings	6,19	2,050,571,122	2,164,251,359
Current portion of debentures and non-current borrowings	6,19,20	1,983,808,940	1,438,474,556
Non-trade payables	6	920,760,216	786,583,048
Other current financial liabilities	6,9	573,667,572	572,063,598
Income taxes payable		103,595,513	141,979,483
Current provisions for liabilities and charges	23	9,805,457	14,213,156
Other current liabilities	12	643,956,805	690,139,619
		<u>7,684,516,234</u>	<u>7,110,065,936</u>
Non-current liabilities held-for-sale	13	<u>-</u>	<u>90,701,020</u>
Non-current liabilities			
Non-current borrowings	6,19	1,420,790,955	2,456,585,465
Debentures	6,20	3,160,813,089	2,937,834,735
Deposits received	6	186,005,785	160,697,516
Other non-current financial liabilities	6,9	42,243,037	49,441,264
Net defined benefit liabilities	21	260,141,892	232,002,915
Deferred income tax liabilities	22	757,780,769	750,424,218
Non-current provisions for liabilities and charges	23	17,897,004	20,402,163
Other non-current liabilities	12	168,498,713	161,289,071
		<u>6,014,171,244</u>	<u>6,768,677,347</u>
Total liabilities		<u>13,698,687,478</u>	<u>13,969,444,303</u>
Equity			
Equity attributable to owners of the Company			
Capital stock	24	157,698,560	157,451,955
Paid-in capital in excess of par value	24	988,898,991	983,970,984
Other components of equity	26	(70,136,021)	(97,313,021)
Retained earnings	27	2,524,739,630	2,361,280,447
		<u>3,601,201,160</u>	<u>3,405,390,365</u>
Non-controlling interest		<u>6,262,254,868</u>	<u>5,664,484,144</u>
Total equity		<u>9,863,456,028</u>	<u>9,069,874,509</u>
Total liabilities and equity		<u>23,562,143,506</u>	<u>23,039,318,812</u>

The accompanying notes are an integral part of these consolidated financial statements.

CJ Corporation and Subsidiaries
Consolidated Statements of Income
Years Ended December 31, 2015 and 2014

(in thousands of Korean won, except per share amounts)

	Notes	2015	2014
Sales	40	21,166,707,211	19,572,301,244
Cost of sales	29	<u>(14,473,552,196)</u>	<u>(13,482,375,700)</u>
Gross income		6,693,155,015	6,089,925,544
Selling and administrative expenses	29,30	(5,467,824,749)	(5,086,807,659)
Operating income	40	<u>1,225,330,266</u>	<u>1,003,117,885</u>
Financial income	31	290,447,843	262,414,357
Financial expenses	31	(605,700,120)	(586,541,914)
Share of profit of joint ventures and associates	15	163,322,606	24,137,741
Other non-operating income	1,32	113,092,802	478,681,976
Other non-operating expenses	32	(451,603,036)	(384,490,557)
Profit before income tax		<u>734,890,361</u>	<u>797,319,488</u>
Income tax expense	22	(183,774,814)	(288,686,344)
Profit for the year		<u>551,115,547</u>	<u>508,633,144</u>
Profit attributable to owners of the Company		205,792,550	209,165,289
Profit attributable to non-controlling interests		345,322,997	299,467,855
Earnings per share attributable to the equity holders of the Company during the year	33		
Basic earnings per common share		<u>7,242</u>	<u>7,375</u>
Diluted earnings per common share		<u>7,214</u>	<u>7,339</u>
Basic earnings per preferred share		<u>7,292</u>	<u>7,425</u>
Diluted earnings per preferred share		<u>7,264</u>	<u>7,389</u>

The accompanying notes are an integral part of these consolidated financial statements.

CJ Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2015 and 2014

<i>(in thousands of Korean won)</i>	Notes	2015	2014
Profit for the year		<u>551,115,547</u>	<u>508,633,144</u>
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit liabilities		(31,089,311)	(50,708,257)
Items that may be subsequently reclassified to profit or loss:			
Gains (losses) on valuation of available-for-sale financial assets		(5,437,866)	44,639,169
Share of other comprehensive income (loss) of joint venture and associates		(8,140,232)	3,435,977
Translation of foreign currency financial statements		(12,532,001)	33,406,812
Gains (losses) on valuation of derivative instruments		<u>1,763,571</u>	<u>(1,960,569)</u>
Other comprehensive income (loss) for the year		<u>(55,435,839)</u>	<u>28,813,132</u>
Total comprehensive income for the year		<u>495,679,708</u>	<u>537,446,276</u>
Attributable to :			
Equity holders of the Company		182,340,964	217,982,415
Non-controlling interests		313,338,744	319,463,861

The accompanying notes are an integral part of these consolidated financial statements.

CJ Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2015 and 2014

	Notes	Attributable to equity holders of the Company				Total	Non-controlling interests	Total Equity
		Capital stock	Paid-in capital in excess of par value	Other components of equity	Retained earnings			
<i>(in thousands of Korean won)</i>								
Balances at January 1, 2014		157,232,680	979,794,142	(108,093,132)	2,198,752,296	3,227,685,986	5,373,259,356	8,600,945,342
Comprehensive income (loss)								
Profit for the year		-	-	-	209,165,289	209,165,289	299,467,855	508,633,144
Other comprehensive income								
Losses on valuation of available-for-sale financial assets		-	-	17,461,973	-	17,461,973	27,177,196	44,639,169
Share of other comprehensive loss of joint ventures and associates		-	-	429,690	-	429,690	3,006,287	3,435,977
Translation of foreign currency financial statements		-	-	11,095,800	-	11,095,800	22,311,012	33,406,812
Gains on valuation of derivative instruments	9	-	-	(557,867)	-	(557,867)	(1,402,702)	(1,960,569)
Remeasurements of net defined benefit liabilities	21	-	-	-	(19,612,470)	(19,612,470)	(31,095,787)	(50,708,257)
Total comprehensive income (loss) for the year		-	-	28,429,596	189,552,819	217,982,415	319,463,861	537,446,276
Transactions with equity holders of the Company								
Issuance of common stock due to exercise of share options		219,275	4,176,842	(1,277,157)	-	3,118,960	-	3,118,960
Cash dividends	34	-	-	-	(27,024,668)	(27,024,668)	(43,541,979)	(70,566,647)
Others		-	-	585,548	-	585,548	1,218,022	1,803,570
Non-controlling interests arising on business combination		-	-	-	-	-	(129,695,857)	(129,695,857)
Changes in ownership interests in subsidiaries without change of control	41	-	-	(16,957,876)	-	(16,957,876)	143,780,741	126,822,865
Total transaction with equity holders of the Company		219,275	4,176,842	(17,649,485)	(27,024,668)	(40,278,036)	(28,239,073)	(68,517,109)
Balances at December 31, 2014		157,451,955	983,970,984	(97,313,021)	2,361,280,447	3,405,390,365	5,664,484,144	9,069,874,509

CJ Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2015 and 2014

		Attributable to equity holders of the Company						
(in thousands of Korean won)	Notes	Capital stock	Paid-in capital in excess of par value	Other components of equity	Retained earnings	Total	Non-controlling interests	Total Equity
Balances at January 1, 2015		157,451,955	983,970,984	(97,313,021)	2,361,280,447	3,405,390,365	5,664,484,144	9,069,874,509
Comprehensive income								
Profit for the year		-	-	-	205,792,550	205,792,550	345,322,997	551,115,547
Other comprehensive income								
Gains on valuation of available-for-sale financial assets		-	-	800,138	-	800,138	(6,238,004)	(5,437,866)
Share of other comprehensive income of joint ventures and associates		-	-	(4,586,731)	-	(4,586,731)	(3,553,501)	(8,140,232)
Translation of foreign currency financial statements		-	-	(4,857,567)	-	(4,857,567)	(7,674,434)	(12,532,001)
Losses on valuation of derivative instruments	9	-	-	459,616	-	459,616	1,303,955	1,763,571
Remeasurements of net defined benefit liabilities	21	-	-	-	(15,267,042)	(15,267,042)	(15,822,269)	(31,089,311)
Total comprehensive income for the year		-	-	(8,184,544)	190,525,508	182,340,964	313,338,744	495,679,708
Transactions with equity holders of the Company								
Issuance of common stock due to exercise of share options		246,605	4,928,007	(1,481,866)	-	3,692,746	-	3,692,746
Cash dividends	34	-	-	-	(27,066,325)	(27,066,325)	(50,248,237)	(77,314,562)
Issuance of hybrid bond	28	-	-	-	-	-	311,751,141	311,751,141
Non-controlling interests arising on business combination		-	-	-	-	-	35,596,401	35,596,401
Changes in ownership interests in subsidiaries without change of control	41	-	-	36,843,410	-	36,843,410	(12,667,325)	24,176,085
Total transaction with equity holders of the Company		246,605	4,928,007	35,361,544	(27,066,325)	13,469,831	284,431,980	297,901,811
Balances at December 31, 2015		157,698,560	988,898,991	(70,136,021)	2,524,739,630	3,601,201,160	6,262,254,868	9,863,456,028

The accompanying notes are an integral part of these consolidated financial statements.

CJ Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

<i>(in thousands of Korean won)</i>	Notes	2015	2014
Cash flows from operating activities			
Cash generated from operations	35	2,541,185,561	1,998,620,170
Income tax paid		(245,571,392)	(237,634,097)
Net cash inflow from operating activities		<u>2,295,614,169</u>	<u>1,760,986,073</u>
Cash flows from investing activities			
Decrease (increase) in short-term financial instruments		263,932,225	(618,621,235)
Decrease in short-term loans receivable		25,246,283	75,248,021
Increase in short-term loans receivable		(20,523,844)	(64,222,700)
Increase in advance payments		(105,732,272)	-
Proceeds from disposal of non-current assets held-for-sale		4,891,291	69,023,043
Proceeds from disposal of available-for-sale financial assets		19,713,975	20,477,308
Purchase of available-for-sale financial assets		(7,756,258)	(14,318,034)
Proceeds from disposal of investments in joint ventures and associates		26,630,809	12,106,588
Acquisition of investments in joint ventures and associates		(96,547,580)	(45,747,355)
Proceeds from disposal of property, plant and equipment		48,116,718	70,862,987
Purchase of property, plant and equipment		(1,128,037,012)	(1,010,756,603)
Proceeds from disposal of intangible assets		16,364,828	10,531,066
Purchase of intangible assets		(523,082,799)	(576,895,392)
Proceeds from disposal of investment property		3,256,872	61,181,860
Purchase of investment property		(9,445,217)	(1,294,913)
Proceeds from disposal of other current financial assets		64,444,834	36,844,303
Purchase of other current financial assets		(47,563,923)	(52,317,240)
Proceeds from disposal of other non-current financial assets		58,333,791	46,005,348
Purchase of other non-current financial assets		(122,733,903)	(139,484,448)
Proceeds from disposal of other non-current assets		-	516,352
Purchase of other non-current assets		(4,862,533)	(675,753)
Proceeds from disposal of subsidiaries		2,216,675	202,131,433
Acquisition of subsidiaries, net of cash acquired		(966,664)	(79,526,855)
Interest received		61,085,483	51,686,847
Dividends received		25,959,355	12,878,412
Change from other investing activities		<u>(14,414,530)</u>	<u>1,677,470</u>

CJ Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

<i>(in thousands of Korean won)</i>	Notes	2015	2014
Net cash outflow from investing activities		<u>(1,461,473,396)</u>	<u>(1,932,689,490)</u>
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		(188,847,096)	137,499,329
Proceeds from issuance of non-current borrowings		682,849,993	736,089,530
Repayment of non-current borrowings		(660,915,264)	(489,611,705)
Increase in current portion of debentures and non-current borrowings		(1,469,390,244)	-
Decrease in current portion of debentures and non-current borrowings		4,179,328	(985,965,441)
Proceeds from issuance of debentures		994,946,456	851,419,292
Repayment of debentures		-	(182,033,058)
Increase in deposits received		25,590,178	29,326,800
Decrease in deposits received		(11,403,450)	(17,782,580)
Increase in other current financial assets		(1,510,680)	-
Decrease in other current financial liabilities		(14,620,200)	(1,331,460)
Increase in other current liabilities		24,841	60,381,315
Decrease in other current liabilities		(60,381,315)	-
Proceeds from exercise of share options		3,692,746	3,118,960
Increase in non-controlling interests		383,712,360	179,808,730
Decrease in non-controlling interests		(22,079,564)	(37,468,121)
Dividends paid to non-controlling interests		(50,248,237)	(43,541,979)
Interest paid		(259,936,743)	(285,989,328)
Dividends paid		(27,066,325)	(27,024,668)
Change from other financing activities		34,313,189	(372,390)
Net cash outflow from financing activities		<u>(637,090,027)</u>	<u>(73,476,774)</u>
Net increase(decrease) in cash and cash equivalents		197,050,746	(245,180,191)
Cash and cash equivalents at the beginning of year		991,166,042	1,240,341,399
Exchange losses on cash and cash equivalents		6,022,477	(3,209,343)
Net decrease in cash and cash equivalents of held-for-sale investments classified as disposal groups		<u>841,509</u>	<u>(785,823)</u>
Cash and cash equivalents on the consolidated statement of financial position at the end of year		<u>1,195,080,774</u>	<u>991,166,042</u>

The accompanying notes are an integral part of these consolidated financial statements.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

1. General Information

CJ Corporation (the "Company") and 44 domestic entities, including CJ CheilJedang Corporation, and 184 foreign entities, including PT CheilJedang Indonesia, (the "Subsidiaries")(collectively referred to as the "Group") with its equity method investments in Netmarble Games Corporation and other 100 entities, prepare their consolidated financial statements in accordance with Korean IFRS 1110, *Consolidated Financial Statements*.

CJ Corporation (the "Company") was incorporated in 1953 with capital of KRW 2 million. The Company's shares of stock were listed in the Korean Stock Exchange in 1973.

On September 1, 2007, the Company executed the split-off of its investments in subsidiaries and manufacturing divisions, becoming a holding company managing investments.

As of December 31, 2015, capital stock amounts to KRW 157,699 million, and its majority shareholder is Mr. Lee Jay Hyun, who owns 42.14% of the issued shares.

Subsidiaries included in the consolidated financial statements as of December 31, 2015, are as follows:

Subsidiaries	Location	Percentage of ownership (%)		Closing month	Main business
		2015	2014	of accounting year	
CJ CheilJedang Corporation ¹	Korea	37.77	37.85	December	Food manufacturing
CJ Breeding Co., Ltd.	Korea	100.00	-	December	Crop Cultivating
CJ HealthCare Corporation	Korea	100.00	100.00	December	Medicine Manufacturing and sales
CJ Freshway Corporation ¹	Korea	47.11	51.48	December	Wholesale and brokerage
FreshOne Incheon Co., Ltd.	Korea	51.00	51.00	December	Food logistic
FreshOne Gwangju Co., Ltd.	Korea	63.61	52.82	December	Food logistic
FreshOne NamSeoul Co., Ltd.	Korea	87.67	87.67	December	Food logistic
FreshOne Jungbu Co., Ltd.	Korea	61.48	61.48	December	Food logistic
FreshOne Gangnam Co., Ltd.	Korea	51.82	51.82	December	Food logistic
FreshOne DongSeoul Co., Ltd.	Korea	63.28	66.20	December	Food logistic
FreshOne Daegu Gyeongbuk Co., Ltd.	Korea	51.00	51.00	December	Food logistic
CJ Foodville Corp.	Korea	96.02	96.02	December	Restaurant and bar
Sinuido Solar Salt Corporation	Korea	88.03	88.03	December	Wholesale, retail, bay salt and e-commerce
CJ Dondonfarm Co., Ltd.	Korea	99.99	99.99	December	Hog raising
CJ Seafood Corporation ¹	Korea	46.52	46.52	December	Food manufacturing
Youngwoo Frozen Foods Co., Ltd.	Korea	100.00	100.00	December	Food & beverage manufacturing
Wonji Co., Ltd.	Korea	100.00	100.00	December	Printing business
CJ O Shopping Co., Ltd. ¹	Korea	41.24	41.30	December	CATV
O Trend Lab Co., Ltd.	Korea	-	100.00	December	Business consulting
CJ HelloVision Co., Ltd.	Korea	53.92	53.92	December	CATV
CJ Telenix Co., Ltd.	Korea	100.00	100.00	December	Business support service
E&C Infra Co., Ltd.	Korea	100.00	100.00	December	Storage and warehousing

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Subsidiaries	Location	Percentage of ownership (%)		Closing month of accounting year	Main business
		2015	2014		
Superrace Co., Ltd.	Korea	98.79	98.79	December	Exhibition and event agency
CJ Korea Express Corporation	Korea	51.98	52.58	December	Logistics
Korea Integrated Freight Terminal Co., Ltd.	Korea	100.00	86.43	December	Integrated freight terminal operation
PECT New Container Terminal Co., Ltd. ²	Korea	-	90.00	December	Harbor loading and unloading
CJ Korea Express Busan Container Terminal Corporation ²	Korea	-	66.92	December	Harbor loading and unloading
CJ Korea Express Busan Newport Distripark Co., Ltd.	Korea	84.36	84.36	December	Storage and transportation
CJ Korea Express Incheon Container Terminal Corporation	Korea	100.00	100.00	December	Harbor loading and unloading
Korea Express SB Co., Ltd.	Korea	70.00	70.00	December	Storage and warehouse
KX Holdings Corporation	Korea	100.00	100.00	December	Investment and management of logistics
Gwangyang West Container Terminal Co., Ltd.	Korea	100.00	-	December	Harbor loading and unloading
CJ Powercast Inc.	Korea	60.00	60.00	December	Broadcast transmission agency
CJ CGV Co., Ltd. ¹	Korea	39.02	39.03	December	Movie theater operation
CJ 4DPLEX Co., Ltd.	Korea	93.66	93.66	December	Equipment sales
Simuline Inc.	Korea	79.13	70.35	December	Equipment manufacturing
CJ HelloVision Daegu Suseong Broadcasting Co., Ltd.	Korea	-	100.00	December	CATV
CJ HelloVision Daegu Donggu Broadcasting Co., Ltd.	Korea	-	100.00	December	CATV
CJ HelloVision Ara Broadcasting Co., Ltd.	Korea	-	100.00	December	CATV
CJ E&M Corporation ¹	Korea	39.52	39.54	December	Broadcasting, game, movie, music, and performance business
Mezzomedia Inc.	Korea	51.00	51.00	December	Advertising media sales
JS Pictures Co., Ltd.	Korea	70.00	70.00	December	Contents production
CJ HelloVision Jeonbuk Broadcasting Co., Ltd.	Korea	-	100.00	December	CATV
CJ HelloVision Youngseo Broadcasting Network Co., Ltd.	Korea	-	100.00	December	CATV
CJ HelloVision Honam Broadcasting Co., Ltd.	Korea	-	100.00	December	CATV
MMO Entertainment Corporation	Korea	100.00	100.00	December	Management
CJ HelloVision Gangwon Broadcasting Co., Ltd.	Korea	-	93.33	December	CATV
Story Plant Co., Ltd.	Korea	100.00	100.00	December	Broadcast program manufacturing
CJ CATV 2nd Co., Ltd.	Korea	-	-	December	Other finance
Hi-Lite Records Co., Ltd.	Korea	51.10	-	December	Music labelling business
AOMG Co., Ltd.	Korea	51.00	-	December	Music labelling business
TW Venture Investment No.13-New Industry (formerly CJ Venture Investment No.13 – New Industry)	Korea	95.00	95.00	December	Investment association
CJ OliveNetworks Corporation (formerly CJ Systems Co., Ltd.)	Korea	76.30	76.30	December	Wholesale and retail, system integration and management
CJ Engineering & Construction Corp.	Korea	99.94	99.94	December	Construction

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Subsidiaries	Location	Percentage of ownership (%)		Closing month of accounting year	Main business
		2015	2014		
CJ MD1 Co., Ltd.	Korea	100.00	100.00	December	Business support service
CJ NGC Korea Co., Ltd.	Korea	-	67.00	December	Broadcast program supply
CJ E&C Malaysia Sdn. Bhd.	Malaysia	100.00	100.00	December	Construction
CJ Food Service (Shanghai) Co., Ltd.	China	100.00	100.00	December	Restaurant
CJ Shenyang Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing and sales
CJ Tianjin Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing and sales
CJ Harbin Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing and sales
CJ Qingdao Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing and sales
CJ (China) Food Co., Ltd. (formerly CJ Beijing Beverage & Foods Co., Ltd.)	China	100.00	100.00	December	Food & beverage manufacturing
CJ Qingdao Foods Co., Ltd.	China	100.00	100.00	December	Meat processing
CJ Liaocheng Biotech Co., Ltd.	China	100.00	100.00	December	Lysine manufacturing and sales
CJ Zhengzhou Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing and sales
CJ Nanjing Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing and sales
CJ Chengdu Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing and sales
CJ (Shenyang) Biotech Co., Ltd.	China	100.00	100.00	December	Lysine manufacturing and sales
CJ DCH Guangdong Frozen Food Co., Ltd.	China	60.00	60.00	December	Frozen food and chilled foods manufacturing and sales
CJ (Changchun) Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing
CJ (Liaocheng) Feed Co., Ltd.	China	100.00	100.00	December	Feed manufacturing and sales
CJ-Yihai (Kunshan) Foodstuffs Co., Ltd.	China	50.00	50.00	December	Premix manufacturing and sales
CJ Foodville Shanghai Corp.	China	100.00	100.00	December	Food manufacturing and restaurant
CJ Freshway Shenyang Co., Ltd.	China	100.00	100.00	December	Catering
CJ Freshway Vietnam Co., Ltd.	Vietnam	100.00	100.00	December	Food logistic
CJ Freshway America Corporation	USA	100.00	100.00	December	Food logistic
PT CJ CheilJedang Lestari	Indonesia	75.00	75.00	December	Food manufacturing
CJ Freshway Qingdao Corporation	China	100.00	100.00	December	Food logistic
CJ Act Pty. Ltd.	Australia	100.00	100.00	December	Cassava plantation
Shanghai Blue Wish Catering Service Co., Ltd.	China	96.87	96.87	December	Catering
CJ Nutracon Pty.	Australia	100.00	100.00	December	Food manufacturing
CJ Bio Malaysia Sdn. Bhd.	Malaysia	86.00	86.00	December	Methionine manufacturing and sales
CJ Cheiljedang Mexico, S.A. DE C.V.	Mexico	100.00	100.00	December	Food sales and distribution
TMI Trading Corp.	USA	80.00	80.00	December	Food sales and distribution
Twin Marquis Inc.	USA	80.00	80.00	December	Food sales and distribution
Chef One Corporation	USA	80.00	80.00	December	Food sales and distribution

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Subsidiaries	Location	Percentage of ownership (%)		Closing month of accounting year	Main business
		2015	2014		
CJ Foods Manufacturing Corporation	USA	100.00	100.00	December	Food manufacturing
PT CJ Feed Medan	Indonesia	100.00	100.00	December	Feed manufacturing and sales
Bibigo International Corp.	USA	100.00	100.00	December	Restaurant
PT CJ Food Lestari	Indonesia	95.00	95.00	December	Food manufacturing
CJ Philippines, Inc.	Philippines	70.00	70.00	December	Feed manufacturing and sales
PT CheilJedang Indonesia	Indonesia	100.00	100.00	December	Lysine manufacturing and sales
PT CheilJedang Superfeed	Indonesia	100.00	100.00	December	Feed manufacturing and sales
CJ Cheiljedang Feed Semarang	Malaysia	100.00	-	December	Feed manufacturing and sales
PT. CJ Cheiljedang Feed Lampung	Indonesia	100.00	100.00	December	Feed manufacturing and sales
PT CJ Feed Jombang	Indonesia	100.00	100.00	December	Feed manufacturing and sales
PT Agrobis Panca Ekatama	Indonesia	100.00	100.00	December	Breeding stock
PT Super Unggas Jaya	Indonesia	100.00	100.00	December	Breeding stock
CJ Bio Rus	Russia	99.90	99.90	December	Bio logistic
CJ Cheiljedang Feed (Cambodia) Co., Ltd.	Cambodia	100.00	-	December	Feed manufacturing and sales
S.C.F-PNH Co., Ltd.	Cambodia	100.00	-	December	Rental
CJ Food Italia S.R.L.	Italy	100.00	-	December	Restaurant
CJ Vina Agri Co., Ltd.	Vietnam	100.00	100.00	December	Feed manufacturing and sales
CJ-SC Global Milling LLC.	Vietnam	51.00	51.00	December	Mill manufacturing and sales
Tous Les Jours International Corp.	USA	100.00	100.00	December	Food manufacturing and restaurant
CJ Feed India Private Ltd.	India	100.00	100.00	December	Feed manufacturing and sales
CJ Pharma Research India Ltd.	India	100.00	100.00	December	Research and development
CJ Foodville Japan Co., Ltd.	Japan	99.90	99.85	December	Restaurant
CJ Vina food Co., Ltd.	Vietnam	100.00	100.00	December	Hog raising
CJ Foodville Asia Pte. Ltd.	Singapore	100.00	100.00	December	Food manufacturing and restaurant
CJ Food Europe Ltd.	UK	100.00	100.00	December	Food manufacturing and restaurant
Fides Food System Co., Ltd.	Vietnam	100.00	100.00	December	Food manufacturing and restaurant
CJ Bio America Inc.	USA	100.00	100.00	December	Lysine manufacturing and sales
CJ Korea Express Malaysia Sdn. Bhd.	Malaysia	100.00	100.00	December	Logistics
PT CJ Korea Express Indonesia (formerly PT CJ GLS Indonesia)	Indonesia	95.00	95.00	December	Logistics
EC Distribution Sdn. Bhd.	Malaysia	100.00	100.00	December	Logistics
CJ Korea Express Philippines Corporation	Philippines	100.00	100.00	December	Logistics
CJ IMC Co., Ltd.	China	100.00	100.00	December	Wholesale and brokerage
CJ GLS (Hong Kong) Ltd.	Hong Kong	100.00	100.00	December	Logistics
EC Service Enterprise Sdn. Bhd.	Malaysia	100.00	100.00	December	Logistics
CJ GLS China (Shanghai) Ltd.	China	100.00	100.00	December	Logistics

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Subsidiaries	Location	Percentage of ownership (%)		Closing month of accounting year	Main business
		2015	2014		
CJ Korea Express Mexico, S.A. DE C.V.	Mexico	99.90	99.90	December	Logistics
CJ Korea Express Conpac Warehousing Pte. Ltd.	Singapore	100.00	100.00	December	Logistics
CJ Korea Express Netherlands B.V.	Netherlands	100.00	100.00	December	Logistics
CJ Korea Express (Thailand) Co., Ltd.	Thailand	100.00	100.00	December	Logistics
CJ Korea Express Forwarding Malaysia Sdn. Bhd.	Malaysia	100.00	100.00	December	Logistics
CJ Korea Express Shenzhen Co., Ltd. (formerly CJ GLS (Shenzhen) Co., Ltd.)	China	100.00	100.00	December	Logistics
CJ KOREA EXPRESS RT MYANMAR CO.,LTD.	Myanmar	70.00	-	December	Logistics
CJ Korea Express Qingdao Co., Ltd. (formerly CJ GLS Inc. (Qingdao, China))	China	100.00	100.00	December	Logistics
CJ Korea Express Vietnam Co., Ltd. (formerly CJ GLS Vietnam Co., Ltd.)	Vietnam	100.00	100.00	December	Logistics
CJ Korea Express Freight Vietnam Co., Ltd. (formerly CJ GLS (VN) Freight Co., Ltd.)	Vietnam	100.00	100.00	December	Logistics
CJ Korea Express VMI Warehousing Philippines Corporation	Philippines	100.00	100.00	December	Logistics
CJ Prime Shopping Inc.	Japan	90.73	90.73	December	Wholesale and brokerage
Shanghai CJ Freight Forwarding Co., Ltd.	China	100.00	100.00	December	Logistics
CJ Korea Express India Private Limited	India	100.00	100.00	December	Logistics
Korea Express U.S.A. Inc.	USA	100.00	100.00	December	Logistics
Korea Express Japan Co., Ltd.	Japan	100.00	100.00	December	Logistics
Korea Express Tianjin Co., Ltd.	China	100.00	100.00	December	Logistics
Korea Express Hong Kong Co., Ltd.	Hong Kong	100.00	100.00	December	Logistics
Kumho Logistics Shanghai Co., Ltd.	China	100.00	100.00	December	Logistics
Korea Express Shanghai Co., Ltd.	China	100.00	100.00	December	Logistics
Water Pipeline Works Ltd.	Virgin Islands	100.00	100.00	December	Construction
Korea Express Germany GMBH.	Germany	100.00	100.00	December	Logistics
CJ IMC Vietnam Co., Ltd.	Vietnam	100.00	100.00	December	Wholesale and brokerage
CJ IMC (Thailand) Co., Ltd.	Thailand	100.00	100.00	December	Wholesale and brokerage
CJ Korea Express Dongguan Co., Ltd.	China	100.00	100.00	December	Logistics
CJ Olive Young Corporation	China	100.00	100.00	December	Retail
CJ IMC Pazarlama Ve Ticaret Ltd., Sti.	Turkey	100.00	100.00	December	Wholesale and brokerage
PT CJ GLS Resources Indonesia	Indonesia	100.00	100.00	December	Logistics
CJ Korea Express Middle East FZE	UAE	100.00	100.00	December	Logistics
KX Smart Cargo Holdings Ltd.	Hong Kong	100.00	100.00	December	Investment and management of logistics
Qingdao CJ Smart Cargo International Services Ltd.	China	51.00	51.00	December	Logistics
Qingdao Smart Cargo Bonded Logistics Co., Ltd.	China	100.00	100.00	December	Logistics
Shanghai Smart Cargo Supply Chain Management Co., Ltd.	China	100.00	100.00	December	Logistics
PT CJ Korea Express Logistics Service Indonesia	Indonesia	49.00	49.00	December	Logistics
CJ Korea Express Tiantian Tianjin Co., Ltd.	China	90.00	90.00	December	Logistics
CJ SC Logistics (T) Limited	Tanzania	100.00	100.00	December	Logistics

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Subsidiaries	Location	Percentage of ownership (%)		Closing month of accounting year	Main business
		2015	2014		
Korea Express Saigon Logistics Co., Ltd.	Vietnam	-	100.00	December	Logistics
CJ Korea Express Logistic L.L.C.	UAE	49.00	49.00	December	Logistics
CJ IMC S.A. DE C.V.	Mexico	99.00	-	December	Wholesale and brokerage
CJ Smart Cargo Logistics SA(PTY) Ltd.	Republic of South Africa	100.00	-	December	Logistics
CJ KX Rokin Holdings Limited	Hong Kong	68.00	-	December	Logistics
CJ Korea Express Logistica Do Brasil Ltda.	Brazil	99.99	-	December	Logistics
CJ Entertainment Japan Inc.	Japan	60.00	60.00	December	Movie channel and other performance
CJ E&M Tianjin Co., Ltd.	China	100.00	100.00	December	Broadcasting service
CJ Victor Entertainment	Japan	51.00	51.00	December	Music
Rolemodel Entertainment Group Limited	Hong Kong	98.00	98.00	December	Performance and movie distribution
CJ E&M Vietnam Co., Ltd.	Vietnam	100.00	-	December	Movie distribution
Shanghai Yiheya Media Co., Ltd.	China	100.00	-	December	Performance and movie distribution
Fuzhou CGV Cinema Co., Ltd.	China	100.00	-	December	Movie theater operation
CJ E&M Hong Kong Limited (formerly FICCJM Asia Limited)	Hong Kong	100.00	-	December	Broadcast program supply
Yanji CGV Cinema Co., Ltd.	China	100.00	-	December	Movie theater operation
CJ CGV (Sichuan) Cinema Co., Ltd.	China	100.00	-	December	Movie theater operation
Yunnan CGV Cinema Co., Ltd.	China	100.00	-	December	Movie theater operation
Ganzhou CGV Cinema Co., Ltd.	China	100.00	-	December	Movie theater operation
CGV (Xian) Cinema Co., Ltd.	China	100.00	-	December	Movie theater operation
Crown Jade Company Pte. Ltd.	Singapore	100.00	100.00	December	Investment overseas
CJ CGV (Hubei) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Neimenggu CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Cross Junction Investment Co., Pte. Ltd.	Singapore	100.00	100.00	December	Investment overseas
Dailan CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Henan CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CGV (Qingdao) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CJ 4DPLEX America, Inc.	USA	100.00	100.00	December	Equipment sales
CJ 4DPLEX Americas, LLC.	USA	100.00	100.00	December	Equipment sales
CGV Tianhe (Wuhan) Cinema Co., Ltd.	China	70.00	70.00	December	Movie theater operation
Jiangmen CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Jiangsu CGV Cinema Investment Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CGV (Changzhou) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Yuyao CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CJ 4DX (Beijing) Cinema Technology Co., Ltd.	China	100.00	100.00	December	Equipment sales
CGV (Chongqing) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CGV (Chengdu) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CGV (Tianjin) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CGV (Huaian) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Liaoning CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CGV (Tangshan) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Subsidiaries	Location	Percentage of ownership (%)		Closing month of accounting year	Main business
		2015	2014		
CGV Orsun (Wuhan) Cinema Co., Ltd.	China	70.00	70.00	December	Movie theater operation
Wuhu CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Simuline Hong Kong Limited	Hong Kong	100.00	100.00	December	Equipment manufacturing
Simuline China Limited	China	100.00	100.00	December	Equipment manufacturing
ZIBO CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CGV (Changsha) Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Yantai CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CGV (Beijing) International Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CJ CGV (Shanghai) Enterprise Management Co., Ltd.	China	100.00	100.00	December	Movie theater operation
UVD Enterprise Ltd.	Hong Kong	100.00	100.00	December	Movie theater operation
Envoy Media Partners Ltd.	Virgin Islands	100.00	100.00	December	Movie theater operation
CJ CGV Vietnam Co., Ltd.	Vietnam	80.00	80.00	December	Movie theater operation
CJ CGV (Shen Yang) Film International Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Panjin CGV Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CJ CGV (Harbin) International Cinema Co., Ltd.	China	100.00	100.00	December	Movie theater operation
CJ CGV America, Inc. (formerly CJ Theater LA Holdings, Inc.)	USA	100.00	100.00	December	Movie theater operation
CJ CGV (Shang Hai) Film International Cineplex Co., Ltd.	China	100.00	100.00	December	Movie theater operation
Vietnam Cinema 1 Company Limited	Vietnam	80.00	80.00	December	Movie theater operation
Shanghai C Media Co., Ltd.	China	100.00	100.00	December	Movie theater operation
ImaginAsian Entertainment, Inc.	USA	95.05	70.52	December	Video contents service
CJ CGV America LA, LLC.	USA	100.00	100.00	December	Movie theater operation
CJ CGI Holdings Ltd.	Hong Kong	100.00	100.00	December	Movie theater operation
CJ E&M America Inc.	USA	100.00	100.00	December	Holding company
CJ Century Entertainment & Media Consulting Co., Ltd.	China	100.00	100.00	December	Media business
CJ America Inc.	USA	100.00	100.00	December	Trade
CJ Europe GMBH.	Germany	100.00	100.00	December	Trade
CJ Japan Corp.	Japan	100.00	100.00	December	Intermediary trade
CJ China, Ltd.	Hong Kong	99.66	99.66	December	Trade
Maritime Tower Co., Ltd.	Vietnam	85.00	85.00	December	Rental
CJ Global Holdings Ltd.	Hong Kong	100.00	100.00	December	Holding company
CMI Holdings Ltd.	Hong Kong	100.00	100.00	December	Business consulting
CJ DO Brazil Ind. Com. Prod. Alim. Ltda.	Brazil	100.00	100.00	December	Lysine manufacturing and sales
CJ Foodville USA, Inc. (formerly CJ Bakery, Inc.)	USA	100.00	100.00	December	Food manufacturing and restaurant
CJ Beijing Bakery Co., Ltd.	China	100.00	100.00	December	Food manufacturing and restaurant
CJ Bakery Vietnam Co., Ltd.	Vietnam	100.00	100.00	December	Food manufacturing and restaurant
CJ China Consulting, Ltd.	China	100.00	100.00	December	Consulting
CJ Entertainment America LLC.	USA	100.00	100.00	December	Movie distribution and production

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Subsidiaries	Location	Percentage of ownership (%)		Closing month of accounting year	Main business
		2015	2014		
CJ E&M Japan, Inc. ¹	Japan	46.71	45.71	December	Broadcast program supply
CH Holdings Limited	Hong Kong	100.00	100.00	December	Holding company
CJ Korea Express Asia Pte. Ltd.	Singapore	100.00	100.00	December	Logistics
Liaocheng Lantian Cogeneration Plant Co., Ltd.	China	100.00	100.00	December	Power generation steam supply
CJ Se Asia Pte. Ltd.	Singapore	100.00	100.00	December	Intermediary trade
CJ International Trading Co., Ltd.	China	100.00	100.00	December	Trade

¹ Although the Group owns less than 50% of the voting rights of entities, the percentage of shareholdings by the Group is significantly higher than those owned by any other shareholders and remaining shareholdings are widely spread among minority shareholders. It is clearly demonstrated that the Group has control as it exercises the majority voting rights in its decision-making processes.

² In accordance with the approval of Board of Directors, these subsidiaries were classified as non-current assets and liabilities held-for-sale. The sale transactions were completed in 2015.

The following entities are excluded from the consolidated subsidiaries although the Group owns more than majority of the voting rights as the Group is unable to exercise its voting rights by virtue of an agreement with other investors:

Subsidiaries	Percentage of ownership (%)
KOREX Packsimex Co., Ltd.	60.00
Ulsan Port Operating Co. Ltd.	51.54
KOG-SMART Cargo Project Logistics Co., Ltd.	65.00

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Summarized financial information of major consolidated subsidiaries as of and for the years ended December 31, 2015 and 2014, is as follows:

(in millions of Korean won)

Subsidiaries	2015					
	Assets	Liabilities	Equity	Sales	Net income (loss)	Comprehensive income (loss)
CJ CheilJedang Corporation	6,409,352	3,367,217	3,042,135	4,539,667	157,827	138,409
CJ Healthcare Co., Ltd.	497,659	189,195	308,464	462,733	35,453	34,962
CJ Freshway Corporation	718,866	522,361	196,505	1,593,115	15,474	11,964
CJ Foodville Corp.	574,801	465,853	108,948	1,206,550	(299)	(6,602)
CJ Seafood Corporation	93,610	43,591	50,019	161,717	2,552	2,686
CJ O Shopping Co., Ltd.	1,176,226	494,789	681,437	1,119,375	60,297	53,717
CJ HelloVision Co., Ltd.	1,999,590	1,049,060	950,530	1,050,611	60,237	57,763
CJ Korea Express Corporation	3,735,984	1,455,495	2,280,489	4,358,425	(12,371)	(11,528)
Korea Integrated Freight Terminal Co., Ltd.	643,379	419,863	223,516	127,799	25,476	25,387
KX Holdings Corporation	493,090	72	493,018	-	353	352
CJ Powercast Inc.	73,803	15,861	57,942	84,893	9,276	9,239
CJ CGV Co., Ltd.	1,216,250	694,357	521,893	896,777	57,703	56,476
CJ 4DPLEX Co., Ltd.	60,358	21,826	38,532	47,648	6,238	6,154
CJ E&M Corporation	1,931,977	669,216	1,262,761	1,261,748	(63,715)	(62,893)
Mezzomedia Inc.	74,551	65,825	8,726	24,253	2,816	2,954
CJ OliveNetworks Co., Ltd.	608,252	392,592	215,660	1,055,786	54,103	53,994
CJ Engineering & Construction Corp.	640,425	491,415	149,010	529,024	3,005	2,485
CJ Laiocheng Biotech Co., Ltd.	396,381	177,480	218,901	214,666	(28,009)	(27,360)
CJ (Shenyang) Biotech Co., Ltd.	565,544	552,136	13,408	273,636	(33,852)	(31,690)
CJ Bio Malaysia Sdn. Bhd.	467,103	299,040	168,063	296,714	77,984	80,963
PT Cheiljedang Indonesia	1,316,024	592,901	723,123	734,572	30,333	30,312
PT Cheiljedang Superfeed	261,847	66,759	195,088	226,992	(20,877)	(20,337)
PT CJ Cheiljedang Feed Lampung	51,392	38,262	13,130	84,222	1,504	1,662
PT CJ Feed Jombang	131,400	96,523	34,877	253,222	6,872	7,300
PT Super Unggas Jaya	73,026	51,542	21,484	132,439	(17,223)	(15,764)
CJ Vina Agri Co., Ltd.	170,266	94,026	76,240	313,807	19,994	19,833
CJ-SC Global Milling LLC.	50,665	15,895	34,770	15,090	(4,248)	(4,273)
CJ Bio America Inc.	383,040	348,744	34,296	135,717	(26,182)	(25,275)
CJ KX Rokin Holdings Limited	94,683	-	94,683	-	(14)	(15)
CJ CGV (Shanghai) Enterprise Management Co., Ltd.	55,449	32,838	22,611	19,913	1,278	1,247
UVD Enterprise Ltd.	251,932	7,079	244,853	634	(850)	(854)
Envoy Media Partners Ltd.	57,540	620	56,920	1,255	3,158	3,176
CJ CGV Vietnam Co., Ltd.	111,881	98,155	13,726	91,032	3,216	3,135
CJ CGI Holdings Ltd.	303,427	121,895	181,532	331	(4,054)	(3,991)
CJ E&M AMERICA INC.	64,569	34,876	29,693	11,592	(821)	(768)
CJ America Inc.	211,849	149,932	61,917	369,599	226	196
CJ Europe GMBH.	107,908	90,977	16,931	328,803	4,579	5,337

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(in millions of Korean won)

Subsidiaries	2015					
	Assets	Liabilities	Equity	Sales	Net income (loss)	Comprehensive income (loss)
CJ Japan Corp.	76,045	71,630	4,415	114,352	574	620
CJ China, Ltd.	171,728	153,154	18,574	164,670	877	797
CJ Vietnam Company Limited (formerly, Maritime Tower Co., Ltd.)	54,119	1,638	52,481	6,090	2,277	2,261
CJ Global holdings Ltd.	295,152	239,665	55,487	-	1,054	1,117
CJ Do Brazil Ind. Com. Prod. Alim. Ltda.	141,183	91,611	49,572	172,575	543	(1,421)
CJ Korea Express Asia Pte. Ltd.	167,986	136,401	31,585	139,852	(2,274)	(2,287)
Liaocheng Lantian Congeneration Plant Co., Ltd.	83,038	11,899	71,139	40,193	12,283	11,806

(in millions of Korean won)

Subsidiaries	2014					
	Assets	Liabilities	Equity	Sales	Net income (loss)	Comprehensive income (loss)
CJ CheilJedang Corporation	6,137,784	3,212,332	2,925,452	4,328,999	125,055	140,478
CJ Healthcare Co., Ltd.	451,293	177,792	273,501	329,870	27,876	26,578
CJ Freshway Corporation	633,704	450,427	183,277	1,726,869	11,949	9,966
CJ Foodville Corp.	489,728	426,077	63,651	1,121,129	5,090	2,323
CJ Seafood Corporation	101,198	53,865	47,333	156,340	3,273	2,809
CJ O Shopping Co., Ltd.	1,178,054	539,101	638,953	1,277,324	100,456	106,051
CJ HelloVision Co., Ltd.	2,073,912	1,144,248	929,664	1,084,790	28,047	26,887
CJ Korea Express Corporation	3,712,040	1,459,798	2,252,242	4,078,826	32,274	15,324
Korea Integrated Freight Terminal Co., Ltd.	665,274	470,089	195,185	115,311	21,278	21,250
CJ Korea Express Busan Container Terminal Corporation	87,050	58,082	28,968	98,148	(11,558)	(13,329)
KX Holdings Corporation	492,753	88	492,665	-	506	505
CJ Powercast Inc.	61,232	12,530	48,702	78,352	7,542	7,277
CJ CGV Co., Ltd.	1,150,311	677,487	472,824	864,502	33,274	30,632
CJ 4DPLEX Co., Ltd.	52,662	20,283	32,379	34,397	359	359
CJ HelloVision Ara Broadcasting Co., Ltd.	82,191	21,927	60,264	55,548	4,837	4,743
CJ E&M Corporation	2,055,759	730,105	1,325,654	1,154,128	71,311	66,099
Mezzomedia Inc.	71,032	65,261	5,771	18,320	1,202	463
CJ HelloVision Youngseo Broadcasting Network Co., Ltd.	63,380	63,352	28	25,732	(4,047)	(4,227)
CJ HelloVision Gangwon Broadcasting Network Co., Ltd.	54,761	46,935	7,826	10,445	137	137
CJ OliveNetworks Co., Ltd. (formerly CJ Systems Co., Ltd.)	528,254	366,589	161,665	345,403	20,149	15,972
CJ Engineering & Construction Corp.	649,783	552,756	97,027	306,451	(3,597)	(4,004)
CJ Laiocheng Biotech Co., Ltd.	378,948	134,504	244,444	223,779	(14,311)	(14,534)
CJ (Shenyang) Biotech Co., Ltd.	756,943	710,313	46,630	252,340	(57,354)	(59,733)
CJ Bio Malaysia Sdn. Bhd.	307,620	225,756	81,864	-	(4,270)	(4,486)
PT Cheiljedang Indonesia	1,287,398	625,762	661,636	714,647	25,330	26,846
PT Cheiljedang Superfeed	205,496	195,076	10,420	228,434	(1,309)	(2,180)
PT CJ Feed Jombang	109,160	80,131	29,029	256,660	10,941	10,954

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(in millions of Korean won)

2014

Subsidiaries	Assets	Liabilities	Equity	Sales	Comprehensive	
					Net income (loss)	income (loss)
PT Super Unggas Jaya	57,240	104,191	(46,951)	114,605	(26,810)	(28,013)
CJ Vina Agri Co., Ltd.	124,462	69,307	55,155	240,954	11,496	12,129
CJ Bio America Inc.	382,683	325,083	57,600	145,012	(42,236)	(43,848)
UVD Enterprise Ltd.	141,390	6,947	134,443	388	(598)	(598)
Envoy Media Partners Ltd.	51,068	751	50,317	1,032	1,921	1,921
CJ CGV Vietnam Co., Ltd. (formerly Megastar Media Co., Ltd.)	82,578	69,473	13,105	70,215	4,453	4,630
CJ CGI Holdings Ltd.	189,917	70,986	118,931	308	(8,346)	(8,412)
CJ America Inc.	181,334	123,682	57,652	322,609	875	753
CJ Europe GMBH.	112,425	99,630	12,795	314,924	14,944	14,442
CJ Japan Corp.	70,662	67,048	3,614	131,702	293	190
CJ China, Ltd.	390,059	373,504	16,555	202,445	2,576	2,698
Maritime Tower Co., Ltd.	51,315	1,918	49,397	2,757	1,239	1,239
CJ Global holdings Ltd.	251,601	223,731	27,870	-	(586)	(625)
CJ Do Brazil Ind. Com.Prod. Alim. Ltda.	184,658	115,344	69,314	150,896	(24,454)	(25,826)
CJ Korea Express Asia Pte. Ltd.	150,443	116,419	34,024	98,061	(1,525)	(1,713)
Liaocheng Lantian Congeneration Plant Co., Ltd.	69,111	10,737	58,374	43,478	11,862	12,413

Subsidiaries newly included in the consolidated financial statements for the year ended December 31, 2015, are as follows:

Location	Subsidiaries	Remark
Korea	CJ Breeding Co., Ltd.	Newly established
Korea	Gwangyang West Container Terminal Co., Ltd.	Additional acquisition
Korea	Hi-Lite Records Co., Ltd.	Acquisition
Korea	AOMG Co., Ltd.	Acquisition
Indonesia	CJ Cheiljedang Feed Semarang	Newly established
Cambodia	CJ Cheiljedang Feed (Cambodia) Co., Ltd.	Acquisition
Cambodia	S.C.F-PNH CO., LTD.	Acquisition
Italy	CJ Food Italia S.R.L.	Acquisition
Myanmar	CJ Korea Express RT Myanmar Co., Ltd.	Newly established
Mexico	CJ IMC S.A. DE C.V.	Newly established
Republic of South Africa	CJ Smart Cargo Logistics SA(PTY) Ltd.	Newly established
Hongkong	CJ KX Rokin Holdings Limited	Newly established
Brazil	CJ Korea Express Logistica Do Brasil Ltda.	Newly established
Vietnam	CJ E&M Vietnam Co., Ltd.	Newly established
China	Shanghai Yiheya Media Co., Ltd.	Newly established
China	Fuzhou CGV Cinema Co., Ltd.	Newly established
Hongkong	CJ E&M Hong Kong Limited (Formerly, FICCCJM Asia Limited)	Additional acquisition
China	Yanji CGV Cinema Co., Ltd.	Newly established
China	CJ CGV (Sichuan) Cinema Co., Ltd.	Newly established

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

China	Yunnan CGV Cinema Co., Ltd.	Newly established
China	Ganzhou CGV Cinema Co., Ltd.	Newly established
China	CGV (Xian) Cinema Co., Ltd.	Newly established

Subsidiaries excluded from the consolidated financial statements for the year ended December 31, 2015, are as follows:

Location	Subsidiaries	Remark
Korea	O Trend Lab Co., Ltd.	Liquidated
Korea	PECT New Container Terminal Co., Ltd.	Decrease in ownership
Korea	CJ Korea Express Busan Container Terminal Corporation	Decrease in ownership
Korea	CJ HelloVision Daegu Suseong Broadcasting Co., Ltd.	Merged
Korea	CJ HelloVision Daegu Donggu Broadcasting Co., Ltd.	Merged
Korea	CJ HelloVision Ara Broadcasting Co., Ltd.	Merged
Korea	CJ HelloVision Jeonbuk Broadcasting Co., Ltd.	Merged
Korea	CJ HelloVision Youngseo Broadcasting Network Co., Ltd.	Merged
Korea	CJ HelloVision Honam Broadcasting Co., Ltd.	Merged
Korea	CJ HelloVision Gangwon Broadcasting Co., Ltd.	Merged
Korea	CJ NGC Korea Co., Ltd.	Disposed of
Vietnam	KOREA EXPRESS SAIGON LOGISTICS CO., LTD.	Liquidated
Korea	CJ CATV 2nd Co., Ltd.	Liquidated

The Group disposed of its shares in certain subsidiaries and lost control. Consequently, the Group recognized KRW 7,256 million and KRW 2,352 million of gain and loss on disposal of investment in subsidiaries, respectively (2014: KRW 346,994 million of gain on disposal of investment in subsidiaries) as other non-operating income (expenses).

Dividends of CJ CheilJedang Corporation and PT CheilJedang Indonesia, PT CheilJedang Superfeed are restricted if PT CheilJedang Indonesia and PT CheilJedang Superfeed, a consolidated subsidiary, postpones the payment of the principal and interests for its hybrid securities.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with the International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board ("IASB") that have been adopted by the Republic of Korea.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policy and Disclosures

(a) New and amended standards adopted by the Group

The Group newly applied the following amended and enacted standards for the annual period beginning on January 1, 2015. The application of this amended and enacted standards does not have a material impact on the consolidated financial statements.

- Amendment to Korean IFRS 1019, *Employee Benefits*
- Annual Improvements to Korean IFRS 2010-2012 Cycle
- Annual Improvements to Korean IFRS 2011-2013 Cycle

(b) New standards and interpretations not yet adopted

New standards, amendments and interpretations issued but not effective for the annual period beginning on January 1, 2015 and not early adopted by the Group are as follows. The Group expects that these standards and amendments would not have a material impact on its consolidated financial statements.

- Amendment to Korean IFRS 1001, *Presentation of Financial Statements*
- Korean IFRS 1016, *Property, plant and equipment*, and Korean IFRS 1041, *Agriculture and fishing: Productive plants*
- Korean IFRS 1016, *Property, plant and equipment*, and Korean IFRS 1038, *Intangible assets: Amortization based on revenue*
- Korean IFRS 1110, *Consolidated Financial Statements*, Korean IFRS 1028, *Investments in Associates and Joint Ventures*, and Korean IFRS 1112, *Disclosures of Interests in Other Entities: Exemption for consolidation of investee*
- Korean IFRS 1111, *Joint Agreements*
- Annual Improvements to Korean IFRS 2012-2014 Cycle

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Further, new standards issued, but not effective for the annual period beginning on January 1, 2015, and not early adopted are as follows:

- Korean IFRS 1109, *Financial Instruments*

The new Standard issued in December 2015 regarding financial instruments replaces Korean IFRS 1039, *Financial Instruments: Recognition and Measurement*. Korean IFRS 1109, *Financial Instruments*, requires financial assets to be classified and measured on the basis of the holder's business model and the instrument's contractual cash flow characteristics. The Standard requires a financial instrument to be classified and measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, and provides guidance on accounting for related gains and losses. The impairment model is changed into an expected credit loss model, and changes in those expected credit losses are recognized in profit or loss. The new Standard is effective for the financial year initially beginning on or after January 1, 2018, but early adoption is allowed. Early adoption of only the requirements related to financial liabilities designated at fair value through profit or loss is also permitted. The Group is in the process of determining the effects resulting from the adoption of the new Standard.

- Korean IFRS 1115, *Revenue from Contracts with Customers*

The new Standard for the recognition of revenue issued in December 2015 will replace Korean IFRS 1018, *Revenue*, Korean IFRS 1011, *Construction Contracts*, and related Interpretations. Korean IFRS 1115, *Revenue from Contracts with Customers*, will replace the risk-and-reward model under the current standards and is based on the principle that revenue is recognized when control of goods or services transfer to the customer by applying the five-step process. Key changes to current practices include guidance on separate recognition of distinct goods or services in any bundled arrangement, constraint on recognizing variable consideration, criteria on recognizing revenue over time, and increased disclosures. The new Standard is effective for annual reporting beginning on or after January 1, 2018, but early application is permitted. The Group is in the process of determining the effects resulting from the adoption of the new Standard.

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with Korean IFRS 1110, *Consolidated Financial Statements*.

(a) *Subsidiaries*

Subsidiaries are all entities over which the Controlling Company has control. The Company controls the corresponding investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The consolidation of a subsidiary begins from the date the Company obtains control of a subsidiary and ceases when the Company loses control of the subsidiary.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

The Group applies the acquisition method to account for business combinations. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis in the event of liquidation, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. All other non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRSs. Acquisition-related costs are expensed as incurred.

Goodwill is recognized as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Balances of receivables and payables, income and expenses and unrealized gains on transactions between the Group subsidiaries are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In transactions with non-controlling interests, which do not result in loss of control, the Group recognizes directly in equity attributable to owners of the parent any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

If the Group loses control of a subsidiary, any investment retained in the subsidiary is re-measured at its fair value at the date when control is lost and any resulting differences are recognized in profit or loss.

(b) Associates

Associates are all entities over which the Group has significant influence, and investments in associates are initially recognized at acquisition cost using the equity method. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If there is any objective evidence that the investment in the associate is impaired, the Group recognizes the difference between the recoverable amount of the associate and its book value as impairment loss.

(c) Joint Arrangements

A joint arrangement, wherein two or more parties have joint control, is classified as either a joint operation or a joint venture. A joint operator has rights to the assets, and obligations for the liabilities, relating to the joint operation and recognizes the assets, liabilities, revenues and expenses relating to its interest in a joint operation. A joint venturer has rights to the net assets relating to the joint venture and accounts for that investment using the equity method.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

2.4 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the each entity operates ("the functional currency"). The consolidated financial statements are presented in Korean won, which is the Controlling Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Exchange differences arising on non-monetary financial assets and liabilities such as equity instruments at fair value through profit or loss and available-for-sale equity instruments are recognized in profit or loss and included in other comprehensive income, respectively, as part of the fair value gain or loss.

2.5 Financial Assets

(a) Classification and measurement

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, and held-to-maturity financial assets. Regular purchases and sales of financial assets are recognized on the trade date.

At initial recognition, financial assets are measured at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of income. After the initial recognition, available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables, and held-to-maturity investments are subsequently carried at amortized cost using the effective interest rate method.

Changes in fair value of financial assets at fair value through profit or loss are recognized in profit or loss and changes in fair value of available-for-sale financial assets are recognized in other comprehensive income. When the available-for-sale financial assets are sold or impaired, the fair value adjustments recorded in equity are reclassified into profit or loss.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(b) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated.

Impairment of loans and receivables is presented as a deduction in an allowance account. Impairment of other financial assets is directly deducted from their carrying amount. The Group writes off financial assets when the assets are determined to be no longer recoverable.

The objective evidence that a financial asset is impaired includes significant financial difficulty of the issuer or obligor; delinquency or default in interest or principal payments. A significant or prolonged decline in the fair value of an available-for-sale equity instrument below its cost is also objective evidence of impairment.

(c) Derecognition

If the Group transfers a financial asset and the transfer does not result in derecognition because the Group has retained substantially of all risks and rewards of ownership of the transferred asset due to a recourse in the event the debtor defaults, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The related financial liability is classified as 'short-term borrowings' in the consolidated statement of financial position.

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.6 Derivative Instruments

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of the derivatives that are not qualified for hedge accounting are recognized in the consolidated statement of income within 'finance income (expense)' or 'other non-operating income (expense)' according to the nature of transactions.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and the ineffective portion is recognized in 'finance income (expenses)'. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that is reported in other comprehensive income is recognized as 'finance income (expenses)'.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method, the weighted average cost method and the moving average cost method, except for materials-in-transit which are stated at actual cost as determined using the specific identification method.

CJ Engineering & Construction Corp., a consolidated subsidiary, determines the acquisition cost of housing, and building and site under construction using the specific identification method.

2.8 Biological Assets

Biological assets such as growing breed, broiler breed and others are measured at their fair value less costs to sell. The fair value of biological assets are measured as market prices of growing breed, broiler breed and others with similar age and breed less the costs to sell. Biological assets for production, of which fair value cannot be reliably measured, are measured at their acquisition costs less any accumulated depreciation and impairment losses.

2.9 Non-current Assets (or Disposal Group) Held-for-sale

Non-current assets (or disposal group) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The assets are measured at the lower amount between their carrying amount and the fair value less costs to sell.

2.10 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Land, course and art works included in others are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate the difference between their cost and their residual values over their estimated useful lives, as follows:

Buildings	15 - 40 years
Structures	10 - 30 years
Machinery	5 - 10 years
Vehicles	4 - 5 years
Tools, equipment and supplies	4 - 6 years
Heavy equipment	5 - 15 years
Others	13 - 25 years

The depreciation method, residual values and useful lives of property, plant and equipment are reviewed at the end of each reporting period and, if appropriate, accounted for as changes in accounting estimates.

2.11 Borrowing Costs

Borrowing costs incurred in the acquisition or construction of a qualifying asset are capitalized in the period when it is prepared for its intended use, and investment income earned on the temporary investment of borrowings made specifically for the purpose obtaining a qualifying asset is deducted from the borrowing costs eligible for capitalization during the period. Other borrowing costs are recognized as expenses for the period in which they are incurred.

2.12 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grant will be received and the Group will comply with the conditions attaching to it. Government grants related to assets are presented by deducting the grants in arriving at the carrying amount of the assets, and grants related to income are deferred and presented by deducting the related expenses for the purpose of the government grants.

2.13 Intangible Assets

Goodwill is measured as explained in Note 2.3 and carried at its cost less accumulated impairment losses.

Intangible assets, except for goodwill, are initially recognized at its historical cost and carried at its cost less accumulated amortization and accumulated impairment losses.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Internally generated development costs are the aggregate costs recognized after meeting the asset recognition criteria, including technical feasibility, and determined to have future economic benefits. Membership rights, brand, and other intangible assets (rights of using wharf, registration plate of transporters, trademarks, and others) are regarded as intangible assets with indefinite useful life and not amortized because there is no foreseeable limit to the period over which the assets are expected to be utilized. Intangible assets with definite useful life that are amortized using the straight-line method over their estimated useful lives, are as follows:

Development costs	5 years
Publication rights and copyrights to music contents	1 – 5 years
Service concession arrangement ¹	10 – 37 years
Other intangible assets	3 – 20 years

¹ Service concession arrangement :

On the real estate owned by the Korea Rail Network Authority and the Ministry of Land, Transport and Maritime Affairs, the Group built a cargo terminal with its own fund. The Group owns and operates the cargo terminal for a certain period and then donates the terminal to the government. The transfer period of ownership is under discussion with the Ministry of Land, Transport and Maritime Affairs. Its estimated useful life will be determined after reaching an agreement of the transfer period.

2.14 Investment Property

Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost. After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. Investment property, except for land, is depreciated using the straight-line method over their useful lives.

Buildings	10 – 40 years
Structures	15 – 40 years

2.15 Impairment of Non-financial Assets

Goodwill or intangible assets with indefinite useful lives are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

2.16 Financial Liabilities

(a) Classification and measurement

Financial liabilities at fair value through profit or loss are financial instruments held-for-trading. Financial liabilities are classified in this category if incurred principally for the purpose of repurchasing them in the near term. Derivatives that are not designated as hedges or bifurcated from financial instruments containing embedded derivatives are also categorized as held-for-trading.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and presented as 'trade payables', 'short-term borrowings', 'current portion of debentures and non-current borrowings', 'non-trade payables', 'other current financial liabilities', 'non-current borrowings', 'debentures', 'deposits received' and 'other non-current financial liabilities' in the consolidated statement of financial position.

(b) Derecognition

Financial liabilities are removed from the consolidated statement of financial position when it is extinguished, for example, when the obligation specified in the contract is discharged, cancelled or expired or when the terms of an existing financial liability are substantially modified.

2.17 Financial Guarantee Contract

Financial guarantee contracts provided by the Group are initially measured at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amounts below and recognized as 'other current financial liabilities' and 'other non-current financial liabilities':

- the amount determined in accordance with Korean IFRS 1037, *Provisions, Contingent Liabilities and Contingent Assets*; or
- the initial amount, less accumulated amortization recognized in accordance with Korean IFRS1018, *Revenue*.

Financial guarantee contracts provided to associates for free are recognized as prepaid expenses and amortized over the guarantee period.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

2.18 Compound Financial Instruments

Compound financial instruments are convertible bonds, exchangeable bonds and the convertible redeemable preferred stock that can be converted into equity instruments at the option of the holder. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially on the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

2.19 Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and the increase in the provision due to passage of time is recognized as interest expense.

2.20 Current and Deferred Tax

The tax expense for the period consists of current and deferred tax. Tax is recognized on the profit for the period in the consolidated statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates tax policies that are applied in tax returns in which applicable tax regulation is subject to interpretation. The Group recognizes current income tax on the basis of the amount expected to be paid to the tax authorities.

Deferred tax is recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as expected tax consequences at the recovery or settlement of the carrying amounts of the assets and liabilities. However, deferred tax assets and liabilities are not recognized if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax liability is recognized for taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, deferred tax asset is recognized for deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee Benefits

(a) Post-employment benefits

The Group has both defined contribution and defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The contributions are recognized as employee benefit expense when an employee has rendered service.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds and that have terms to maturity approximating to the terms of the related pension obligation. The remeasurements of the net defined benefit liability are recognized in other comprehensive income.

If any plan amendments, curtailments, or settlements occur, past service costs or any gains or losses on settlement are recognized as profit or loss for the year.

(b) Share-based payments

Equity-settled share-based payments granted to employees are estimated at the grant date fair value of equity instruments and recognized as employee benefit expenses over the vesting period. The number of equity instruments expected to vest is remeasured with consideration to non-market vesting conditions at the end of the reporting period, with any changes from the original measurement recognized in the profit for the year and equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are recognized as capital stock (nominal value) and paid-in capital in excess of par value.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(c) Long-term employee benefits

The Group has a long-term employee benefits to employees who stay with the Group for a certain length of time. The expected costs of these benefits are measured using the same accounting methodology as used for defined benefit plans. Service costs, net interest and remeasurements of long-term employee benefits are recognized as profit or loss for the year.

2.22 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods or rendering of services arising from the normal activities of the Group. It is stated as net of value added taxes, returns, rebates and discounts, after elimination of intra-company transactions.

The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sale of goods

Revenue from the sale of goods is recognized when products are delivered to the purchaser.

(b) Rendering of services and construction contracts

Revenues from rendering services are generally recognized using the percentage-of-completion method when the amount of revenue can be reliably measured. If revenue from a service transaction cannot be estimated reliably, revenue is recognized only to the extent of costs accrued that are likely to be recoverable.

Any changes in expected revenue, cost or the amount of services rendered are accounted for as changes in estimates. These changes in estimates may bring adjustments to the expected revenue or cost which is recognized in the consolidated statement of income in the period in which the management recognizes the changes in circumstances.

A construction contract is defined by Korean IFRS 1011, *Construction Contracts*, as a contract specifically negotiated for the construction of an asset.

When the revenue from a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract by reference to the stage of completion. Contract costs are recognized as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss on the construction contract is immediately recognized as an expense.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

When the revenue from a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured. Contract costs are recognized as an expense in the period in which they are incurred.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred during the year in connection with the future activity of a contract are excluded from contract costs in determining the stage of completion.

On the consolidated statement of financial position, the Group reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognized profits (less recognized losses) exceed progress billings (due from customers for contract work); a contract represents a liability where the opposite is the case (due to customers for contract work).

(c) Royalty income

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

(d) Interest income

Interest income is recognized using the effective interest method according to the time passed. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

(e) Dividend income

Dividend income is recognized when the right to receive payment is established.

(f) Customer loyalty program

The Group operates a customer loyalty program where customers accumulate points for purchases made which entitle them to discounts on future purchases. The reward points are recognized as a separately identifiable component of the initial sale transaction. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the reward points and the other components of the sale. The fair value of the reward points is measured by taking into account the proportion of the reward points that are not expected to be redeemed by customers. Revenue from customer loyalty program is recognized when the rewarded points are used.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

2.23 Lease

A lease is an agreement, whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases, where all the risks and rewards of ownership are not transferred to the Group, are classified as operating leases. Lease payments under operating leases are recognized as expenses on a straight-line basis over the lease term.

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases and recognized as lease assets and liabilities at the lower of the fair value of the leased property and the present value of the minimum lease payments on the opening date of the lease period.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership at the inception of the lease. A lease other than a finance lease is classified as an operating lease. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred by the lessor in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income.

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is not be immediately recognized as income by a seller-lessee (the Group). Instead, it is deferred and amortized over the lease term. If a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. Also, if the sale price is below fair value, any profit or loss is recognized immediately, unless the loss is compensated for by future lease payments at below market price, and it then is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

2.24 Segment Reporting

Information of each operating segment is reported in a manner consistent with the business segment reporting provided to the chief operating decision-maker who is the Chief Executive Officer.

2.25 Approval of Issuance of the Financial Statements

The issuance of the December 31, 2015 consolidated financial statements of the Company was approved by the Board of Directors on February 4, 2016, which is subject to change with the approval of the shareholders at their annual shareholders' meeting.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

3. Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions are continuously evaluated with consideration to factors such as events reasonably predictable in the foreseeable future within the present circumstance according to historical experience. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimated impairment of goodwill

The Group tests annually whether certain goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

(b) Income taxes

The Group is operating in numerous countries and the income generated from these operations is subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain.

If certain portion of the taxable income is not used for investments, increase in wages, or dividends in accordance with the *Tax System For Recirculation of Corporate Income*, the company is liable to pay additional income tax calculated based on the tax laws. The new tax system is effective for three years from 2015. Accordingly, the measurement of current and deferred income tax is affected by the tax effects from the new system. As the Group's income tax is dependent on the investments, increase in wages and dividends, there exists uncertainty with regard to measuring the final tax effects.

(c) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(d) Net defined benefit liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(e) Provisions

The Group recognizes provisions for estimated returns. These provisions are estimated based on past experience.

(f) Estimated total contract costs

Amounts due from customers for contract work are affected by the stage of completion of the contract activity, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The total contract costs are estimated based on the forecasts such as the cost of materials, labor costs and construction periods.

4. Financial Risk Management

4.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest risk), credit risk and liquidity risk. In order to manage such risks, the Group established financial risk management policies and programs which enable to closely monitor and react to individual risk causes.

Certain subsidiaries invest on derivatives to hedge certain risk exposures. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

(a) Market Risk

i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The Group applies hedge accounting to each entities individually with considering the entity's business characteristics and existence of alternatives against foreign exchange risk.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

The impact of weakened/strengthened Korean won by 10% against foreign currencies with all other variables held constant on the post-tax profit for the year and equity of the Group as of December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>		Impact on post-tax profit		Impact on equity	
		2015	2014	2015	2014
USD	Strengthened	(89,152)	(90,098)	(89,152)	(90,098)
	Weakened	89,152	90,098	89,152	90,098
EUR	Strengthened	(14,570)	5,412	(14,570)	5,412
	Weakened	14,570	(5,412)	14,570	(5,412)

ii) Price risk

The Group is exposed to price risk due to investments in equity securities including listed and unlisted stocks for the needs of operations and liquidity managements. The Group utilizes more than one direct or indirect investment methods to reduce price risk.

The Group's investments in equity of other entities that are publicly traded are included in one of the following two equity indexes: KOSPI equity index and KOSDAQ equity index.

As of December 31, 2015, the impact of increases/decreases of the stock price by 10% with all other variables held constant on the Group's equity is KRW 31,057 million (2014: KRW 25,970 million).

iii) Interest rate risk

Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group employs floating interest receipts and fixed interest payment swaps to certain borrowings in order to minimize uncertainty and financial expenses from interest rate changes.

The impact of 1% increase/decrease of interest rate with all other variables held constant on the Group's interest expenses and gains(losses) on valuation of derivative instruments for the years ended December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>		Impact on post-tax profit		Impact on equity	
		2015	2014	2015	2014
Interest expenses	Increase	(11,682)	(17,920)	(11,682)	(17,920)
	Decrease	11,682	17,920	11,682	17,920
Gains(Losses) on valuation of derivative instruments	Increase	1,234	384	2,794	3,192
	Decrease	(1,234)	(384)	(2,794)	(3,192)

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(b) Credit Risk

Credit risk is managed on an individual company basis. Credit risk arises when client or counterparty does not keep to obligations stated on terms of the contract in committed transactions and investment activities. In order to manage credit risk, the Group continuously evaluates credit quality of the customer through taking into account its financial position, past experience and other factors. Major customers' individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored.

Furthermore, Credit risk may arise from various financial institution transactions including cash and cash equivalents, deposits with banks and derivative financial instruments. In order to reduce the risk, the Group takes transactions only with highly rated financial institutions.

As of December, 31 2014, the maximum value of exposed credit risk is equal to book value of financial instruments (excluding cash and equity securities), loan commitments and guarantee amounts (Notes 6 and 36).

(c) Liquidity Risk

In order to maintain appropriate amount of liquidity, the Group manages liquidity risk by making cyclical expectations and adjustments of capital inflows and outflows.

In order to maintain sufficient cash to meet its' operational needs, the Group issues factoring trade receivables and asset-backed securities to domestic/foreign financial institutions which has highly rated reliability. Furthermore, the Group has bank overdraft agreements with financial institutions (Note 36).

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

The analyses of the Group's liquidity risk as of December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
Trade payables	1,398,351	-	-	1,398,351
Borrowings	3,469,128	1,292,186	208,038	4,969,352
Debentures	945,592	2,844,063	569,049	4,358,704
Non-trade payables	920,760	-	-	920,760
Deposits received	107,479	76,219	269,890	453,588
Other financial liabilities	467,392	34,660	-	502,052
Trading derivatives (currency forward)				
Outflows	179,874	-	-	179,874
Inflows	(181,078)	-	-	(181,078)
Financial guarantee contracts and others	1,077,763	240,000	-	1,317,763
	<u>8,385,261</u>	<u>4,487,128</u>	<u>1,046,977</u>	<u>13,919,366</u>
	2014			
<i>(In millions of Korean won)</i>	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Trade payables	1,302,361	-	-	1,302,361
Borrowings	3,310,641	2,381,331	254,143	5,946,115
Debentures	453,434	2,753,810	566,047	3,773,291
Non-trade payables	786,583	-	-	786,583
Deposits received	125,081	76,691	248,505	450,277
Other financial liabilities	458,006	47,589	-	505,595
Trading derivatives (currency forward)				
Outflows	98,125	-	-	98,125
Inflows	(99,993)	-	-	(99,993)
Financial guarantee contracts and others	971,966	220,132	-	1,192,098
	<u>7,406,204</u>	<u>5,479,553</u>	<u>1,068,695</u>	<u>13,954,452</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

4.2 Capital Management

The Group's objectives when managing capital are to maintain a secured capital structure. The Group uses debt-to-equity ratio for capital management. This ratio is calculated as total debts divided by total equity as shown in the consolidated statement of financial position.

<i>(In millions of Korean won)</i>	December 31, 2015	December 31, 2014
Liabilities	13,698,687	13,969,444
Equity	9,863,456	9,069,875
Debt-to-equity ratio	139%	154%

5. Fair Value

5.1 Fair Value of Financial Instruments by Category

There is no significant difference between the book value and the fair value of loans and receivables, and financial liabilities measured at amortized cost in respect to financial instruments of the Group. The book value of other financial instruments, except for financial instruments measured at cost (Note 5.2), is identical to its fair value.

5.2 Financial Instruments Measured at Cost

Details of financial instruments measured at cost as of December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015	2014
Available-for-sale financial assets		
Blackwell Fuller Holdings LLC.	9,532	-
Al Nahr Co., Ltd.	7,032	6,595
TV Chosun-Daesung investment	6,000	6,000
TW Venture Investment No. 12 – Global Contents (formerly CJ Global Contents Investment 12rd)	4,000	4,000
DongMoon Media Contents & Culture Investment	3,500	3,500
ISU-global contents investment	3,173	4,000
Others	33,387	42,211
	<u>66,624</u>	<u>66,306</u>

Investments in Blackwell Fuller Holdings LLC. and others as unlisted equity instruments are measured at cost since the variability of estimated cash flows is significant and the probabilities of the various estimates cannot be reasonably assessed.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

5.3 Fair Value Hierarchy

Assets measured at fair value or for which the fair value is disclosed are categorized within the fair value hierarchy, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value as of December 31, 2015 and 2014, are as follows:

	2015			
<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Other current financial assets				
Derivatives	7,172	8,911	-	16,083
Available-for-sale financial assets				
Marketable equity securities	464,027	-	-	464,027
Non-marketable equity securities	-	12,383	62,213	74,596
Debt securities	703	-	-	703
Other non-current financial assets				
Derivatives	-	26,908	-	26,908
Other current financial liabilities				
Derivatives	3,708	3,358	-	7,066
Other non-current financial liabilities				
Derivatives	-	7,586	-	7,586
	2014			
<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Other current financial assets				
Derivatives	207	18,065	-	18,272
Available-for-sale financial assets				
Marketable equity securities	487,543	-	-	487,543
Non-marketable equity securities	-	11,632	58,208	69,840
Debt securities	728	1,000	-	1,728
Other non-current financial assets				
Derivatives	-	19,510	-	19,510
Other current financial liabilities				
Derivatives	14,719	6,962	-	21,681
Other non-current financial liabilities				
Derivatives	-	6,410	-	6,410

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

5.4 Transfers between Fair Value Hierarchy Levels of Recurring Fair Value Measurements

The Group's policy is to recognize transfers between levels of the fair value at the end of the reporting period.

Details of changes in Level 3 of the fair value hierarchy for the recurring fair value measurements are as follows:

<i>(In millions of Korean won)</i>	2015	2014
	Available-for-sale financial assets	Available-for-sale financial assets
Beginning balance	58,208	56,086
Total profit or loss		
Amount recognized in loss	(3,717)	-
Amount recognized in other comprehensive income (loss) ¹	11,711	(2,753)
Acquisition	2,354	1,750
Disposal and capital reduction	(5,843)	(7,672)
Transfer into Level 3 ²	-	10,797
Transfer out from Level 3	(500)	-
Ending balance	<u>62,213</u>	<u>58,208</u>

¹ In 2015, the Group recognized KRW 7,436 million of gain on valuation of available-for-sale financial assets relating to Raine-Partners Fund and others, and KRW 1,732 million of loss on valuation of available-for-sale financial assets relating to Happycall Co., Ltd. and others, respectively. In 2014, the Group recognized KRW 8,099 million of gain on valuation of available-for-sale financial assets relating to Joongang Ilbo and others, and KRW 6,238 million of loss on valuation of available-for-sale financial assets relating to Vogo Fund LP and others, respectively.

² In 2014, shares of Happycall Co., Ltd., which had been measured at cost, were measured at their fair value and transferred to level 3.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

5.5 Valuation Technique and the Inputs

Valuation techniques and inputs used in the recurring fair value measurements categorized within Level 3 of the fair value hierarchy as of December 31, 2015 and 2014, are as follows:

(In millions of Korean won)

		2015		
Available-for-sale financial assets	Fair value	Valuation techniques	Inputs	Range of inputs (weighted average)
Equity investment and debt securities	62,213	Discounted cash flow	Discount rate	9.12% - 12.04%
		Net asset value approach method and others	Inflation rate	1.44% - 2.50%
			Perpetual growth rate	0%

(In millions of Korean won)

		2014		
Available-for-sale financial assets	Fair value	Valuation techniques	Inputs	Range of inputs (weighted average)
Equity investment and debt securities	58,208	Discounted cash flow	Discount rate	8.34% - 12.02%
		Dividend discount model	Inflation rate	2.40% - 2.73%
			Net asset value approach method and others	Perpetual growth rate

Valuation techniques and inputs used in the recurring fair value measurements categorized within Level 2 of the fair value hierarchy as of December 31, 2015 and 2014, are as follows:

(In millions of Korean won)

		2015	
		Fair value	Valuation techniques
Other current financial assets and other non-current financial assets			
Trading derivatives		35,819	Present value technique
Available-for-sale financial assets			
Non-marketable equity securities		12,383	Net asset value approach method
Debt securities		-	Present value technique
Other current financial liabilities and other non-current financial liabilities			
Trading derivatives		9,097	Present value technique
Derivatives used for hedging		1,847	Present value technique

(In millions of Korean won)

		2014	
		Fair value	Valuation techniques
Other current financial assets and other non-current financial assets			
Trading derivatives		37,575	Present value technique
Available-for-sale financial assets			
Non-marketable equity securities		11,632	Net asset value approach method
Debt securities		1,000	Present value technique
Other current financial liabilities and other non-current financial liabilities			
Trading derivatives		9,590	Present value technique
Derivatives used for hedging		3,782	Present value technique

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

5.6 Valuation Processes for Fair Value Measurements Categorized Within Level 3

The Group's finance department performs the fair value measurements required for financial reporting purposes, including level 3 fair values. This department reports valuation processes and results to the management at least once every quarter.

5.7 Sensitivity analysis for Recurring Fair Value Measurements Categorized Within Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the amounts represent the most favorable or most unfavorable. Financial instrument, which is categorized within Level 3 and subject to sensitivity analysis, consists of equity securities for which the changes in their fair value are recognized as other comprehensive income.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

6. Financial Instruments by Category

6.1 Carrying Amounts of Financial Instruments by Category

Categorizations of financial assets and liabilities as of December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015				Total
	Loans and receivables	Assets at fair value through profit or loss	Assets classified as available-for-sale	Assets classified as held-to-maturity	
Cash and cash equivalents	1,195,081	-	-	-	1,195,081
Short-term financial instruments	615,418	-	-	-	615,418
Short-term loans receivable	51,142	-	-	-	51,142
Trade receivables	2,655,668	-	-	-	2,655,668
Other current financial assets	301,324	16,083	-	-	317,407
Available-for-sale financial assets	-	-	605,950	-	605,950
Other non-current financial assets	500,668	26,908	-	7,519	535,095
	<u>5,319,301</u>	<u>42,991</u>	<u>605,950</u>	<u>7,519</u>	<u>5,975,761</u>

<i>(In millions of Korean won)</i>	2015			Total
	Liabilities at fair value through profit or loss	Other financial liabilities at amortized cost	Other financial liabilities ¹	
Trade payables	-	1,398,351	-	1,398,351
Borrowings	-	4,598,268	12,362	4,610,630
Debentures	-	4,005,354	-	4,005,354
Non-trade payables	-	920,760	-	920,760
Other current financial liabilities	5,722	566,602	1,344	573,668
Deposits received	-	186,006	-	186,006
Other non-current financial liabilities	7,083	34,558	602	42,243
	<u>12,805</u>	<u>11,709,899</u>	<u>14,308</u>	<u>11,737,012</u>

¹ Other financial liabilities include derivatives used for hedging, financial lease liabilities, financial payment guarantee and others.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

	2014				Total
	Loans and receivables	Assets at fair value through profit or loss	Assets classified as available-for- sale	Assets classified as held-to- maturity	
<i>(In millions of Korean won)</i>					
Cash and cash equivalents	991,166	-	-	-	991,166
Short-term financial instruments	860,484	3,547	-	-	864,031
Short-term loans receivable	61,932	-	-	-	61,932
Trade receivables	2,516,322	-	-	-	2,516,322
Other current financial assets	525,286	18,272	1,000	-	544,558
Available-for-sale financial assets	-	-	624,417	-	624,417
Other non-current financial assets	437,937	19,510	-	8,529	465,976
	<u>5,393,127</u>	<u>41,329</u>	<u>625,417</u>	<u>8,529</u>	<u>6,068,402</u>

	2014			Total
	Liabilities at fair value through profit or loss	Other financial liabilities at amortized cost	Other financial liabilities¹	
<i>(In millions of Korean won)</i>				
Trade payables	-	1,302,361	-	1,302,361
Borrowings	-	5,242,720	28,700	5,271,420
Debentures	-	3,725,726	-	3,725,726
Non-trade payables	-	786,583	-	786,583
Other current financial liabilities	21,478	550,383	203	572,064
Deposits received	-	160,698	-	160,698
Other non-current financial liabilities	2,945	42,145	4,351	49,441
	<u>24,423</u>	<u>11,810,616</u>	<u>33,254</u>	<u>11,868,293</u>

¹ Other financial liabilities include derivatives used for hedging, financial lease liabilities, financial payment guarantee and others.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

6.2 Primary net gains or Losses by Category of Financial Instruments

Primary net gains or losses on each category of financial instruments for the years ended December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015	2014
Available-for-sale financial assets		
Gain (loss) on valuation		
(Other comprehensive income (loss))	(5,438)	44,639
Interest income	47	841
Dividend income	11,705	5,039
Impairment loss	(1,511)	(5,363)
Gain (loss) on disposal(Profit or loss)	(477)	(8,663)
Gain (loss) on disposal(Reclassification) ¹	(5,631)	(39)
Held-to-maturity financial assets		
Interest income	167	189
Loans and receivables		
Interest income	47,009	69,174
Bad debts expense	(28,825)	(50,322)
Other bad debts expense	(8,671)	(18,231)
Others	(19,845)	(8,550)
Assets and liabilities at fair value through profit or loss		
Gain (loss) on derivatives	46,102	(21,718)
Other financial liabilities at amortized cost		
Interest expenses	(279,805)	(332,521)
Derivatives used for hedging		
Interest expenses	(7,642)	(1,336)
Gain (loss) on valuation (other comprehensive income)	1,764	(1,961)

¹ Reclassification to profit or loss represents amounts transferred from components of other comprehensive income.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

7. Financial Instruments Subject to Withdrawal Restrictions

Financial instruments subject to withdrawal restrictions as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Short-term financial instruments		
Collateral against borrowings	407,226	7,295,000
Government-sponsored research and development projects	2,121,997	2,718,700
Contract performance guarantee	893,722	5,769,400
Withdrawal for support of cooperative firm	50,600,000	50,600,000
Other activities	16,535,693	25,753,435
	<u>70,558,638</u>	<u>92,136,535</u>
Long-term financial instruments		
Contract performance guarantee	1,939,348	2,170,426
Withdrawal for support of cooperative firm	5,000,000	-
Others	5,764,743	4,437,760
	<u>12,704,091</u>	<u>6,608,186</u>
	<u>83,262,729</u>	<u>98,744,721</u>

Certain short-term and long-term financial instruments of the Group are pledged as collateral (Note 36).

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

8. Trade and Other Receivables

Trade and other receivables as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015		
	Current	Non-current	Total
Trade receivables	2,765,785,196	35,708,735	2,801,493,931
Provision for impairment of trade receivables	(110,116,804)	(376,488)	(110,493,292)
Other receivables ¹	391,915,590	526,869,767	918,785,357
Provision for impairment of other receivables	<u>(39,450,291)</u>	<u>(84,648,873)</u>	<u>(124,099,164)</u>
	<u>3,008,133,691</u>	<u>477,553,141</u>	<u>3,485,686,832</u>
	2014		
<i>(In thousands of Korean won)</i>	Current	Non-current	Total
Trade receivables	2,618,315,342	46,682,972	2,664,998,314
Provision for impairment of trade receivables	(101,993,281)	(475,011)	(102,468,292)
Other receivables ¹	634,665,017	450,885,880	1,085,550,897
Provision for impairment of other receivables	<u>(47,446,903)</u>	<u>(78,352,370)</u>	<u>(125,799,273)</u>
	<u>3,103,540,175</u>	<u>418,741,471</u>	<u>3,522,281,646</u>

¹ Other receivables consist of short-term loans receivables and other financial assets which include long-term loans receivables, non-trade receivables, accrued income and deposits provided in the consolidated statement of financial position.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

The aging analysis of trade and other receivables as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015		2014	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Receivables not past due	2,537,418,483	765,059,147	2,402,198,684	923,821,695
Past due but not impaired				
Up to 3 months	104,273,773	6,031,992	100,995,792	4,004,998
3 to 6 months	20,687,379	2,806,201	29,348,065	4,002,557
6 month to 1 year	28,481,587	6,340,618	36,562,661	15,331,111
Over 1 year	34,119,932	35,177,850	31,169,862	36,566,059
	187,562,671	50,356,661	198,076,380	59,904,725
Impaired				
Up to 3 months	1,040,087	68,410	2,932,944	147,263
3 to 6 months	3,252,151	14,088	7,707,199	185,884
6 month to 1 year	12,431,195	3,918,777	19,717,299	1,576,813
Over 1 year	59,789,344	99,368,274	34,365,808	99,914,517
	76,512,777	103,369,549	64,723,250	101,824,477
	2,801,493,931	918,785,357	2,664,998,314	1,085,550,897

Changes in provisions for impairment of trade and other receivables for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Beginning balance	228,267,565	169,068,896
Increase due to business combination	149,246	15,140,145
Bad debt expense	38,326,368	75,708,504
Write-off	(31,335,849)	(21,846,690)
Reversal	(830,540)	(7,156,243)
Decrease due to disposal of subsidiaries	(167,986)	(2,824,373)
Transfer to assets held-for-sale	41,289	-
Effect of foreign currency translation	142,363	177,326
Ending balance	234,592,456	228,267,565

The creation and release of provision for impaired receivables are included in 'selling and administrative expenses' and 'other non-operating expenses (income)' in the consolidated statement of income.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Trade receivables of subsidiaries, including CJ O Shopping Co, Ltd. and CJ CGV Co., Ltd., are not exposed to significant credit risk since the receivables are from individual clients. Credit of clients of other subsidiaries, including CJ Cheiljedang Corp., is valued using disclosed and undisclosed financial information at the time of entering into new contracts. In addition, the Group is provided with credit enhancements including pledges and contract performance guarantees as of December 31, 2015.

9. Other Financial Assets and Liabilities

Other financial assets as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Current		
Available-for-sale financial assets	210	1,000,205
Non-trade receivables	248,526,149	437,431,991
Accrued income	4,528,507	9,191,627
Deposits provided	48,269,099	78,662,146
Derivative assets	16,083,498	18,272,423
	<u>317,407,463</u>	<u>544,558,392</u>
Non-current		
Long-term financial instruments	23,114,540	19,195,478
Held-to-maturity financial assets	7,519,395	8,529,395
Trade receivables	35,332,247	46,207,961
Loans receivable	25,636,067	39,997,031
Non-trade receivables	12,621,124	80,002
Accrued income	3,930	84,999
Deposits provided	403,959,773	332,371,478
Derivative assets	26,907,953	19,509,526
	<u>535,095,029</u>	<u>465,975,870</u>
	<u>852,502,492</u>	<u>1,010,534,262</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Other financial liabilities as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Current		
Accrued expenses	459,092,287	425,282,995
Deposits received	107,479,468	125,080,527
Derivative liabilities	7,065,883	21,680,505
Current portion of other long-term liabilities	29,934	19,571
	<u>573,667,572</u>	<u>572,063,598</u>
Non-current		
Non-trade payables	34,558,274	42,116,558
Derivative liabilities	7,585,661	6,410,477
Non-current portion of other long-term liabilities	99,102	914,229
	<u>42,243,037</u>	<u>49,441,264</u>
	<u>615,910,609</u>	<u>621,504,862</u>

Transfers of financial assets

In 2014 and 2015, CJ Foodville Corp., a consolidated subsidiary, entered into a leasehold deposit transfer agreement with Dong Yang CJ Franchise Investment Trust and transferred leasehold deposits amounting to KRW 20,000 million (2014: KRW 30,000 million). In relation to this transaction, the Group recognized the gain on disposal of KRW 427 million (2014: KRW 407 million) in 2015.

Furthermore, CJ Foodville Corp. has entered into contract with Dong Yang CJ Franchise Investment Trust to purchase back KRW 50,000 million of leasehold deposit, which was transferred during 2013, at fair price in October 30, 2015 and October 31, 2016. Among the contract, KRW 20,000 million of leasehold deposit which was scheduled to be purchased back in 2015 was purchased earlier on October 29, 2015. Also, CJ Foodville Corp. made contract with Dong Yang CJ Franchise Investment Trust to purchase back KRW 30,000 million and KRW 20,000 million of leasehold deposit, which was transferred during 2014 and 2015, at fair price in September 26, 2017 and October 29, 2018, respectively.

Details of undiscounted cash outflows of leasehold deposits which are subject to repurchase are as follows:

<i>(In thousands of Korean won)</i>	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Total
Leasehold deposits	30,000,000	30,000,000	20,000,000	80,000,000

In 2015, CJ CGV Co., Ltd., a consolidated subsidiary, entered into a leasehold deposit transfer agreement with Dong Yang Multiplex Private Special Asset Investment Trust No.2 and transferred leasehold deposits amounting to KRW 190,000 million. In relation to this transaction, the Group recognized the gain on disposal of KRW 1,118 million in 2015.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

In 2015, as the purchase agreement date arrives, CJ CGV Co., Ltd. has purchased back the leasehold deposit amounting to KRW 160,000 million, which was transferred to Dong Yang Multiplex Private Special Asset Investment Trust No.1 in 2012, at fair value. Also, CJ CGV Co. has entered into purchase agreement with Dong Yang Multiplex Private Special Asset Investment Trust No.2 to purchase back leasehold deposit amounting to KRW 190,000 million, which was transferred in 2015, at fair value in August 28, 2018 and the undiscounted cash outflow of this contact is KRW 190,000 million.

Derivatives as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Current				
Commodity futures contract	1,673,747	-	-	8,849,360
Commodity option contract	5,498,250	3,505,317	206,625	5,870,003
Interest rate swap contract	957,711	1,546,605	-	316,766
Currency forward contract	3,356,912	1,198,821	6,907,602	381,205
Currency option contract	1,956,370	492,975	3,963,428	316,082
Currency swap contract	2,000,988	322,165	1,876,344	7,526
Rate forward contract	-	-	5,318,424	-
Embedded derivatives	-	-	-	5,939,563
Other derivatives	639,520	-	-	-
	<u>16,083,498</u>	<u>7,065,883</u>	<u>18,272,423</u>	<u>21,680,505</u>
Non-current				
Treasury stock of subsidiaries option	-	-	5,606,654	-
Exchangeable bonds option	-	847,590	-	1,210,905
Interest rate swap contract	1,409,463	145,185	-	3,465,395
Currency forward contract	4,243,511	-	700,626	64,258
Currency swap contract	16,821,199	6,089,680	12,322,874	1,669,919
Rate forward contract	1,411,974	-	-	-
Embedded derivatives	3,021,806	-	-	-
Other derivatives	-	503,206	879,372	-
	<u>26,907,953</u>	<u>7,585,661</u>	<u>19,509,526</u>	<u>6,410,477</u>
	<u>42,991,451</u>	<u>14,651,544</u>	<u>37,781,949</u>	<u>28,090,982</u>

Accounts and amounts which include gain and loss from derivatives for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Financial income	93,362,144	44,500,865
Financial expenses	34,672,667	34,489,565
Other non-operating income	39,526,252	41,460,668
Other non-operating expenses	52,113,753	73,190,037

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Expected periods of cash flow for derivatives hedging cash flow risk are as follows:

<i>(In thousands of Korean won)</i>	Buy/Sell	Less than 1 year	Between 1 and 2 years
Interest rate swap	Buy	200,000,000	-

CJ HelloVision Co., Ltd. and CJ Korea Express Corporation, the consolidated subsidiaries, entered into swap agreements with Hana Bank and Shinhan Bank to hedge expected cash flow risks which may arise from floating rate borrowings of KRW 200,000 million.

There is no ineffective portion recognized as current profit or loss under cash flow hedge. Gain on valuation of KRW 1,764 million in 2015 (2014: loss on valuation of KRW 1,961 million), excluding the income tax effect reflected directly on the equity account, is recognized as other comprehensive income.

Held-to-maturity investments as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>		2015	2014
Debt securities	Between 1 and 5 years	7,519,395	8,529,395
		7,519,395	8,529,395

10. Inventories

Inventories as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Merchandise	455,085,826	350,855,895
Finished goods	282,862,501	260,122,053
Work-in-process	49,463,301	57,494,666
Raw materials	323,070,324	305,856,518
Sub-materials	37,729,993	35,521,129
Supplies	54,094,647	51,292,200
Goods in transit	298,896,607	309,552,005
Lots	36,878,332	70,505,636
Others	866,259	13,237,257
Inventory allowance for evaluation	(43,556,279)	(32,665,786)
	1,495,391,511	1,421,771,573

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

11. Biological Assets

Group of biological assets as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Biological assets for consumption		
Growing breed	21,200,858	13,092,406
Broiler breed	7,336,668	5,471,121
	<u>28,537,526</u>	<u>18,563,527</u>
Biological assets for production (Note 16)		
Sows	14,854,626	6,871,885
Spawning breed	15,834,606	13,551,202
	<u>30,689,232</u>	<u>20,423,087</u>
	<u>59,226,758</u>	<u>38,986,614</u>

Changes in biological assets for consumption for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015		2014	
	Growing breed	Broiler breed	Growing breed	Broiler breed
Beginning balance	13,092,406	5,471,121	9,318,811	6,429,770
Increase from purchases	109,984,606	163,765,303	82,993,251	237,846,696
Decrease from sales/disposals	(102,056,674)	(161,693,023)	(79,509,519)	(239,420,237)
Gain (loss) on valuation, net	(69,153)	-	22,737	464,013
Effect of foreign currency translation	249,673	(206,733)	267,126	150,879
Ending balance	<u>21,200,858</u>	<u>7,336,668</u>	<u>13,092,406</u>	<u>5,471,121</u>

The biological assets for consumption measured at fair value are classified to Level 2 in fair value hierarchy (Note 5.3).

Valuation technique used in the fair value of biological assets for consumption categorized within Level 2 is a net realizable value method.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

12. Other Assets and Liabilities

Other assets as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Current		
Prepaid expenses	134,896,292	125,391,861
Prepaid taxes	81,289,317	100,426,421
Others	18,096,663	2,067,490
	<u>234,282,272</u>	<u>227,885,772</u>
Non-current		
Advance payments	28,426,944	14,142,384
Prepaid expenses	300,706,818	313,366,725
Others	15,807,450	10,014,377
	<u>344,941,212</u>	<u>337,523,486</u>
	<u>579,223,484</u>	<u>565,409,258</u>

Other liabilities as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Current		
Advances receipts	229,690,875	224,252,447
Unearned revenues	23,350,202	16,355,284
Withholdings	363,143,304	395,326,499
Others	27,772,424	54,205,389
	<u>643,956,805</u>	<u>690,139,619</u>
Non-current		
Accrued expenses	27,440,803	22,736,642
Unearned revenues	115,953,964	120,342,430
Deferred revenues	21,812,677	17,843,237
Others	3,291,269	366,762
	<u>168,498,713</u>	<u>161,289,071</u>
	<u>812,455,518</u>	<u>851,428,690</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

13. Assets and Liabilities Held-for-Sale

In accordance with the approval of board of directors, the Group decided to dispose of CJ Korea Express Busan Container Terminal Co., Ltd. (a part of homeshopping & logistics segment) and one other entity. Therefore, related assets, liabilities and others of CJ Korea Express Busan Container Terminal Co., Ltd. and one other entity are classified as held-for-sale. The transaction was completed in 2015.

Assets and liabilities in disposal group classified as held-for-sale as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Assets of disposal group		
Cash and cash equivalent	-	841,509
Other current assets	-	9,645,502
Property, plant and equipment	-	48,318,664
Intangible assets	-	4,188,587
Other non-current assets	-	27,032,571
	<u>-</u>	<u>90,026,833</u>
Liabilities of disposal group		
Short-term borrowings	-	13,553,913
Current portion of long-term borrowings	-	20,335,222
Other current liabilities	-	24,214,950
Long-term borrowings	-	16,422,410
Other non-current liabilities	-	16,174,525
	<u>-</u>	<u>90,701,020</u>

Other assets classified as held-for-sale as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Property, plant and equipment	6,623,190	14,726,871

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

14. Available-for-sale Financial Assets

Changes in available-for-sale financial assets for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Beginning balance	625,417,364	667,252,011
Acquisition	7,778,808	14,437,614
Disposals and capital reduction and others	(23,831,240)	(25,738,678)
Impairment ¹	(1,511,388)	(5,362,863)
Net gains (losses) reclassified from equity	7,394,646	2,618,745
Net gains reclassified to equity	(15,821,034)	51,918,286
Reclassification ²	10,497,464	(32,348,990)
Decrease due to disposal of subsidiaries	(123,529)	(47,684,858)
Effect of foreign currency translation and others	(3,850,635)	326,097
Ending balance	605,950,456	625,417,364
Less: Non-current portion	(605,950,246)	(624,417,159)
Current portion of available-for-sale financial assets	<u>210</u>	<u>1,000,205</u>

¹ In 2015, the Group recognized impairment loss of KRW 1,511 million (2014: KRW 5,363 million) relating to INTC Co., Ltd. and others as the fair value of its shares decreased significantly below cost.

² In 2015, investments in joint ventures and associates of Blackwell Fuller Holdings LLC. and others are reclassified as available-for-sale financial assets. In 2014, available-for-sale financial assets in PT Graha Layar Prima TBK. and others are reclassified as investments in associates and others.

Current available-for-sale financial assets which included in other current financial assets as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Subordinated bond (Woori Bank)	-	1,000,000
Government bond and public bond	210	205
	<u>210</u>	<u>1,000,205</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Non-current available-for-sale financial assets as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	Detail	2015	2014
		Book value	Book value
Marketable securities	(1)	464,026,691	487,542,995
Non-marketable investments	(2)	79,135,667	77,538,792
Investment in partnerships	(3)	62,084,655	56,542,527
Other investments	(4)	703,233	2,792,845
		<u>605,950,246</u>	<u>624,417,159</u>

(1) Marketable securities (excluding Investment in joint ventures and associates) as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
	Book Value	Book Value
Samsung Life Insurance Co., Ltd.	438,443,499	464,351,525
SAJOHAEPYO Corporation	15,712,200	11,332,650
KT Corporation	3,690,947	4,082,906
Theragen Etex Co., Ltd.	2,457,000	1,705,340
KT Skylife Co., Ltd.	2,076,000	2,928,660
Others	1,647,045	3,141,914
	<u>464,026,691</u>	<u>487,542,995</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(2) Non-marketable investments (excluding Investment in joint ventures and associates) as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
	Book Value	Book Value
Joongang Ilbo	16,398,089	16,957,440
Happycall Co., Ltd.	10,755,569	11,804,189
Blackwell Fuller Holdings LLC.	9,531,970	-
Haitai Confectionery & Foods Co., Ltd.	9,331,956	8,840,352
Al Nahr Co., Ltd. ¹	7,032,000	6,595,200
Hyundai HCN Seocho Co., Ltd. (formerly HCN Seocho Co., Ltd.)	3,984,120	4,107,681
Join Corp.	3,624,278	3,494,964
Barunson Holdings Co., Ltd.	2,801,462	2,801,462
Foshan Property Investment Company	2,677,231	2,652,234
Jupiter Investors LLC.	-	2,719,850
Others	12,998,992	17,565,420
	<u>79,135,667</u>	<u>77,538,792</u>

¹ Although the Group owns more than 20% of the shares, it is classified as available-for-sale financial assets because the Group does not have significant influence.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(3) Investment in partnerships (excluding Investment in joint ventures and associates) as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
	Book Value	Book Value
Raine-Partners Fund	15,723,742	8,141,736
Construction Guarantee	12,235,861	12,089,535
TV Chosun-Daesung investment	6,000,000	6,000,000
TW Venture Investment No. 12 – Global Contents (formerly CJ Global Contents Investment 12rd)	4,000,000	4,000,000
DongMoon Media Contents & Culture Investment	3,500,000	3,500,000
ISU Global Contents investment	3,173,366	4,000,000
Formation 8	2,909,880	2,244,600
Leading Asia culture contents investment	2,000,000	2,000,000
Union Contents investment	2,000,000	2,000,000
Stonebridge Digital investment	1,634,483	2,190,000
Union Global Contents Investment	300,000	2,100,000
Others	8,607,323	8,276,656
	62,084,655	56,542,527

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(4) Other available-for-sale financial assets (excluding Investment in joint ventures and associates) as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
	Book Value	Book Value
Beneficiary certificate	-	17,210
Debt securities	703,233	2,775,635
	<u>703,233</u>	<u>2,792,845</u>

The difference between acquisition costs and fair value of available-for-sale financial assets is recognized as other components of equity (gain on valuation of available-for-sale financial assets). The Group recognized KRW 220,710 million which does not include income tax effect directly reflected on equity and non-controlling interests (2014: KRW 219,581 million) as gain on valuation of available-for-sale financial assets in the consolidated statements of financial position.

Certain available-for-sale financial assets of the Group are pledged as collateral (Note 36).

15. Investments in Joint Ventures and Associates

Details of investments in joint ventures of the Group as of December 31, 2015 and 2014, are as follows:

All of the joint ventures held by the Group are structuralized by separate companies and all of the involved parties who have common controls over joint commitments are assumed to have rights on the committed net assets and are classified as joint ventures.

<i>(In thousands of Korean won, except percentage of ownership)</i>	Location	Percentage of ownership (%)		Closing month	Business	2015		2014
		2015	2014			Net asset value	Book value	Book value
Sichuan Jixiangju Food Co., Ltd.	China	49.00	49.00	December	Kimchi manufacturing and sales	19,256,661	35,105,643	31,931,109
Beijing Ershang CJ Food Co., Ltd.	China	49.00	49.00	December	Music service	11,676,120	11,719,853	9,353,607
Tiantian CJ Home Shopping Co., Ltd.	China	44.00	44.00	December	Starch and sugar Manufacturing	7,348,477	7,348,477	6,086,167
Beijing CJ Xingxing Olympic International Cinema Co., Ltd.	China	49.00	49.00	December	Logistics	5,851,425	5,851,425	4,948,675
Thanh Phuoc Vrg Port And Logistics Joint Stock Company	Vietnam	49.00	49.00	December	Movie theater operation Xylose manufacturing and sales	5,805,302	5,805,302	5,837,057
Gumbo D.D.F Co., Ltd.	Korea	49.00	49.00	December	Breeding hog	1,390,353	4,616,082	4,415,837
SCJ TV Shopping Co., Ltd.	Vietnam	50.00	50.00	December		4,588,662	4,588,662	4,183,766

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(In thousands of Korean won, except percentage of ownership)

	Location	Percentage of ownership (%)		Closing month	Business	2015		2014
		2015	2014			Net asset value	Book value	Book value
Televisa CJ Grand, S.A. DE C.V.	Mexico	50.00	-	December	Wholesale and brokerage	4,574,282	4,574,282	-
Oshishang Trading Co., Ltd.	China	44.44	-	December	Movie theater operation	4,490,171	4,490,171	-
CJ Xingxing(TJ)International Cinema Co., Ltd.	China	49.00	49.00	December		4,133,788	4,133,788	3,428,056
Shanghai Shangying CGV Xinzhuang Co., Ltd.	China	49.00	49.00	December	Movie theater Operation	3,928,530	3,928,530	3,487,786
Shanghai Shangying CGV Cinema Co., Ltd.	China	50.00	50.00	December	Food Manufacturing And Restaurant	3,347,975	3,347,975	2,974,549
ACJ O Shopping Corporation	Philippines	50.00	50.00	December	Food And Food Service	3,199,956	3,216,947	2,730,122
CJ Xingxing (Shanghai) Cinema Co., Ltd.	China	49.00	49.00	December	Movie Theater Operation	2,137,550	2,137,550	1,692,257
Beijing Cag and CJ Foodville Co., Ltd.	China	49.00	49.00	December	Wholesale And Brokerage	1,908,582	2,039,855	3,005,427
Korea express Saigon Port Co., Ltd.	Vietnam	50.00	50.00	December	Wholesale And Brokerage	1,782,948	2,035,835	1,846,193
CJ Soho (Beijing) Co., Ltd.	China	50.00	50.00	December	Wholesale And Brokerage	1,923,278	1,923,278	2,990,028
Blackwell Fuller Holdings LLC. ³	UK	-	20.00	December	Wholesale	-	-	15,165,634
CJ Toyota Tsusho Philippines Inc.	Philippines	-	61.93	December	Wholesale	-	-	4,695,300
Others ¹²	-	-	-	-	-	21,217,917	15,594,074	16,560,230
						<u>108,561,977</u>	<u>122,457,729</u>	<u>125,331,800</u>

¹ Although the Group owns 60.00% of the shares in Korex Packsimex Co., Ltd. which are more than the majority, the Group excluded these subsidiaries from consolidation because the Group does not have the control through an agreement with other shareholders.

² In 2015, Gwangyang West Container Terminal Co., Ltd. and CJ E&M Hong Kong Limited (formerly FICCCJM Asia Limited) are excluded from joint ventures since they were reclassified as subsidiaries.

³ In 2015, since ownership in Blackwell Fuller Holdings LLC. and others decreased, they are reclassified as available-for-sale financial assets.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Details of investments in associates of the Group as of December 31, 2015 and 2014, are as follows:

(In thousands of Korean won, except percentage of ownership)

	Location	Percentage of ownership (%)		Closing month	Business	2015		2014
		2015	2014			Net asset value	Book value	Book value
Netmarble Games Corporation ¹	Korea	31.45	34.81	December	Game software development	291,206,651	399,847,510	266,888,150
Shanghai SMG-CJ Home Shopping Co., Ltd. ³	China	15.84	15.84	December	Wholesale and brokerage	52,007,659	52,007,659	38,951,159
Kumho Industrial Co.,Ltd. ³	Korea	3.46	3.46	December	Logistics	6,902,964	49,999,983	-
MBC Plus Media Co., Ltd.	Korea	22.53	22.53	December	Broadcasting service	46,007,790	47,418,923	44,757,838
CJ International Asia Pte. Ltd.	Singapore	29.55	29.55	December	Trade	28,279,328	30,516,313	21,696,962
Union Global Contents Investment	Korea	20.22	20.22	December	Investment association	22,667,597	22,667,597	19,072,984
SSV Contents Investment	Korea	44.83	44.83	December	Investment association	16,967,700	17,005,904	16,773,700
PT Graha Layar Prima Tbk. ³	Indonesia	14.75	14.75	December	Movie Theater Operation	6,051,805	15,794,083	16,465,242
Arkema Thiochemicals Malaysia Sdn. Bhd. ³	Malaysia	14.00	14.00	December	Methionine manufacturing and sales	10,601,111	10,601,111	8,622,512
Culture Warehouse Co., Ltd.	Korea	30.00	-	December	Management	310,079	10,500,000	-
CJ Korea Express Busan Terminal Corp. ²	Korea	46.92	-	December	Logistics	(2,383,739)	9,717,810	-
Hwa & Dam Pictures Co., Ltd.	Korea	30.00	-	December	Management	297,924	9,000,000	-
Lucky Union Foods Co., Ltd.	Thailand	20.00	20.00	December	Fish cake manufacturing	8,886,152	8,886,152	8,615,443
Banks foundation for young entrepreneurs culture contents investment	Korea	22.64	22.64	December	Investment association	5,926,324	5,926,324	5,962,858
Union picture venture investment	Korea	33.33	33.33	December	Investment association	5,429,167	5,429,167	6,167,837
TW Venture Investment No. 14 – Culture Contents (formerly CJ Venture Investment No.14 - Culture Contents)	Korea	25.00	25.00	December	Investment association	4,962,866	4,962,866	5,017,947
Shanghai-Inchon International Ferry Co., Ltd.	China	24.50	24.50	December	Marine freight transportation	4,475,574	4,475,574	3,229,945
Ningbo Culture Plaza CJ Cinema Co., Ltd.	China	45.00	45.00	December	Movie theater operation	4,338,336	4,338,336	3,850,476
Enprani Co., Ltd.	Korea	27.76	27.76	December	Cosmetic manufacturing and sales	3,797,820	3,797,820	2,373,722
Gretech Corporation	Korea	24.54	24.54	December	Broadcast program production	3,101,612	3,101,612	13,030,280
Cable TV VOD Co., Ltd. (formerly Home Choice Corp.) ³	Korea	17.75	17.75	December	Broadcast program production	2,469,909	2,469,909	2,812,116
Michigan global contents Investment 2nd	Korea	28.00	28.00	December	Investment association	2,452,563	2,452,563	2,759,688

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(In thousands of Korean won, except percentage of ownership)

	Location	Percentage of ownership (%)		Closing month	Business	2015		2014
		2015	2014			Net asset value	Book value	Book value
Art Service Co., Ltd.	Korea	41.35	41.35	December	Advertising agency and others	2,419,416	2,419,416	2,127,332
CJ Worldis Co., Ltd.	Korea	50.00	50.00	December	Travel	2,324,269	2,324,269	2,011,709
IBK Group Contents Investment Fund	Korea	33.33	33.33	December	Investment association	1,315,469	1,315,469	3,171,998
Company K Partners Limited - Contents	Korea	30.00	30.00	December	Investment association	715,270	715,270	4,227,106
Smile Gate Venture Investment - Culture Industry (formerly MVP Venture Investment - Culture Industry)	Korea	25.00	25.00	December	Investment association	556,875	556,875	2,349,086
Others ^{3,4}	-	-	-	-	-	15,907,654	19,362,267	19,232,646
						<u>547,996,145</u>	<u>747,610,782</u>	<u>520,168,736</u>

¹ The Group reclassified Netmarble Games Corporation from a consolidated subsidiary to investments in associate due to a decrease in its ownership interest in 2014.

² In 2015, the ownership of CJ Korea Express Busan Container Terminal Corp. decreased and is reclassified to an associate from subsidiary.

³ Although the Group owns less than 20% of the equity shares in Shanghai SMG-CJ Home Shopping Co., Ltd., Kumho Industrial Co.,Ltd., PT Graha Layer Prima TBK., Arkema Thiochemicals Malaysia Sdn. Bhd., Cable TV VOD Co., Ltd.(formerly Home Choice Corp.), Music Works Co., Ltd., and Jellyfish Entertainment Co., Ltd., which are classified as others, the Group classified these companies as investments in associates because the Group exercises significant influence through an agreement with other shareholders.

⁴ Although the Group owns 51.54% and 65.00% of the shares of Ulsan Port Operating Co., Ltd. and KOG-Smart Cargo Project Logistics Co., Ltd., respectively, which are more than the majority, the Group excluded these subsidiaries from consolidation because the Group does not have the control through an agreement with other shareholders.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Details of valuation of investments in associates and joint ventures under the equity for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	Beginning balance	Acquisition/ Transfer	Disposal/ Transfer ¹	Valuation of equity method in 2015			Ending balance
				Share of profit(loss)	Other comprehensive income	Others ³	
Netmarble Games Corporation ²	266,888,150	-	-	39,204,779	101,104	93,653,477	399,847,510
Shanghai SMG-CJ Home Shopping Co., Ltd.	38,951,159	-	-	12,728,882	330,952	(3,334)	52,007,659
Kumho Industrial Co., Ltd.	-	49,999,983	-	-	-	-	49,999,983
MBC Plus Media Co., Ltd.	44,757,838	-	-	3,023,424	(4,439)	(357,900)	47,418,923
Sichuan Jixiangju Food Co., Ltd.	31,931,109	-	-	3,039,571	134,963	-	35,105,643
CJ International Asia Pte. Ltd.	21,696,962	-	-	7,270,932	1,552,656	(4,237)	30,516,313
Union Global Contents Investment	19,072,984	5,000,000	-	(1,405,387)	-	-	22,667,597
SSV Contents Investment	16,773,700	-	-	232,204	-	-	17,005,904
PT Graha Layar Prima TBK.	16,465,242	-	-	(483,203)	(253,231)	65,275	15,794,083
Beijing Ershang CJ Food Co., Ltd.	9,353,607	1,401,240	-	881,708	83,298	-	11,719,853
Arkema Thiochemicals Malaysia Sdn. Bhd.	8,622,512	-	-	3,309,178	(1,331,993)	1,414	10,601,111
Culture Warehouse Co., Ltd.	-	10,500,000	-	-	-	-	10,500,000
CJ Korea Express Busan Terminal Corp.	-	9,718,030	-	(220)	-	-	9,717,810
Hwa & Dam Pictures Co., Ltd.	-	9,000,000	-	-	-	-	9,000,000
Lucky Union Foods Co., Ltd.	8,615,443	-	-	1,518,072	(602,431)	(644,932)	8,886,152
Tiantian CJ Home Shopping Co., Ltd.	6,086,167	-	-	1,211,576	50,734	-	7,348,477
Banks foundation for young entrepreneurs culture contents investment	5,962,858	-	-	(36,534)	-	-	5,926,324
Beijing CJ Xingxing Olympic International Cinema Co., Ltd.	4,948,675	-	-	860,805	41,945	-	5,851,425
Thanh Phuoc Vrg Port and Logistics Joint Stock Company	5,837,057	-	-	(156,657)	89,593	35,309	5,805,302
Union picture venture investment	6,167,837	-	-	(738,670)	-	-	5,429,167
TW Venture Investment No. 14 – Culture Contents (formerly CJ Venture Investment No.14 - Culture Contents)	5,017,947	-	-	(55,081)	-	-	4,962,866
Gumbo D.D.F Co., Ltd.	4,415,837	-	-	200,245	-	-	4,616,082
SCJ TV Shopping Co., Ltd.	4,183,766	-	-	335,874	69,022	-	4,588,662
Televisa CJ Grand, S.A. DE C.V.	-	7,972,463	-	(2,916,954)	(481,227)	-	4,574,282
Oshishang Trading Co., Ltd.	-	4,876,073	-	(283,762)	(102,140)	-	4,490,171
Shanghai-Inchon International Ferry Co., Ltd.	3,229,945	-	-	2,573,537	12,328	(1,340,236)	4,475,574
Ningbo Culture Plaza CJ Cinema Co., Ltd.	3,850,476	-	-	454,084	33,776	-	4,338,336
CJ Xingxing(TJ) International Cinema Co., Ltd.	3,428,056	-	-	678,128	27,604	-	4,133,788
Shanghai Shangying CGV Xinzhuang Co., Ltd.	3,487,786	-	-	1,348,941	25,427	(933,624)	3,928,530
Enprani Co., Ltd.	2,373,722	-	-	1,494,227	-	(70,129)	3,797,820
Shanghai Shangying CGV	2,974,549	-	-	1,100,418	21,964	(748,956)	3,347,975

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	Beginning balance	Acquisition/ Transfer	Disposal/ Transfer ¹	Valuation of equity method in 2015			Ending balance
				Share of profit(loss)	Other comprehensive income	Others ³	
Cinema Co., Ltd.							
ACJ O Shopping Corporation	2,730,122	-	-	437,018	49,807	-	3,216,947
Gretech Corporation	13,030,280	-	-	(450,803)	(414,626)	(9,063,239)	3,101,612
Cable TV VOD Co., Ltd. (formerly Home Choice Corp.)	2,812,116	-	-	(339,042)	-	(3,165)	2,469,909
Michigan global contents Investment 2nd	2,759,688	-	-	(307,125)	-	-	2,452,563
Art Service Co., Ltd.	2,127,332	-	-	292,084	-	-	2,419,416
CJ Wolrdis Co., Ltd.	2,011,709	-	-	312,560	-	-	2,324,269
CJ Xingxing (Shanghai) Cinema Co., Ltd.	1,692,257	-	-	532,948	14,486	(102,141)	2,137,550
Beiging CAG and CJ Foodville Co., Ltd.	3,005,427	-	-	(998,281)	32,709	-	2,039,855
Korea Express Saigon Port Co., Ltd.	1,846,193	-	-	162,949	26,693	-	2,035,835
CJ Soho (Beijing) Co.,Ltd.	2,990,028	-	-	(1,101,126)	34,376	-	1,923,278
IBK Group Contents Investment Fund	3,171,998	-	-	(56,715)	-	(1,799,814)	1,315,469
Company K Partners Limited - Contents	4,227,106	-	-	(511,836)	-	(3,000,000)	715,270
Smile Gate Venture Investment - Culture Industry (formerly MVP Venture Investment - Culture Industry)	2,349,086	-	-	1,559,019	(802,291)	(2,548,939)	556,875
Blackwell Fuller Holdings LLC.	15,165,634	-	(14,916,796)	(398,545)	144,974	4,733	-
CJ Toyota Tsusho Philippines Inc.	4,695,300	-	(4,894,832)	65,175	-	134,357	-
Others	35,792,876	15,985,713	(2,710,083)	(4,919,281)	(7,026,265)	(2,166,619)	34,956,341
	645,500,536	114,453,502	(22,521,711)	69,669,116	(8,140,232)	71,107,300	870,068,511

<i>(In thousands of Korean won)</i>	Beginning balance	Acquisition/ Transfer	Disposal/ Transfer ¹	Valuation of equity method in 2014			Ending balance
				Share of profit(loss)	Other comprehensive income	Others ³	
Netmarble Games Corporation	-	256,988,655	-	10,147,741	(248,246)	-	266,888,150
MBC Plus Media Co., Ltd.	39,208,529	-	-	5,887,933	-	(338,624)	44,757,838
Shanghai SMG-CJ Home Shopping Co., Ltd.	35,304,768	-	-	10,029,913	827,357	(7,210,879)	38,951,159
Sichuan Jixiangju Food Co., Ltd.	29,571,172	-	-	2,074,188	285,749	-	31,931,109
CJ International Asia Pte. Ltd.	-	21,696,962	-	-	-	-	21,696,962
Union Global Contents Investment	14,760,544	5,000,000	-	(687,560)	-	-	19,072,984
SSV Contents Investment	15,562,073	-	-	1,211,627	-	-	16,773,700
PT Graha Layar Prima TBK.	-	16,335,800	-	(158,494)	289,653	(1,717)	16,465,242
Blackwell Fuller Holdings LLC.	15,446,582	-	-	(266,366)	(14,582)	-	15,165,634
Gretech Corporation	13,383,491	-	-	(420,341)	67,130	-	13,030,280
Beijing Ershang CJ Food Co., Ltd.	8,940,192	-	-	264,845	148,570	-	9,353,607
Arkema Thiochemicals Malaysia Sdn. Bhd.	11,006,804	-	-	(2,226,545)	(157,747)	-	8,622,512
Lucky Union Foods Co., Ltd.	7,041,640	-	-	1,965,668	277,173	(669,038)	8,615,443
Union picture venture investment	5,889,440	-	-	180,169	98,228	-	6,167,837

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(In thousands of Korean won)	Beginning balance	Acquisition/ Transfer	Disposal/ Transfer ¹	Valuation of equity method in 2014			Ending balance
				Share of profit(loss)	Other comprehensive income	Others ³	
Tiantian CJ Home Shopping Co., Ltd.	3,707,455	-	-	2,243,607	135,105	-	6,086,167
Banks foundation for young entrepreneurs culture contents investment	6,007,904	-	-	(45,046)	-	-	5,962,858
Thanh Phuoc Vrg Port and Logistics Joint Stock Company	-	5,599,246	-	143,280	94,531	-	5,837,057
TW Venture Investment No. 14 - Culture Contents (formerly CJ Venture Investment No.14 - Culture Contents)	5,294,977	-	-	(277,030)	-	-	5,017,947
Beijing CJ Xingxing Olympic International Cinema Co., Ltd.	4,791,025	-	-	80,041	77,609	-	4,948,675
CJ Toyota Tsusho Philippines Inc.	5,713,374	-	-	(1,074,780)	190,765	(134,059)	4,695,300
Gumbo D.D.F Co., Ltd.	4,097,370	-	-	318,467	-	-	4,415,837
Company K Partners Limited - Contents	3,794,494	-	-	432,612	-	-	4,227,106
SCJ TV Shopping Co., Ltd.	3,815,372	-	-	260,482	107,912	-	4,183,766
Ningbo Culture Plaza CJ Cinema Co., Ltd.	2,779,695	471,483	-	527,905	73,698	(2,305)	3,850,476
Shanghai Shangying CGV Xinzhuang Co., Ltd.	3,007,214	-	-	993,478	93,795	(606,701)	3,487,786
CJ Xingxing(TJ) International Cinema Co., Ltd.	3,061,598	-	-	308,436	58,022	-	3,428,056
Shanghai-Inchon International Ferry Co., Ltd.	3,960,789	-	-	-	27,794	(758,638)	3,229,945
IBK Group Contents Investment Fund	5,016,281	-	-	155,717	-	(2,000,000)	3,171,998
Art Service Co., Ltd.	4,090,538	-	-	(1,963,206)	-	-	2,127,332
Beiging CAG and CJ Foodville Co., Ltd.	1,677,394	2,095,828	-	(925,982)	158,187	-	3,005,427
CJ Soho (Beijing) Co.,Ltd.	3,917,025	-	-	(955,333)	28,336	-	2,990,028
Shanghai Shangying CGV Cinema Co., Ltd.	2,655,485	-	-	796,971	80,534	(558,441)	2,974,549
Home Choice Corp.	5,416,292	-	(2,338,607)	(265,569)	-	-	2,812,116
Michigan global contents Investment 2nd	2,791,040	-	-	(31,352)	-	-	2,759,688
ACJ O Shopping Corporation	2,332,274	-	-	312,264	85,584	-	2,730,122
Enprani Co., Ltd.	962,207	-	-	1,411,515	-	-	2,373,722
Smile Gate Venture Investment - Culture Industry (formerly MVP Venture Investment - Culture Industry)	4,621,401	-	-	1,566,583	-	(3,838,898)	2,349,086
CJ Wolrdis Co., Ltd.	1,883,564	-	-	128,145	-	-	2,011,709
CJ-KTF Investment	5,096,620	-	-	-	-	(3,271,025)	1,825,595
SMC-CJ O Shopping Co., Ltd.	2,462,010	-	-	(691,205)	15,735	(1,046)	1,785,494
GMM CJ O Shopping Co., Ltd.	2,341,815	-	-	(1,016,019)	63,079	-	1,388,875
YJM Entertainment Co., Ltd.	15,103,551	-	(16,192,501)	1,088,950	-	-	-
FreshOne Gangnam Co., Ltd.	3,418,894	-	(3,513,746)	116,728	-	(21,876)	-
FreshOne Namseoul Co., Ltd.	2,097,183	4,087,150	(5,940,519)	(242,453)	-	(1,361)	-
Others	40,063,109	11,774,011	(7,994,498)	(7,262,243)	572,006	(2,821,023)	34,331,362
	<u>352,093,185</u>	<u>324,049,135</u>	<u>(35,979,871)</u>	<u>24,137,741</u>	<u>3,435,977</u>	<u>(22,235,631)</u>	<u>645,500,536</u>

¹ In 2015, the Group disposed of the shares of Clip Service Co. Ltd. and others, and recognized the gain and loss on disposal of investment in associates amounting to KRW 4,773 million and

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

KRW 510 million (2014: KRW 4,665 million and KRW 1,616 million), respectively.

² In 2015, the Group recognized a KRW 93,843 million gain due to the third party allocation of Netmarble Games Corporation.

³ Others consist of dividends, capital reduction, gain and loss on foreign currency translation.

Summary of condensed financial information of major joint ventures and associates as of and for the years ended December 31, 2015 and 2014, is as follows:

<i>(In thousands of Korean won)</i>	2015						
	Assets	Liabilities	Revenue	Profit from continuing operations	Other comprehensive income	Total comprehensive income	Dividend
Netmarble Games Corporation	1,319,022,378	266,512,952	1,072,920,876	117,266,136	20,716,371	137,982,507	-
Shanghai SMG-CJ Home Shopping Co., Ltd.	336,239,979	7,908,800	197,219,498	81,383,353	2,088,819	83,472,172	-
Kumho Industrial Co., Ltd.	1,391,118,504	1,191,610,880	-	-	-	-	-
MBC Plus Media Co., Ltd.	234,750,194	30,543,402	21,848,023	12,725,812	679,011	13,404,823	383,773
Sichuan Jixiangju Food Co., Ltd.	66,098,243	26,798,935	63,051,902	6,203,204	275,435	6,478,639	-
CJ International Asia Pte. Ltd.	267,693,328	171,993,402	2,606,834,647	24,609,233	5,242,212	29,851,445	-
Union Global Contents Investment	113,521,412	1,416,579	1,152,749	(2,074,803)	-	(2,074,803)	-
SSV Contents Investment	37,886,221	37,236	2,112,532	517,965	-	517,965	-
PT Graha Layar Prima TBK.	69,658,507	28,629,319	34,188,220	(3,275,148)	(1,275,190)	(4,550,338)	-
Beijing Ershang CJ Food Co., Ltd.	35,056,335	11,227,518	46,120,765	1,799,396	169,997	1,969,393	-
Arkema Thiochemicals Malaysia Sdn. Bhd.	265,373,029	189,650,811	84,215,342	23,636,981	(9,504,134)	14,132,847	-
Culture Warehouse Co., Ltd.	22,183,637	21,150,041	-	-	-	-	-
CJ Korea Express Busan Terminal Corp.	73,642,766	78,723,199	-	-	-	-	-
Hwa & Dam Pictures Co., Ltd.	3,087,011	2,093,932	-	-	-	-	-
Lucky Union Foods Co., Ltd.	64,331,034	19,900,272	67,058,226	6,243,993	-	6,243,993	3,224,656
Tiantian CJ Home Shopping Co., Ltd.	59,254,928	42,553,844	113,642,253	2,753,581	115,305	2,868,886	-
Banks foundation for young entrepreneurs culture contents investment	26,308,842	132,500	2,643,154	(361,371)	-	(361,371)	-
Beijing CJ Xingxing Olympic International Cinema Co., Ltd.	22,248,387	10,306,704	13,466,589	1,756,745	85,602	1,842,347	-
Thanh Phuoc Vrg Port and Logistics Joint Stock Company	12,741,241	893,686	1,522,285	(319,923)	182,812	(137,111)	-
Union picture venture investment	16,289,131	-	1,137,956	9,388,927	-	9,388,927	-
TW Venture Investment No. 14 – Culture Contents (formerly CJ Venture Investment No.14 - Culture Contents)	20,180,941	329,477	2,864,428	(220,326)	-	(220,326)	-
Gumbo D.D.F Co., Ltd.	3,696,393	858,937	6,645,381	408,663	-	408,663	-
SCJ TV Shopping Co., Ltd.	15,234,472	6,057,148	31,388,992	671,746	138,045	809,791	-
Televisa CJ Grand, S.A. DE C.V.	13,707,171	4,558,608	5,059,683	(5,833,907)	(962,455)	(6,796,362)	-
Oshishang Trading Co., Ltd.	10,227,792	123,896	219,960	(708,280)	(177,735)	(886,015)	-

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(In thousands of Korean won)	2015						
	Assets	Liabilities	Revenue	Profit from continuing operations	Other comprehensive income	Total comprehensive income	Dividend
Shanghai-Inchon International Ferry Co., Ltd.	25,044,760	6,777,113	10,504,234	10,504,233	50,318	10,554,551	1,350,808
Ningbo Culture Plaza CJ Cinema Co., Ltd.	13,152,031	3,511,285	9,933,509	1,009,075	75,057	1,084,132	-
CJ Xingxing(TJ) International Cinema Co., Ltd.	12,351,226	3,914,924	10,083,795	1,381,891	58,379	1,440,270	-
Shanghai Shangying CGV Xinzhuang Co., Ltd.	13,441,950	5,424,542	9,450,033	2,752,942	51,892	2,804,834	945,185
Enprani Co., Ltd.	31,697,303	18,016,394	23,760,498	6,721,858	(252,254)	6,469,604	-
Shanghai Shangying CGV Cinema Co., Ltd.	11,054,116	4,358,167	8,673,088	2,200,835	43,928	2,244,763	758,230
ACJ O Shopping Corporation	11,435,156	5,035,244	16,632,961	874,034	99,615	973,649	-
Gretech Corporation	19,825,151	7,186,145	11,948,124	(1,890,249)	(1,689,714)	(3,579,963)	-
Cable TV VOD Co., Ltd. (formerly Home Choice Corp.)	67,332,621	53,417,640	136,882,193	(1,910,095)	-	(1,910,095)	-
Michigan global contents Investment 2 nd	8,961,515	202,361	75,301	(1,096,874)	-	(1,096,874)	-
Art Service Co., Ltd.	19,598,650	13,747,583	10,672,831	706,637	-	706,637	-
CJ Wolrdis Co., Ltd.	11,074,672	6,426,135	640,595	625,120	-	625,120	-
CJ Xingxing (Shanghai) Cinema Co., Ltd.	5,351,270	988,923	5,212,446	1,087,647	29,564	1,117,211	102,745
Beiging CAG and CJ Foodville Co., Ltd.	6,043,190	2,148,124	4,562,147	(2,037,308)	66,753	(1,970,555)	-
Korea Express Saigon Port Co., Ltd.	4,199,751	633,855	3,833,410	325,896	53,387	379,283	-
CJ Soho (Beijing) Co.,Ltd.	3,853,168	6,612	825,226	(2,202,254)	68,753	(2,133,501)	-
IBK Group Contents Investment Fund	4,216,801	270,000	221,459	(170,144)	-	(170,144)	-
Company K Partners Limited – Contents	2,384,498	265	183,123	(1,706,122)	-	(1,706,122)	-
Smile Gate Venture Investment - Culture Industry (formerly MVP Venture Investment - Culture Industry)	2,231,890	4,389	5,508,341	(4,864,844)	-	(4,864,844)	-

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2014						
	Assets	Liabilities	Revenue	Profit from continuing operations	Other comprehensive income	Total comprehensive income	Dividend
Netmarble Games Corporation	766,369,204	153,412,658	362,381,024	42,166,504	(1,532,139)	40,634,365	-
MBC Plus Media Co., Ltd.	226,543,544	34,110,012	31,234,009	31,997,983	-	31,997,983	338,624
Shanghai SMG-CJ Home Shopping Co., Ltd.	246,137,249	233,467	63,304,521	63,304,196	5,221,893	68,526,089	7,220,214
Sichuan Jixiangju Food Co., Ltd.	61,578,530	28,757,861	55,335,697	4,233,037	583,162	4,816,199	-
CJ International Asia Pte. Ltd.	265,193,377	199,344,896	2,600,524,946	20,816,053	908,758	21,724,811	-
Union Global Contents Investment	94,327,317	-	1,108,719	(3,400,405)	-	(3,400,405)	-
SSV Contents Investment	37,331,021	-	3,872,856	2,702,714	-	2,702,714	-
PT Graha Layar Prima TBK.	62,643,816	17,064,399	24,635,727	(1,074,270)	1,963,269	888,999	-
Blackwell Fuller Holdings LLC.	42,106,549	27,943,701	-	(1,331,832)	(72,916)	(1,404,748)	-
Gretech Corporation	18,743,950	2,524,981	18,014,597	(2,064,814)	287,184	(1,777,630)	-
Beijing Ershang CJ Food Co., Ltd.	23,696,828	4,637,090	38,131,552	540,501	303,203	843,704	-
Arkema Thiochemicals Malaysia Sdn. Bhd.	281,022,543	219,433,172	-	(15,915,656)	(1,115,004)	(17,030,660)	-
Lucky Union Foods Co., Ltd.	68,395,947	25,318,734	76,338,936	9,833,656	-	9,833,656	669,038
Union picture venture investment	18,505,361	-	1,947,197	(10,923,171)	-	(10,923,171)	-
Tiantian CJ Home Shopping Co., Ltd.	53,891,136	40,058,938	5,099,106	5,099,106	307,059	5,406,165	-
Banks foundation for young entrepreneurs culture contents investment	26,470,213	132,500	203,845	(198,964)	-	(198,964)	-
Thanh Phuoc Vrg Port and Logistics Joint Stock Company	12,328,693	344,027	504,020	348,397	192,841	541,238	-
TW Venture Investment No. 14 – Culture Contents (formerly CJ Venture Investment No.14 - Culture Contents)	20,163,523	91,733	4,445,126	(1,108,116)	-	(1,108,116)	-
Beijing CJ Xingxing Olympic International Cinema Co., Ltd.	13,234,117	3,134,780	9,727,600	163,348	158,386	321,734	-
CJ Toyota Tsusho Philippines Inc.	7,767,157	185,532	148,802	(1,734,894)	307,914	(1,426,980)	-
Gumbo D.D.F Co., Ltd.	3,921,761	1,492,968	7,049,864	649,932	-	649,932	-
Company K Partners Limited - Contents	14,094,067	3,712	2,021,966	1,442,042	-	1,442,042	-
SCJ TV Shopping Co., Ltd.	12,557,997	4,190,464	26,989,930	520,966	215,823	736,789	-
Ningbo Culture Plaza CJ Cinema Co., Ltd.	11,845,753	3,303,861	8,791,394	1,173,123	163,772	1,336,895	-
Shanghai Shangying CGV Xinzhuang Co., Ltd.	9,987,891	4,038,793	7,794,564	2,027,506	165,634	2,193,140	606,701
CJ Xingxing(TJ) International Cinema Co., Ltd.	10,690,076	3,694,044	9,675,035	628,626	119,246	747,872	-
Shanghai-Inchon International Ferry Co., Ltd.	24,942,736	11,759,287	-	-	170,054	170,054	786,377
IBK Group Contents Investment Fund	9,786,945	270,000	466,596	466,596	-	466,596	-
Art Service Co., Ltd.	19,568,829	14,424,132	11,080,781	(2,249,202)	-	(2,249,202)	-
Beijing CAG and CJ Foodville Co., Ltd.	7,940,596	2,074,975	4,526,642	(1,889,760)	322,831	(1,566,929)	-
CJ Soho (Beijing) Co.,Ltd.	6,112,013	131,956	813,115	(1,910,666)	56,673	(1,853,993)	-
Shanghai Shangying CGV Cinema Co., Ltd.	9,987,891	4,038,793	6,938,387	1,593,942	137,811	1,731,753	558,441
Cable TV VOD Co., Ltd. (formerly Home Choice Corp.)	33,010,924	17,168,018	131,232,556	(1,495,974)	-	(1,495,974)	-
Michigan global contents Investment 2nd	10,060,098	204,070	538,400	(111,972)	-	(111,972)	-
ACJ O Shopping Corporation	8,231,841	2,805,578	624,529	624,529	171,167	795,696	-

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2014						
	Assets	Liabilities	Revenue	Profit from continuing operations	Other comprehensive income	Total comprehensive income	Dividend
Enprani Co., Ltd.	24,154,867	15,603,994	4,799,876	4,799,876	284,832	5,084,708	-
Smile Gate Venture Investment – Culture Industry (formerly MVP Venture Investment - Culture Industry)	9,796,364	400,018	9,611,819	6,266,331	-	6,266,331	-
CJ Wolrdis Co., Ltd.	9,729,252	5,705,835	256,290	256,290	-	256,290	-
SMC-CJ O Shopping Co., Ltd.	16,937,830	9,174,812	37,903,123	(3,005,241)	63,866	(2,941,375)	-
GMM CJ O Shopping Co., Ltd.	12,281,024	9,612,835	37,094,988	(2,073,508)	128,732	(1,944,776)	-

Details of adjustments from financial information of major joint ventures and associates to the book value of investments in joint ventures and associates for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015				
	Net assets at the end of the year	Net assets of equity shares	Interests in net assets	Goodwill	Book value
Netmarble Games Co., Ltd.	925,935,296	31.45	291,206,651	108,640,859	399,847,510
Shanghai SMG-CJ Home Shopping Co., Ltd.	328,331,179	15.84	52,007,659	-	52,007,659
Kumho Industrial Co., Ltd.	199,507,624	3.46	6,902,964	43,097,019	49,999,983
MBC Plus Media Co., Ltd.	204,206,792	22.53	46,007,790	1,411,133	47,418,923
Sichuan Jixiangju Food Co., Ltd.	39,299,308	49.00	19,256,661	15,848,982	35,105,643
CJ International Asia Pte. Ltd.	95,699,926	29.55	28,279,328	2,236,985	30,516,313
Union Global Contents Investment	112,104,833	20.22	22,667,597	-	22,667,597
SSV Contents Investment	37,848,985	44.83	16,967,700	38,204	17,005,904
PT Graha Layar Prima TBK.	41,029,188	14.75	6,051,805	9,742,278	15,794,083
Beijing Ershang CJ Food Co., Ltd.	23,828,817	49.00	11,676,120	43,733	11,719,853
Arkema Thiochemicals Malaysia Sdn. Bhd.	75,722,218	14.00	10,601,111	-	10,601,111
Culture Warehouse Co., Ltd.	1,033,596	30.00	310,079	10,189,921	10,500,000
CJ Korea Express Busan Container Terminal Corp.	(5,080,433)	46.92	(2,383,739)	12,101,549	9,717,810
Hwa & Dam Pictures Co., Ltd.	993,079	30.00	297,924	8,702,076	9,000,000
Lucky Union Foods Co., Ltd.	44,430,762	20.00	8,886,152	-	8,886,152
Tiantian CJ Home Shopping Co., Ltd.	16,701,084	44.00	7,348,477	-	7,348,477
Banks foundation for young entrepreneurs culture contents investment	26,176,342	22.64	5,926,324	-	5,926,324
Beijing CJ Xingxing Olympic International Cinema Co., Ltd.	11,941,683	49.00	5,851,425	-	5,851,425
Thanh Phuoc Vrg Port and Logistics Joint Stock Company	11,847,555	49.00	5,805,302	-	5,805,302
Union picture venture investment	16,289,131	33.33	5,429,167	-	5,429,167
TW Venture Investment No. 14 - Culture Contents (formerly CJ Venture Investment No.14 - Culture Contents)	19,851,464	25.00	4,962,866	-	4,962,866
Gumbo D.D.F Co., Ltd.	2,837,456	49.00	1,390,353	3,225,729	4,616,082
SCJ TV Shopping Co., Ltd.	9,177,324	50.00	4,588,662	-	4,588,662
Televisa CJ Grand, S.A. DE C.V.	9,148,563	50.00	4,574,282	-	4,574,282
Oshishang Trading Co., Ltd.	10,103,896	44.44	4,490,171	-	4,490,171
Shanghai-Inchon International Ferry Co., Ltd.	18,267,647	24.50	4,475,574	-	4,475,574

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2015				
	Net assets at the end of the year	Net assets of equity shares	Interests in net assets	Goodwill	Book value
Ningbo Culture Plaza CJ Cinema Co., Ltd.	9,640,746	45.00	4,338,336	-	4,338,336
CJ Xingxing(TJ) International Cinema Co., Ltd.	8,436,302	49.00	4,133,788	-	4,133,788
Shanghai Shangying CGV Xinzhuang Co., Ltd.	8,017,408	49.00	3,928,530	-	3,928,530
Enprani Co., Ltd.	13,680,909	27.76	3,797,820	-	3,797,820
Shanghai Shangying CGV Cinema Co., Ltd.	6,695,949	50.00	3,347,975	-	3,347,975
ACJ O Shopping Corporation	6,399,912	50.00	3,199,956	16,991	3,216,947
Gretech Corporation	12,639,006	24.54	3,101,612	-	3,101,612
Cable TV VOD Co., Ltd. (formerly Home Choice Corp.)	13,914,981	17.75	2,469,909	-	2,469,909
Michigan global contents Investment 2nd	8,759,154	28.00	2,452,563	-	2,452,563
Art Service Co., Ltd.	5,851,067	41.35	2,419,416	-	2,419,416
CJ Wolrdis Co., Ltd.	4,648,537	50.00	2,324,269	-	2,324,269
CJ Xingxing (Shanghai) Cinema Co., Ltd.	4,362,347	49.00	2,137,550	-	2,137,550
Beijing CAG and CJ Foodville Co., Ltd.	3,895,066	49.00	1,908,582	131,273	2,039,855
Korea Express Saigon Port Co., Ltd.	3,565,896	50.00	1,782,948	252,887	2,035,835
CJ Soho (Beijing) Co., Ltd.	3,846,556	50.00	1,923,278	-	1,923,278
IBK Group Contents Investment Fund	3,946,801	33.33	1,315,469	-	1,315,469
Company K Partners Limited - Contents	2,384,233	30.00	715,270	-	715,270
Smile Gate Venture Investment – Culture Industry (formerly MVP Venture Investment – Culture Industry)	2,227,501	25.00	556,875	-	556,875

<i>(In thousands of Korean won)</i>	2014				
	Net assets at the end of the year	Net assets of equity shares	Interests in net assets	Goodwill	Book value
Netmarble Games Co., Ltd.	421,292,603	34.81	146,651,928	120,236,222	266,888,150
MBC Plus Media Co., Ltd.	192,433,532	22.53	43,346,705	1,411,133	44,757,838
Shanghai SMG-CJ Home Shopping Co., Ltd.	245,903,782	15.84	38,951,159	-	38,951,159
Sichuan Jixiangju Food Co., Ltd.	32,820,669	49.00	16,082,128	15,848,981	31,931,109
CJ International Asia Pte. Ltd.	65,848,481	29.55	19,458,226	2,238,736	21,696,962
Union Global Contents Investment	94,327,317	20.22	19,072,984	-	19,072,984
SSV Contents Investment	37,331,021	44.83	16,735,497	38,203	16,773,700
PT Graha Layar Prima TBK.	45,579,417	14.75	6,722,964	9,742,278	16,465,242
Blackwell Fuller Holdings LLC.	14,162,848	20.00	2,832,570	12,333,064	15,165,634
Gretech Corporation	16,164,932	24.54	3,966,874	9,063,406	13,030,280
Beijing Ershang CJ Food Co., Ltd.	19,088,993	49.00	9,353,607	-	9,353,607
Arkema Thiochemicals Malaysia Sdn. Bhd.	61,589,371	14.00	8,622,512	-	8,622,512
Lucky Union Foods Co., Ltd.	43,077,213	20.00	8,615,443	-	8,615,443
Union picture venture investment	18,505,361	33.33	6,167,837	-	6,167,837
Tiantian CJ Home Shopping Co., Ltd.	13,832,198	44.00	6,086,167	-	6,086,167
Banks foundation for young entrepreneurs culture contents investment	26,337,713	22.64	5,962,858	-	5,962,858
Thanh Phuoc Vrg Port and Logistics Joint Stock Company	11,912,361	49.00	5,837,057	-	5,837,057

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2014				
	Net assets at the end of the year	Net assets of equity shares	Interests in net assets	Goodwill	Book value
TW Venture Investment No. 14 – Culture Contents (formerly CJ Venture Investment No.14 - Culture Contents)	20,071,790	25.00	5,017,947	-	5,017,947
Beijing CJ Xingxing Olympic International Cinema Co., Ltd.	10,099,337	49.00	4,948,675	-	4,948,675
CJ Toyota Tsusho Philippines Inc.	7,581,625	61.93	4,695,300	-	4,695,300
Gumbo D.D.F Co., Ltd.	2,428,793	49.00	1,190,109	3,225,728	4,415,837
Company K Partners Limited - Contents	14,090,355	30.00	4,227,106	-	4,227,106
SCJ TV Shopping Co., Ltd.	8,367,533	50.00	4,183,766	-	4,183,766
Ningbo Culture Plaza CJ Cinema Co., Ltd.	8,556,613	45.00	3,850,476	-	3,850,476
Shanghai Shangying CGV Xinzhuang Co., Ltd.	7,117,930	49.00	3,487,786	-	3,487,786
CJ Xingxing(TJ) International Cinema Co., Ltd.	6,996,032	49.00	3,428,056	-	3,428,056
Shanghai-Inchon International Ferry Co., Ltd.	13,183,449	24.50	3,229,945	-	3,229,945
IBK Group Contents Investment Fund	9,516,945	33.33	3,171,998	-	3,171,998
Art Service Co., Ltd.	5,144,430	41.35	2,127,332	-	2,127,332
Beijing CAG and CJ Foodville Co., Ltd.	5,865,621	49.00	2,874,154	131,273	3,005,427
CJ Soho (Beijing) Co.,Ltd.	5,980,057	50.00	2,990,028	-	2,990,028
Shanghai Shangying CGV Cinema Co., Ltd.	5,949,098	50.00	2,974,549	-	2,974,549
Cable TV VOD Co., Ltd. (formerly Home Choice Corp.)	15,842,906	17.75	2,812,116	-	2,812,116
Michigan global contents Investment 2nd	9,856,028	28.00	2,759,688	-	2,759,688
ACJ O Shopping Corporation	5,460,245	50.00	2,730,122	-	2,730,122
Enprani Co., Ltd.	8,550,873	27.76	2,373,722	-	2,373,722
Smile Gate Venture Investment – Culture Industry (formerly MVP Venture Investment – Culture Industry)	9,396,346	25.00	2,349,086	-	2,349,086
CJ Wolrdis Co., Ltd.	4,023,417	50.00	2,011,709	-	2,011,709
SMC-CJ O Shopping Co., Ltd.	7,763,018	23.00	1,785,494	-	1,785,494
GMM CJ O Shopping Company Ltd.	2,834,438	49.00	1,388,875	-	1,388,875

The Group has suspended the application of the equity method of accounting on ten investees, including Incheon North Port Bulk Terminal Co., Ltd., due to their accumulated losses. Unrecognized loss of these investments amounts to KRW 4,351 million in 2015 (2014: KRW 1,098 million) and accumulated unrecognized loss of these investments amounts to KRW 10,969 million as of December 31, 2015 (2014: KRW 6,299 million).

Fair value of marketable associate as of December 31, 2015, is as follows:

<i>(In thousands of Korean won)</i>	Company name	Market value	Book value
Associates	Kumho Industrial Co.,Ltd.	17,955,493	49,999,983

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

16. Property, Plant and Equipment

Details of property, plant and equipment as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015			
	Cost	Accumulated depreciation¹	Government grants	Book value
Land	2,969,320,286	-	(4,150,369)	2,965,169,917
Buildings	2,981,046,282	(829,861,248)	(18,719,439)	2,132,465,595
Structures	1,191,468,266	(365,561,684)	(2,376,012)	823,530,570
Machinery	5,166,353,636	(2,663,524,119)	(33,396,294)	2,469,433,223
Vehicles	233,712,099	(159,535,634)	(16,775)	74,159,690
Tools, equipment and supplies	1,827,565,610	(1,245,019,685)	(1,639,197)	580,906,728
Courses	69,505,036	-	-	69,505,036
Biotechnology assets	30,716,313	(27,081)	-	30,689,232
Heavy equipment	52,961,693	(35,332,345)	-	17,629,348
Others	168,950,622	(69,002,858)	(2,961,327)	96,986,437
Construction-in-progress	220,496,680	(4,351,000)	(983,226)	215,162,454
	<u>14,912,096,523</u>	<u>(5,372,215,654)</u>	<u>(64,242,639)</u>	<u>9,475,638,230</u>

<i>(In thousands of Korean won)</i>	2014			
	Cost	Accumulated depreciation¹	Government grants	Book value
Land	2,857,033,075	-	(4,596,038)	2,852,437,037
Buildings	2,524,809,498	(737,920,732)	(14,722,585)	1,772,166,181
Structures	1,024,862,998	(313,741,718)	(2,418,004)	708,703,276
Machinery	4,797,060,223	(2,469,823,752)	(21,244,196)	2,305,992,275
Vehicles	241,941,049	(159,384,689)	(23,954)	82,532,406
Tools, equipment and supplies	1,620,221,349	(1,124,791,660)	(2,318,926)	493,110,763
Courses	69,425,153	-	-	69,425,153
Biotechnology assets	20,423,087	-	-	20,423,087
Heavy equipment	56,013,277	(34,834,306)	-	21,178,971
Others	164,036,299	(61,519,005)	(3,267,371)	99,249,923
Construction-in-progress	684,701,726	-	(983,226)	683,718,500
	<u>14,060,527,734</u>	<u>(4,902,015,862)</u>	<u>(49,574,300)</u>	<u>9,108,937,572</u>

¹ Accumulated impairment loss is included.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Changes in property, plant and equipment for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015					
	Land	Buildings	Structures	Machinery	Vehicles	Tools, equipment and supplies
Beginning net book value	2,852,437,037	1,772,166,181	708,703,276	2,305,992,275	82,532,406	493,110,763
Increase due to business combination	1,557,542	997,756	200,725	1,557,053	-	20,630
Acquisition	18,146,080	257,370,897	51,750,532	153,035,093	13,585,511	228,192,876
Transfer from investment property	16,571,976	6,609,110	-	-	-	(35,539)
Transfer to intangible assets	-	-	-	-	-	-
Transfer to assets held-for-sale	2,355,600	3,248,404	2,011,651	43,434,450	3,153,329	1,354,874
Decrease due to disposal of subsidiaries	-	(868)	(1,866,152)	(36,036,896)	(2,481,323)	(1,111,209)
Transfer	91,757,498	181,058,899	123,674,875	381,839,120	1,005,111	51,249,004
Disposal	(21,833,591)	(6,725,262)	(10,302,846)	(15,934,198)	(1,379,054)	(11,054,382)
Depreciation	-	(90,245,407)	(59,987,802)	(389,510,804)	(21,035,713)	(183,315,251)
Impairment ¹	-	-	-	(326,759)	-	(1,007,427)
Effect of foreign currency translation	(523,601)	4,093,529	9,088,808	30,649,958	(495,700)	977,368
Others	4,701,376	3,892,356	257,503	(5,266,069)	(724,877)	2,525,021
Ending net book value	<u>2,965,169,917</u>	<u>2,132,465,595</u>	<u>823,530,570</u>	<u>2,469,433,223</u>	<u>74,159,690</u>	<u>580,906,728</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2015					Total
	Courses	Biotechnology assets	Heavy equipment	Others	Construction-in-Progress	
Beginning net book value	69,425,153	20,423,087	21,178,971	99,249,923	683,718,500	9,108,937,572
Increase due to business combination	-	-	-	-	377,691	4,711,397
Acquisition	18,260	12,436,147	112,875	7,057,942	424,755,012	1,166,461,225
Transfer from investment property	-	-	-	-	-	23,145,547
Transfer to intangible assets	-	-	-	-	(39,498,881)	(39,498,881)
Transfer to assets held-for-sale	-	-	-	-	-	55,558,308
Decrease due to disposal of subsidiaries	-	-	-	(51,742)	-	(41,548,190)
Transfer	61,623	-	-	336,868	(830,982,998)	-
Disposal	-	(1,978,443)	(85,039)	(234,808)	(7,657,763)	(77,185,386)
Depreciation	-	-	(3,420,489)	(9,264,309)	-	(756,779,775)
Impairment ¹	-	-	-	-	-	(1,334,186)
Effect of foreign currency translation	-	(301,974)	-	(108)	(10,531,442)	32,956,838
Others	-	110,415	(156,970)	(107,329)	(5,017,665)	213,761
Ending net book value	<u>69,505,036</u>	<u>30,689,232</u>	<u>17,629,348</u>	<u>96,986,437</u>	<u>215,162,454</u>	<u>9,475,638,230</u>

¹ In 2015, the Group recognized impairment loss amounting to KRW 1,334 million on property, plant and equipment for those that suffered a significant decrease in differences between their fair values determined based on expected disposal amounts and their carrying amounts.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

	2014					
<i>(In thousands of Korean won)</i>	Land	Buildings	Structures	Machinery	Vehicles	Tools, equipment and supplies
Beginning net book value	2,736,508,248	1,765,634,396	607,688,343	2,346,006,727	99,664,877	479,365,406
Increase due to business combination	1,314,341	1,857,099	1,583,551	18,438,117	1,639,170	1,537,976
Acquisition	10,055,304	19,838,111	53,180,856	142,645,132	9,488,284	157,683,206
Transfer to investment property	88,226,916	25,071,663	-	-	-	837,558
Transfer to intangible assets	-	-	-	-	-	272,286
Transfer to assets held-for-sale	(3,641,187)	(4,003,955)	(35,000)	-	-	-
Decrease due to disposal of subsidiaries	(9,276,526)	(17,626,637)	(3,888,082)	(8,507,755)	-	(6,813,394)
Transfer	53,027,770	56,160,252	99,619,799	213,489,903	675,169	37,340,000
Disposal	(23,922,699)	(6,182,117)	(6,350,160)	(16,873,466)	(5,887,612)	(11,520,532)
Depreciation	-	(75,092,403)	(50,980,681)	(386,539,637)	(24,083,835)	(172,707,154)
Impairment ¹	-	-	-	(32,091,850)	-	(1,061,409)
Effect of foreign currency translation	100,121	6,677,635	7,197,924	26,249,027	364,209	2,271,327
Others	44,749	(167,863)	686,726	3,176,077	672,144	5,905,493
Ending net book value	<u>2,852,437,037</u>	<u>1,772,166,181</u>	<u>708,703,276</u>	<u>2,305,992,275</u>	<u>82,532,406</u>	<u>493,110,763</u>

	2014					
<i>(In thousands of Korean won)</i>	Courses	Biotechnology assets	Heavy equipment	Others	Construction- in- Progress	Total
Beginning net book value	68,914,406	11,535,371	25,339,335	107,826,540	584,762,560	8,833,246,209
Increase due to business combination	-	-	-	-	-	26,370,254
Acquisition	32,043	18,838,649	1,219,330	6,300,106	585,272,164	1,004,553,185
Transfer to investment property	-	-	-	-	(11,746,987)	102,389,150
Transfer to intangible assets	-	-	-	20,000	(24,472,153)	(24,179,867)
Transfer to assets held-for-sale	-	-	-	-	-	(7,680,142)
Decrease due to disposal of subsidiaries	-	-	-	(534,718)	-	(46,647,112)
Transfer	478,704	-	2,158,501	32,343	(462,982,441)	-
Disposal	-	(10,321,624)	(513,818)	(63,518)	(2,983,505)	(84,619,051)
Depreciation	-	-	(4,311,286)	(10,468,487)	-	(724,183,483)
Impairment ¹	-	-	-	(10,128)	-	(33,163,387)
Effect of foreign currency translation	-	370,691	-	70,733	13,904,133	57,205,800
Others	-	-	(2,713,091)	(3,922,948)	1,964,729	5,646,016
Ending net book value	<u>69,425,153</u>	<u>20,423,087</u>	<u>21,178,971</u>	<u>99,249,923</u>	<u>683,718,500</u>	<u>9,108,937,572</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

¹ In 2014, the Group recognized impairment loss amounting to KRW 33,163 million on property, plant and equipment for those that suffered a significant decrease in differences between their fair values determined based on expected disposal amounts and their carrying amounts.

Depreciation expense of property, plant and equipment for the years ended December 31, 2015 and 2014, is classified as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Cost of sales	583,020,382	565,871,271
Selling and administrative expenses	173,759,393	158,312,212
	<u>756,779,775</u>	<u>724,183,483</u>

Bank borrowings are secured by a portion of land (including investment property), buildings (including investment property), structures and machinery as of December 31, 2015.

In 2015, the Group has capitalized borrowing costs amounting to KRW 2,573 million (2014: KRW 2,045 million) on qualifying assets. Borrowing costs were capitalized at the weighted average rate of its general borrowings of 2.27% (2014: 3.26%).

Machinery, tools, equipment and supplies and vehicles include the following amounts where the Group is a lessee under a finance lease as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015		2014	
	Machinery	Equipment and vehicles	Machinery	Equipment and vehicles
Cost (capitalized finance leases)	53,288,221	14,492,986	14,418,405	626,078
Accumulated depreciation	<u>(20,598,739)</u>	<u>(7,871,018)</u>	<u>(10,174,276)</u>	<u>(382,660)</u>
Net book value	<u>32,689,482</u>	<u>6,621,968</u>	<u>4,244,129</u>	<u>243,418</u>

The Group leases various machineries under non-cancellable finance lease agreements. The lease terms are between two and ten years.

The Group leases certain buildings and vehicles under operating lease agreement. The amount of lease expense recorded in relation to operating lease agreements is KRW 712,718 million (2014: KRW 614,493 million).

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

17. Intangible Assets

Details of intangible assets as of December 31, 2015 and 2014, are as follows:

2015				
<i>(In thousands of Korean won)</i>	Cost	Accumulated amortization¹	Government grants	Book value
Goodwill	2,070,625,908	-	-	2,070,625,908
Development costs	354,771,321	(167,001,454)	(461,867)	187,308,000
Membership rights	59,334,763	(6,099,645)	-	53,235,118
Publication rights and rights to music contents	1,500,517,227	(1,262,568,683)	-	237,948,544
Service concession arrangement	631,692,469	(186,923,183)	(25,743,798)	419,025,488
Brand	249,271,211	-	-	249,271,211
Licenses	159,134,172	-	-	159,134,172
Construction in progress	156,784,356	(1,065,533)	(674,821)	155,044,002
Others	1,253,727,126	(532,803,732)	(2,949,587)	717,973,807
	<u>6,435,858,553</u>	<u>(2,156,462,230)</u>	<u>(29,830,073)</u>	<u>4,249,566,250</u>
2014				
<i>(In thousands of Korean won)</i>	Cost	Accumulated amortization¹	Government grants	Book value
Goodwill	2,057,479,144	-	-	2,057,479,144
Development costs	308,791,028	(116,005,229)	(462,049)	192,323,750
Membership rights	56,777,924	(6,290,834)	-	50,487,090
Publication rights and rights to music contents	1,256,477,197	(941,008,871)	(8)	315,468,318
Service concession arrangement	631,411,589	(171,072,096)	(26,828,307)	433,511,186
Brand	220,560,000	-	-	220,560,000
Licenses	159,134,172	-	-	159,134,172
Construction in progress	124,252,815	-	(165,000)	124,087,815
Others	1,174,389,518	(411,450,980)	(2,875,006)	760,063,532
	<u>5,989,273,387</u>	<u>(1,645,828,010)</u>	<u>(30,330,370)</u>	<u>4,313,115,007</u>

¹ Accumulated impairment loss is included.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Changes in intangible assets for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015			
	Goodwill	Development costs	Membership rights	Publication rights and rights to music contents
Beginning net book value	2,057,479,144	192,323,750	50,487,090	315,468,318
Increase due to business combination	10,042,271	-	-	612,203
Acquisition	12,319,636	41,499,351	3,494,856	103,347,502
Transfer	-	8,788,994	-	223,471,327
Transfer to assets held-for-sale	-	-	1,494,153	-
Transfer from property, plant and equipment	-	-	-	16,519,677
Decrease due to disposal of subsidiaries	(100,117)	-	(1,494,153)	-
Disposal	(186,864)	(969,329)	(1,520,570)	(1,066,430)
Amortization	-	(51,597,506)	-	(329,409,670)
Impairment ¹	(5,367,744)	(2,522,569)	(102,200)	(93,513,950)
Effect of foreign currency translation	(3,520,113)	3,481	67,811	167,407
Others	(40,305)	(218,172)	808,131	2,352,160
Ending net book value	<u>2,070,625,908</u>	<u>187,308,000</u>	<u>53,235,118</u>	<u>237,948,544</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2015					
	Service concession arrangement	Brand	Licenses	Construction- in-progress	Others	Total
Beginning net book value	433,511,186	220,560,000	159,134,172	124,087,815	760,063,532	4,313,115,007
Increase due to business combination	-	-	-	-	6,092	10,660,566
Acquisition	4,566,335	-	-	280,079,379	88,591,144	533,898,203
Transfer	55,000	-	-	(263,197,721)	30,882,400	-
Transfer to assets held-for- sale	-	-	-	-	2,694,434	4,188,587
Transfer from property, plant and equipment	-	-	-	9,124,611	13,854,593	39,498,881
Decrease due to disposal of subsidiaries	-	-	-	-	(2,606,303)	(4,200,573)
Disposal	-	-	-	(4,666,241)	(9,982,372)	(18,391,806)
Amortization	(19,107,033)	-	-	-	(177,286,524)	(577,400,733)
Impairment ¹	-	-	-	(1,665,002)	(2,924,686)	(106,096,151)
Effect of foreign currency translation	-	-	-	105,104	1,044,658	(2,131,652)
Others	-	28,711,211	-	11,176,057	13,636,839	56,425,921
Ending net book value	<u>419,025,488</u>	<u>249,271,211</u>	<u>159,134,172</u>	<u>155,044,002</u>	<u>717,973,807</u>	<u>4,249,566,250</u>

¹ In 2015, the Group recognized impairment loss amounting to KRW 106,096 million on intangible assets including publication rights and rights to music contents for those that suffered a significant decrease in differences between their fair value or value-in-use and their carrying amount.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2014			
	Goodwill	Development costs	Membership rights	Publication rights and rights to music contents
Beginning net book value	2,092,246,732	223,345,345	57,044,729	271,323,709
Increase due to business combination	100,292,860	-	1,988,982	2,215,540
Acquisition	-	48,088,881	2,882,076	115,258,863
Transfer	-	7,212,326	-	219,136,146
Transfer from property, plant and equipment	-	-	-	4,553,000
Decrease due to disposal of subsidiaries	(120,624,088)	(8,657,763)	(1,328,623)	(211,610)
Disposal	(4,647,205)	(30,794)	(4,966,847)	(411,706)
Amortization	-	(48,652,739)	-	(295,643,888)
Impairment loss	(10,090,425)	-	(2,440,978)	(1,929,888)
Effect of foreign currency translation	320,147	(5,274)	32,686	(277,617)
Others	(18,877)	(28,976,232)	(2,724,935)	1,455,769
Ending net book value	<u>2,057,479,144</u>	<u>192,323,750</u>	<u>50,487,090</u>	<u>315,468,318</u>

<i>(In thousands of Korean won)</i>	2014					
	Service concession arrangement	Brand	Licenses	Construction-in-progress	Others	Total
Beginning net book value	372,946,566	220,560,000	159,134,172	217,756,499	676,133,528	4,290,491,280
Increase due to business combination	-	-	-	-	43,729,117	148,226,499
Acquisition	902,512	-	-	254,420,688	165,901,708	587,454,728
Transfer	84,281,988	-	-	(328,482,204)	17,851,744	-
Transfer from property, plant and equipment	-	-	-	1,745,007	17,881,860	24,179,867
Decrease due to disposal of subsidiaries	-	-	-	-	(30,512,021)	(161,334,105)
Disposal	(1,060,383)	-	-	(645,461)	(7,105,614)	(18,868,010)
Amortization	(19,119,497)	-	-	-	(141,163,246)	(504,579,370)
Impairment ¹	(4,440,000)	-	-	(5,627,031)	(8,555,464)	(33,083,786)
Effect of foreign currency translation	-	-	-	214,057	1,475,387	1,759,386
Others	-	-	-	(15,293,740)	24,426,533	(21,131,482)
Ending net book value	<u>433,511,186</u>	<u>220,560,000</u>	<u>159,134,172</u>	<u>124,087,815</u>	<u>760,063,532</u>	<u>4,313,115,007</u>

¹ In 2014, the Group recognized impairment loss amounting to KRW 33,084 million on intangible assets including goodwill for those that suffered a significant decrease in differences between their fair value or value-in-use and their carrying amount.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Amortization expense of intangible for the years ended December 31, 2015 and 2014, are classified as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Cost of sales	456,967,214	392,225,213
Selling and administrative costs	120,433,519	112,354,157
	<u>577,400,733</u>	<u>504,579,370</u>

Impairment Tests for Goodwill

Goodwill allocated according to cash-generating units for the years ended December 31, 2015 and 2014, is as follows:

<i>(In millions of Korean won)</i>	2015	2014
Cash-Generating Units		
CJ Corporation's portion of goodwill relating to CJ HelloVision Co., Ltd.	580,359	580,399
CJ Corporation's portion of goodwill relating to CJ Korea Express Corporation	509,255	513,988
CJ Corporation's portion of goodwill relating to CJ CheilJedang Corporation	500,966	498,768
CJ Corporation's portion of goodwill relating to CJ E&M Corporation	199,735	190,993
CJ Corporation's portion of goodwill relating to CJ O Shopping Co., Ltd.	190,573	192,248
CJ Corporation's portion of goodwill relating to CJ CGV Co., Ltd.	52,549	52,916
CJ Corporation's portion of goodwill relating to CJ Freshway Corporation	22,768	26,066
CJ Corporation's portion of goodwill relating to CJ Engineering & Construction Corp.	12,320	-
Others	2,101	2,101
	<u>2,070,626</u>	<u>2,057,479</u>

Goodwill is allocated by the management at the operating segment level (cash-generating units or group of cash-generating units). The Group used the same goodwill allocation method for both years ended December 31, 2015 and 2014.

Goodwill impairment reviews are undertaken annually. Impairment test suggests that the recoverable amount of cash generating units does not exceed the carrying value, and KRW 5,368 million (2014: KRW 10,090 million) are recognized as impairment loss. Some of the recoverable amount of cash generation units used estimated pre-tax and post-tax cash flow amounts based on the next five years of approved financial budget of the management and the cash flows beyond the five-year period are extrapolated using the permanent growth rates.

The Group determined budgeted gross margin growth rate based on past performance and its expectations of market development. The discount rates used are pre-tax and post-tax, and reflect specific risks relating to the relevant operating segments.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Service Concession Arrangements

Service concession arrangements as of December 31, 2015, are as follows:

	Gunpo	Yangsan
Contents of agreement	On the real estate owned by Korea Rail Network Authority, the Group built a cargo terminal with its own fund. The Group owns and operates the cargo terminal for a certain period and then contributes operation to the government.	On the real estate owned by the Ministry of Land, Transport and Maritime Affairs, the Group built a cargo terminal with its own fund. The Group owns and operates the cargo terminal for a certain period and then contributes operation to the government.
Classification of Private investment business	BOT	BOT
Transfer period of ownership	Under discussion with the Ministry of Land, Transport and Maritime Affairs	Under discussion with the Ministry of Land, Transport and Maritime Affairs
Application standards for accounting treatment	Application of 2112 <i>Service concession arrangement</i>	Application of 2112 <i>Service concession arrangement</i>
Related account	Intangible assets	Intangible assets

18. Investment Property

Details of investment property as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Acquisition cost	302,356,102	344,107,443
Accumulated depreciation ¹	<u>(33,307,985)</u>	<u>(33,456,150)</u>
Book value	<u>269,048,117</u>	<u>310,651,293</u>

¹ Accumulated impairment loss is included.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Changes in investment property for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Beginning net book value	310,651,293	429,194,289
Increase due to business combination	-	50,674,816
Acquisition	9,572,404	1,294,913
Transfer to(from) property, plant and equipment	(23,145,547)	(102,389,150)
Disposal	(3,256,872)	(61,181,860)
Depreciation	(4,086,757)	(10,306,749)
Effect of foreign currency translation	3,305,082	(2,278,372)
Others	<u>(23,991,486)</u>	<u>5,643,406</u>
Ending net book value	<u>269,048,117</u>	<u>310,651,293</u>

Investment property above consists of land amounting to KRW 171,039 million, buildings amounting to KRW 93,673 million and other property, plant and equipment.

In 2015, rental income from investment property is KRW 25,086 million (2014: KRW 26,856 million), and operating expenses (including repairs and maintenance) directly related to those investment properties amount to KRW 11,195 million (2014: KRW 16,841 million).

Fair value of investment property as of December 31, 2015, is KRW 353,842 million (2014: KRW 372,483 million) and classified to Level 3 in fair value hierarchy (Note 5.3).

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

19. Borrowings

Short-term borrowings as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	Financial Institution	Annual interest rate(%)	Amount	
		December 31, 2015	2015	2014
Local currency loans				
General loans	Kookmin Bank and others Dongbu Securities Co., Ltd.	1.70 - 11.03	478,482,010	350,826,008
Commercial papers	and others	1.89 - 2.48	86,000,000	55,000,000
Working Fund	KEB Hana Bank and others	2.40 - 6.73	33,700,000	50,336,469
Loans for facilities	Kookmin Bank and others	2.48 - 3.87	31,539,880	35,100,000
Loans for livestock promotion fund	NongHyup Bank	-	-	1,600,000
			<u>629,721,890</u>	<u>492,862,477</u>
Foreign currency loans				
General loans	Kookmin Bank and others	0.62 - 7.00	712,281,733	934,811,906
Usance	Shinhan Bank and others	0.24 - 1.33	348,539,977	235,991,693
Working Fund	SMBC Bank and others	0.70 - 5.30	308,384,327	421,856,288
Loans for facilities	KEB Hana Bank and others	1.60 - 10.00	51,643,195	44,439,601
Others	Woori Bank and others	-	-	34,289,394
			<u>1,420,849,232</u>	<u>1,671,388,882</u>
			<u>2,050,571,122</u>	<u>2,164,251,359</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Non-current borrowings as of December 31, 2015 and 2014, are as follows:

(In thousands of Korean won)	Financial Institution	Annual interest	Amount	
		rate (%)	2015	2014
		December 31,		
		2015	2015	2014
Local currency loans				
Broadcasting promotion fund	Woori Bank	1.47 - 2.27	249,990	1,299,990
General loans	Shinhan Bank and others	1.00 - 6.90	235,849,151	354,795,630
Policy fund	Woori Bank and others	1.47 - 3.00	7,993,740	11,084,410
Loans for facilities	Kookmin Bank and others	1.47 - 4.11	344,847,307	445,404,712
Middle/Long-term CP	Shinhan Bank and others	1.93 - 4.17	889,988,248	1,160,000,000
Others	42th Hana Daol Land Chip Real Estate Investment Trust	6.80	150,033,703	150,033,703
Loans for livestock promotion and agricultural credit funds	NongHyup Bank	-	-	9,000,000
Loans for operating funds	Kookmin Bank and others	-	-	10,000,000
Less : Present value discount			(30,011,897)	(37,516,475)
Current maturities			<u>(828,291,750)</u>	<u>(441,995,548)</u>
			<u>770,658,492</u>	<u>1,662,106,422</u>
Foreign currency loans				
GSM fund	Woori Bank and others	0.53 - 5.90	134,722,721	156,243,239
Policy fund	The Export-Import Bank of Korea and others	2.01 - 2.41	70,320,000	60,787,620
Loans for facilities	Korea Development Bank and others	1.20 - 4.99	223,776,805	219,605,914
General loans	The Export-Import Bank of Korea and others	1.10 - 8.00	461,419,014	537,730,416
Exchange Equalization Fund	Woori Bank	2.33	58,600,000	-
Present value discount			(92,293)	-
Less : Current maturities			<u>(307,261,138)</u>	<u>(193,083,104)</u>
			<u>641,485,109</u>	<u>781,284,085</u>
Finance lease obligations				
Machinery and others	Shinhan Capital Co., Ltd. and others	1.10 - 7.59	12,362,464	28,699,877
Less : Current maturities			<u>(3,715,110)</u>	<u>(15,504,919)</u>
			<u>8,647,354</u>	<u>13,194,958</u>
			<u>1,420,790,955</u>	<u>2,456,585,465</u>

Certain portions of short-term financial instruments, long-term financial instruments, available-for-sale financial assets, property, plant and equipment and investment property are pledged as collateral in relation to the Group's borrowings above (Note 36).

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Minimum lease payments to the lessor as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Total minimum lease payments		
No later than 1 year	3,835,980	16,114,794
Between 1 and 5 years	9,004,217	13,668,315
	<u>12,840,197</u>	<u>29,783,109</u>
Unearned financial income	<u>(477,733)</u>	<u>(1,083,232)</u>
Net minimum lease payment		
No later than 1 year	3,715,110	15,504,919
Between 1 and 5 years	8,647,354	13,194,958
	<u>12,362,464</u>	<u>28,699,877</u>

20. Debentures

Details of debentures as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	Annual interest rate(%) December 31, 2015	Amount	
		2015	2014
Local currency debentures			
Non-guarantee public bonds	1.81 - 4.33	2,899,564,450	2,700,000,000
Non-guarantee private bonds	2.93 - 4.24	310,000,000	337,000,000
Less : Present value discount		(5,285,552)	(5,863,175)
Current maturities		<u>(809,477,302)</u>	<u>(606,580,784)</u>
		<u>2,394,801,596</u>	<u>2,424,556,041</u>
Foreign currency debentures			
Non-guarantee public bonds	1.15 - 3.15	427,123,400	400,181,300
Non-guarantee private bonds	3.45	291,218,560	32,976,000
Less : Present value discount		(998,599)	(1,241,044)
Current maturities		<u>(35,063,640)</u>	<u>-</u>
		<u>682,279,721</u>	<u>431,916,256</u>
Exchangeable bonds		86,710,000	253,550,000
Redemption premium		-	15,230,490
Less : Present value discount		(2,978,228)	(6,107,851)
Current maturities		<u>-</u>	<u>(181,310,201)</u>
		<u>83,731,772</u>	<u>81,362,438</u>
		<u>3,160,813,089</u>	<u>2,937,834,735</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Significant information on the exchangeable bonds issued by the Group are as follows:

	14th Non-guaranteed exchangeable bonds
Issued company	CJ CheilJedang Corporation
Total face amount	KRW 86,710,000 thousand
Maturity date	March 14, 2017
Coupon rate	1.80%
Interest rate at maturity	1.80%
Exchange rate	100.0%
Exchange price ¹	433,550 per share
Shares to be exchanged ²	200,000 registered common stock of CJ CheilJedang Corporation
Exchange period	From April 14, 2012 to February 14, 2017
Early redemption right	A debenture holder can request the early redemption for all or certain portion of debentures on March 14, 2015, the day after three years from the issuing date.

¹ The exchange price is subject to occurrence of issuance of stock, stock dividends, capital increase without consideration and others and cash dividends with more than 80% of its par value per share.

² As of December 31, 2015, the registered common stock of 200,000 shares of CJ CheilJedang Corporation, which are subject to exchange of the debentures, is deposited with Korea Securities Depository.

21. Post-employment Benefits

21.1 Defined Benefit Plan

The defined benefit plans that the Group operates are final salary pension plans, which provide benefits to employees in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on employees' length of service and their salary in the final years leading up to retirement. The majority of benefit payments are from trustee administered funds. Plan assets held in trusts are governed by local regulations and practice in each country.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

The amounts of net defined benefit liabilities recognized in the consolidated statements of financial position as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Present value of funded defined benefit liabilities	787,853,311	663,211,744
Present value of unfunded defined benefit liabilities	6,186,230	6,656,879
	<u>794,039,541</u>	<u>669,868,623</u>
Fair value of plan assets ¹	<u>(533,897,649)</u>	<u>(437,865,708)</u>
Liability in the consolidated statement of financial position	<u>260,141,892</u>	<u>232,002,915</u>

¹ The fair value of plan assets includes contributions to the National Pension Fund of KRW 221 million as of December 31, 2015 (2014: KRW 243 million).

Changes in the defined benefit obligation for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Beginning balance	669,868,623	542,053,254
Increase due to business combination	940,332	2,136,771
Current service cost	134,479,297	118,917,168
Interest expense	21,325,370	20,962,268
Remeasurements:		
Actuarial gains and losses arising from changes in demographic assumptions	(549,813)	668,468
Actuarial gains and losses arising from changes in financial assumptions	(5,472)	40,565,111
Actuarial gains and losses arising from experience adjustments	36,305,943	23,585,734
Payments from plans:		
Benefit payments	(65,418,819)	(69,937,447)
Decrease due to disposal of subsidiaries	(12,949,075)	(9,350,250)
Transfer to held-for-sale	10,041,528	-
Effect of foreign currency translation	1,627	267,546
Ending balance	<u>794,039,541</u>	<u>669,868,623</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Changes in the fair value of plan assets for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Beginning balance	437,865,708	361,403,011
Increase due to business combination	860,924	655,577
Interest income	13,356,462	14,523,615
Remeasurements:		
Return on plan assets	(4,895,193)	(6,464,563)
Contributions:		
Employers	121,110,713	98,549,424
Payments from plans:		
Benefit payments	(34,400,965)	(28,231,974)
Decrease due to disposal of subsidiaries	(1,388,820)	(2,569,382)
Transfer to held-for-sale	1,388,820	-
Ending balance	<u>533,897,649</u>	<u>437,865,708</u>

Details of plan assets as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015		2014	
	Amount	Composition(%)	Amount	Composition(%)
Cash and deposits	401,432,567	75.19	291,057,463	66.47
Beneficiary certificate	122,474,636	22.94	146,004,686	33.34
Others	9,990,446	1.87	803,559	0.19
	<u>533,897,649</u>	<u>100.00</u>	<u>437,865,708</u>	<u>100.00</u>

The principal actuarial assumptions as of December 31, 2015 and 2014, are as follows:

<i>(in percentage)</i>	2015	2014
Discount rate	3.14%	3.52%
Future salary increases	4.94%	5.53%

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

The sensitivity of the defined benefit obligations as of December 31, 2014, to changes in the weighted principal assumptions is:

<i>(in percentage)</i>	Effect on defined benefit obligation		
	Changes in principal assumption	Increase in principal assumption	Decrease in principal assumption
Discount rate	1.00% increase/ decrease	5.72% decrease	5.72% increase
Future salary increases	1.00% increase/ decrease	6.17% increase	5.81% decrease

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations recognized on the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted pension benefits as of December 31, 2015, is as follows:

<i>(In thousands of Korean won)</i>	Less than 1 year	Between 1 and 2 years	Between 5 and 5 years	Over 5 years	Total
Pension benefits	128,840,834	134,016,751	371,108,195	589,190,587	1,223,156,367

The weighted average duration of the defined benefit obligations is 6.2 years.

21.2 Defined Contribution Plan

Recognized expense related to the defined contribution plan for the year ended December 31, 2015, is KRW 912 million (2014: KRW 1,095 million).

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

22. Income Tax and Deferred Tax

Income tax expense for the years ended December 31, 2015 and 2014, consists of:

<i>(In thousands of Korean won)</i>	2015	2014
Current tax:		
Current tax on profits for the year	194,381,246	257,152,071
Adjustments in respect of prior years	<u>3,714,282</u>	<u>38,529,670</u>
	<u>198,095,528</u>	<u>295,681,741</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>(14,320,714)</u>	<u>(6,995,397)</u>
Income tax expense	<u>183,774,814</u>	<u>288,686,344</u>

Reconciliation between profit before income tax and income tax expense for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Profit before income tax	<u>734,890,361</u>	<u>797,319,488</u>
Tax calculated at domestic tax rates applicable to profits in the respective countries	189,743,642	156,467,781
Tax effects of:		
Profit (loss) of subsidiaries and associates	(3,060,217)	22,559,752
Adjustments in respect of prior years	3,714,282	38,529,670
Income not subject to tax	(15,106,966)	28,169,402
Tax credit	(10,905,908)	(16,004,893)
Unrecognized deferred income tax	14,703,912	71,964,150
Others	<u>4,686,069</u>	<u>(12,999,518)</u>
Income tax expense	<u>183,774,814</u>	<u>288,686,344</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Income tax effects related to components of other comprehensive income(expense) and equity for the years ended December 31, 2015 and 2014, is as follows:

(In thousands of <i>Korean won</i>)	2015			2014		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Tax (charge) / credit relating to components of other comprehensive income:						
Gains (losses) on valuation of available-for-sale financial assets	(8,426,388)	2,988,522	(5,437,866)	59,352,911	(14,713,742)	44,639,169
Cumulative effect of foreign currency translation	(8,312,537)	(4,219,464)	(12,532,001)	33,406,812	-	33,406,812
Share of other comprehensive gains (losses) of joint venture and associates	(8,140,232)	-	(8,140,232)	3,435,977	-	3,435,977
Gains (losses) on valuation of derivatives	2,324,081	(560,510)	1,763,571	(2,581,839)	621,270	(1,960,569)
Remeasurements of net defined benefit liabilities	(40,645,851)	9,556,540	(31,089,311)	(71,283,876)	20,575,619	(50,708,257)
	<u>(63,200,927)</u>	<u>7,765,088</u>	<u>(55,435,839)</u>	<u>22,329,985</u>	<u>6,483,147</u>	<u>28,813,132</u>
The income tax (charged) / credited directly to equity:						
Other components of equity	25,350,993	(5,573,033)	19,777,960	(1,175,147)	258,532	(916,615)
	<u>(37,849,934)</u>	<u>2,192,055</u>	<u>(35,657,879)</u>	<u>21,154,838</u>	<u>6,741,679</u>	<u>27,896,517</u>

The analysis of deferred tax assets and deferred tax liabilities as of December 31, 2015 and 2014, are as follows:

(In thousands of <i>Korean won</i>)	2015	2014
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	578,301,650	442,331,582
Deferred tax asset to be recovered within 12 months	79,248,301	86,828,715
	<u>657,549,951</u>	<u>529,160,297</u>
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	(1,152,836,027)	(1,037,260,417)
Deferred tax liability to be recovered within 12 months	(863,866)	(3,014,695)
	<u>(1,153,699,893)</u>	<u>(1,040,275,112)</u>
Deferred tax liabilities, net	<u>(496,149,942)</u>	<u>(511,114,815)</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Changes in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015							
	Beginning book value	Statement of income	Other Comprehensive income (loss)	Acquisition of subsidiaries	Disposal of subsidiaries	Change in asset-for-sale	Effect of foreign currency translation	Ending book value
Deferred tax assets								
Allowance for doubtful accounts	46,848,379	(932,134)	-	-	-	-	(147,085)	45,769,160
Net defined benefit liabilities	31,399,888	11,646,024	-	-	-	-	(6,038)	43,039,874
Gain (Loss) on valuation of inventories	6,479,449	(347,671)	-	-	-	-	11,046	6,142,824
Amortization	-	36,617,257	-	-	-	-	-	36,617,257
Impairment loss on investment property	16,746,129	(3,549,199)	-	-	-	-	(3,761)	13,193,169
Impairment loss on property, plant and equipment	8,360,667	(1,603,205)	-	-	-	-	3,867	6,761,329
Impairment loss on intangible assets	5,610,150	(4,264,500)	-	-	-	-	-	1,345,650
Accrued expenses	33,376,011	(6,089,393)	-	-	-	-	(1,601)	27,285,017
Foreign currency translation	73,576	(73,576)	-	-	-	-	-	-
Government subsidy	4,766,314	(233,521)	-	-	-	-	(8,133)	4,524,660
Tax loss	256,448,125	48,910,254	-	-	(5,305,812)	-	(1,680,826)	298,371,741
Tax credit	5,475,867	5,819,985	-	-	-	-	(75,654)	11,220,198
Gain on valuation of hedging derivative	855,666	-	(560,510)	-	-	-	-	295,156
Remeasurement	47,585,688	-	9,556,540	-	-	-	-	57,142,228
Others	51,298	-	-	-	-	-	-	51,298
	<u>464,077,207</u>	<u>85,900,321</u>	<u>8,996,030</u>	<u>-</u>	<u>(5,305,812)</u>	<u>-</u>	<u>(1,908,185)</u>	<u>551,759,561</u>
Deferred tax liabilities								
Legal reserve under Special Tax Treatment								
Control Law	(49,757,955)	16,403,141	-	-	-	-	-	(33,354,814)
Depreciation	(44,154,944)	(6,911,514)	-	-	-	-	(3,626,447)	(54,692,905)
Amortization	(4,480,061)	4,480,061	-	-	-	-	-	-
Borrowing costs	(2,863,310)	(113,405)	-	-	-	-	(1,071)	(2,977,786)
Foreign currency translation	-	(305,981)	-	-	-	-	-	(305,981)
Gain (Loss) on revaluation of property, plant and equipment	(323,764,133)	10,091,191	-	-	-	-	-	(313,672,942)
Loss on valuation of	(112,504,564)	-	2,988,522	-	-	-	-	(109,516,042)

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

available-for-sale financial assets								
Translation of foreign currency financial statements	-	-	(4,219,464)	-	-	-	-	(4,219,464)
Loss of subsidiaries and associates	(136,551,060)	(92,069,679)	-	-	-	-	(225,802)	(228,846,541)
Appraisal by fair value	(58,387,831)	18,717,599	-	(1,529,340)	180,752	(294,976)	146,120	(41,167,676)
Inventories, property, plant and equipment, intangible assets and others	(42,352,732)	8,697,809	-	-	-	-	-	(33,654,923)
Others	(73,846,797)	(15,864,917)	-	-	-	-	306,208	(89,405,506)
	<u>(848,663,387)</u>	<u>(56,875,695)</u>	<u>(1,230,942)</u>	<u>(1,529,340)</u>	<u>180,752</u>	<u>(294,976)</u>	<u>(3,400,992)</u>	<u>(911,814,580)</u>
Unrecognized deferred tax	(126,528,635)	(14,703,912)	-	-	5,305,812	-	(168,188)	(136,094,923)
	<u>(511,114,815)</u>	<u>14,320,714</u>	<u>7,765,088</u>	<u>(1,529,340)</u>	<u>180,752</u>	<u>(294,976)</u>	<u>(5,477,365)</u>	<u>(496,149,942)</u>

2014

<i>(In thousands of Korean won)</i>	2014						
	Beginning book value	Statement of income	Other Comprehensive income (loss)	Acquisition of subsidiaries	Disposal of subsidiaries	Effect of foreign currency translation	Ending book value
Deferred tax assets							
Allowance for doubtful accounts	34,603,449	15,483,283	-	-	(3,257,310)	18,957	46,848,379
Net defined benefit liabilities	23,690,497	9,039,381	-	-	(1,399,047)	69,057	31,399,888
Loss on valuation of inventories	6,964,762	(508,414)	-	-	-	23,101	6,479,449
Amortization	12,048,056	(7,815,621)	-	-	(4,232,435)	-	-
Impairment loss on investment property	23,002,272	(6,258,315)	-	-	-	2,172	16,746,129
Impairment loss on property, plant and equipment	8,039,585	331,787	-	-	(16,212)	5,507	8,360,667
Impairment loss on intangible assets	502,615	6,766,331	-	-	(1,658,796)	-	5,610,150
Accrued expenses	24,660,068	8,794,674	-	-	(95,930)	17,199	33,376,011
Foreign currency translation	343,959	(267,568)	-	-	(2,815)	-	73,576
Government subsidy	2,160,014	2,606,304	-	-	(4)	-	4,766,314
Tax loss	205,570,681	51,388,241	-	-	(538,652)	27,855	256,448,125
Tax credit	21,269,319	(15,145,932)	-	-	(647,520)	-	5,475,867
Gain(Loss) on valuation of hedging derivative	234,396	-	621,270	-	-	-	855,666
Remeasurement	27,010,069	-	20,575,619	-	-	-	47,585,688
Others	<u>1,533,082</u>	<u>(1,481,784)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,298</u>
	<u>391,632,824</u>	<u>62,932,367</u>	<u>21,196,889</u>	<u>-</u>	<u>(11,848,721)</u>	<u>163,848</u>	<u>464,077,207</u>
Deferred tax liabilities							
Legal reserve under Special Tax Treatment Control Law	(67,789,155)	18,031,200	-	-	-	-	(49,757,955)
Depreciation	(39,299,939)	(2,636,453)	-	-	(20,742)	(2,197,810)	(44,154,944)

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Amortization	-	(4,480,055)	-	-	-	(6)	(4,480,061)
Borrowing costs	(3,388,230)	528,271	-	-	-	(3,351)	(2,863,310)
Gain(Loss) on revaluation of property, plant and equipment	(333,552,491)	9,788,358	-	-	-	-	(323,764,133)
Gain(Loss) on valuation of available-for-sale financial assets	(97,790,822)	-	(14,713,742)	-	-	-	(112,504,564)
Loss of subsidiaries and associates	(113,298,345)	(22,559,752)	-	-	-	(692,963)	(136,551,060)
Appraisal by fair value	(60,974,984)	9,964,823	-	(7,377,670)	-	-	(58,387,831)
Inventories, property, plant and equipment, intangible assets and others	(56,627,641)	14,274,909	-	-	-	-	(42,352,732)
Others	(66,027,684)	(6,884,121)	-	358,676	(1,225,277)	(68,391)	(73,846,797)
	<u>(838,749,291)</u>	<u>16,027,180</u>	<u>(14,713,742)</u>	<u>(7,018,994)</u>	<u>(1,246,019)</u>	<u>(2,962,521)</u>	<u>(848,663,387)</u>
Unrecognized deferred tax	(53,792,962)	(71,964,150)	-	-	(1,356,927)	585,404	(126,528,635)
	<u>(500,909,429)</u>	<u>6,995,397</u>	<u>6,483,147</u>	<u>(7,018,994)</u>	<u>(14,451,667)</u>	<u>(2,213,269)</u>	<u>(511,114,815)</u>

23. Provisions for Liabilities and Charges

Changes in provisions for liabilities and charges for the years ended December 31, 2015 and 2014, are as follows:

	2015					
	Mileage	Sales returns	Restoration	Construction warranties	Other liabilities and charges	Total
<i>(In thousands of Korean won)</i>						
Beginning balance	10,918,392	8,300,837	1,135,835	3,291,550	10,968,705	34,615,319
Provisions adjustment	48,342,711	2,685,033	-	918,614	1,948,167	53,894,525
Unused amounts reversed	-	(255,759)	-	(545,700)	(318,868)	(1,120,327)
Used during year	(48,285,783)	(6,251,579)	-	(781,767)	(4,396,116)	(59,715,245)
Effect of foreign currency translation	57	4,498	23,634	-	-	28,189
Ending balance	<u>10,975,377</u>	<u>4,483,030</u>	<u>1,159,469</u>	<u>2,882,697</u>	<u>8,201,888</u>	<u>27,702,461</u>
Current	3,994,677	4,483,030	500,000	-	827,750	9,805,457
Non-current	6,980,700	-	659,469	2,882,697	7,374,138	17,897,004

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2014					Total
	Mileage	Sales returns	Restoration	Construction warranties	Other liabilities and charges	
Beginning balance	7,280,681	5,131,788	457,912	3,389,190	8,138,039	24,397,610
Provisions adjustment	46,256,367	9,686,755	841,909	630,427	5,876,814	63,292,272
Unused amounts reversed	-	(85,712)	(104,730)	-	(503,331)	(693,773)
Used during year	(42,618,960)	(6,412,221)	(74,182)	(728,067)	(2,542,784)	(52,376,214)
Effect of foreign currency translation	304	(19,773)	14,926	-	(33)	(4,576)
Ending balance	<u>10,918,392</u>	<u>8,300,837</u>	<u>1,135,835</u>	<u>3,291,550</u>	<u>10,968,705</u>	<u>34,615,319</u>
Current	5,335,405	8,300,837	500,000	-	76,914	14,213,156
Non-current	5,582,987	-	635,835	3,291,550	10,891,791	20,402,163

24. Equity and Paid-in Capital in Excess of Par Value

Under its Articles of Incorporation, the Company is authorized to issue 100 million shares with a par value of ₩5,000 per share. As of December 31, 2015, the Company has issued 29,133,748 common shares and 2,260,223 preferred shares. The Company may also authorize the issuance of 20 million shares of non-voting, cumulative and participating preferred stock (maturity date between three to ten years depending on the decision of the Board of Directors) which can receive more dividends than common shareholders (non-voting, non-cumulative and non-participating preferred share issued before February 27, 1997, has 1% more dividend rate than common share dividend). The Board of Directors decides the preferred share dividend rate if the shares are issued at a dividend rate more than 9% of the par value.

The preferred stock the Company has issued as of December 31, 2015, is as follows:

Preferred stock	
Numbers of shares	2,260,223
Voting rights	No voting rights
Maturity date	No Maturity
Dividends	Non-cumulative, and paying annually 1% more dividend than common share
Minimum dividend rate	None

The Company may grant options to purchase common stock to key employees or directors who have contributed or are expected to contribute to the management and technological innovation of the Company with the approval of shareholders. The grant limit of the option is 15% of outstanding shares. However, within 10% of outstanding shares, the options may be granted with the Board of Directors' approval.

In 2009, the Company retired 145,741 shares of treasury stock; therefore, the amount of common capital stock and the total face value of outstanding common shares are not equivalent.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Changes in paid-in capital for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won, except number of shares)</i>	Number of outstanding shares			Capital stock			Paid-in capital in excess of par value
	Common stock	Preferred stock	Total	Common stock	Preferred stock	Total	
At January 1, 2014	26,069,014	2,259,105	28,328,119	145,931,565	11,301,115	157,232,680	979,794,142
Exercise of share options	43,855	-	43,855	219,275	-	219,275	4,176,842
Acquisition of treasury Shares	(5)	(1)	(6)	-	-	-	-
At December 31, 2014	26,112,864	2,259,104	28,371,968	146,150,840	11,301,115	157,451,955	983,970,984
Exercise of share options	49,321	-	49,321	246,605	-	246,605	4,928,007
Acquisition of treasury shares	(4)	-	(4)	-	-	-	-
December 31, 2015	26,162,181	2,259,104	28,421,285	146,397,445	11,301,115	157,698,560	988,898,991

25. Share-based Payment

Share options which were granted to its directors and employees are as follows:

- Stocks issued through share option: registered common stock
- Grant method: New shares of common stock
- Number of shares to be issued by share options and the exercise price per share
(Excluding the options forfeited due to the event such as retirement)

2015	Date of the grant	
	March 13, 2006	February 29, 2008
Options granted	56,900	230,000
Exercised quantity, prior to 2014	1,000	49,579
Forfeited quantity	4,500	-
Transfer-out quantity due to split-off	46,500	-
Exercised quantity during 2014	4,900	44,421
Options outstanding as of December 31, 2014	-	136,000
Exercise price per share ¹	120,000	70,000

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Options exercised in 2015 resulted in 49,321 shares being issued at a weighted average price of KRW 74,967 each. The related weighted average share price at the time of exercise was KRW 225,425 per share.

	Date of the grant		
	March 8, 2005	March 13, 2006	February 29, 2008
2014			
Options granted	94,100	56,900	230,000
Exercised quantity, prior to 2013	65,505	-	10,000
Forfeited quantity	10,704	4,500	-
Transfer-out quantity due to split-off	14,615	46,500	-
Exercised quantity during 2013	3,276	1,000	39,579
Options outstanding			
as of December 31, 2013	-	4,900	180,421
Exercise price per share ¹	71,000	120,000	70,000

Options exercised in 2014 resulted in 43,855 shares being issued at a weighted average price of KRW 71,215 each. The related weighted average share price at the time of exercise was KRW 156,936 per share.

¹ The exercise price per share can be adjusted in case of the issuance of new shares, stock dividends, stock split, or stock merger.

- Vesting period:

2-6th: Options are conditional on the employee completing two years' service after the grant date. The options are exercisable within seven years from two years after the grant date.

7th: Options are conditional on the employee completing two years' service after the grant date. The options are exercisable within six years from four years after the grant date.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

The weighted average fair value of options granted during the period using the Black-Scholes valuation model is determined as follows:

	Date of the grant		
	March 8, 2005(5 th)	March 13, 2006(6 th)	February 29, 2008(7 th)
Fair value of share options	20,269	32,557	29,768
Weighted average share price at the grant date	56,157	68,378	78,115
Price volatility ¹	35.73%	36.34%	66.64%
Dividend yield	2.07%	1.37%	1.43%
Expected option life	3 years	3 years	5 years
Expected forfeiture rate	6.00%	6.00%	6.00%
Annual risk-free interest rate	4.12%	4.93%	5.09%

¹ The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the past three years for the fifth to sixth grants, and over the past five months for the seventh grant.

26. Other Components of Equity

Other components of equity as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Share-based payments	4,048,489	5,530,355
Treasury stocks	(186,310,252)	(186,310,252)
Gains on valuation of available-for-sale financial assets	220,709,526	219,581,318
Losses on valuation of equity method investees	(12,121,163)	(7,295,908)
Losses on valuation of derivatives	(145,774)	(604,375)
Cumulative effect of foreign currency translation	(28,490,187)	(23,140,477)
Others	(67,826,660)	(105,073,682)
	<u>(70,136,021)</u>	<u>(97,313,021)</u>

The Company acquired treasury shares in odd lots through split-off, merger of subsidiaries and for stabilization of the share price. As of December 31, 2015, the Company will dispose of treasury shares, including 2,971,567 common shares and 1,119 preferred shares, depending on market conditions.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

27. Retained Earnings

Retained earnings as of December 31, 2015 and 2014, consist of:

<i>(In thousands of Korean won)</i>	2015	2014
Legal reserves ¹	79,869,424	79,869,424
Discretionary reserves ²	1,562,516,799	1,547,401,957
Unappropriated retained earnings	<u>882,353,407</u>	<u>734,009,066</u>
	<u>2,524,739,630</u>	<u>2,361,280,447</u>

¹ The Commercial Code of the Republic of Korea requires the Controlling Company to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital stock. The reserve is not available for cash dividends payment, but may be transferred to capital stock or used to reduce accumulated deficit. When the accumulated legal reserves (the sum of capital reserves and earned profit reserves) are greater than 1.5 times the paid-in capital amount, the excess legal reserves may be distributed.

² The Controlling Company appropriates a certain portion of its retained earnings as reserves for research and development which are provided in order to obtain tax benefits under the Special Tax Treatment Control Law. Among these reserves, the reversed amount according to the terms of related tax laws may be distributed.

28. Issuance of Hybrid Securities

Details of hybrid securities as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>		Par Value		Annual interest rate	Maturity	Claim for early repayment
Issuer and borrower	Types	December 31, 2015	December 31, 2014			
CJ Foodville Corp.	Hybrid security	50,000	-	3.89%	2045-12-23	Hold
CJ Engineering & Construction Corp.	Hybrid security	50,000	-	3.62%	2045-12-23	Hold
Simuline Inc.	Hybrid security	15,000	-	3.20%	2045-08-24	Hold
PT CheilJedang Superfeed	Hybrid borrowing	200,000	-	3.70%	2045-09-18	Hold
CJ Freshway Corporation ¹	Hybrid security	26,000	70,000	2.90%	2043-05-09	Hold
PT CheilJedang Indonesia	Hybrid security	200,000	200,000	5.82%	2042-04-26	Hold

¹ In 2015, convertible right for par value amounting to KRW 44,000 million has been exercised and converted into common stocks.

The Group has no contractual obligation to make payment of the principal and interest of the above bond, and accordingly, the bonds is classified as equity.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

29. Expenses by Nature

Expenses by nature for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Raw materials, sub-materials, biological assets and cost of		
Merchandise purchased	6,805,624,038	6,560,393,014
Changes in inventories and biological assets	80,319,535	94,073,519
Salaries	1,932,295,111	1,687,387,256
Severance benefits	143,360,205	126,450,577
Employee benefits	286,440,027	253,804,382
Transportation expenses	3,490,772,848	3,069,070,427
Travel expenses	90,089,175	80,070,237
Taxes and dues	125,084,326	112,979,184
Advertising expenses	449,323,498	444,518,573
Rental expenses	712,718,373	614,492,896
Service Fees	1,442,505,866	1,348,522,269
Sales commission	145,126,142	140,396,330
Sales promotional expenses	290,952,535	234,889,623
Screening premium	288,888,633	287,443,090
Utility expenses	238,355,466	220,970,342
Power expenses	194,209,112	165,336,983
Packing material charge	276,145,141	253,564,107
Program usage fee	126,803,107	115,200,706
Network expenses	149,090,862	126,816,058
Repairs and maintenance expenses	72,822,005	60,221,906
Depreciation	756,779,775	724,183,483
Amortization	577,400,733	504,579,370
Outsourcing expenses	147,775,858	89,662,809
Building management fee	68,791,877	59,496,694
Others	1,049,702,697	1,194,659,524
Total cost of sales and selling and administrative expenses	<u>19,941,376,945</u>	<u>18,569,183,359</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

30. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Salaries	1,287,640,861	1,143,740,221
Severance benefits	84,000,236	79,030,920
Employee benefits	201,757,068	183,790,743
Conference expenses	20,158,127	18,632,078
Entertainment expenses	49,252,703	40,992,154
Travel expenses	83,247,338	76,196,852
Communication expenses	36,503,080	33,939,053
Taxes and dues	84,510,502	86,814,235
Utility expenses	58,242,287	48,644,763
Research expenses	55,313,523	42,427,906
Repair expenses	20,258,236	19,207,927
Rental expenses	488,894,604	423,428,242
Foreign business expenses	25,029,276	21,490,187
Supplies expenses	40,832,993	34,153,087
Depreciation	173,759,393	158,312,212
Amortization	120,433,519	112,354,157
Insurance premium	23,700,461	23,808,571
Service fees	1,133,244,624	1,146,335,307
Sales commission	136,249,418	132,439,706
Training expenses	32,181,812	31,381,028
Freight expenses	472,869,980	426,880,516
Advertising expenses	448,254,647	442,907,486
Vehicles maintenance expenses	14,376,853	14,185,056
Sales promotional expenses	290,558,519	234,646,393
Bad debts expenses	28,825,173	50,322,221
Miscellaneous expenses	27,000,800	25,045,971
Others	30,728,716	35,700,667
	<u>5,467,824,749</u>	<u>5,086,807,659</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

31. Financial Income and Expenses

Financial income and expenses for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Financial income		
Interest income	47,223,447	70,204,379
Gain on foreign currency transaction	135,530,064	139,141,070
Dividends income	11,704,571	5,039,262
Gain on derivative instruments	93,362,144	44,500,865
Gain on disposal of available-for-sale financial assets	681,760	2,358,414
Others	1,945,857	1,170,367
	<u>290,447,843</u>	<u>262,414,357</u>
Financial expenses		
Interest expenses	287,447,416	333,856,927
Loss on foreign currency transaction	267,530,827	191,266,439
Loss on derivative instruments	34,672,667	34,489,565
Loss on disposal of available-for-sale financial assets	6,789,694	11,060,162
Impairment loss on available-for-sale financial assets	1,511,388	5,362,863
Others	7,748,128	10,505,958
	<u>605,700,120</u>	<u>586,541,914</u>

32. Other Non-operating Income and Expenses

Other non-operating income and expenses for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Other operating income		
Gain on disposal of investment in subsidiaries	7,255,715	346,993,774
Gain on derivative instruments	39,526,252	41,460,668
Miscellaneous revenues	48,418,446	65,465,991
Others	17,892,389	24,761,543
	<u>113,092,802</u>	<u>478,681,976</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2015	2014
Other operating expenses		
Other bad debts expenses	20,136,056	36,740,801
Impairment loss on investment in joint ventures and associates	9,189,871	132,187
Loss on disposal of property, plant and equipment	38,512,547	22,586,112
Impairment loss on property, plant and equipment	1,334,186	33,163,387
Impairment loss on intangible assets	106,096,151	33,083,786
Loss on derivative instruments	52,113,753	73,190,037
Donations	97,772,630	82,473,626
Others	126,447,842	103,120,621
	<u>451,603,036</u>	<u>384,490,557</u>

33. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares in issue during the year excluding common shares purchased by the Company and held as treasury shares. The preferred shares have the right to participate in the Company's income distribution as a participating preferred share. Therefore, earnings per share for preferred shares is also calculated.

Basic earnings per common share for the years ended December 31, 2015 and 2014, is as follows:

<i>(In thousands of Korean won, except number of shares and earnings per share)</i>	2015	2014
Net income	205,792,550	209,165,289
Less: Dividends for preferred shares	16,473,696	16,773,568
Net income available for common shares	189,318,854	192,391,721
Weighted average number of common shares in issue	26,141,296	26,087,462
Basic earnings per share (in Korean won)	<u>7,242</u>	<u>7,375</u>

Basic earnings per preferred share for the years ended December 31, 2015 and 2014, is as follows:

<i>(In thousands of Korean won, except number of shares and earnings per share)</i>	2015	2014
Net income available for preferred shares	16,473,696	16,773,568
Weighted average number of preferred shares in issue	2,259,104	2,259,105
Basic earnings per preferred share (in Korean won)	<u>7,292</u>	<u>7,425</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Diluted earnings per common share for the years ended December 31, 2015 and 2014, is as follows:

<i>(In thousands of Korean won, except number of shares and earnings per share)</i>	2015	2014
Net income available for common shares	189,318,854	192,391,721
Changes in the amount of dividend per preferred share from diluting effect	<u>63,137</u>	<u>80,762</u>
Diluted earnings	189,381,991	192,472,483
Weighted average number of common shares in issue including dilutive potential common shares	<u>26,251,321</u>	<u>26,225,541</u>
Diluted earnings per share (in Korean won)	<u>7,214</u>	<u>7,339</u>

Diluted earnings per preferred share for the years ended December 31, 2015 and 2014, is as follows:

<i>(In thousands of Korean won, except number of shares and earnings per share)</i>	2015	2014
Net income available for preferred shares ¹	16,410,558	16,692,806
Weighted average number of preferred shares in issue	<u>2,259,104</u>	<u>2,259,105</u>
Diluted earnings per preferred shares (in Korean won)	<u>7,264</u>	<u>7,389</u>

¹ Net income available for preferred shares is amended due to the dilution of common shares.

34. Dividends

The dividends paid in 2015 and 2014 were KRW 27,066 million (KRW 950 per common share, KRW 1,000 per preferred share) and KRW 27,025 million (KRW 950 per common share, KRW 1,000 per preferred share), respectively.

A dividend in respect of the year ended December 31, 2015, of KRW 1,350 per common share and KRW 1,400 per preferred share, amounting to a total dividend of KRW 35,319 million and KRW 3,163 million, respectively, is to be proposed at the annual general shareholders' meeting on March 18, 2016. These consolidated financial statements do not reflect this dividend payable.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

35. Cash Generated from Operations

Cash generated from operations for the years ended December 31, 2015 and 2014, is as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Profit before income tax	734,890,361	797,319,488
Adjustments for:		
Depreciation	756,779,775	724,183,483
Amortization	577,400,733	504,579,370
Depreciation of investment property	4,086,757	10,306,749
Bad debts expenses	28,825,173	50,322,221
Interest income	(47,223,447)	(70,204,379)
Dividend income	(11,704,571)	(5,039,262)
Gain on derivative instruments	(132,888,396)	(85,961,533)
Gain on disposal of available-for-sale financial assets	(681,760)	(2,358,414)
Interest expenses	287,447,416	333,856,927
Loss on derivative instruments	86,786,420	107,679,602
Loss on disposal of available-for-sale financial assets	6,789,694	11,060,162
Impairment loss on available-for-sale financial assets	1,511,388	5,362,863
Loss(gain) on foreign currency translation	43,019,544	(24,747,988)
Loss(gain) on foreign currency transactions	43,497,221	(211,836)
Share of profit of joint ventures and associates	(163,322,606)	(24,137,741)
Gain on disposal of investments in subsidiaries	(7,255,715)	(346,993,774)
Gain on disposal of property, plant and equipment	(9,443,880)	(8,830,048)
Other bad debts expense	20,136,056	36,740,801
Impairment loss on investments in joint ventures and associates	9,189,871	132,187
Loss on disposal of property, plant and equipment	38,512,547	22,586,112
Impairment loss on property, plant and equipment	1,334,186	33,163,387
Impairment loss on intangible assets	106,096,151	33,083,786
Loss on disposal of intangible assets	2,553,614	8,421,576
Others	48,128,305	17,143,684
Changes in working capital		
Increase in trade receivables	(152,177,174)	(204,751,077)
Decrease in other current financial assets	211,534,706	51,702,089
Increase in advance payments	(45,095,323)	(69,562,562)
Increase in inventories	(67,523,791)	(94,672,201)
Decrease(increase) in biological assets	(18,094,968)	1,710,310
Decrease in other current assets	32,055,853	106,461,406
Decrease in other non-current financial assets	767,386	128,692
Decrease(increase) in other non-current assets	(25,324,432)	11,489,847
Increase in trade payables	89,029,109	70,379,294
Increase(decrease) in non-trade payables	34,637,403	(12,003,214)
Increase in other current financial liabilities	71,348,242	1,321,278
Decrease in other current liabilities	(24,608,450)	(65,655,375)

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2015	2014
Increase(decrease) in deposits received	(2,041,586)	18,544,762
Increase(decrease) in other non-current financial liabilities	(5,291,094)	232,100
Increase(decrease) in net defined benefit liabilities	(2,439,093)	41,006,355
Increase(decrease) in provisions	(16,663,480)	6,112,581
Increase in other non-current liabilities	36,607,416	8,718,462
Cash generated from operations	<u>2,541,185,561</u>	<u>1,998,620,170</u>

Significant transactions not affecting cash flows for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015	2014
Reclassification of construction in-progress to property, plant and equipment	830,982,998	462,982,441
Non-trade payables related to acquisition of property, plant and equipment	38,424,213	(6,203,418)
Non-trade payables related to acquisition of intangible assets	10,815,404	10,559,335
Changes in equity due to valuation, disposal and other activities of available-for-sale financial assets	1,128,208	19,034,989
Changes in equity due to translation of foreign currency financial statements	(5,349,710)	11,823,173

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

36. Commitments and Contingencies

Payment guarantees provided by the Group as of December 31, 2015 and 2014, are as follows:

(In thousands of Korean won)

Guarantor	Guarantee	Financial institution	Loan amounts		Guarantee amounts		Guarantee period	Remark
			2015	2014	2015	2014		
CJ CheilJedang Corporation	Sichuan Jixiangju Food Co., Ltd.	The Export-Import Bank of Korea and others	5,860,000	5,496,000	5,860,000	10,800,300	2015/12/22 ~ 2016/12/22	Borrowings
	Ebara CJ Fresh Foods Inc.	The Bank of Yokohama	1,944,020	1,840,280	1,944,020	1,840,280	2015/03/25 ~ 2016/03/25	Borrowings
CJ Korea Express Corporation	Highone Solar Power Generation Co., Ltd.	Woori Bank	4,800,000	5,400,000	9,000,000	9,000,000	2010/12/24 ~ 2023/12/24	Borrowings
	Kumho Tire Tian Jin Co., Inc.		-	23,913,096	-	93,432,000	-	Borrowings
	Silver Synthesis Logistics Co., Ltd.	Seoul Guarantee Insurance	-	-	400,000	400,000	2013/06/10 ~ 2016/12/31	Joint surety
	Seoul Silver Synthesis Logistics Co., Ltd. and others	Seoul Guarantee Insurance	-	-	514,000	-	2014/10/02 ~ 2017/12/31	Joint surety
	TECHNIP FRANCE	KEB Hana Bank	3,750,400	-	3,750,400	-	2015/05/07 ~ 2016/09/17	Borrowings
	TSGI (GS Engineering & Construction Corp. EPC Consortium)	KEB Hana Bank	2,772,050	-	2,772,050	-	2015/10/15 ~ 2016/09/10	Borrowings
	Pan Japan Inc.	SBJ Bank	36,861,294	34,192,402	36,861,294	34,192,402	2015/10/09 ~ 2016/10/7	Borrowings
CJ Foodville Corp.	PT CJ Foodville Indonesia	Woori Bank	807,500	397,350	969,000	1,090,505	2015/05/23 ~ 2016/05/23	Borrowings
CJ CGV Co., Ltd. 1	THEA Partners L.L.C	KEB Hana Bank	12,949,000	15,067,360	17,922,100	16,999,360	2014/02/19 ~ 2017/02/20	Borrowings

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(In thousands of Korean won)

Guarantor	Guarantee	Financial institution	Loan amounts		Guarantee amounts		Guarantee period	Remark
			2015	2014	2015	2014		
CJ O Shopping Co., Ltd.	CJ Mediasa Shopping & Retail Corporation	KEB Hana Bank	1,172,000	1,099,200	1,172,000	1,099,200	2015/07/23 ~ 2016/07/22	Borrowings
			1,172,000	-	1,172,000	-	2015/03/02 ~ 2016/03/02	Borrowings
CJ Engineering & Construction Corp.	Real Property Buyers	Korea Development Bank and other	71,697,390	-	221,618,088	-	2014/12/08 ~ 2017/07/31	Second payment loan
		Nonghyup Bank	16,415,573	-	69,676,430	-	2015/01/30 ~ 2018/01/30	Second payment loan
		Mugunghwa Trust Co., Ltd.	Seoul Guarantee Insurance	-	-	96,695	4,085,438	2014/11/21 ~ 2019/11/19
			<u>160,201,227</u>	<u>87,405,688</u>	<u>373,728,077</u>	<u>172,939,485</u>		

¹ In 2014, CJ CGV Co., Ltd., a consolidated subsidiary, entered into a contract with THEA Partners L.L.C to purchase shares held by THEA Partners L.L.C on or before December 31, 2017. However, THEA Partners L.L.C was not included as a consolidated subsidiary because the Group does not have control over the entity.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

CJ Engineering & Construction Corp., a consolidated subsidiary, provides funding agreement amounting to KRW 9,451 million based on the percentage of ownership as an investor for construction, in relation to borrowings of Seoul Integrated Freight Terminal PFV Co., Ltd. In connection to this funding agreement, additional losses may be incurred, which probability is not high. Therefore, the impact is not reflected in the consolidated financial statements as of December 31, 2015.

CJ Korea Express Corporation, a consolidated subsidiary, provides joint guarantee with Woosin Transportation Co., Ltd. for Korea Feed Association in relation to the loading and unloading contract with Korea Feed Association.

The Group provides guarantees amounting to KRW 105,236 million to Seoul Guarantee Insurance and others in relation to contract performance guarantee and others.

CJ CGV Co., Ltd., a consolidated subsidiary, provides guarantees in relation to contract performance for Twentieth Century Fox Korea Inc. of D-cinema of Korea Corp.

The Group provided guarantees amounting to KRW 61,799 million in relation to the loans of employees and directors from financial institutions.

The payment guarantees provided to the Group are as follows:

As of December 31, 2015, the Group obtained a guarantee from Seoul Guarantee Insurance, KEB Hana Bank and others amounting to KRW 447,890 million relating to a performance guarantee and borrowings.

As of December 31, 2015, CJ Engineering & Construction Corp., a consolidated subsidiary, obtained a guarantee from the Korea Construction Financial Cooperative amounting to KRW 130,586 million.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Details of collateral provided by the Group as of December 31, 2015 and 2014, are as follows:

	Secured assets	2015		Related line item	Related amount	Provided by
		Carrying amount	Secured amount			
Korea Integrated Freight Terminal Co.,Ltd	Property, plant and equipment and others	194,759	253,200	Borrowings	231,610	Korea Development Bank
CJ Freshway Corporation	Property, plant and equipment and others	16,426	19,500	Borrowings	10,000	Kookmin Bank
	Financial assets	200	200	Borrowings	-	Agriculture Cooperative Livestock Marketing Inc.
CJ Engineering & Construction Corp.	Inventories	48,575	644,715	Borrowings	32,800	Korea Development Bank and others
	Financial assets	12,488	21,381	Borrowings	9,250	Construction Guarantee Cooperative and others
	Property, plant and equipment and others	165,763	24,000	Borrowings	-	KEB Hana Bank
CJ Seafood Corporation	Property, plant and equipment	36,080	36,080	Borrowings	4,000	National Federation of Fisheries Cooperatives
Youngwoo Frozen Foods Co., Ltd.	Property, plant and equipment and others	18,062	16,800	Borrowings	14,000	Kookmin Bank and others
CJ Korea Express Busan Newport Distripark Co., Ltd.	Property, plant and equipment and others	20,932	20,901	Borrowings	9,260	Woori Bank and others
CJ Korea Express Asia Pte. Ltd.	Property, plant and equipment and others	19,266	27,824	Borrowings	10,830	United Overseas Bank
Wonji Co., Ltd.	Financial assets	19,576	15,600	Borrowings	10,070	Kookmin Bank
CJ Japan Corp.	Property, plant and equipment and others	4,908	7,324	Borrowings	5,978	Korea Exchange Bank and others
	Investment property	52,804	78,796	Borrowings	64,316	Korea Exchange Bank and others
Korea Express SB Co.,Ltd.	Property, plant and equipment and others	15,185	6,550	Borrowings	4,300	Woori Bank
Others	Financial assets	4,355	4,355	Borrowings and others	1,193	Korea Development Bank and others
	Property, plant and equipment and others	184,134	204,282	Borrowings and others	171,987	42th Hana Daol Land Chip Real Estate Investment Trust and others
		<u>813,513</u>	<u>1,381,508</u>		<u>579,594</u>	

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(In millions of Korean won)

		2014				
	Secured assets	Carrying amount	Secured amount	Related line item	Related amount	Provided by
CJ Korea Express Corporation	Financial assets	9,305	3,536	Borrowings	2,946	National Federation of Fisheries Cooperatives
	Property, plant and equipment and others	84,843	74,400	Borrowings	52,583	Korea Development Bank and others
Korea Integrated Freight Terminal Co.,Ltd	Property, plant and equipment and others	259,772	288,000	Borrowings	297,330	Korea Development Bank
CJ Freshway Corporation	Investment property	15,811	19,500	Borrowings	-	Kookmin Bank
	Financial assets	200	200	Borrowings	-	Agriculture Cooperative Livestock Marketing Inc.
CJ Engineering & Construction Corp.	Inventories	77,942	70,500	Borrowings	52,062	Korea Development Bank and others
	Financial assets	13,342	22,021	Borrowings	9,247	Construction Guarantee Cooperative and others
	Property, plant and equipment and others	176,019	598,215	Borrowings, debentures	25,538	Korea Development Bank and others
CJ Seafood Corporation	Property, plant and equipment	41,264	41,264	Borrowings	3,925	National Federation of Fisheries Cooperatives
PECT New Container Terminal Co., Ltd.	Donated assets usage rights	18,769	213,200	Borrowings	33,774	Korea Development Bank
Youngwoo Frozen Foods Co., Ltd.	Property, plant and equipment and others	20,444	20,050	Borrowings	16,500	Kookmin Bank and others
CJ Korea Express Busan Newport Distripark Co., Ltd.	Property, plant and equipment and others	24,840	21,621	Borrowings	9,822	Woori Bank and others
CJ Korea Express Asia Pte. Ltd.	Property, plant and equipment and others	19,986	27,947	Borrowings	15,598	United Overseas Bank
Wonji Co., Ltd.	Financial assets	500	600	Borrowings	500	Kookmin Bank
	Property, plant and equipment and others	20,320	15,000	Borrowings	10,856	Kookmin Bank
CJ Japan Corp.	Property, plant and equipment and others	4,653	6,933	Borrowings	5,546	KEB Hana Bank and others
	Investment peroperty	50,056	74,591	Borrowings	59,673	KEB Hana Bank and others
Korea Express SB Co.,Ltd.	Property, plant and equipment and others	15,185	5,590	Borrowings	4,300	Woori Bank
Others	Financial assets	39,456	35,489	Borrowings and others	6,869	Korea Development Bank and others
	Property, plant and equipment and others	214,481	241,688	Borrowings and others	181,364	Korea Development Bank and others
		<u>1,107,188</u>	<u>1,780,345</u>		<u>788,433</u>	

Korea Integrated Freight Terminal Co., Ltd., a consolidated subsidiary, is trying to register the facility loans for Gunpo site expansion construction which was completed in 2014. After the registration, they will provide this related asset as collateral for the financial fund loans in accordance with the contract.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

CJ Engineering & Construction Corp., a consolidated subsidiary, entered into land management trust contract with Korea Trust Co., Ltd. in relation to the new apartment housing construction, and is providing the land and building as collateral to Korea Development Bank, Tongyang Life Insurance and Daewoo Engineering and Construction Co., Ltd. for the construction fund.

Loan agreements with financial institutions as of December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	Maximum loan limit	
	2015	2014
Bank overdraft	399,058	345,272
Discount note agreement	422,011	956,000
General loans	5,221,525	4,150,129
Import letter of credit	1,982,564	1,930,474
Other loans for facilities	74,120	706,184
DA negotiation agreements	138,235	44,332

As of December 31, 2015, the Group has entered into corporate purchase card agreements of up to KRW 907,700 million with Woori Bank and six other financial institutions.

As of December 31, 2015, CJ Korea Express Corporation, a consolidated subsidiary, provided three blanked bills as collateral for the construction fund according to Gun Jang new port construction amounting to KRW 104,400 million with related banks.

As of December 31, 2015, the Group is involved in 95 legal claims as the plaintiff and 145 legal claims as the defendant, and proceedings amounting to KRW 199,861 million (2014: KRW 204,110 million) and KRW 625,658 million (2014: KRW 82,850 million), respectively. The Group's management believes that, although the outcome of these cases is uncertain, the ultimate resolution of these cases will not have a material adverse effect on the operations or financial position of the Group.

CJ Engineering & Construction Co., Ltd, a consolidated subsidiary, and 120 others are involved in a legal claim for refund of design compensation to Korea Water Resources Corporation as defendants. The ultimate resolution and effects of the case are uncertain as of December 31, 2015.

As of December 31, 2015, the Group entered into sales and leaseback contract with Woori Bank, the trustee of 42nd Hana Daol Land Chip Real Estate Investment Trust for property, plant and equipment worth KRW 158,093 million. In this regard, the Group entered into a contract to repurchase KRW 150,034 million worth of beneficiary certificate from shareholders of 42nd Hana Daol Land Chip Real Estate Investment Trust on June 29, 2017.

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

CJ CGV Co., Ltd., a consolidated subsidiary, entered into a cooperation contract ("joint investment cooperation contract") to jointly invest in PT Graha Layer Prima TBK. ("PT GLP"), a theater business entity in Indonesia, with KDB-Tstone Private Equity Fund ("KDB-Tstone") before the prior year. Under the joint investment cooperation contract, CJ CGV Co., Ltd. invested USD 15,250,000 in convertible loans receivable of PT GLP before 2013 and KDB-Tstone invested USD 15,250,000 in convertible loans receivable of PT GLP in 2013. CJ CGV Co., Ltd. acquired equity investments in PT GLP by exercising conversion rights and therefore, the convertible loans receivables were reclassified as investments in associates in 2014. In relation to the joint investments, KDB-Tstone has put options to sell the convertible loans receivable and shares of PT GLP in which KDB-Tstone invested and CJ CGV Co., Ltd. has call options, which are exercisable after January 1, 2015. The exercise price of put options is KDB-Tstone's total investments in PT GLT less collected amounts through dividends, property distributions and others ("KDB-Tstone net investments") plus 4% annual compound interest, and the exercise price of call option is KDB-Tstone net investments plus 12% annual compound interest.

CJ O Shopping Co., Ltd., a consolidated subsidiary, entered into a contract to provide cash investments in equal installments to GMM CJ O Shopping Company Ltd., a joint venture, with the approval of the Board of Directors.

CJ CGV Co., Ltd., a consolidated subsidiary, entered into a total return swap contract with Hana Financial Investment Co., Ltd., the underwriting company of convertible bonds issued by Simuline Inc.(par value: KRW 15 billion). This contract includes settling the difference arising from the changes in fair value if the convertible bonds are sold to third parties three years after the issue date of convertible bonds.

The Group entered into a total return swap contract with Hana Financial Investment Co., Ltd., the underwriting company of convertible bonds issued by CJ Engineering & Construction Corp.(par value: KRW 50 billion) and CJ Foodville Corp.(par value: KRW 50 billion). This contract includes settling the difference arising from the changes in fair value if the convertible bonds are sold to third parties three years and five years after the issue date of convertible bonds.

In 2014, CJ O Shopping Co., Ltd., CJ CheilJedang Corporation, CJ Korea Express Corporation, CJ CGV Co., Ltd., consolidated subsidiaries, acquired 85% ownership in CJ Vietnam Company Limited(formerly Maritime Tower Co., Ltd.) owned by Gemadep Corporation. And CJ O Shopping Co., Ltd. entered into call option that could acquire the remaining 15% interest for USD 6,820,000 in three years.

CJ OliveNetworks Corporation, a consolidated subsidiary, holds put option that would sell CJ Lion Co., Ltd. shares at KRW 22,105 per share to Lion Corporation, which holds a call option that would purchase the shares at KRW 22,105 per share from the Group. The exercise period of these options is from December 31, 2017 to June 30, 2018.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

37. Construction Contracts

Changes in balance of construction service contracts for the years ended December 31, 2015 and 2014, are as follows:

(In thousands of Korean won)

	2015			
	Beginning balance	Increase and decrease ¹	Recognized revenue	Ending balance
System development services	6,680,556	2,011,798	7,240,769	1,451,585
Constructions	308,078,675	256,549,670	177,509,699	387,118,646
	<u>314,759,231</u>	<u>258,561,468</u>	<u>184,750,468</u>	<u>388,570,231</u>

¹ For the year ended December 31, 2015, the increase in the balance of contracts from new orders and other is KRW 278,061 million and the decrease in the balance of contracts from changes in size of construction is KRW 19,500 million.

(In thousands of Korean won)

	2014			
	Beginning balance	Increase and decrease ¹	Recognized revenue	Ending balance
System development services	8,734,994	16,788,339	18,842,777	6,680,556
Constructions	109,575,161	337,624,982	139,121,468	308,078,675
	<u>118,310,155</u>	<u>354,413,321</u>	<u>157,964,245</u>	<u>314,759,231</u>

¹ For the year ended December 31, 2014, the increase in the balance of contracts from new orders and other is KRW 351,623 million and the increase in the balance of contracts from changes in size of construction is KRW 2,790 million.

Accumulated earned revenue, expense and others related to the Company's construction as of December 31, 2015 and 2014, are as follows:

(In thousands of Korean won)

	2015				
	Accumulated earned revenue	Accumulated expense	Accumulated profit	Unearned advance receipts	Reserves
System development services	10,643,456	9,561,464	1,081,992	-	-
Constructions	346,960,236	321,720,918	25,239,318	1,037,300	-
	<u>357,603,692</u>	<u>331,282,382</u>	<u>26,321,310</u>	<u>1,037,300</u>	<u>-</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(In thousands of Korean won)

	2014				
	Accumulated earned revenue	Accumulated expense	Accumulated profit	Unearned advance receipts	Reserves
System development services	17,402,541	16,384,035	1,018,506	-	-
Constructions	169,450,538	155,844,211	13,606,327	406,019	-
	<u>186,853,079</u>	<u>172,228,246</u>	<u>14,624,833</u>	<u>406,019</u>	<u>-</u>

Gross amount due from customers recognized as assets and due to customers recognized as liabilities for contract work as of December 31, 2015 and 2014, are as follows:

(In thousands of Korean won)

	2015		2014	
	Assets ¹	Liabilities ²	Assets ¹	Liabilities ²
System development services	564,995	1,639,543	199,203	1,399,958
Constructions	30,213,833	5,200,808	16,760,738	3,943,471
	<u>30,778,828</u>	<u>6,840,351</u>	<u>16,959,941</u>	<u>5,343,429</u>

¹ Included in trade receivables, net, in the accompanying consolidated statements of financial position.

² Included in other current liabilities in the accompanying consolidated statements of financial position.

38. Business Combinations

In 2014, CJ HelloVision Co., Ltd., a consolidated subsidiary, acquired CJ HelloVision Gangwon Broadcasting Co., Ltd. for KRW 66,163 million. The goodwill of KRW 51,172 million arising from the acquisition is attributable to acquired customer base, synergy effect, control premium and future market growth expected from combining the operations of the Group and CJ HelloVision Gangwon Broadcasting Co., Ltd.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

None of the goodwill recognized is expected to be deductible for income tax purposes. The following table summarizes the consideration paid for CJ HelloVision Gangwon Broadcasting Co., Ltd., the fair value of assets acquired and liabilities assumed at the acquisition date:

<i>(In thousands of Korean won)</i>	CJ HelloVision Gangwon Broadcasting Co., Ltd.
Consideration	
Cash	66,162,933
Recognized amounts of identifiable assets acquired and liabilities assumed	16,062,840
Cash and cash equivalents	607,924
Trade and other receivables	4,408,151
Property, plant and equipment	27,586,438
Intangible assets	14,834,403
Other non-current assets	1,645,784
Trade and other payables	(9,608,921)
Borrowings	(19,430,933)
Other current liabilities	(607,559)
Other non-current liabilities	(3,372,447)
Non-controlling interests	<u>(1,071,531)</u>
Goodwill	<u>51,171,624</u>

Had CJ HelloVision Gangwon Broadcasting Co., Ltd. been consolidated from January 1, 2015, the consolidated statement of income would show revenue of KRW 19,562,951 million and profit of KRW 508,269 million.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

39. Related Party Transactions

Significant transactions with related parties for the years ended December 31, 2015 and 2014, and the related receivables and payables as of December 31, 2015 and 2014, are as follows:

(In thousands of Korean won)	2015		2014		2015		2014	
	Sales	Purchases ¹	Sales	Purchases ¹	Receivables	Payables	Receivables	Payables
Joint ventures and associates								
FreshOne Co., Ltd.	13,832,542	1,659	21,913,036	4,237	-	-	3,743,416	-
FreshOne Gwangju Co. Ltd.	-	-	27,775,345	62,437	-	-	-	-
FreshOne NamSeoul Co., Ltd.	-	-	47,673,383	88,754	-	-	-	-
FreshOne Jungbu Co.Ltd.	-	-	23,865,495	760,009	-	-	-	-
FreshOne Gangnam Co., Ltd.	-	-	75,699,515	5,937,131	-	-	-	-
FreshOne Dongseoul Co., Ltd.	-	-	32,824,543	3,984,153	-	-	-	-
FreshOne Daegugyoungbuk Co., Ltd.	-	-	41,578,702	60,214	-	-	-	-
FreshOne Incheon Co., Ltd.	-	-	17,611,467	74,093	-	-	-	-
FreshOne Busan Co., Ltd.	10,362,218	552,770	-	-	7,268,229	1,353	-	-
Gumbo D.D.F Co., Ltd.	1,921,402	1,895,400	2,072,728	3,544,983	142,481	52,381	633,447	347,199
Incheon North Port Bulk Terminal Co., Ltd.	8,705,357	7,675,930	4,701,534	4,256,292	28,703,518	2,058,735	14,810,240	147,290
Terminal Operating Co., Ltd. Of Gunsan Port-Pier 7	2,070,315	3,735,990	766,589	3,110,208	531,948	466,180	574,421	236,992
Ulsan Port Operating Co., Ltd.	1,183,486	6,599,364	1,089,340	6,607,274	210,976	650,435	339,471	726,525
Terminal Operating Co., Ltd. of Pohang Port-Pier 8	-	5,038,081	-	7,555,032	669	365,678	801	798,146
Terminal Operating Co., Ltd. of Pohang Yeongilman Port	527,662	1,938,742	3,319,836	3,275,697	3,939,527	140,202	4,351,271	203,893
Uiryeong Wind Power Co.,Ltd.	6,992,612	-	-	-	-	-	-	-
Cable TV VOD Co., Ltd. (Formerly, Home Choice Corp.)	2,845,141	40,980,248	3,514,590	44,794,716	247,721	7,463,868	386,157	7,420,683
Jellyfish Entertainment Co., Ltd.	97,301	7,085,421	142,399	7,560,857	400,000	280,802	456,283	2,126,652
Highway Solar Co., Ltd.	148,235	-	10,515,343	-	-	-	261,698	-
Darby CJ Genetics Co., Ltd.	2,267,168	3,291,924	1,939,202	1,225,994	-	235,189	-	-
Ebara CJ Fresh Foods Inc.	6,001,562	-	7,953,299	-	1,124,462	-	1,266,515	-
Shanghai SMG-CJ Home Shopping Co., Ltd.	30,378,951	-	56,303,970	-	2,120,478	-	10,448,623	-
Tiantian CJ Home Shopping Co., Ltd.	12,935,731	-	12,934,171	-	1,789,798	-	2,694,362	-
CJ International Asia Pte. Ltd.	10,702,457	107	7,255,812	-	2,945,248	2,157	2,070,266	-
ACJ O Shopping Corporation	256,057,527	536,829,378	-	-	1,148,290	14,195,371	81,060,471	6,347,671
Others	<u>20,802,328</u>	<u>14,980,058</u>	<u>17,633,654</u>	<u>15,402,645</u>	<u>30,741,550</u>	<u>21,596,550</u>	<u>12,574,203</u>	<u>7,792,544</u>
	<u>387,831,995</u>	<u>630,605,072</u>	<u>419,083,953</u>	<u>108,304,726</u>	<u>81,314,895</u>	<u>47,508,901</u>	<u>135,671,645</u>	<u>26,147,595</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

(In thousands of Korean won)	2015		2014		2015		2014	
	Sales	Purchases ¹	Sales	Purchases ¹	Receivables	Payables	Receivables	Payables
Other related parties								
JOY Rent a Car Co.,Ltd.	48,687	7,505,912	188,570	6,951,864	1,606	747,374	14,508	691,315
C&I Leisure Industry Corp.	1,204,353	14,284,971	929,080	12,657,691	409,650	1,734,179	83,997	738,376
JS communications	2,521,568	2,720,433	2,964,909	2,720,563	25,495,654	4,841,682	20,301,185	2,095,724
Executives	-	-	-	-	-	-	-	60,381,315
Others	466,657	178,637	254,925	-	186,114	396,446	2,020	-
	<u>4,241,265</u>	<u>24,689,953</u>	<u>4,337,484</u>	<u>22,330,118</u>	<u>26,093,024</u>	<u>7,719,681</u>	<u>20,401,710</u>	<u>63,906,730</u>
	<u>392,073,260</u>	<u>655,295,025</u>	<u>423,421,437</u>	<u>130,634,844</u>	<u>107,407,919</u>	<u>55,228,582</u>	<u>156,073,355</u>	<u>90,054,325</u>

¹ Acquisition of property, plant and equipment, and intangible assets amounting to KRW 3,066 million (2014: KRW 6,138 million) are included under purchases.

² Loans amounting to KRW 10,941 million of Gumho Industry Co., Ltd. which is classified as others, increased due to transfer into associates in 2015.

³ CJ Engineering & Construction Corp., a consolidated subsidiary, entered into business transfer contract with C&I Leisure Industry Corp. and the transfer price is amounting to KRW 13,059 million.

Fund transactions with related parties for the years ended December 31, 2015 and 2014 are as follows:

(In thousands of Korean won)	2015							
	Loan transactions		Borrowing transactions		Increase in payables	Equity contributions in cash	Dividend income	Dividend payment
Loans and others	Collection	Borrowings	Repayments					
Joint ventures and associates								
Sichuan Jixiangju Food Co., Ltd.	3,053,713	-	-	1,904,001	-	-	-	-
Daesan Port Operations Co.,Ltd.	1,163,626	-	-	-	-	-	-	-
Terminal Operating Co., Ltd. of Masan Port-Pier4	5,187	-	-	-	-	-	-	-
Shop CJ Network Private Limited (formerly Star CJ Network India Private Ltd.)	-	-	-	-	-	9,744,707	-	-
Union Global Contents Investment	-	-	-	-	-	5,000,000	-	-
Beijing Ershang CJ Food Co., Ltd.	-	-	-	-	-	1,401,240	-	-
MVP Venture Investment - Culture Industry	-	-	-	-	-	-	2,187,837	-
Shanghai-Inchon International Ferry Co., Ltd.	-	-	-	-	-	-	1,350,808	-
Others	-	-	-	-	-	1,150,595	4,808,929	-
Other related parties								
Executives	-	-	-	-	(60,381,315)	-	-	11,978,020

CJ Corporation and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(In thousands of Korean won)

	2014								
	Loan transactions		Borrowing transactions			Increase in payables	Equity contributions in cash	Dividend income	Dividend payment
	Loans and others	Collection	Borrowings	Repayments					
Joint ventures and associates									
Incheon North Port Bulk Terminal Co., Ltd.	330,330	-	-	-	-	-	-	-	-
Sichuan Jixiangju Food Co., Ltd.	-	-	7,990,066	(10,927,235)	-	-	-	-	-
Terminal Operating Co., Ltd. of Masan Port-Pier4	238,000	-	-	-	-	-	-	-	-
Union Global Contents Investment	-	-	-	-	-	5,000,000	-	-	-
Star CJ Network India Private Ltd.	-	-	-	-	-	6,647,333	-	-	-
Beijing Cag and CJ Foodville Co., Ltd.	-	-	-	-	-	2,095,828	-	-	-
Shanghai SMG-CJ Home Shopping Co., Ltd	-	-	-	-	-	-	7,220,214	-	-
Others	-	-	-	-	-	1,575,934	5,185,311	-	-
Other related parties									
Executives	-	-	-	-	60,381,315	-	11,933,387	11,933,387	-
C&I Leisure Industry Corp.	-	(7,000,000)	-	-	-	-	-	-	-

Payment guaranteed provided by the Group as of December 31, 2015 and 2014, are as follows:

(In thousands of Korean won)		Financial institution	Loan amounts		Guarantee amounts		Guarantee period	Remark
		2015	2015	2014	2015	2014		
CJ CheilJedang Corporation	Sichuan Jixiangju Food Co., Ltd.	The Export-Import Bank of Korea and others	5,860,000	5,496,000	5,860,000	10,800,300	2015/12/22 ~ 2016/04/09	Borrowings
	Ebara CJ Fresh Foods Inc.	The Bank of Yokohama	1,944,020	1,840,280	1,944,020	1,840,280	2015/03/25 ~ 2016/03/25	Borrowings
CJ Korea Express Corporation	Highone Solar Power Generation Co., Ltd	Woori Bank	4,800,000	5,400,000	9,000,000	9,000,000	2010/12/24 ~ 2023/12/24	Borrowings
CJ Foodville Corp.	PT CJ Foodville Indonesia	Woori Bank	807,500	397,350	969,000	1,090,505	2015/05/23 ~ 2016/05/23	Borrowings
CJ O Shopping Co., Ltd.	CJ Mediasa Shopping & Retail Corporation	KEB Hana Bank	1,172,000	1,099,200	1,172,000	1,099,200	2015/07/23 ~ 2016/07/22	Borrowings
			1,172,000	-	1,172,000	-	2015/03/02 ~ 2016/03/02	Borrowings
			15,755,520	14,232,830	20,117,020	23,830,285		

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services for the years ended December 31, 2015 and 2014, consists of:

<i>(In thousands of Korean won)</i>	2015	2014
Short-term employee benefits	14,953,169	8,713,140
Long-term employee benefits ¹	741,500	1,954,575
Severance benefits	1,556,326	960,201
	<u>17,250,995</u>	<u>11,627,916</u>

¹ Long-term employee benefits include long-term incentive plans. Long-term incentive is paid based on the performance of employees.

40. Segment Information

The Group's reportable segments and details are as follows:

The Group has segregated the operating segments based on characters of services and products generating profits. The main operating segments include food & food services, bio & pharma, homeshopping & logistics, entertainment & media and infrastructure.

The chief operating decision maker has been identified as the Management Committee. The Management Committee is responsible for making strategic decisions based on review of the Group's internal reporting. The Management Committee has determined the operating segments based on these reports.

Operating segment information for the years ended December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015				
	Revenue	Inter-segment revenue	Revenue from external customers	Depreciation and amortization	Operating profit
Food & food service	8,284,095	(1,520,608)	6,763,487	220,042	376,807
Bio & pharma	5,392,578	(1,435,095)	3,957,483	195,726	250,185
Homeshopping & logistics	7,811,893	(1,269,240)	6,542,653	197,478	344,022
Entertainment & media	3,905,375	(338,502)	3,566,873	699,225	234,868
Infrastructure	628,655	(292,444)	336,211	11,684	49,916
Consolidation adjustments	(4,855,889)	4,855,889	-	14,112	(30,468)
	<u>21,166,707</u>	<u>-</u>	<u>21,166,707</u>	<u>1,338,267</u>	<u>1,225,330</u>

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In millions of Korean won)</i>	2014				
	Revenue	Inter-segment revenue	Revenue from external customers	Depreciation and amortization	Operating profit
Food & food service	7,531,800	(1,425,920)	6,105,880	204,116	350,284
Bio & pharma	4,673,695	(1,210,818)	3,462,877	167,015	115,382
Homeshopping & logistics	7,355,164	(1,206,244)	6,148,920	171,787	330,336
Entertainment & media	4,084,381	(411,345)	3,673,036	668,756	158,205
Infrastructure	421,720	(240,132)	181,588	11,094	45,542
Consolidation adjustments	(4,494,459)	4,494,459	-	16,302	3,369
	<u>19,572,301</u>	<u>-</u>	<u>19,572,301</u>	<u>1,239,070</u>	<u>1,003,118</u>

Regional segment information as of and for the years ended December 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015			
	Revenue	Inter-segment revenue	Revenue from external customers	Non-current assets
Domestic	19,850,951	(3,130,433)	16,720,518	10,522,714
Asia	4,721,819	(1,379,693)	3,342,126	2,313,938
America	1,064,274	(309,663)	754,611	524,431
Others	385,552	(36,100)	349,452	17,876
Consolidation adjustments	(4,855,889)	4,855,889	-	960,235
	<u>21,166,707</u>	<u>-</u>	<u>21,166,707</u>	<u>14,339,194</u>

<i>(In millions of Korean won)</i>	2014			
	Revenue	Inter-segment revenue	Revenue from external customers	Non-current assets
Domestic	18,841,915	(3,060,912)	15,781,003	10,163,012
Asia	3,952,354	(1,130,951)	2,821,403	2,146,736
America	908,429	(262,600)	645,829	535,737
Others	364,062	(39,996)	324,066	20,606
Consolidation adjustments	(4,494,459)	4,494,459	-	1,204,136
	<u>19,572,301</u>	<u>-</u>	<u>19,572,301</u>	<u>14,070,227</u>

There is no customer who contributes at least 10% of the total sales of the Group for the years ended December 31, 2015 and 2014.

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

41. Information About Non-controlling Interests

41.1 Changes in Accumulated Non-controlling Interests

The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of subsidiaries that are material to the Group for the years ended December 31, 2015 and 2014, are as follows:

		2015					
		Accumulated	Profit or loss	Dividends paid			Accumulated
<i>(In thousands of Korean won, except percentage of non-controlling interests)</i>	Percentage of non-controlling interests (%)	interests at the beginning of the year	allocated to non-controlling interests	to non-controlling interests	Others		
							non-controlling interests at the end of the year
CJ CheilJedang Corporation and CJ Korea Express Corporation							
	65.64	3,375,468,311	167,451,363	(32,875,894)	340,539,005	3,850,582,785	
CJ Freshway Corporation	52.89	120,151,741	3,977,300	(1,177,275)	(14,633,131)	108,318,635	
CJ O Shopping Co.,Ltd.	58.76	1,029,512,155	76,424,863	(11,512,007)	(218,090,051)	876,334,960	
CJ CGV Co., Ltd.	60.97	234,334,232	31,678,229	(4,683,061)	10,087,668	271,417,068	
CJ E&M Corporation	60.46	911,414,646	28,655,263	-	8,817,212	948,887,121	
		2014					
		Accumulated	Profit or loss	Dividends paid			Accumulated
<i>(In thousands of Korean won, except percentage of non-controlling interests)</i>	Percentage of non-controlling interests (%)	interests at the beginning of the year	allocated to non-controlling interests	to non-controlling interests	Others		
							non-controlling interests at the end of the year
CJ CheilJedang Corporation and CJ Korea Express Corporation							
	62.15	3,443,760,138	81,971,203	(17,146,503)	(133,116,527)	3,375,468,311	
CJ Freshway Corporation	48.52	112,023,259	2,287,943	-	5,840,539	120,151,741	
CJ O Shopping Co.,Ltd.	58.69	968,490,550	69,163,370	(9,742,270)	1,600,505	1,029,512,155	
CJ CGV Co., Ltd.	60.97	233,994,628	8,097,393	(4,516,510)	(3,241,279)	234,334,232	
CJ E&M Corporation	60.46	930,589,885	100,800,171	-	(119,975,410)	911,414,646	

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

A. Summarized Financial Information of Subsidiaries

The summarized financial information of subsidiaries with non-controlling interests that are material to the Group before consolidation adjustment is as follows:

Summarized consolidated statements of financial position as of December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
CJ CheilJedang Corporation	4,018,510,915	9,732,754,143	4,335,743,182	4,030,288,591	5,385,233,285
CJ Freshway Corporation	418,473,545	324,470,143	462,582,502	90,713,245	189,647,941
CJ O Shopping Co., Ltd.	758,534,402	2,229,698,002	988,400,541	649,702,419	1,350,129,444
CJ CGV Co., Ltd.	355,344,842	1,062,232,585	446,726,773	525,680,474	445,170,180
CJ E&M Corporation	940,144,217	1,424,711,404	642,285,891	162,487,395	1,560,082,335

<i>(In thousands of Korean won)</i>	2014				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
CJ CheilJedang Corporation	3,973,270,951	9,415,680,320	4,122,436,778	4,310,212,101	4,956,302,392
CJ Freshway Corporation	349,262,705	323,852,295	413,093,595	64,704,555	195,316,850
CJ O Shopping Co., Ltd.	806,214,185	2,351,144,508	910,961,466	979,984,918	1,266,412,309
CJ CGV Co., Ltd.	305,299,588	949,619,335	473,794,359	389,945,604	391,178,960
CJ E&M Corporation	1,039,174,047	1,318,410,976	580,803,967	270,878,173	1,505,902,883

Summarized consolidated statements of comprehensive income for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015			
	Sales	Profit	Other comprehensive income (loss)	Total comprehensive income
CJ CheilJedang Corporation	12,924,472,295	253,666,762	(11,671,804)	241,994,958
CJ Freshway Corporation	2,072,357,920	6,653,752	1,799,526	8,453,278
CJ O Shopping Co., Ltd.	2,308,605,390	112,018,539	(10,660,975)	101,357,564
CJ CGV Co., Ltd.	1,193,516,367	52,199,239	(4,189,618)	48,009,621
CJ E&M Corporation	1,347,313,885	52,920,340	(888,577)	52,031,763

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

<i>(In thousands of Korean won)</i>	2014			
	Sales	Profit (loss)	Other comprehensive loss	Total comprehensive income (loss)
CJ CheilJedang Corporation	11,701,797,228	137,851,320	12,507,862	150,359,182
CJ Freshway Corporation	1,795,277,457	9,333,504	(1,890,299)	7,443,205
CJ O Shopping Co., Ltd.	2,604,907,441	105,787,151	7,204,376	112,991,527
CJ CGV Co., Ltd.	1,039,295,973	16,019,849	1,708,281	17,728,130
CJ E&M Corporation	1,232,665,332	233,417,605	(5,170,844)	228,246,761

Summarized consolidated statements of cash flows for the years ended December 31, 2015 and 2014, are as follows:

<i>(In thousands of Korean won)</i>	2015				
	CJ CheilJedang Corporation	CJ Freshway Corporation	CJ O Shopping Co., Ltd.	CJ CGV Co., Ltd.	CJ E&M Corporation
Cash flows from operating activities	1,234,757,880	(18,442,496)	440,437,887	158,586,949	295,450,649
Cash flows from investing activities	(825,199,246)	(37,659,466)	(187,909,671)	(234,225,207)	(188,917,998)
Cash flows from financing activities	(318,565,166)	59,719,050	(196,727,707)	106,500,212	(94,293,468)
Net increase(decrease) in cash and cash equivalents	90,993,468	3,617,088	55,800,509	30,861,954	12,239,183
Cash and cash equivalents at beginning of year	436,022,603	7,305,268	269,321,111	108,793,088	33,525,991
Exchange gains(losses) on cash and cash equivalents	2,764,361	32,541	727,017	(356,084)	1,728,098
Cash and cash equivalents at end of year	529,780,432	10,954,897	325,848,637	139,298,958	47,493,272

<i>(In thousands of Korean won)</i>	2014				
	CJ CheilJedang Corporation	CJ Freshway Corporation	CJ O Shopping Co., Ltd.	CJ CGV Co., Ltd.	CJ E&M Corporation
Cash flows from operating activities	823,697,033	31,862,996	482,037,415	139,482,602	195,219,576
Cash flows from investing activities	(544,320,848)	(29,954,285)	(409,944,244)	(181,223,228)	(640,007,848)
Cash flows from financing activities	(273,113,864)	(5,763,340)	(4,779,763)	58,637,597	146,433,489
Net increase(decrease) in cash and cash equivalents	6,262,321	(3,854,629)	67,313,408	16,896,971	(298,354,783)
Cash and cash equivalents at beginning of year	431,916,384	11,070,956	202,335,179	85,976,456	332,310,496
Exchange gains(losses) on cash and cash equivalents	(2,156,102)	88,941	(327,476)	5,919,661	(429,722)
Cash and cash equivalents at end of year	436,022,603	7,305,268	269,321,111	108,793,088	33,525,991

CJ Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

B. Transactions with Non-controlling Interests

The effective ratio of shareholdings for certain subsidiaries has changed after additional acquisition, disposal, and sale and purchase among subsidiaries during the year ended December 31, 2015. Accordingly, differences between considerations of acquisition and disposal and carrying amount of non-controlling interests amounting to KRW 36,843 million (2014: KRW 16,958 million increase) are treated as a decrease in equity attributable to owners of the Company.

42. Events after the Reporting Period

CJ O Shopping Co., Ltd., a consolidated subsidiary, decided to dispose of 23,234,060 out of 41,756,284 CJ Hellovision Co., Ltd. shares for KRW 500,000 million, as approved by the Board of Directors on November 2, 2015. The proposed date of disposal is April 1, 2016, but it would be amended due to approval and permission procedures in accordance with the related laws. Both parties hold mutual option for the remaining 23.92% of the shares and CJ O Shopping Co., Ltd. holds put back option for period of two years starting from three years after the completion of transaction.

CJ Hellovision Co., Ltd., a consolidated subsidiary, decided to merge with SK Broadband Co., Ltd., as approved by the Board of Directors on November 2, 2015, and the details are as follows:

	<u>Details</u>
Surviving company	CJ HelloVision Co., Ltd.
Merged company	SK Broadband Co., Ltd.
The date of decision	November 2, 2015
The date of merger	April 1, 2016
	CJ Hellovision Co., Ltd. absorbs SK Broadband Co., Ltd.
Merging Method	- Surviving company: CJ Hellovision Co., Ltd. - Merged company : SK Broadband Co., Ltd.
Merging rate	CJ Hellovision Co., Ltd. : SK Broadband Co., Ltd. = 1.0000000:0.4761236

CJ E&M Corporation, a consolidated subsidiary, is striving to be responsive to the rapidly changing content business market environment by dividing the production sector of K-drama, and have decided to physically differentiate the K-drama production from the other broadcasting businesses in order to maximize the value of the entity by establishing and operating business strategies that fit the characteristics of the business. According to the plan, the division date is May 1, 2016, and the plan was authorized by Board of Directors on February 4, 2016.

CJ Korea Express Corporation, a consolidated subsidiary, has acquired 11 companies, including the Chinese logistics provider Rokin Logistics & Supply Chain Co., Ltd., in order to accelerate its global business development and to create synergy effect on the current business in China.