NIPPON CHEMI-CON CORPORATION

REPORT OF CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
March 31, 2016 and 2015

Building a better
working world

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Independent Auditor's Report

The Board of Directors
Nippon Chemi-Con Corporation

We have audited the accompanying consolidated financial statements of Nippon Chemi-Con Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2016, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. 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 consolidated financial statements.

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 referred to above present fairly, in all material respects, the consolidated financial position of Nippon Chemi-Con Corporation and its consolidated subsidiaries as at March 31, 2016, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 29, 2016

FINANCIAL HIGHLIGHTS
NIPPON CHEMI-CON CORPORATION
Five years ended March 31

	Millions of yen except for per share amounts									
		2016		2015		2014		2013		2012
Net sales	¥	118,414	¥	123,365	¥	113,962	¥	92,959	¥	100,290
Profit (loss) attributable to owners of the parent company	¥	(6,905)	¥	5,362	¥	3,315	¥	(9,252)	¥	(4,909)
Profit (loss) per share:										
Basic	¥	(42.38)	¥	32.91	¥	22.34	¥	(65.01)	¥	(34.49)
Diluted	¥	-	¥	-	¥	-	¥	-	¥	-
Net assets per share	¥	383.43	¥	477.23	¥	390.16	¥	355.46	¥	388.49

	Thousands of U.S. dollars except for per share amounts									
		2016		2015		2014		2013		2012
Net sales	$	1,050,891	$	1,094,830	$	1,011,385	$	824,985	$	890,048
Profit (loss) attributable to owners of the parent company	$	(61,283)	$	47,594	$	29,426	$	(82,112)	$	(43,570)
Profit (loss) per share:										
Basic	$	(0.38)	$	0.29	$	0.20	$	(0.58)	$	(0.31)
Diluted	$	-	$	-	$	-	$	-	$	-
Net assets per share	$	3.40	$	4.24	$	3.46	$	3.15	$	3.45

Notes:
1. Basic Profit (loss) per share amounts are based on the average number of common shares outstanding during each year.
2. Net assets per share amounts are based on the number of common shares outstanding at the end of each year.
3. Nippon Chemi-con Corporation adopted “Revised Accounting Standard for Business Combinations “(ASBJ Statement No.21 of September 13, 2015) effective from April 1, 2015. As a result, under this revised accounting standards, the reference to “Profit (loss)” was changed to “Profit (loss) attributable to owners of parent”.
4. U.S. dollar amounts have been translated from yen at the rate of ¥112.68= U.S. $1, as referred to in Note 1 to the consolidated financial statements.

To Our Stakeholders

Ikuo Uchiyama

Overview of Operating Results

The global economy during the year under review transitioned on a trend towards recovery, such as increased consumer spending in the USA thanks to an improved employment environment. We also saw overall improvement in the European economy. On the other hand, the overall economy in Japan transitioned through an immense lack of transparency as although the employment environment improved, the country also felt the impact of the downturn in a Chinese economy seeing lower exports and production.

The market environment influencing our Group saw firm sales in the automobile and gaming device markets, but Chinese markets for home appliances such as air conditioners, and industrial equipment such as industrial robots were sluggish, resulting in overall severe market conditions.

Amid such market conditions, our Group implemented core policies outlined in our 7th medium-term management plan aimed at achieving management innovations. Specifically, to further strengthen the competitiveness of our aluminum electrolytic capacitors, our core product, we promoted improved productivity at our overseas plants and cooperation among our product R&D, production engineering, and material procurement divisions to reinforce cost reductions. We also promoted proposal-based sales activities through concerted efforts involving the manufacturing, sales, and technology divisions. As part of our corporate governance initiatives, in October 2015 we drafted our “Basic Policy on Corporate Governance”. Through this basic policy, Nippon Chemi-Con worked to secure transparency and fairness of management decision-making while also increasing corporate value by implementing rapid, decisive decision-making. In Novembe0r 2015, we issued the CHEMI-CON REPORT, which in addition to corporate earnings and other financial information, also provides expanded non-financial information related to management strategies and corporate governance. This represented Nippon Chemi-Con’s commitment to providing shareholders and all our stakeholders with appropriate information.

In the area of product development, we developed numerous new products to take advantage of our leading materials technology to enhance our product lineup for markets with growth potential. In the automotive market, we developed highly heat-resistant products for conductive polymer hybrid aluminum electrolytic capacitors and multilayer ceramic capacitors used in electronic control units for engines and power steering. We also developed a series of products featuring improved heat-resistant properties for electric double-layer capacitors used in braking energy recovery systems. Furthermore, we developed a product that achieves a 550V rated voltage, the highest in the industry for snap-in type aluminum electrolytic capacitors, for use in inverters, solar power system power conditioners, and in data center power sources.

As part of our new product strategy, we established a device-specific system for aluminum electrolytic capacitors recommended for use in audio equipment and began sales under the product trademark MELODIO. We will aggressively promote these products for use in audio equipment gaining popularity with increasing attention on high-resolution audio sources and in personal computers that focus on audio quality.

Consolidated earnings for the year under review resulted in net sales of 118,414 million yen (down 4.0% year on year), operating income of 2,179 million yen (down 57.4% year on year), and ordinary income of 1,165 million yen (down 81.2% year on year). Due to having recorded losses related to the Antimonopoly Act, net losses attributable to parent company shareholders were 6,905 million yen (previous year resulted in net income attributable to parent company shareholders of 5,362 million yen).

Operating Results by Segment

The following presents a breakdown of sales by business segment.

1. Capacitors (108,240 million yen, 91.4% of total sales)
   Net sales of capacitors declined 3.9% year on year due to weak demand on the home appliance market, inverter market, and the industrial equipment market.

2. Mechanical Parts and Other Parts (2,807 million yen, 2.4% of total sales)
   Net sales of this segment increased 3.2% year on year due to increased sales of CMOS camera modules, and other factors.

3. Capacitor Materials (5,264 million yen, 4.5% of total sales)
   Net sales of this segment declined 10.8% year on year due to a drop in demand for electrode foils for aluminum electrolytic capacitors, and other factors.

4. Other Products (2,101 million yen, 1.7% of total sales)
   Net sales of this segment declined 0.8% year on year due to a drop in sales of resale products, and other factors.

Outlook for Fiscal 2016

The European economy is expected to continue on a mild recovery trend but the overall economic downturn in China and other emerging nations is expected to continue. In Japan, there is concern of the trend towards Japanese yen appreciation and a resulting decline in corporate income. Uncertain nature of the operating environment influencing our Group is expected to continue.

Nippon Chemi-Con outlined a fundamental strategy for FY2016 of “Implementation of Company-wide Management Innovation : Shift from Rebirth to Growth”. By implementing the various policies aimed at achieving management innovations, we will aim for the rapid recovery of earnings. Specifically, on April 1, 2016 we conducted large-scale organizational reforms, including redefining the responsibilities of executive officers, and implemented a “business management system”. This system divides business into two main categories, the manufactured products business and the functional materials business. For the manufactured products business, we separated products into five categories such as large-size, small-size, etc., and assigned executive officers to oversee each product category. We will clarify business responsibilities and manufacturing, sales, and technology will work as a unified unit to speed up product development and conduct appropriate sales activities. Furthermore, we will strengthen information sharing related to sales, production, and materials procurement to optimize intra-Group logistics. This will enable us to contract inventory, reduce shipping costs, and lead to the maximization of business income. We will enhance our quality management system to reduce quality risks and improve customer satisfaction. Specifically, we will conduct supplier development and implement audits to build a quality management system that includes suppliers in the scope of management. Also, we will improve quality by applying the knowledge and experience we have cultivated as a Tier 1 manufacturer (primary suppliers who deliver products directly to automotive companies) of electric double-layer capacitors to other products.

In March 2016, the Japan Fair Trade Commission found our aluminum electrolytic capacitor transactions to be in violation of the Antimonopoly Act of Japan. As a result, we were issued a cease and desist order and a surcharge payment order in the amount of 1,435.24 million yen. While we have a difference of opinion concerning the certification of facts and legal assessment made by the Japan Fair Trade Commission and thus do not fully accept said findings, following a comprehensive evaluation of circumstances pertinent to the case in hand, we believe it more important to prioritize efforts related to increasing medium- and long-term corporate value, and thus we decided not to file a suit for the revocation of judgment in relation to the abovementioned actions.

In November 2015, Nippon Chemi-Con and our European subsidiary Europe Chemi-Con (Deutschland) GmbH received a Statement of Objections from the European Commission concerning suspicions of a violation of the European Competition Law in relation to our sales of aluminum electrolytic capacitors and tantalum electrolytic capacitors in Europe. Nippon Chemi-Con and Europe Chemi-Con (Deutschland) GmbH intend to respond appropriately to this Statement of Objections.

In December 2015, Nippon Chemi-Con, our Taiwan subsidiary Taiwan Chemi-Con Corp., and our Hong Kong subsidiary Hong Kong Chemi-Con Ltd. received notice from the Taiwan Fair Trade Commission concerning suspicions that our aluminum electrolytic capacitor transactions were in violation of the Taiwan Competition Law, and the decision that Nippon Chemi-Con, Taiwan Chemi-Con, and Hong Kong Chemi-Con would be levied a fine of TWD 1,307.81 million, TWD 205.66 million, and TWD 58.03 million, respectively. As we feel it inappropriate to accept this decision due to a difference of awareness between us and the Commission. As such, in February 2016 we filed an administrative suit with the Taipei High Administrative Court requesting the revocation of said decision.

We would like to take this opportunity to apologize sincerely to all our shareholders for any concerns these actions may be causing. We are taking these developments extremely seriously and are working to reinforce competition law compliance by implementing various measures, including reevaluating regulations, creating a manual, providing education and training to our employees, and conducting internal audits. We will take every step to prevent a reoccurrence and make every effort related to legal compliance with competition laws and all other relevant laws to ensure we continue to conduct fair operations.

I ask for the continued support of all our stakeholders.
June 29, 2016

Ikuo Uchiyama
President

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Balance Sheets
For the years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
Assets	**2016**	2015	**2016**
Current assets:			
Cash on hand and in banks (Note 6)	¥ **26,250**	¥ 24,483	$ **232,966**
Notes and accounts receivable-trade	**24,433**	27,303	**216,837**
Inventories (Note 7)	**20,801**	22,709	**184,610**
Accounts receivable-other	**5,693**	6,363	**50,523**
Deferred tax assets (Note 10)	**770**	220	**6,837**
Other current assets	**865**	648	**7,682**
Less allowance for doubtful accounts	**(39)**	(40)	**(349)**
Total current assets	**78,775**	81,689	**699,107**
Property, plant and equipment:			
Buildings and structures	**38,769**	38,846	**344,070**
Machinery, equipment and others	**128,411**	129,384	**1,139,608**
Land	**6,897**	7,048	**61,211**
Lease assets	**597**	606	**5,303**
Construction in progress	**1,324**	1,461	**11,755**
Sub total	**176,000**	177,348	**1,561,949**
Less accumulated depreciation	**(136,409)**	(133,636)	**(1,210,587)**
Property, plant and equipment, net	**39,591**	43,711	**351,361**
Intangible fixed assets	**1,438**	1,699	**12,768**
Investments and other assets :			
Investment securities (Notes 8 and 16)	**15,449**	18,025	**137,108**
Long-term loans receivable	**17**	24	**151**
Deferred tax assets (Note 10)	**593**	307	**5,265**
Other	**1,281**	1,234	**11,375**
Less allowance for doubtful accounts	**(30)**	(35)	**(268)**
Total investments and other assets	**17,311**	19,556	**153,632**
Total assets	¥ **137,117**	¥ 146,657	$ **1,216,870**

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

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Balance Sheets
For the years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
Liabilities and Net Assets	**2016**	2015	**2016**
Current liabilities:			
Notes and accounts payable-trade	¥ **7,080**	¥ 7,868	$ **62,838**
Short-term debt (Note 9)	**18,377**	21,560	**163,090**
Accounts payable-other	**9,518**	7,464	**84,471**
Income taxes payable (Note 10)	**567**	487	**5,036**
Accrued expenses	**2,628**	2,095	**23,328**
Bonus reserve	**1,664**	1,772	**14,768**
Notes payable-equipments	**127**	181	**1,128**
Other current liabilities	**414**	676	**3,675**
Total current liabilities	**40,377**	42,106	**358,338**
Long-term liabilities:			
Long-term debt (Note 9)	**15,478**	16,552	**137,365**
Deferred tax liabilities (Note 10)	**873**	1,062	**7,748**
Provision for environmental safety measures	**185**	202	**1,647**
Net defined benefit liability(Note 11)	**11,822**	8,163	**104,921**
Other long-term liabilities	**5,515**	424	**48,946**
Total long-term liabilities	**33,875**	26,405	**300,630**
Total liabilities	**74,252**	68,511	**658,968**
Net assets:			
Shareholders' equity			
Common stock			
Authorized 396,132,000 shares issued and outstanding,			
163,148,334 shares in 2015 and			
163,148,334 shares in 2016	**21,526**	21,526	**191,036**
Capital surplus	**28,568**	28,568	**253,533**
Retained earnings	**14,452**	21,846	**128,261**
Treasury shares (Note 14)	**(71)**	(64)	**(632)**
Total shareholders' equity	**64,475**	71,876	**572,200**
Accumulated other comprehensive income			
Net unrealized gains on securities	**896**	2,051	**7,958**
Foreign currency translation adjustments	**2,527**	5,324	**22,432**
Remeasurements of defined benefit plans	**(5,431)**	(1,490)	**(48,200)**
Total accumulated other comprehensive income	**(2,006)**	5,885	**(17,809)**
Non-controlling interests	**395**	384	**3,511**
Total net assets	**62,864**	78,146	**557,902**
Total liabilities and net assets	¥ **137,117**	¥ 146,657	$ **1,216,870**

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

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Statements of Operations
For the years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Net sales	**¥ 118,414**	¥ 123,365	**$ 1,050,891**
Cost of sales	**95,749**	97,953	**849,750**
Gross profit	**22,664**	25,411	**201,141**
Selling, general and administrative expenses (Notes 17 and 18)	**20,484**	20,289	**181,796**
Operating income	**2,179**	5,122	**19,344**
Non-operating income:			
Interest income	**70**	94	**627**
Dividend earned	**107**	92	**950**
Foreign exchange gains	**-**	1,312	**-**
Equity in earnings of affiliated companies	**499**	626	**4,432**
Other	**86**	136	**770**
Total non-operating income	**764**	2,262	**6,780**
Non-operating expenses:			
Interest expense	**440**	486	**3,910**
Financing expenses	**427**	667	**3,791**
Foreign exchange losses	**875**	-	**7,769**
Other	**34**	23	**308**
Total non-operating expenses	**1,778**	1,177	**15,780**
Ordinary income	**1,165**	6,207	**10,344**
Extraordinary income:			
Gain on sales of property, plant and equipment (Note 19)	**5**	24	**47**
Gain on sales of investment securities	**570**	1	**5,059**
Subsidy	**-**	453	**-**
Total extraordinary income	**575**	478	**5,107**
Extraordinary loss:			
Loss on disposal of property, plant and equipment (Note 20)	**28**	98	**249**
Loss related to Antitrust laws	**7,217**	-	**64,057**
Other	**25**	0	**227**
Total extraordinary loss	**7,271**	98	**64,534**
Income (loss) before income taxes	**(5,530)**	6,588	**(49,081)**
Income taxes (Note 10):			
Current	**1,107**	1,085	**9,831**
Prior periods	**728**	11	**6,463**
Deferred	**(494)**	46	**(4,385)**
	1,341	1,143	**11,908**
Profit (loss)	**(6,872)**	5,444	**(60,990)**
Profit (loss) attributable to non-controlling interests	**32**	81	**292**
Profit (loss) attributable to owners of parent	**¥ (6,905)**	¥ 5,362	**$ (61,283)**

Profit (loss) per share:	Yen		U.S. dollars (Note 1)
	2016	2015	**2016**
Basic	¥ (42.38)	¥ 32.91	$ (0.38)
Diluted	-	-	-
Cash dividends per share (Note 22)	3.00	3.00	0.03

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

Consolidated Statements of Comprehensive Income
For the years ended March 31, 2016 and 2015

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Profit (loss)	**¥**	**(6,872)**	¥	5,444	**$**	**(60,990)**
Other comprehensive income						
Net unrealized holding gain (loss) on securities		**(1,144)**		725		**(10,160)**
Foreign currency translation adjustments		**(2,806)**		4,925		**(24,907)**
Remeasurements of defined benefit plans		**(3,925)**		1,898		**(34,834)**
Share in other comprehensive income of associates accounted for using equity method		**(36)**		164		**(328)**
Total other comprehensive income		**(7,913)**		7,713		**(70,230)**
Comprehensive income	**¥**	**(14,785)**	¥	13,158	**$**	**(131,220)**
Attributable to:						
Owners of parent		**(14,797)**		13,030		**(131,322)**
Non-controlling interests		**11**		127		**101**

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

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Statements of Changes in Net Assets
For the years ended March 31, 2016 and 2015

For the Year Ended March 31, 2016

	Shareholders' equity (Note 13) Millions of yen				
	Common stock	Capital surplus	Retained earnings	Treasury shares (Note 14)	Total shareholders' equity
Balance at April 1, 2015	¥ 21,526	¥ 28,568	¥ 21,846	¥ (64)	¥ 71,876
Changes of items during year					
Cash dividends paid			(488)		(488)
Profit (loss) attributable to owners of parent			(6,905)		(6,905)
Purchase of treasury shares				(7)	(7)
Net changes of items other than shareholders' equity					
Total changes of items during year	-	-	(7,394)	(7)	(7,401)
Balance as of March 31, 2016	¥ 21,526	¥ 28,568	¥ 14,452	¥ (71)	¥ 64,475

	Accumulated other comprehensive income (Note 21) Millions of yen					
	Net unrealized gains on securities	Foreign currency translation adjustments:	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets at end of current year
Balance at April 1, 2015	¥ 2,051	¥ 5,324	¥ (1,490)	¥ 5,885	¥ 384	¥ 78,146
Changes of items during year						
Cash dividends paid						(488)
Profit (loss) attributable to owners of parent						(6,905)
Purchase of treasury shares						(7)
Net changes of items other than shareholders' equity	(1,154)	(2,797)	(3,940)	(7,892)	11	(7,880)
Total changes of items during year	(1,154)	(2,797)	(3,940)	(7,892)	11	(15,281)
Balance as of March 31, 2016	¥ 896	¥ 2,527	¥ (5,431)	¥ (2,006)	¥ 395	¥ 62,864

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

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Statements of Changes in Net Assets
For the years ended March 31, 2016 and 2015

	Shareholders' equity (Note 13) Thousands of U.S. dollars (Note 1)				
	Common stock	Capital Surplus	Retained earnings	Treasury shares (Note 14)	Total shareholders' equity
Balance at April 1, 2015	$ **191,036**	$ **253,533**	$ **193,883**	$ **(568)**	$ **637,884**
Changes of items during year					
Cash dividends paid			**(4,338)**		**(4,338)**
Profit (loss) attributable to owners of parent			**(61,283)**		**(61,283)**
Purchase of treasury shares				**(63)**	**(63)**
Net changes of items other than shareholders' equity					
Total changes of items during year	**-**	**-**	**(65,621)**	**(63)**	**(65,684)**
Balance as of March 31, 2016	$ **191,036**	$ **253,533**	$ **128,261**	$ **(632)**	$ **572,200**

	Accumulated other comprehensive income (Note 21) Thousands of U.S. dollars (Note 1)					
	Net unrealized gains on securities	Foreign currency translation adjustments:	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets at end of current year
Balance at April 1, 2015	$ **18,206**	$ **47,255**	$ **(13,231)**	$ **52,230**	$ **3,409**	$ **693,524**
Changes of items during year						
Cash dividends paid						**(4,338)**
Profit (loss) attributable to owners of parent						**(61,283)**
Purchase of treasury shares						**(63)**
Net changes of items other than shareholders' equity	**(10,248)**	**(24,823)**	**(34,968)**	**(70,039)**	**101**	**(69,937)**
Total changes of items during year	**(10,248)**	**(24,823)**	**(34,968)**	**(70,039)**	**101**	**(135,622)**
Balance as of March 31, 2016	$ **7,958**	$ **22,432**	$ **(48,200)**	$ **(17,809)**	$ **3,511**	$ **557,902**

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

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Statements of Changes in Net Assets
For the years ended March 31, 2016 and 2015

For the Year Ended March 31, 2015

	Shareholders' equity (Note 13) Millions of yen				
	Common stock	Capital surplus	Retained earnings	Treasury shares (Note 14)	Total shareholders' equity
Balance at April 1, 2014	¥ 21,526	¥ 39,838	¥ 4,059	¥ (53)	¥ 65,369
Cumulative effect of change in accounting policies			1,154		1,154
Restated balance at April 1, 2014	21,526	39,838	5,213	(53)	66,524
Changes of items during year					
Deficit disposition		(11,269)	11,269		-
Profit (loss) attributable to owners of parent			5,362		5,362
Purchase of treasury shares				(10)	(10)
Net changes of items other than shareholders' equity					
Total changes of items during year	-	(11,269)	16,632	(10)	5,352
Balance as of March 31, 2015	¥ 21,526	¥ 28,568	¥ 21,846	¥ (64)	¥ 71,876

	Accumulated other comprehensive income (Note 21) Millions of yen					
	Net unrealized gains on securities	Foreign currency translation adjustments:	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets at end of current year
Balance at April 1, 2014	¥ 1,317	¥ 306	¥ (3,406)	¥ (1,782)	¥ 257	¥ 63,844
Cumulative effect of change in accounting policies						1,154
Restated balance at April 1, 2014	1,317	306	(3,406)	(1,782)	257	64,998
Changes of items during year						
Deficit disposition						-
Profit (loss) attributable to owners of parent						5,362
Purchase of treasury shares						(10)
Net changes of items other than shareholders' equity	734	5,018	1,915	7,667	127	7,795
Total changes of items during year	734	5,018	1,915	7,667	127	13,147
Balance as of March 31, 2015	¥ 2,051	¥ 5,324	¥ (1,490)	¥ 5,885	¥ 384	¥ 78,146

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

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Statements of Cash Flows
For the years ended March 31, 2016 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Cash flows from operating activities:			
Profit (loss) before income taxes	¥ **(5,530)**	¥ 6,588	$ **(49,081)**
Depreciation and amortization	**7,632**	7,910	**67,740**
Loss on antitrust law	**7,217**	-	**64,057**
(Decrease) increase in net defined benefit liability	**(212)**	209	**(1,885)**
Decrease in allowance for doubtful accounts	**(1)**	(29)	**(15)**
Decrease in provision for environmental safety measures	**(16)**	(0)	**(147)**
Interest and dividend income	**(177)**	(187)	**(1,577)**
Interest expense	**440**	486	**3,910**
Foreign exchange loss (gain)	**293**	(364)	**2,603**
Equity in earnings of affiliated companies	**(499)**	(626)	**(4,432)**
Loss on disposal of property, plant and equipment, net	**22**	73	**201**
(Increase) decrease in notes and accounts receivable	**2,433**	(580)	**21,600**
(Increase) decrease in inventories	**977**	(369)	**8,675**
(Decrease) increase in notes and accounts payable	**(59)**	6	**(528)**
(Decrease) increase in accounts payable – other	**408**	76	**3,624**
Other	**(139)**	(1,008)	**(1,236)**
Sub total	**12,790**	12,184	**113,508**
Interest and dividends received	**322**	316	**2,864**
Interest paid	**(407)**	(456)	**(3,616)**
Income taxes paid	**(1,734)**	(1,313)	**(15,396)**
Net cash provided by operating activities	**10,970**	10,730	**97,359**
Cash flows from investing activities:			
Increase in time deposit	**(1,558)**	(2,098)	**(13,830)**
Decrease in time deposit	**2,065**	2,389	**18,333**
Purchase of property, plant and equipment	**(4,181)**	(4,429)	**(37,105)**
Proceeds from sales of property, plant and equipment	**5**	46	**50**
Purchase of intangible fixed assets	**(207)**	(195)	**(1,845)**
Purchase of investment securities	**(501)**	(1)	**(4,447)**
Proceeds from sales of investment securities	**1,492**	5	**13,249**
Payments of loans receivable	**(28)**	(28)	**(256)**
Collections of loans receivable	**45**	44	**406**
Other	**(11)**	(1)	**(103)**
Net cash provided by investing activities	**(2,878)**	(4,269)	**(25,548)**
Cash flows from financing activities:			
Net (decrease) increase in short-term debt	**(3,454)**	(3,087)	**(30,659)**
Proceeds from long-term debt	**15,500**	1,400	**137,559**
Repayments of long-term debt	**(14,888)**	(5,337)	**(132,131)**
Purchase of treasury shares	**(7)**	(10)	**(63)**
Repayments of lease obligations	**(1,373)**	(640)	**(12,187)**
Cash dividends paid	**(488)**	-	**(4,338)**
Net cash provided by financing activities	**(4,712)**	(7,675)	**(41,820)**
Effect of exchange rate changes on cash and cash equivalents	**(1,101)**	1,310	**(9,775)**
Net increase in cash and cash equivalents	**2,277**	96	**20,215**
Cash and cash equivalents at beginning of year	**23,967**	23,871	**212,706**
Cash and cash equivalents at end of year (Note 6)	¥ **26,245**	¥ 23,967	$ **232,921**

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

Notes to Consolidated Statements
For the years ended March 31, 2016 and 2015

1. Basis of Presenting the Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared based on the accounts maintained by Nippon Chemi-con Corporation (the "Company") and its subsidiaries. The Company and its domestic subsidiaries maintain their accounts in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements submitted to the Director of the Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan.

The consolidated financial statements are not intended to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥112.68= U.S. $1, the rate of exchange on March 31, 2016 has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this or any other rates.

As permitted by the Japanese Financial Instruments and Exchange Law, amounts presented in millions of yen are rounded down to the nearest complete million yen. The U.S. dollar amounts shown are equivalent to the Japanese yen amounts as rounded, translated at the rate stated above and then rounded down to the nearest complete thousand dollars.

2. Summary of Significant Accounting Policies

(1) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and, with minor exceptions, all of its subsidiaries. The accounts of certain subsidiaries are included in the consolidated financial statements on the basis of a December 31 fiscal year end. These financial statements are prepared in conformity with financial accounting standards in Japan which require elimination of intercompany accounts and transactions.

The number of consolidated subsidiaries and affiliated companies is as follows:

	2016
Consolidated subsidiaries	**27**
Affiliated companies	**2**

Investments in all affiliated companies, with minor exceptions, are stated at their underlying equity value.

(2) Financial Instruments

Securities

Other securities for which market quotations are available are stated at fair value. Net unrealized gains or losses on these securities are reported as a separate item in net assets at a net-of-tax amount.

Other securities for which market quotations are unavailable are stated at cost, except as stated in the paragraph below.

In cases where the fair value of equity securities issued by unconsolidated subsidiaries and affiliates, or other securities has declined significantly and such impairment of value is not deemed temporary, those securities are written down to fair value and the resulting losses are included in the net profit or loss for the period.
The cost of securities sold is determined by the moving average method.

Derivatives

All derivatives are stated at fair value, with changes in fair value included in net profit or loss for the period in which they arise. However, for interest rate swap contracts meeting certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is, as permitted under the “Accounting Standard for Financial Instruments”, added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

(3) Inventories

Merchandise and supplies are stated at cost, determined by the last purchase price method, but written down based on the declines in profitability.
Inventories other than merchandise and supplies are stated at cost, but written down based on the declines in profitability. In determining cost, either the total average method or the first-in, first-out method for finished goods and work in process, and either the first-in first-out method or the last purchase price method for raw materials are used.

(4) Depreciation

Depreciation for property, plant and equipment (except for lease assets) is computed primarily using the declining-balance method over the estimated useful lives of the assets, except for buildings owned by the Company and its domestic subsidiaries (excluding leasehold improvements) for which the straight-line method is applied. Intangible fixed assets are primarily amortized using the straight-line method.
Finance lease assets that transfer ownership are depreciated as the same method as property, plant and equipment is adopted. Finance lease assets that do not transfer ownership are depreciated or amortized on a straight-line basis over the period of the lease with no residual value.

(5) Allowance for Doubtful accounts

The Company and its consolidated subsidiaries provide an allowance for doubtful accounts using a percentage of their own actual experience of bad debt loss against the balance of total receivables plus the amount deemed necessary to cover individual accounts estimated to be uncollectible.

(6) Bonus Reserve

The Company, its domestic consolidated subsidiaries and certain overseas consolidated subsidiaries provide for estimated bonus payments attributable to the services provided by the employees during the year.

(7) Provision for Environmental Safety Measures

In accordance with the "Law Concerning Special Measures for Promotion of Proper Treatment of Poly Chlorinated Biphenyl Waste (PCB Waste)," the Company provides the estimated amount which will be required at the balance sheet date for the disposal of PCB Waste that will be generated through the Company's operations

(8) Retirement benefit

The retirement benefit obligation for employee is attributed to each period by the benefit formula method.
Prior service costs are amortized on a straight-line basis over the period, the average remaining year of service of employees from the year in which they arise. Actuarial differences are amortized on a straight-line basis over the period, the average remaining year of service of employees from the year following the year in which they arise.
Unrecognized prior service costs and unrecognized actuarial differences are included in remeasurements of defined benefit plans under accumulated other comprehensive income in net assets after the tax effect adjustment.

(9) Significant hedge accounting

1) Hedge accounting

The exceptional accounting method is adopted to the interest swap agreements which conform to the special regulated terms.

The recognition of gains and losses on foreign monetary rights or obligations at a preset price is adopted to currency swap agreements which conform to a certain terms.

2) Hedging instruments and hedged items

Hedging instruments

Interest swap and currency swap

Hedged items

Interest of loans and loans denominated in foreign currencies

3) Hedge policy

The Company and its consolidated subsidiaries enter into interest swap and currency swap agreements to hedge risks from fluctuation in interest rate of loans and risks from foreign exchange.

The hedged items are assessed at each contract.

4) Assessment of hedge effectiveness

Interest swap and currency swap contracts are executed according to the risk control policy of the Company. These contracts meet the terms and conditions below:

i) Notional amount of interest swap agrees with the principal amount of long-term debt.
ii) The contract term and maturity of interest swap agrees with those of loans.
iii) The index of variable interest from interest swap agrees with that of variable interest from loans.
iv) The revised condition of interest swap agrees with that of loans.
v) The receipt and payment conditions of interest swap are fixed through the swap contract period.

Currency swap agreement is correspond to loans denominated in foreign currencies in its principal and term.

Assessment of hedge effectiveness of interest swap and currency swap agreements are omitted due to conforming to the special regulated terms.

(10) Foreign Currency Translation

All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in the net profit or loss for the period.

Assets and liabilities of foreign subsidiaries and affiliates are translated into Japanese yen at the exchange rates prevailing at the balance sheet date.

Shareholders' equity at the beginning of the year is translated into Japanese yen at historical rates. Profit and loss accounts for the year are translated into Japanese yen using the average rate during the year. Differences in the yen amounts, arising from the use of different rates, are presented as "Foreign currency translation adjustments" in Net Assets and Other comprehensive income.

(11) Income Taxes

Income taxes of the Company and its domestic subsidiaries consist of corporate income taxes, local inhabitants' taxes and enterprise taxes. The company and its wholly-owned domestic subsidiaries adopt the Japanese consolidated taxation system. Deferred income taxes are provided for in respect of temporary differences between the tax basis of assets, liabilities and those as reported in the consolidated financial statements.

(12) Consumption taxes

Consumption taxes are excluded from presentation of sales, cost of sales, income and expenses.

(13) Profit and Cash dividends per Share

Basic Profit per share is based on the average number of common shares outstanding during each year.
Cash dividends per share shown for each year in the accompanying Consolidated Statements of Operations represents dividends approved by shareholders for the respective years.

(14) Research and Development Expense and Computer Software

Research and development expense is charged to income when incurred. Expenditure relating to computer software developed for internal use is charged to income when incurred, except where it contributes to the generation of income or to future cost savings. Such expenditure is capitalized as an intangible fixed asset and is amortized using the straight-line method over its estimated useful life of 5 years.

(15) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, bank deposits capable of being withdrawn on demand and short-term investments with an original maturity of three months or less and which represent a minor risk of fluctuations in value.

3. Changes in accounting policies

The Company and its domestic subsidiaries adopted “Revised Accounting Standard for Business Combinations” (ASBJ Statement No.21 of September 13, 2015), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 of September 13, 2015), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7 of September 13, 2015) effective from April 1, 2015. As a result, under these revised accounting standards, the presentation method of net income was amended, the reference to “minority interests” was changed to “non-controlling interests,” and accounting treatment for adjustments to provisional amounts during measurement period was also changed.

4. Reclassification

(Consolidated Statements of Operations)

“Gain on sales of investment securities” was included in “Other” account of extraordinary income for the previous fiscal year, because its amount exceeded over 10% of total extraordinary income for the current fiscal year, it was changed to be presented as a separate account. The amounts of “Gain on sales of investment securities” was ¥ 1 million for the previous fiscal year.

“Income taxes for prior periods” was included in “Income taxes current” for the previous fiscal year. However it has been changed to the presentation as a separate account, because the amount has became increasingly significant to the consolidated financial statements.

As a result, “Income taxes current” of ¥1,096 million for the previous fiscal year have been reclassified as “Income taxes for prior periods” of ¥11 million and “Income taxes current” of ¥1,085 million in the consolidated statement of operations for the year ended March 31, 2015.

5. Additional information

(Application guideline with Regard to Recoverability of Deferred Tax Assets)

The Company and its domestic subsidiaries adopted “Application guideline with Regard to Recoverability of Deferred Tax Assets” (ASBJ Guidance No.26 of March 28, 2016) as of and for the year ended March 31, 2016.

6. Cash and cash equivalents

Reconciliation of cash and cash equivalents to the amount presented on the balance sheets at March 31, 2016 and 2015 is as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Cash on hand and in banks	¥	**26,250**	¥	24,483	$	**232,966**
Time deposits with a deposit term of over 3 months		**(5)**		(515)		**(44)**
Cash and cash equivalents	¥	**26,245**	¥	23,967	$	**232,921**

7. Inventories

Inventories at March 31, 2016 and 2015 comprised the following:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Finished goods and merchandise	¥	**8,973**	¥	9,298	$	**79,632**
Work-in-process		**7,704**		9,242		**68,370**
Raw materials and supplies		**4,124**		4,168		**36,606**
Total	¥	**20,801**	¥	22,709	$	**184,610**

8. Investment securities

At March 31, 2016 and 2015, the acquisition cost, fair value and unrealized gains or losses of investment securities, whose fair value is available, were as follows:

	Millions of yen							
	2016				2015			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value
Other securities:								
Equity securities	**¥ 2,002**	**¥ 1,190**	**¥ 22**	**¥ 3,170**	¥ 2,338	¥ 2,912	¥ 24	¥ 5,226
Others	**-**	**-**	**-**	**-**	110	3	-	114
Total	**¥ 2,002**	**¥ 1,190**	**¥ 22**	**¥ 3,170**	¥ 2,449	¥ 2,916	¥ 24	¥ 5,341

	Thousands of U.S. dollars (Note 1)			
	2016			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value
Other securities:				
Equity securities	**$ 17,768**	**$ 10,566**	**$ 202**	**$ 28,133**
Others	**-**	**-**	**-**	**-**
Total	**$ 17,768**	**$ 10,566**	**$ 202**	**$ 28,133**

9. Short-term and long-term debt

The weighted average interest rates applicable to loans for the years ended March 31, 2016 and 2015 were 1.11% and 1.11%, respectively.

Short-term debt at March 31, 2016 and 2015 comprised the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Bank loans and overdrafts	**¥ 2,023**	¥ 5,608	**$ 17,956**
Current portion of long-term debt	**16,220**	14,588	**143,947**
Lease obligations (Short-term)	**133**	1,363	**1,187**
Total	**¥ 18,377**	¥ 21,560	**$ 163,090**

Long-term debt at March 31, 2016 and 2015 comprised the following:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Loans:						
Loans, principally from banks and insurance companies due from 2016 to 2020 with interest rates ranging from 0.40% to 5.20%	¥	**31,534**	¥	30,923	$	**279,856**
Lease obligations (Long-term)		**164**		217		**1,456**
		31,698		31,140		**281,312**
Less: current portion		**(16,220)**		(14,588)		**(143,947)**
Total	¥	**15,478**	¥	16,552	$	**137,365**

10. Income Taxes

The Company is subject to a number of taxes based on income, which in aggregate resulted in a statutory tax rate of approximately 32.34 % for the years ended March 31, 2016.

Significant components of deferred tax assets and liabilities as at March 31, 2016 and 2015 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Deferred tax assets:						
Bonus reserve	¥	**467**	¥	535	$	**4,150**
Net defined benefit liability		**3,567**		2,510		**31,656**
Tax loss carry forwards		**9,514**		9,257		**84,441**
Unrealized gain on inventories		**82**		78		**733**
Loss on devaluation of investments in subsidiaries		**1,203**		1,645		**10,678**
Loss on devaluation of inventories		**193**		226		**1,714**
Accrued expenses		**307**		98		**2,730**
Other		**573**		637		**5,090**
Total gross deferred tax assets		**15,909**		14,990		**141,196**
Valuation allowance		**(13,568)**		(14,167)		**(120,420)**
Total deferred tax assets		**2,340**		822		**20,775**
Deferred tax liabilities:						
Net unrealized gains on securities		**(357)**		(935)		**(3,173)**
Depreciation recorded by foreign subsidiaries		**(989)**		(282)		**(8,778)**
Other		**(503)**		(201)		**(4,469)**
Total deferred tax liabilities		**(1,850)**		(1,419)		**(16,421)**
Net deferred tax liabilities	¥	**490**	¥	(596)	$	**4,354**

For the year ended March 31, 2016 and 2015 the reconciliation of the statutory tax rate to the effective income tax rate is as follows:

	2016		2015	
Statutory tax rate	**-**	**%**	35.44	%
Increase (decrease) in taxes resulting from:				
Expenses not deductible for income tax purposes	-		0.35	
Capita levy on inhabitant tax	-		0.62	
Overseas withholding taxes	-		3.11	
Revenues not taxable such as dividend income	-		(7.75)	
Change in the valuation allowance	-		(15.97)	
Difference in subsidiaries' tax rates	-		(3.73)	
Effect of eliminated dividends	-		7.51	
Other	-		(2.22)	
Effective income tax rate	**-**	**%**	17.36	%

Due to the recording of a loss before income taxes, a reconciliation of the difference between the statutory tax rate and the effective tax rate for the year ended March 31, 2016 has been omitted.

The "Act to partially revise the Income Tax Act and Others" (Act No. 15 of 2016) and the "Act to partially revise the Local Tax Act and Others" (Act No. 13 of 2016) were enacted on March 31, 2016. As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 32.34% to 30.86% for the temporary differences expected to be realized or settled in the year beginning April 1, 2016 and 2017, and to 30.62% for the temporary differences expected to be realized or settled in the year beginning April 1, 2018. Additionally, beginning from fiscal years starting on or after April 1, 2016, the use of tax loss carryforwards will be limited to the amount equivalent to 60% of taxable income before deducting tax loss carryforwards, and beginning from fiscal year starting on or after April 1, 2017, the use of tax loss carryforwards will be limited to the amount equivalent to 55% of taxable income before deducting tax loss carryforwards, and beginning from fiscal year starting on or after April 1, 2018, the use of tax loss carryforwards will be limited to the amount equivalent to 50% of taxable income before deducting tax loss carryforwards. The effect of these amendments was not material.

11. Retirement Benefit Plan

The Company, its domestic consolidated subsidiaries and certain overseas consolidated subsidiaries have defined benefit plans which consist of defined benefit pension plans, lump-sum retirement payment plans and defined contribution plans covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to their basic rates of pay, length of service, and the conditions under which termination occurs.
In addition, in certain cases, the Company pays special retirement allowances to retiring employees, which are not covered by employee retirement regulations.

The changes in the defined benefit obligation for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Balance at the beginning of the year	¥	**24,007**	¥	24,925	$	**213,063**
Cumulative effect of change in accounting policies		**-**		(1,154)		**-**
Restated balance at the beginning of the year		**24,007**		23,771		**213,063**
Service cost		**746**		833		**6,627**
Interest cost		**381**		342		**3,385**
Actuarial loss		**3,605**		(43)		**31,999**
Retirement benefit paid		**(1,126)**		(990)		**(9,994)**
Other		**(99)**		94		**(884)**
Balance at the end of the year	¥	**27,516**	¥	24,007	$	**244,196**

The changes in the plan assets for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Balance at the beginning of the year	¥	**15,844**	¥	14,025	$	**140,615**
Expected return on plan assets		**197**		179		**1,752**
Actuarial loss		**(618)**		1,402		**(5,490)**
Contributions by the company		**924**		913		**8,204**
Retirement benefit paid		**(649)**		(656)		**(5,768)**
Other		**(4)**		(19)		**(38)**
Balance at the end of the year	¥	**15,693**	¥	15,844	$	**139,274**

The reconciliations of the defined benefit obligations and pension assets to the liabilities and assets on retirement benefits recognized in the consolidated balance sheets as of March 31, 2016 and 2015 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Funded defined benefit obligation	¥	**18,399**	¥	15,853	$	**163,289**
Pension assets		**(15,693)**		(15,844)		**(139,274)**
		2,705		8		**24,014**
Unfunded defined benefit obligations		**9,116**		8,154		**80,907**
Net amount of liabilities and assets in consolidated balance sheet		**11,822**		8,163		**104,921**
Net defined benefit liability		**11,822**		8,163		**104,921**
Net amount of liabilities and assets in consolidated balance sheet	¥	**11,822**	¥	8,163	$	**104,921**

Note: Certain domestic consolidated subsidiaries adopt a simplified method in calculating of defined benefit obligation.

The components of retirement benefit expense for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Service cost		**746**		833		**6,627**
Interest cost		**381**		342		**3,385**
Expected return on plan assets		**(197)**		(179)		**(1,752)**
Amortization of unrecognized actuarial loss		**473**		600		**4,198**
Amortization of prior service cost		**(155)**		(149)		**(1,379)**
Retirement benefit expense	¥	**1,248**	¥	1,447	$	**11,079**

The breakdown of items in other comprehensive income before tax effect as for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Actuarial loss		**3,751**		(2,035)		**33,291**
Prior service cost		**155**		154		**1,379**
Total	¥	**3,906**	¥	(1,880)	$	**34,670**

The breakdown of items in accumulated other comprehensive income before tax effect as of March 31, 2016 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Unrecognized prior service cost	**6,195**	2,422	**54,983**
Unrecognized actuarial loss	**(712)**	(863)	**(6,325)**
Total	¥ **5,482**	¥ 1,558	**$ 48,657**

The breakdown of pension assets by major category as of March 31, 2016 and 2015 are as follows:

	2016	**2015**
Equity securities	**32%**	33%
General account	**25%**	23%
Alternatives	**21%**	10%
Bonds	**20%**	32%
Cash on hand and in banks	**0%**	0%
Other	**2%**	2%
Total	**100%**	100%

Note: Alternatives mainly consisted of investment in hedge funds.
Pension plan assets include 6% employee pension trust which has been contributed to pension plan.

The items of actuarial assumptions as of March 31, 2016 and 2015 are as follows (The discount rate are shown as weighted average.):

	2016	**2015**
Discount rate	**Primarily 0.3%**	Primarily 1.5%
Expected rates of long-term return on plan assets	**Primarily 1.25%**	Primarily 1.25%

Contributions to defined contribution pension plan was ¥179 million.

12. Derivatives

The Company and its consolidated subsidiaries selectively engage in derivative financial instrument transactions in order to manage the market risks from fluctuations in foreign currency exchange rates and interest rates. The Company and its consolidated subsidiaries do not hold or issue derivative financial instruments for speculative trading purposes.

(1) Derivative transactions to which hedge accounting is not applied

Currency-related transactions

	Millions of yen					
	March 31, 2016			March 31, 2015		
	Notional amount	Fair value	Unrealized gain (loss)	Notional amount	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts						
Sell:						
US$	**¥ 5,398**	**¥ 348**	**¥ 348**	¥ 6,110	¥ 50	¥ 50
Euro	**312**	**9**	**9**	306	36	36
Buy:						
US$	**804**	**0**	**0**	699	(3)	(3)
NT$	**199**	**(2)**	**(2)**	-	-	-
	¥ 6,715	**¥ 356**	**¥ 356**	¥ 7,116	¥ 83	¥ 83

	Thousands of U.S. dollars (Note 1)		
	March 31, 2016		
	Notional amount	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts			
Sell:			
US$	**$ 47,908**	**$ 3,093**	**$ 3,093**
Euro	**2,773**	**87**	**87**
Buy:			
US$	**7,141**	**3**	**3**
NT$	**1,772**	**(22)**	**(22)**
	$ 59,595	**$ 3,162**	**$ 3,162**

(2) Derivative transactions to which hedge accounting is applied

1) Currency-related transactions

Classification	Item	Hedged liabilities	Millions of yen					
			March 31, 2016			March 31, 2015		
			Notional amount	Notional amount due after one year	Fair value	Notional amount	Notional amount due after one year	Fair value
Exceptional treatment for an interest rate swap and currency swap	Currency rate swap: U.S. dollar receipt / Japanese yen payment	Long - term debt	-	-	-	1,000	-	(*)

Classification	Item	Hedged liabilities	Thousands of U.S. dollars (Note 1)		
			March 31, 2016		
			Notional amount	Notional amount due after one year	Fair value
Exceptional treatment for an interest rate swap and currency swap	Currency rate swap: U.S. dollar receipt / Japanese yen payment	Long - term debt	-	-	-

(*) Fair value of interest rate and currency swaps by exceptional treatment is included in fair value of the corresponding long-term debt to which hedge accounting is applied.

2) Interest-related transactions

Classification	Item	Hedged liabilities	Millions of yen					
			March 31, 2016			March 31, 2015		
			Notional amount	Notional amount due after one year	Fair value	Notional amount	Notional amount due after one year	Fair value
Exceptional treatment for an interest rate swap	Interest rate swap: Fixed rate payment / floating rate receipt	Long - term debt	**24,996**	**11,500**	**(*)**	18,498	13,496	(*)

Classification	Item	Hedged liabilities	Thousands of U.S. dollars (Note 1)		
			March 31, 2016		
			Notional amount	Notional amount due after one year	Fair value
Exceptional treatment for an interest rate swap	Interest rate swap: Fixed rate payment / floating rate receipt	Long - term debt	**221,831**	**102,058**	**(*)**

(*) Fair value of interest rate swaps by exceptional treatment is included in fair value of the corresponding long-term debt to which hedge accounting is applied.

13. Shareholders' equity

The Corporate Law requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (of retained earnings) or as additional paid-in capital (of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Corporate Law, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Corporate Law also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

14. Treasury shares

A reconciliation of the beginning and ending amount of treasury shares is as follows:

		2015		Increase during the year		Decrease during the year		2016
Number of shares		201,847		23,881		-		**225,728**
Total price (Millions of yen)	¥	64	¥	7	¥	-	**¥**	**71**
Total price (Thousands of U.S. dollars)	$	568	$	63	$	-	**$**	**632**

15. Pledged assets

There are no pledged assets.

16. Related party transactions

Samyoung Electronics Co., Ltd. (Samyoung) is substantively a 33.4%-owned affiliated company of the Company. The Company principally purchases Samyoung's products and the Company sells its products and materials.

Transaction's terms and policy

(1) Purchase prices of Samyoung's products are determined in consideration of the market prices and total costs.

(2) Sales prices of materials for capacitors and equipments are determined in consideration of the market prices and total costs.

(3) The transaction prices of materials supplied to Samyoung are determined in consideration of the market prices and total costs.

Significant balances at March 31, 2016 and 2015 and transactions for the years ended March 31, 2016 and 2015 with related parties are summarized as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Investment securities	¥ **12,096**	¥ 12,500	$ **107,355**

	Millions of yen					
	2016			2015		
	Transaction amount	Account title	Balance at end of year	Transaction amount	Account title	Balance at end of year
Purchase of affiliates' products	¥ **4,082**	Accounts payable	¥ **360**	¥ 4,251	Accounts payable	¥ 369
Sales of materials and equipments	**484**	Accounts receivable	**46**	627	Accounts receivable	98
Supply of materials	¥ **1,724**	Accounts receivable - other	¥ **90**	¥ 1,641	Accounts receivable - other	¥ 162

	Thousands of U.S. dollars (Note 1)		
	2016		
	Transaction amount	Account title	Balance at end of year
Purchase of affiliates' products	$ **36,230**	Accounts payable	$ **3,201**
Sales of materials and equipments	**4,304**	Accounts receivable	**409**
Supply of materials	$ **15,307**	Accounts receivable - other	$ **807**

Condensed financial information of the significant affiliated companies, for which the equity method is applied , as of March 31,2016 and 2015, and for the years then ended, was follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Total current assets	¥ **31,841**	¥ 32,403	$ **282,585**
Total fixed assets	**19,354**	21,523	**171,762**
Total current liabilities	**2,567**	2,968	**22,783**
Total long-term liabilities	**536**	787	**4,762**
Total net assets	**48,092**	50,171	**426,802**
Net sales	**27,216**	29,087	**241,541**
Income before income taxes	**1,787**	2,323	**15,864**
Net income	**1,505**	1,873	**13,359**

17. Selling, general and administrative expenses

The following are the major elements of selling, general and administrative expenses for the years ended March 31, 2016 and 2015.

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Freight and transportation	¥	**3,308**	¥	3,524	$	**29,360**
Salaries and wages		**4,245**		4,261		**37,675**
Provision for bonus reserve		**773**		826		**6,864**
Retirement benefit expenses		**515**		685		**4,576**
Depreciation		**869**		961		**7,716**
Research and development expenses		**4,321**		4,160		**38,350**

18. Research and Development expenses

The total amounts of research and development expenses for the years ended March 31, 2016 and 2015 are as follows and all of them are charged to income as incurred.

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Research and development expenses	¥	**4,321**	¥	4,160	$	**38,350**

19. Gain on sales of property, plant and equipment

Gain from retirement of property, plant and equipment for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Buildings and structures	¥	**-**	¥	14	$	**-**
Machinery, equipment and others		**5**		9		**47**
Total	¥	**5**	¥	24	$	**47**

20. Loss on disposal of property, plant and equipment

Loss from retirement of property, plant and equipment for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Buildings and structures	¥	**17**	¥	5	$	**158**
Machinery, equipment and others		**10**		92		**91**
Total	¥	**28**	¥	98	$	**249**

21. Other comprehensive income

For the years ended March 31, 2016 and 2015, other comprehensive income is as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Net unrealized holding gains on securities			
Increase during the year	¥ **(1,154)**	¥ 982	$ **(10,248)**
Reclassification adjustments	**(569)**	(1)	**(5,053)**
Before deferred tax adjustments	**(1,724)**	980	**(15,302)**
Deferred tax amounts	**579**	(255)	**5,141**
Net unrealized holding gains on securities	**(1,144)**	725	**(10,160)**
Foreign currency translation adjustments			
Increase during the year	**(2,806)**	4,925	**(24,907)**
Foreign currency translation adjustments	**(2,806)**	4,925	**(24,907)**
Remeasurements of defined benefit plans			
Increase during the year	**(4,224)**	1,424	**(37,490)**
Reclassification adjustments	**317**	455	**2,819**
Before deferred tax adjustments	**(3,906)**	1,880	**(34,670)**
Deferred tax amounts	**(18)**	18	**(163)**
Remeasurements of defined benefit plans	**(3,925)**	1,898	**(34,834)**
Share in other comprehensive income of associates accounted for using the equity method			
Increase during the year	**(40)**	161	**(358)**
Reclassification adjustments	**3**	3	**29**
Share in other comprehensive income of associates accounted for using the equity method	**(36)**	164	**(328)**
Total other comprehensive income	¥ **(7,913)**	¥ 7,713	$ **(70,230)**

22. Dividends

(1) Year ended March 31, 2016（April 1, 2015 to March 31, 2016）

1) Dividends paid

Resolution	**Type of shares**	**Total dividend (millions of yen)**	**Total dividends (thousands of U.S. dollars) (Note 1)**	**Source of dividends**	**Dividends per share (yen)**	**Dividends per share (U.S. Dollars) (Note 1)**	**Cut-off date**	**Effective date**
Annual general meeting of the shareholders on June 26, 2015	Common stock	¥ **488**	$ **4,338**	Retained earnings	¥ **3.00**	$ **0.03**	March 31, 2015	June 29, 2015

2) Dividends for which the record date came during the year ended March 31, 2016, and the effective date is after said period.

Resolution	Type of shares	Total dividend (millions of yen)	Total dividends (thousands of U.S. dollars) (Note 1)	Source of dividends	Dividends per share (yen)	Dividends per share (U.S. Dollars) (Note 1)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 29, 2016	Common stock	¥ 488	$ 4,337	Capital surplus	¥ 3.00	$ 0.03	March 31, 2016	June 30, 2016

(2) Year ended March 31, 2015（April 1, 2014 to March 31, 2015）

1) Dividends paid

None

2) Dividends for which the record date came during the year ended March 31, 2015, and the effective date is after said period.

Resolution	Type of shares	Total dividend (millions of yen)	Total dividends (thousands of U.S. dollars) (Note 1)	Source of dividends	Dividends per share (yen)	Dividends per share (U.S. Dollars) (Note 1)	Cut-off date	Effective date
Annual general meeting of the shareholders on June 26, 2015	Common stock	¥ 488	$ 4,338	Retained earnings	¥ 3.00	$ 0.03	March 31, 2015	June 29, 2015

23. Financial instruments

(1) Status of financial instruments

1) Policies for financial instruments

The Company and its consolidated subsidiaries invest only in short-term deposits and raise funds by borrowing from banks, issuing corporate bonds and capital increase. The Company and certain consolidated subsidiaries use derivative financial instruments for the purpose of reducing risk of fluctuation of exchange rates and interest rates.

2) Detail of financial instruments and related risk

Trade receivables are exposed to the credit risk of customers. In addition, trade receivables denominated in foreign currencies generated by worldwide operations are exposed to the risk of exchange rate fluctuations. This risk is hedged by using forward exchange contracts for, in principle, the net position after offsetting trade receivables denominated in foreign currencies with trade payables denominated in foreign currencies. Investments in securities, which primarily consist of shares of the companies with which the Companies have operational relationships, are exposed to market volatility risk. Trade payables are mostly due within one year.

Short-term and long-term debt are used for the Company’s operation and capital expenditure. Variable interest rate loans are exposed to the risk of interest rate fluctuations. Interest rate swap transactions are used as hedges to fix interest expenses for a portion of long-term variable interest rate debts.

Trade payable, account payables – other and debts are exposed to liquidity risk.
Derivative transactions primarily consist of foreign exchange forward contracts for the purpose of hedging exchange rate fluctuation risk related to trade receivables and payables denominated in foreign currencies.

3) Risk management of financial instruments

i) Management of credit risk (customers or counterparties' default risk)

The credit risk monitoring activities of the Company and its consolidated subsidiaries include review of overdue and balance amounts of each customer as well as review of credit worthiness of major customers on a regular basis in accordance with the sales credit management regulation etc.
The Company enters into derivative transaction with highly rated financial institutions to reduce counterparty risk.

ii) Management of market risk (fluctuation risk of currencies and interests)

The Company hedges foreign currency fluctuation risk of trade receivables and payables denominated in foreign currencies by entering into foreign exchange forward contracts with contact periods within half year in principle.
The Company enters into the interest swap contract to mitigate the risk of interest rate fluctuations on debts.
With respect to investments in securities, the Company assesses the fair value and financial status of the issuing entities (transaction partner) at each quarter, and periodically reviews the necessity of such securities, taking into account the Company's relationship with respective transaction partners.

The Company enters into and manages the derivative transactions in accordance with internal rules stipulating authorization and maximum limits of transactions. The accounting division makes journal entries and performs direct confirmation of transaction balances with counterparties.

iii) Management of liquidity risk in financing activities (the risk that the Company may not be able to meet its obligations on scheduled due dates)

The Company manages the liquidity risk by preparing the financial plans on a semiannual and monthly basis, and by entering into commitment line agreements with transacting financial institutions.

4) Supplementary explanation of fair value of financial instruments

The fair value of financial instruments is based on quoted market prices, or, if there are no market prices, based on reasonably estimated prices. Because estimations of the said prices incorporate fluctuating factors, applying different assumptions can in some cases change the said prices. The notional amount of derivatives that are shown in Note 12 "Derivatives" does not represent the amounts exchanged by the parties and do not measure the Company's exposure to market risk.

5) Concentration of credit risk

There is no operating credit for a specific large customer as of the consolidated balance sheet date.

(2) Fair value of financial instruments

The carrying amounts recognized on the consolidated balance sheets, fair values and the differences between them on March 31, 2016 and 2015 are as shown below. Financial instruments for which it is extremely difficult to determine the fair value is not included in the following table. Refer to "Notes 2. Summary of significant Accounting Policies".

	Millions of yen					
	March 31, 2016			March 31, 2015		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
1) Cash on hand and in banks	**¥ 26,250**	**¥ 26,250**	**¥ -**	¥ 24,483	¥ 24,483	¥ -
2) Notes and accounts receivable-trade	**24,433**	**24,433**	**-**	27,303	27,303	-
3) Investment securities						
i) Investments in securities	**3,170**	**3,170**	**-**	5,341	5,341	-
ii)Investments in stock of subsidiaries and affiliates	**12,070**	**7,739**	**(4,331)**	12,454	10,601	(1,853)
Total assets	**¥ 65,924**	**¥ 61,593**	**¥ (4,331)**	¥ 69,583	¥ 67,730	¥ (1,853)
1) Notes and accounts payable-trade	**7,080**	**7,080**	**-**	7,868	7,868	-
2) Accounts payable-other	**9,518**	**9,518**	**-**	7,464	7,464	-
3) Short-term debt (Except for lease obligations)	**18,243**	**18,243**	**-**	20,196	20,196	-
4) Long-term debt (Except for lease obligations)	**15,314**	**15,506**	**191**	16,335	16,421	85
Total liabilities	**¥ 50,156**	**¥ 50,348**	**¥ 191**	¥ 51,865	¥ 51,951	¥ 85
Derivative transactions	**¥ 356**	**¥ 356**	**¥ -**	¥ 83	¥ 83	¥ -

	Thousands of U.S. dollars (Note 1)		
	March 31, 2016		
	Carrying amount	Fair value	Difference
1) Cash on hand and in banks	**$ 232,966**	**$ 232,966**	**$ -**
2) Notes and accounts receivable-trade	**216,837**	**216,837**	**-**
3) Investment securities			
i) Investments in securities	**28,133**	**28,133**	**-**
ii)Investments in stock of subsidiaries and affiliates	**107,119**	**68,682**	**(38,437)**
Total assets	**$ 585,056**	**$ 546,618**	**$ (38,437)**
1) Notes and accounts payable-trade	**$ 62,838**	**$ 62,838**	**$ -**
2) Accounts payable-other	**84,471**	**84,471**	**-**
3) Short-term debt (Except for lease obligations)	**161,903**	**161,903**	**-**
4) Long-term debt (Except for lease obligations)	**135,908**	**137,612**	**1,703**
Total liabilities	**$ 445,122**	**$ 446,826**	**$ 1,703**
Derivative transactions	**$ 3,162**	**$ 3,162**	**$ -**

The value of assets and liabilities arising from derivatives is shown at net value, and with the amount in parentheses representing a net liability position.

Notes 1: Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions.

Assets:

1) Cash on hand and in banks and 2) Notes and accounts receivable-trade

As their fair value approximates book value due to their short maturity, the corresponding book value is used as fair value.

3) Investment securities

The value of investments in securities is based on quoted market prices of stock exchanges.

Liabilities:

1) Notes and accounts payable-trade and 2) Accounts payable-other

As their fair value approximates book value due to their short maturity, the corresponding book value is used as fair value.

3) Short-term debt (Except for lease obligations)

The fair value of current portion of long-term debt is based on the total amount of the principal and interest discounted by the rationally estimated interest rate that would be applied to an equivalent new debt.

As a result, the book value is used as fair value as their fair value approximates book value due to their short maturity.

The fair value of short-term debt except for current portion of long-term debt is recorded at book value as the fair value approximates book value due to their short maturity.

4) Long-term debt (Except for lease obligations)

The fair value of long-term debt is based on the total amount of the principal and interest discounted by the rationally estimated interest rate that would be applied to an equivalent new debt.

Derivative transactions

Refer to “Note 12. Derivatives”.

Notes 2: Financial instruments of which fair value is extremely difficult to determine

	Consolidated balance sheet					
	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2016		2015		**2016**	
Unlisted shares	**¥**	**209**	¥	228	**$**	**1,855**

These items are excluded from "(3) Investment securities" since there are no quoted market prices and it is extremely difficult to determine the fair value of such items.

Notes 3: Monetary claims at March 31,2016 and 2015

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2016		2015		**2016**	
Cash on hand and in banks	**¥**	**26,250**	¥	24,483	**$**	**232,966**
Trade receivables		**24,433**		27,303		**216,837**
Total	**¥**	**50,683**	¥	51,787	**$**	**449,803**

Notes 4: Redemption schedules of corporate long-term debt with maturities at March 31, 2016 and 2015

	Long-term debt					
	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2016		2015		**2016**	
2016	¥	**16,220**	¥	14,588	$	**143,947**
2017		**1,254**		15,420		**11,130**
2018		**11,654**		254		**103,429**
2019		**604**		654		**5,366**
2020		**1,800**		4		**15,981**
2021 and thereafter		**-**		0		**-**

24. Lease

Lease transactions that do not transfer ownership, whose transaction dates are before March 31, 2008 are as follows:

(1) Acquisition cost, accumulated depreciation and net balance of leased assets at March 31, 2016 and 2015

	Millions of yen					
	2016			2015		
	Acquisition cost	Accumulated depreciation	Net balance	Acquisition cost	Accumulated depreciation	Net balance
Machinery, equipment and others	**¥ -**	**¥ -**	**¥ -**	¥ 18	¥ 18	¥ 0

	Thousands of U.S. dollars (Note 1)		
	2016		
	Acquisition cost	Accumulated depreciation	Net balance
Machinery, equipment and others	**$ -**	**$ -**	**$ -**

(2) Amount of outstanding future lease payments at March 31, 2016 and 2015, including the portion of interest thereon, categorized by contractual maturity:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Within one year	**¥ -**	¥ 0	**$ -**
Over one year	**-**	-	**-**
Total	**¥ -**	¥ 0	**$ -**

(3) Lease expenses, depreciation and interest expense for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2016	2015	**2016**
Lease expenses	**¥ 0**	¥ 2	**$ 2**
Depreciation	**0**	2	**1**
Interest expense	**0**	0	**0**

Depreciation is calculated using the straight-line method. The useful economic lives of the lease assets are equal to the lease term and the residual value is assumed to be zero.

The assumed interest expense is computed using the interest method over the lease terms based on the difference between the acquisition cost of the lease assets and the total lease payments.

25. Segment Information

(1) Overview of reportable segments

The Company has classified its reportable segments as the discrete units from which it obtains financial information, and for which the Board of Directors periodically allocates resources and evaluates performance.

The Company has established a functional business division for the capacitor business that mainly manufactures and sells capacitors. The business division formulates comprehensive strategies for Japan and overseas. Accordingly, the Company has a single segment "Capacitor".

The "Capacitor" business mainly manufactures and sells aluminum capacitors related products including processed aluminum foils that are used as raw materials.

(2) Method of calculating amounts of net sales, income (loss), assets, and other items

The accounting policies of the segments are substantially the same as those described in the significant policies in Note 2 "Summary of Significant Accounting Policies". Profits of reportable segments correspond to operating income.

(3) Information concerning net sales and income (loss), assets and other items by reportable segment

	Millions of yen					
	2016			2015		
	Capacitor	Other	Consolidated	Capacitor	Other	Consolidated
Net sales:						
Sales to unaffiliated customers	**¥ 113,505**	**¥ 4,909**	**¥ 118,414**	¥ 118,526	¥ 4,838	¥ 123,365
Intersegment sales	-	-	-	-	-	-
Total	**113,505**	**4,909**	**118,414**	118,526	4,838	123,365
Segment profit (loss)	**2,306**	**(126)**	**2,179**	5,337	(215)	5,122
Other:						
Depreciation	**7,591**	**41**	**7,632**	7,865	44	7,909
Increase in fixed assets	**4,235**	**119**	**4,354**	5,124	79	5,203

	Thousands of U.S. dollars (Note 1)		
	2016		
	Capacitor	Other	Consolidated
Net sales:			
Sales to unaffiliated customers	**$ 1,007,324**	**$ 43,567**	**$ 1,050,891**
Intersegment sales	-	-	-
Total	**1,007,324**	**43,567**	**1,050,891**
Segment profit (loss)	**20,466**	**(1,121)**	**19,344**
Other:			
Depreciation	**67,368**	**364**	**67,733**
Increase in fixed assets	**37,590**	**1,057**	**38,648**

Notes:
1. "Other" includes business segments other than the reportable segment such as CMOS Camera modules and Amorphous Choke Coils.
2. Total segment loss corresponds to operating loss in the consolidated statements of operations.
3. Segment assets are not disclosed since the assets are not allocated to each business segment.

(4) Related information

Related information for the years ended March 31, 2016 and 2015 are as follows:

1) Information by products and services

Information by products and services is omitted because the information is same as that of reporting segments.

2) Information by geographic area

i) Net Sales

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Japan	**¥**	**24,632**	¥	29,046	**$**	**218,603**
China		**43,386**		44,167		**385,043**
America		**12,355**		12,446		**109,651**
Europe		**12,381**		12,039		**109,883**
Others		**25,658**		25,666		**227,710**
Total	**¥**	**118,414**	¥	123,365	**$**	**1,050,891**

ii) Fixed assets

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2016		2015		**2016**
Japan	**¥**	**26,299**	¥	27,934	**$**	**233,396**
China		**2,770**		3,196		**24,591**
America		**4,095**		4,699		**36,347**
Europe		**29**		38		**260**
Others		**6,396**		7,841		**56,765**
Total	**¥**	**39,591**	¥	43,711	**$**	**351,361**

iii) Information about major customer

Information about major customer for the years ended March 31, 2016 and 2015 are not presented as there is no customer to whom sales is over 10% in the consolidated statements of operations.

26. Other

In December 2015, the Company and its certain consolidated subsidiaries received notice from the Taiwan Fair Trade Commission concerning the decision that the Company and its certain consolidated subsidiaries would be levied fines in relation to aluminum electrolytic capacitor transactions. In March 2016, the Company was issued a cease and desist order and a surcharge payment order by the Japan Fair Trade Commission in relation to aluminum electrolytic capacitor transactions. As a result, the company and its consolidated subsidiaries recorded an extraordinary loss as a loss related to the Antimonopoly Act. The Company and its consolidated subsidiaries are also being subjected to investigations conducted by competition authorities of the United States, EU, China and other countries, with respect to the transactions of aluminum electrolytic capacitors and other capacitors. The investigations are still in progress. Results of the investigations may affect the Company and its consolidated subsidiaries' operating results.