Related transaction A Purchase of raw materials B Regular price? C sale D <Manufacturing> <Distribution> non-special relationship special relationship special relationship Operating profit (100) Operating profit (100) Combined profit (200) Profit split based on cost and assets (equal weighting) - Cost ratio ⇒ B：C＝50：10＝10：2 - Asset ratio ⇒ B：C＝200 :100＝10：5 - Combination ratio ⇒ B：C＝(10＋10)：(2＋5)＝20：7 - B’s operating profit ⇒ 200 × 20 27 - C’s operating profit ⇒ 200 × 7 27