NIPPON CHEMI-CON CORPORATION

REPORT OF CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
March 31, 2018 and 2017

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, 2018, 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, 2018 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 28, 2018

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

	Millions of yen except for per share amounts									
	2018		2017		2016		2015		2014	
Net sales	¥	133,362	¥	116,311	¥	118,414	¥	123,365	¥	113,962
Profit (loss) attributable to owners of the parent company	¥	(16,056)	¥	840	¥	(6,905)	¥	5,362	¥	3,315
Profit (loss) per share:										
Basic	¥	(985.77)	¥	51.57	¥	(423.82)	¥	329.09	¥	223.38
Diluted	¥	-	¥	-	¥	-	¥	-	¥	-
Net assets per share	¥	3,012.97	¥	3,877.73	¥	3,834.26	¥	4,772.25	¥	3,901.56

	Thousands of U.S. dollars except for per share amounts									
	2018		2017		2016		2015		2014	
Net sales	$	1,255,293	$	1,094,802	$	1,114,594	$	1,161,196	$	1,072,692
Profit (loss) attributable to owners of the parent company	$	(151,134)	$	7,907	$	(64,997)	$	50,480	$	31,210
Profit (loss) per share:										
Basic	$	(9.28)	$	0.49	$	(3.99)	$	3.10	$	2.10
Diluted	$	-	$	-	$	-	$	-	$	-
Net assets per share	$	28.36	$	36.50	$	36.09	$	44.92	$	36.72

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. As we conducted a 10-to-1 share consolidation of its common stock on October 1, 2017, per share amounts have been adjusted as if the share consolidation had been conducted at the start of FY 2014.
4. U.S. dollar amounts have been translated from yen at the rate of ¥106.24= 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 fiscal year ended March 31, 2018 saw mild economic growth supported by firm capital investments in the U.S.A. The European economy also trended towards recovery. The Chinese economy has maintained a stable growth rate thanks to growth in export amounts. The Japanese economy continued mild recovery trend thanks to a steady hiring environment and improved personal spending.

Looking at market environments impacting the Nippon Chemi-Con Group, automobile-related markets saw firm growth thanks to advances in the adoption of Advanced Driving Assistant Systems (ADAS). Industrial robots, other equipment-related markets and air conditioner market also trended favorably thanks to demand growth in China.

Amid such an environment, in April 2017 our Group launched our 8th Medium-term Management Plan, which outlines "Offering Services that Delight Our Customers and Creating New Values that Satisfy Genuine Demands of Customers" as fundamental strategy for this plan period. Through this plan, we have implemented policies aimed at increasing our corporate value. Specifically, we positioned five markets, including the automotive electronics market and industrial-use inverter market, both of which are expected to experience market growth, as strategic markets. Our manufacturing department, sales department, and technology department united as one to inject new products into these markets and conduct various sales and promotional activities. To address quality, we build a quality control structure focused on the prevention of quality problems, and to strengthen our quality control structure, we established a new Innovative Quality Advancement Dept. within the Quality Assurance Headquarters. We also made proactive quality investments, including installing the latest analytical equipment and measurement instruments. To increase our cost competitiveness by reorganizing our production structure, on April 1, 2017, we merged consolidated subsidiary Chemi-Con Fukushima Corp. with Fukushima Electrolytic Industry Corp. and merged Chemi-Con Yamagata Corp. with Chemi-Con Yonezawa Corp.

In the area of product development, we developed the MZS Series, a product line of surface mount-type aluminum electrolytic capacitors that serve as backup power sources for car navigation systems and car audio, and which offer up to 40% higher capacitance compared to previous products. We enhanced our product line by developing new models for the LXS Series and KMS Series of snap-in type aluminum electrolytic capacitors, which are expanding sales for use in solar power generator power conditioners and industrial-use machinery such as industrial robots. These new models feature a rated voltage of 600V for use as power sources in medical devices.

As a result, consolidated earnings for the year ended March 31, 2018 were net sales of 133,362 million yen (up 14.7% year on year), operating income of 5,818 million yen (up 74.3% year on year), and ordinary income of 4,416 million yen (up 120.5% year on year). Furthermore, losses attributable to owners of parent were 16,056 million yen (previous fiscal year was profit attributable to owners of parent of 840 million yen) on having recorded extraordinary losses related to Antitrust laws.

Operating Results by Division

Following represent a breakdown of sales by business division.

1. Capacitors (120,596 million yen, 90.4% of total sales)

In China and the Asia region, demand related to home appliances and automobile-related products increased, resulting in division net sales increasing by 14.6% year on year.

2. Mechanical Parts and Other Parts (3,208 million yen, 2.4% of total sales)

Division net sales increased 15.1% year on year thanks to increased CMOS camera module sales.

3. Capacitor Materials (7,125 million yen, 5.4% of total sales)

Division net sales increased 12.5% year on year thanks to increased demand for electrode foils for aluminum electrolytic capacitors.

4. Other Products (2,431 million yen, 1.8% of total sales)

Division net sales increased 24.8% year on year thanks to increased sales of resale products.

Outlook for Fiscal 2018

Looking at earnings forecasts, while the U.S. economy is expected to trend towards mild growth thanks to firm capital investments and personal spending, there is concern of economic lull in Europe due to uncertainty caused by Brexit and other issues. Looking at the Japanese economy, the operating environment impact on our Group continues to require caution due to causes for concern such as a trend towards yen appreciation and rising costs for crude oil and raw materials.

Our Group fundamental strategy for FY2018, the second year of our 8th Medium-term Management Plan, is to "Proactively implement new reforms, viewing the 4th industrial revolution as a growth opportunity-Generating profits by effective use of management resources (people, things, money and information)". With this refined growth strategy, we will continue implementing measures aimed at solidifying our management platform. During FY2018, we will continue to proactively invest in growth sectors, focus on investment profitability, and improve our investment efficiency and our total asset turnover rate. We will increase sales by focusing on growth in the automobile and industrial equipment sectors, which are expected to see continued sales growth for aluminum electrolytic capacitors, our mainstay product. We will improve the profitability of products such as multi-layer ceramic capacitors and electric double-layer capacitors by identifying core products for promotion in each region. As part of our strategy for "Reinforcement of Earnings Structure", we will increase our rate of overseas production by providing production and quality support to overseas production plants to increase competitiveness.

In October 2017, the U.S. Department of Justice filed a lawsuit in the U.S. District Court for the Northern District of California against Nippon Chemi-Con Corporation claiming a violation of U.S. antitrust laws and alleging that Nippon Chemi-Con engaged in a price cartel and pricing collusion for electrolytic capacitors. We responded appropriately to these claims, including filing an official rebuttal and providing counterevidence but on May 10, 2018 we decided to reach a settlement with the U.S. Department of Justice involving the payment of a fine. The fine amount to be paid as a result of said settlement will be between US $40 and 60 million. This amount will be finalized upon settlement approval by the U.S. District Court for the Northern District of California.

Also, in January 2018, Nippon Chemi-Con subsidiary Singapore Chemi-Con (Pte.) Ltd. received notification from the Competition Commission of Singapore of their decision to fine the company SG $6,993,805 on suspicion of violations of the Singapore Competition Law. The suspicions are in relation to aluminum electrolytic capacitor transactions with customers in Singapore. In regards to this decision, the recognition and interpretation of facts by Nippon Chemi-Con and Singapore Chemi-Con (Pte.) Ltd. differ from those of the Competition Committee. While we do not completely agree with this decision, upon comprehensive evaluation of the facts and based on our desire to prioritize increasing our medium- and long-term corporate value, we have decided not to file an objection to this judgment.

Furthermore, in March 2018, we received notification from the European Commission of their decision to assess a fine of 97,921,000 euro on suspicion of violations of European Competition Law in relation to aluminum electrolytic capacitor and tantalum electrolytic capacitor transactions in Europe. In regards to this decision, our recognition and interpretation of facts differ from those of the European Commission, and we have filed an appeal with the European General Court.

Nippon Chemi-Con and our U.S. subsidiary United Chemi-Con, Inc. are the subject of a class action civil lawsuit filed with the U.S. District Court for the Northern District of California claiming damages for violations of U.S. antitrust laws in relation to electrolytic capacitors and film capacitors. Although Nippon Chemi-Con and United Chemi-Con, Inc. do not recognize any liability for damages, upon comprehensive evaluation of the situation, in January 2018 we reached an agreement with the indirect purchaser plaintiffs to pay a settlement in the amount of US $13.5 million and concluded an official settlement agreement in February 2018. This settlement shall take effect upon approval by the court.

We take this opportunity to express our sincerest apologies to shareholders for concerns we have caused. We take the occurrence of these situations seriously. We will continue with measures including reinforcing employee education, promoting awareness activities, and enhancing internal audits to prevent reoccurrence, reinforce compliance with anti-trust/competition law and all other laws, and ensure fair business practices.

I ask for the continued support of all our stakeholders.
June 28, 2018

Ikuo Uchiyama
President

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Balance Sheets
For the years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
Assets	**2018**	2017	**2018**
Current assets:			
Cash and deposits (Note 4)	**¥ 24,692**	¥ 28,497	**$ 232,424**
Notes and accounts receivable-trade	**29,108**	27,314	**273,990**
Inventories (Note 5)	**22,958**	20,878	**216,100**
Accounts receivable-other	**6,312**	5,403	**59,421**
Deferred tax assets (Note 8)	**1,092**	1,246	**10,278**
Other current assets	**604**	493	**5,691**
Less allowance for doubtful accounts	**(18)**	(34)	**(173)**
Total current assets	**84,751**	83,799	**797,733**
Property, plant and equipment:			
Buildings and structures	**39,245**	38,947	**369,408**
Machinery, equipment and others	**131,763**	129,954	**1,240,246**
Land	**6,905**	6,908	**64,996**
Lease assets	**1,140**	1,047	**10,735**
Construction in progress	**2,378**	1,118	**22,390**
Sub total	**181,434**	177,976	**1,707,777**
Less accumulated depreciation	**(143,405)**	(140,434)	**(1,349,823)**
Property, plant and equipment, net	**38,029**	37,541	**357,954**
Intangible fixed assets	**1,073**	1,083	**10,101**
Investments and other assets :			
Investment securities (Notes 6 and 14)	**17,585**	15,663	**165,523**
Long-term loans receivable	**8**	14	**79**
Deferred tax assets (Note 8)	**451**	370	**4,251**
Other	**1,368**	1,327	**12,881**
Less allowance for doubtful accounts	**(25)**	(31)	**(241)**
Total investments and other assets	**19,388**	17,344	**182,494**
Total assets	**¥ 143,241**	¥ 139,768	**$ 1,348,282**

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, 2018 and 2017

	Millions of yen				Thousands of U.S. dollars (Note 1)	
Liabilities and Net Assets		**2018**		2017		**2018**
Current liabilities:						
Notes and accounts payable-trade	¥	**10,106**	¥	8,682	$	**95,129**
Electronically recorded obligations		**7,045**		5,440		**66,312**
Short-term debt (Note 7)		**15,817**		6,050		**148,887**
Accounts payable-other		**18,287**		4,198		**172,135**
Income taxes payable		**766**		638		**7,217**
Accrued expenses		**6,965**		2,335		**65,566**
Bonus reserve		**1,788**		1,684		**16,832**
Notes payable-equipment		**239**		95		**2,256**
Other current liabilities		**407**		317		**3,837**
Total current liabilities		**61,425**		29,442		**578,176**
Long-term liabilities:						
Long-term debt (Note 7)		**18,551**		29,645		**174,621**
Deferred tax liabilities (Note 8)		**993**		1,156		**9,355**
Provision for environmental safety measures		**133**		150		**1,260**
Net defined benefit liability(Note 9)		**9,273**		10,848		**87,284**
Other long-term liabilities		**3,452**		4,953		**32,500**
Total long-term liabilities		**32,405**		46,754		**305,021**
Total liabilities		**93,830**		76,196		**883,198**
Net assets:						
Shareholders’ equity						
Common stock						
Authorized 39,613,200 shares issued and outstanding,						
16,314,833 shares in 2017 and						
16,314,833 shares in 2018		**21,526**		21,526		**202,616**
Capital surplus		**28,079**		28,079		**264,301**
Retained earnings		**(1,252)**		15,292		**(11,790)**
Treasury shares (Note 12)		**(92)**		(75)		**(871)**
Total shareholders' equity		**48,260**		64,822		**454,256**
Accumulated other comprehensive income						
Net unrealized gains on securities		**1,692**		1,387		**15,928**
Foreign currency translation adjustments		**1,483**		959		**13,960**
Remeasurements of defined benefit plans		**(2,366)**		(3,999)		**(22,271)**
Total accumulated other comprehensive income		**809**		(1,652)		**7,617**
Non-controlling interests		**341**		401		**3,210**
Total net assets		**49,410**		63,571		**465,084**
Total liabilities and net assets	**¥**	**143,241**	¥	139,768	**$**	**1,348,282**

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, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Net sales	¥ **133,362**	¥ 116,311	$ **1,255,293**
Cost of sales	**105,748**	93,078	**995,369**
Gross profit	**27,614**	23,233	**259,923**
Selling, general and administrative expenses (Notes 15 and 16)	**21,795**	19,895	**205,157**
Operating income	**5,818**	3,338	**54,766**
Non-operating income:			
Interest income	**39**	29	**367**
Dividend income	**100**	96	**947**
Equity in earnings of affiliated companies	**375**	441	**3,537**
Other	**35**	81	**330**
Total non-operating income	**550**	649	**5,183**
Non-operating expenses:			
Interest expenses	**500**	414	**4,706**
Financing expenses	**547**	221	**5,153**
Foreign exchange losses	**883**	1,250	**8,317**
Other	**21**	98	**205**
Total non-operating expenses	**1,953**	1,985	**18,383**
Ordinary income	**4,416**	2,002	**41,566**
Extraordinary income:			
Gain on sales of property, plant and equipment (Note 17)	**3**	26	**28**
Gain on sales of investment securities	**-**	2	**-**
Gain on sales of investments in affiliated companies	**24**	-	**233**
Total extraordinary income	**27**	28	**262**
Extraordinary loss:			
Loss on disposal of property, plant and equipment (Note 18)	**43**	19	**409**
Loss related to Antitrust laws	**19,223**	-	**180,946**
Loss on liquidation of subsidiaries	**-**	61	**-**
Other	**154**	-	**1,452**
Total extraordinary loss	**19,421**	81	**182,808**
Profit (loss) before income taxes	**(14,977)**	1,950	**(140,979)**
Income taxes (Note 8):			
Current	**1,310**	1,315	**12,338**
Deferred	**(201)**	(215)	**(1,893)**
	1,109	1,099	**10,445**
Profit (loss)	**(16,087)**	851	**(151,424)**
Profit (loss) attributable to non-controlling interests	**(30)**	10	**(290)**
Profit (loss) attributable to owners of parent	¥ **(16,056)**	¥ 840	$ **(151,134)**

Profit (loss) per share:	Yen		U.S. dollars (Note 1)
	2018	2017	**2018**
Basic	¥ (985.77)	¥ 51.57	$ (9.28)
Diluted	-	-	-
Cash dividends per share (Note 20)	30.00	3.00	0.28

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

NIPPON CHEMI-CON CORPORATION and its consolidated subsidiaries

Consolidated Statements of Comprehensive Income
For the years ended March 31, 2018 and 2017

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2018		2017		**2018**
Profit (loss)	**¥**	**(16,087)**	¥	851	**$**	**(151,424)**
Other comprehensive income						
Net unrealized holding gain on securities		**296**		490		**2,791**
Foreign currency translation adjustments		**558**		(1,429)		**5,260**
Remeasurements of defined benefit plans		**1,595**		1,475		**15,013**
Share in other comprehensive income of affiliated companies accounted for using the equity method		**(18)**		(186)		**(173)**
Total other comprehensive income		**2,432**		349		**22,892**
Comprehensive income	**¥**	**(13,655)**	¥	1,200	**$**	**(128,532)**
Attributable to:						
Owners of parent		**(13,594)**		1,194		**(127,960)**
Non-controlling interests		**(60)**		6		**(571)**

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, 2018 and 2017

For the Year Ended March 31, 2018

	Shareholders' equity (Note 11) Millions of yen				
	Common stock	Capital surplus	Retained earnings	Treasury shares (Note 12)	Total shareholders' equity
Balance at April 1, 2017	¥ 21,526	¥ 28,079	¥ 15,292	¥ (75)	¥ 64,822
Changes of items during year					
Cash dividends paid			(488)		(488)
Profit (loss) attributable to owners of parent			(16,056)		(16,056)
Purchase of treasury shares				(17)	(17)
Net changes of items other than shareholders' equity					
Total changes of items during year	-	-	(16,545)	(17)	(16,562)
Balance as of March 31, 2018	¥ 21,526	¥ 28,079	¥ (1,252)	¥ (92)	¥ 48,260

	Accumulated other comprehensive income (Note 19) 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
Balance at April 1, 2017	¥ 1,387	¥ 959	¥ (3,999)	¥ (1,652)	¥ 401	¥ 63,571
Changes of items during year						
Cash dividends paid						(488)
Profit (loss) attributable to owners of parent						(16,056)
Purchase of treasury shares						(17)
Net changes of items other than shareholders' equity	305	523	1,633	2,462	(60)	2,401
Total changes of items during year	305	523	1,633	2,462	(60)	(14,161)
Balance as of March 31, 2018	¥ 1,692	¥ 1,483	¥ (2,366)	¥ 809	¥ 341	¥ 49,410

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

Consolidated Statements of Changes in Net Assets
For the years ended March 31, 2018 and 2017

	Shareholders' equity (Note 11) Thousands of U.S. dollars (Note 1)									
		Common stock		Capital Surplus		Retained earnings		Treasury shares (Note 12)		Total shareholders' equity
Balance at April 1, 2017	$	**202,616**	¥	**264,301**	¥	**143,944**	¥	**(707)**	¥	**610,154**
Changes of items during year										
Cash dividends paid						**(4,600)**				**(4,600)**
Profit (loss) attributable to owners of parent						**(151,134)**				**(151,134)**
Purchase of treasury shares								**(163)**		**(163)**
Net changes of items other than shareholders' equity										
Total changes of items during year		**-**		**-**		**(155,734)**		**(163)**		**(155,898)**
Balance as of March 31, 2018	$	**202,616**	¥	**264,301**	¥	**(11,790)**	¥	**(871)**	¥	**454,256**

	Accumulated other comprehensive income (Note 19) 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
Balance at April 1, 2017	$	**13,055**	¥	**9,033**	¥	**(37,645)**	¥	**(15,556)**	¥	**3,782**	¥	**598,380**
Changes of items during year												
Cash dividends paid												**(4,600)**
Profit (loss) attributable to owners of parent												**(151,134)**
Purchase of treasury shares												**(163)**
Net changes of items other than shareholders' equity		**2,872**		**4,927**		**15,374**		**23,174**		**(571)**		**22,602**
Total changes of items during year		**2,872**		**4,927**		**15,374**		**23,174**		**(571)**		**(133,296)**
Balance as of March 31, 2018	$	**15,928**	¥	**13,960**	¥	**(22,271)**	¥	**7,617**	¥	**3,210**	¥	**465,084**

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

Consolidated Statements of Changes in Net Assets
For the years ended March 31, 2018 and 2017

For the Year Ended March 31, 2017

	Shareholders' equity (Note 11) Millions of yen				
	Common stock	Capital surplus	Retained earnings	Treasury shares (Note 12)	Total shareholders' equity
Balance at April 1, 2016	¥ **21,526**	¥ **28,568**	¥ **14,452**	¥ **(71)**	¥ **64,475**
Changes of items during year					
Cash dividends paid		**(488)**			**(488)**
Profit (loss) attributable to owners of parent			**840**		**840**
Purchase of treasury shares				**(3)**	**(3)**
Net changes of items other than shareholders' equity					
Total changes of items during year	**-**	**(488)**	**840**	**(3)**	**347**
Balance as of March 31, 2017	¥ **21,526**	¥ **28,079**	¥ **15,292**	¥ **(75)**	¥ **64,822**

	Accumulated other comprehensive income (Note 19) 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
Balance at April 1, 2016	¥ **896**	¥ **2,527**	¥ **(5,431)**	¥ **(2,006)**	¥ **395**	¥ **62,864**
Changes of items during year						
Cash dividends paid						**(488)**
Profit (loss) attributable to owners of parent						**840**
Purchase of treasury shares						**(3)**
Net changes of items other than shareholders' equity	**490**	**(1,568)**	**1,431**	**353**	**6**	**360**
Total changes of items during year	**490**	**(1,568)**	**1,431**	**353**	**6**	**707**
Balance as of March 31, 2017	¥ **1,387**	¥ **959**	¥ **(3,999)**	¥ **(1,652)**	¥ **401**	¥ **63,571**

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, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Cash flows from operating activities:			
Profit (loss) before income taxes	¥ **(14,977)**	¥ 1,950	$ **(140,979)**
Depreciation and amortization	**6,632**	6,715	**62,432**
Loss on antitrust laws	**19,223**	-	**180,946**
(Decrease) increase in net defined benefit liability	**47**	488	**448**
(Decrease) increase in allowance for doubtful accounts	**(20)**	(4)	**(196)**
(Decrease) increase in provision for environmental safety measures	**(16)**	(35)	**(152)**
Interest and dividend income	**(139)**	(126)	**(1,315)**
Interest expenses	**500**	414	**4,706**
Foreign exchange loss (gain)	**22**	127	**213**
Equity in earnings of affiliated companies	**(375)**	(441)	**(3,537)**
Loss (gain) on disposal of property, plant and equipment, net	**40**	(7)	**380**
Loss (gain) on sales of investments in affiliated companies	**(24)**	-	**(233)**
(Increase) decrease in notes and accounts receivable	**(3,655)**	(2,651)	**(34,405)**
(Increase) decrease in inventories	**(2,334)**	(393)	**(21,972)**
(Decrease) increase in notes and accounts payable	**4,891**	7,099	**46,039**
(Decrease) increase in accounts payable – other	**281**	(3,293)	**2,646**
Other	**(590)**	(148)	**(5,562)**
Sub total	**9,504**	9,694	**89,458**
Interest and dividends received	**280**	255	**2,641**
Interest paid	**(502)**	(415)	**(4,726)**
Income taxes paid	**(1,041)**	(1,210)	**(9,800)**
Payments related to antitrust law	**(2,935)**	(1,881)	**(27,632)**
Net cash provided by (used in) operating activities	**5,305**	6,443	**49,941**
Cash flows from investing activities:			
Increase in time deposit	**(1)**	(860)	**(12)**
Decrease in time deposit	**-**	810	**-**
Purchase of property, plant and equipment	**(6,546)**	(4,062)	**(61,621)**
Proceeds from sales of property, plant and equipment	**3**	29	**36**
Purchase of intangible fixed assets	**(345)**	(189)	**(3,252)**
Purchase of investment securities	**(399)**	-	**(3,764)**
Proceeds from sales of investment securities	**-**	2	**-**
Proceeds from sales of investments in affiliated companies	**96**	-	**912**
Payments from sale of investments in a subsidiary	**(80)**	-	**(761)**
Payments of loans receivable	**(21)**	(26)	**(205)**
Collections of loans receivable	**31**	36	**294**
Other	**(1)**	(75)	**(17)**
Net cash provided by (used in) investing activities	**(7,265)**	(4,334)	**(68,392)**
Cash flows from financing activities:			
Net (decrease) increase in short-term debt	**(374)**	2,162	**(3,525)**
Proceeds from long-term debt	**1,500**	15,502	**14,118**
Repayments of long-term debt	**(2,196)**	(16,309)	**(20,676)**
Purchase of treasury shares	**(17)**	(3)	**(163)**
Repayments of lease obligations	**(181)**	(151)	**(1,710)**
Cash dividends paid	**(488)**	(488)	**(4,600)**
Net cash provided by (used in) financing activities	**(1,759)**	710	**(16,557)**
Effect of exchange rate changes on cash and cash equivalents	**(88)**	(622)	**(835)**
Net increase (decrease) in cash and cash equivalents	**(3,808)**	2,196	**(35,844)**
Cash and cash equivalents at beginning of year	**28,442**	26,245	**267,720**
Cash and cash equivalents at end of year (Note 4)	¥ **24,634**	¥ 28,442	$ **231,875**

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

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 ¥106.24= U.S. $1, the rate of exchange on March 31, 2018 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:

	2018
Consolidated subsidiaries	**23**
Affiliated companies	**1**

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

Fukushima Electrolytic Industry Corp. and Chemi-Con Yonezawa Corp., both of which were a consolidated subsidiary, were excluded from the scope of consolidation as, on April 1, 2017, Fukushima Electrolytic Industry Corp. was merged into Chemi-Con Fukushima Corp. and Chemi-Con Yonezawa Corp. was merged into Chemi-Con Yamagata Corp.

In addition, Marcon Denso Co., Ltd. was excluded from the scope of application of the equity method because the Company sold all of the shares.

(2) Financial Instruments

1) 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.

2) 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. Meanwhile, buildings owned by the Company and its domestic subsidiaries (excluding facilities attached to buildings) and both facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated on 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.

2) Hedging instruments and hedged items

Hedging instruments

Interest swap

Hedged items

Interest of loans

3) Hedge policy

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

The hedged items are assessed at each contract.

4) Assessment of hedge effectiveness

Assessment of hedge effectiveness of interest 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.
As we conducted a 10-to-1 share consolidation of its common stock on October 1, 2017, per share amounts have been calculated as if the share consolidation had been conducted at the beginning of previous fiscal year. .

(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. Reclassification

(Consolidated Statements of Cash Flows)
"Payments related to antitrust law" was included in "(Decrease) increase in accounts payable – other" of "Cash flows from operating activities" for the previous fiscal year. However, it has been changed to the presentation as a separate account, because the amount has become increasingly significant to the consolidated financial statements.
As a result, "(Decrease) increase in accounts payable – other" of "Cash flows from operating activities" of ¥(5,174) million for the previous fiscal year have been separately presented as "Payments related to antitrust law" of ¥(1,881) million and "(Decrease) increase in accounts payable – other" of ¥(3,293) million, respectively, in the consolidated statement of cash flows for the year ended March 31, 2017.

4. Cash and cash equivalents

Reconciliation of cash and cash equivalents to the amount presented on the balance sheets at March 31, 2018 and 2017 is as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2018		2017		**2018**	
Cash and deposits	**¥**	**24,692**	¥	28,497	**$**	**232,424**
Time deposits with a deposit term of over 3 months		**(58)**		(55)		**(548)**
Cash and cash equivalents	**¥**	**24,634**	¥	28,442	**$**	**231,875**

5. Inventories

Inventories at March 31, 2018 and 2017 comprised the following:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2018		2017		**2018**	
Finished goods and merchandise	**¥**	**11,065**	¥	9,035	**$**	**104,160**
Work-in-process		**7,334**		7,579		**69,034**
Raw materials and supplies		**4,558**		4,263		**42,905**
Total	**¥**	**22,958**	¥	20,878	**$**	**216,100**

6. Investment securities

At March 31, 2018 and 2017, the acquisition cost, fair value and unrealized gains or losses of investment securities, whose fair value is available, were as follows:

	Millions of yen							
	2018				2017			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value
Other securities:								
Equity securities	**¥ 2,400**	**¥ 2,315**	**¥ 13**	**¥ 4,702**	¥ 2,002	¥ 1,884	¥ 10	¥ 3,876
Total	**¥ 2,400**	**¥ 2,315**	**¥ 13**	**¥ 4,702**	¥ 2,002	¥ 1,884	¥ 10	¥ 3,876

	Thousands of U.S. dollars (Note 1)			
	2018			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Fair value
Other securities:				
Equity securities	**$ 22,592**	**$ 21,791**	**$ 124**	**$ 44,259**
Total	**$ 22,592**	**$ 21,791**	**$ 124**	**$ 44,259**

7. Short-term and long-term debt

The weighted average interest rates applicable to loans for the years ended March 31, 2018 and 2017 were 1.42% and 1.17%, respectively.

Short-term debt at March 31, 2018 and 2017 comprised the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Bank loans and overdrafts	**¥ 3,693**	¥ 4,189	**$ 34,769**
Current portion of long-term debt	**11,984**	1,684	**112,803**
Lease obligations (Short-term)	**139**	176	**1,314**
Total	**¥ 15,817**	¥ 6,050	**$ 148,887**

Long-term debt at March 31, 2018 and 2017 comprised the following:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Loans:			
Loans, principally from banks and insurance companies due from 2018 to 2022 with interest rates ranging from 0.35% to 5.20%	**¥ 30,077**	¥ 30,862	**$ 283,113**
Lease obligations (Long-term)	**457**	467	**4,310**
	30,535	31,329	**287,424**
Less: current portion	**(11,984)**	(1,684)	**(112,803)**
Total	**¥ 18,551**	¥ 29,645	**$ 174,621**

Note: The Company has a syndicate loan contract, a term loan contract and a commitment line with financial institutions. These contracts include financial covenants that are computed based on the consolidated balance sheet, etc.

8. 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 30.86 % for the year ended March 31, 2018.

Significant components of deferred tax assets and liabilities as at March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Deferred tax assets:			
Bonus reserve	**¥ 491**	¥ 466	**$ 4,621**
Net defined benefit liability	**2,767**	3,255	**26,045**
Tax loss carryforwards	**7,921**	8,634	**74,563**
Unrealized gain on inventories	**120**	129	**1,134**
Loss on devaluation of inventories	**130**	173	**1,224**
Accrued expenses	**265**	207	**2,500**
Other	**572**	649	**5,384**
Total gross deferred tax assets	**12,267**	13,517	**115,474**
Valuation allowance	**(10,279)**	(11,551)	**(96,753)**
Total deferred tax assets	**1,988**	1,965	**18,720**
Deferred tax liabilities:			
Net unrealized gains on securities	**(704)**	(573)	**(6,634)**
Depreciation recorded by foreign subsidiaries	**(586)**	(882)	**(5,525)**
Other	**(147)**	(48)	**(1,386)**
Total deferred tax liabilities	**(1,439)**	(1,505)	**(13,545)**
Net deferred tax assets	**¥ 549**	¥ 460	**$ 5,174**

For the year ended March 31, 2018 and 2017 the reconciliation of the statutory tax rate to the effective income tax rate is as follows:

	2018	2017
Statutory tax rate	- %	30.86 %
Increase (decrease) in taxes resulting from:		
Expenses not deductible for income tax purposes	-	8.45
Capita levy on inhabitant tax	-	2.10
Overseas withholding taxes	-	(1.55)
Revenues not taxable such as dividend income	-	(2.70)
Change in the valuation allowance	-	(23.92)
Difference in subsidiaries' tax rates	-	(4.93)
Effect of eliminated dividends	-	2.92
Consolidated adjustment for loss on sales of investments in capital of subsidiaries	-	48.15
Other	-	(3.02)
Effective income tax rate	- %	56.36 %

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, 2018 has been omitted.

The tax Cuts and Jobs Act of 2017 was enacted in the U.S. on December 22, 2017 and the federal corporate income tax rate in the U.S. is reduced on and after January 1, 2018. Due to this act, the federal corporate income tax rate in the U.S. is reduced from 35% to 21%. The effect of this change was to decrease deferred tax liabilities, net of deferred tax assets, by ¥251 million and foreign currency translation adjustments by ¥10 million in the consolidated balance sheet as of March 31, 2018 and to decrease income taxes –deferred by ¥262 million in the consolidated statement of operations for the year ended March 31, 2018.

9. 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, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Balance at the beginning of the year	¥ **27,654**	¥ 27,516	$ **260,299**
Service cost	**998**	1,027	**9,401**
Interest cost	**165**	436	**1,553**
Actuarial loss	**36**	(197)	**339**
Prior service cost	**40**	-	**385**
Retirement benefit paid	**(1,073)**	(1,105)	**(10,100)**
Other	**(282)**	(22)	**(2,662)**
Balance at the end of the year	¥ **27,539**	¥ 27,654	$ **259,216**

The changes in the plan assets for the years ended March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Balance at the beginning of the year	¥ **16,805**	¥ 15,693	$ **158,188**
Expected return on plan assets	**208**	196	**1,965**
Actuarial loss	**1,036**	650	**9,751**
Contributions by the company	**912**	921	**8,589**
Retirement benefit paid	**(715)**	(642)	**(6,733)**
Other	**18**	(13)	**169**
Balance at the end of the year	¥ **18,266**	¥ 16,805	$ **171,932**

The reconciliations of the defined benefit obligations and pension assets to the liabilities and assets on retirement benefit recognized in the consolidated balance sheets as of March 31, 2018 and 2017 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2018		2017		**2018**
Funded defined benefit obligation	¥	**17,696**	¥	18,476	$	**166,574**
Pension assets		**(18,266)**		(16,805)		**(171,932)**
		(569)		1,670		**(5,357)**
Unfunded defined benefit obligations		**9,842**		9,177		**92,642**
Net amount of liabilities and assets in consolidated balance sheet		**9,273**		10,848		**87,284**
Net defined benefit liability		**9,273**		10,848		**87,284**
Net amount of liabilities and assets in consolidated balance sheet	¥	**9,273**	¥	10,848	$	**87,284**

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, 2018 and 2017 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2018		2017		**2018**
Service cost		**998**		1,027		**9,401**
Interest cost		**165**		436		**1,553**
Expected return on plan assets		**(208)**		(196)		**(1,965)**
Amortization of unrecognized actuarial loss		**766**		769		**7,219**
Amortization of prior service cost		**(152)**		(155)		**(1,437)**
Other		**(228)**		-		**(2,148)**
Retirement benefit expense	¥	**1,341**	¥	1,881	$	**12,623**

The breakdown of items in other comprehensive income before tax effect for the years ended March 31, 2018 and 2017 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
		2018		2017		**2018**
Actuarial loss		**(1,766)**		(1,618)		**(16,631)**
Prior service cost		**193**		155		**1,822**
Total	¥	**(1,573)**	¥	(1,463)	$	**(14,809)**

The breakdown of items in accumulated other comprehensive income before tax effect as of March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Unrecognized prior service cost	**2,811**	4,637	**26,461**
Unrecognized actuarial loss	**(363)**	(557)	**(3,423)**
Total	**¥ 2,447**	¥ 4,079	**$ 23,038**

The breakdown of pension assets by major category as of March 31, 2018 and 2017 are as follows:

	2018	**2017**
Equity securities	**32%**	36%
General account	**23%**	24%
Alternatives	**18%**	19%
Bonds	**25%**	19%
Other	**2%**	2%
Total	**100%**	100%

Notes: 1. Alternatives mainly consisted of investment in hedge funds.

2. The total of plan assets includes employee pension trusts for the benefit pension plans, which accounts for 9% of the total as of March 31, 2018 and 8% as of March 31, 2017.

The items of actuarial assumptions as of March 31, 2018 and 2017 are as follows (The discount rate are shown as weighted average.):

	2018	**2017**
Discount rate	**Primarily 0.3%**	Primarily 0.3%
Expected rate of long-term return on plan assets	**Primarily 1.25%**	Primarily 1.25%

The amounts paid to the defined contribution pension plans for the years ended March 31, 2018 and 2017 are as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Defined contribution pension plans	**¥ 213**	¥ 234	**$ 2,008**

10. 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

1) Currency-related transactions

	Millions of yen					
	March 31, 2018			March 31, 2017		
	Notional amount	Fair value	Unrealized gain (loss)	Notional amount	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts						
Sell:						
US$	**¥ 1,673**	**¥ 104**	**¥ 104**	¥ 5,179	¥ 70	¥ 70
Euro	**297**	**11**	**11**	238	4	4
Baht	**407**	**10**	**10**	569	0	0
Won	**25**	**(0)**	**(0)**	-	-	-
Buy:						
US$	**454**	**5**	**5**	422	(0)	(0)
	¥ 2,858	**¥ 131**	**¥ 131**	¥ 6,410	¥ 74	¥ 74

	Thousands of U.S. dollars (Note 1)		
	March 31, 2018		
	Notional amount	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts			
Sell:			
US$	**$ 15,747**	**$ 984**	**$ 984**
Euro	**2,804**	**108**	**108**
Baht	**3,836**	**96**	**96**
Won	**242**	**(8)**	**(8)**
Buy:			
US$	**4,275**	**54**	**54**
	$ 26,905	**$ 1,236**	**$ 1,236**

2) Interest-related transactions

None

(2) Derivative transactions to which hedge accounting is applied

1) Currency-related transactions

None

2) Interest-related transactions

			Millions of yen					
			March 31, 2018			March 31, 2017		
Classification	Item	Hedged liabilities	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	**24,551**	**14,551**	**(*)**	24,637	24,637	(*)

			Thousands of U.S. dollars (Note 1)		
			March 31, 2018		
Classification	Item	Hedged liabilities	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	**231,091**	**136,964**	**(*)**

(*) 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.

11. 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 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.

12. Treasury shares

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

		2017		Increase during the year		Decrease during the year		2018
Number of shares		243,535		21,770		236,524		**28,781**
Total price (Millions of yen)	¥	75	¥	17	¥	-	**¥**	**92**
Total price (Thousands of U.S. dollars)	$	707	$	163	$	-	**$**	**871**

13. Pledged assets

There are no pledged assets.

14. Related party transactions

Samyoung Electronics Co., Ltd. （Samyoung） is 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 equipment 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, 2018 and 2017 and transactions for the years ended March 31, 2018 and 2017 with related parties are summarized as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Investment securities	¥ **12,786**	¥ 11,690	$ **120,358**

	Millions of yen					
	2018			2017		
	Transaction amount	Account Title	Balance at end of year	Transaction amount	Account title	Balance at end of year
Purchase of affiliates' products	¥ **6,115**	Accounts payable	¥ **628**	¥ 3,969	Accounts payable	¥ 264
Sales of materials and equipment	**709**	Accounts receivable -trade	**62**	567	Accounts receivable -trade	53
Supply of materials	¥ **2,642**	Accounts receivable -other	¥ **271**	¥ 1,649	Accounts receivable -other	¥ 164

	Thousands of U.S. dollars (Note 1)		
	2018		
	Transaction amount	Account Title	Balance at end of year
Purchase of affiliates' products	$ **57,567**	Accounts payable	$ **5,912**
Sales of materials and equipment	**6,680**	Accounts receivable -trade	**588**
Supply of materials	$ **24,875**	Accounts receivable - other	$ **2,554**

Condensed financial information of the significant affiliated companies, for which the equity method is applied, as of March 31, 2018 and 2017, and for the years then ended, was follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Total current assets	¥ **33,988**	¥ 31,073	$ **319,922**
Total fixed assets	**18,757**	18,020	**176,554**
Total current liabilities	**2,598**	2,802	**24,462**
Total long-term liabilities	**238**	332	**2,244**
Total net assets	**49,908**	45,959	**469,769**
Net sales	**22,708**	24,348	**213,744**
Profit before income taxes	**1,364**	1,705	**12,846**
Net profit	**1,047**	1,376	**9,858**

15. Selling, general and administrative expenses

The following are the major elements of selling, general and administrative expenses for the years ended March 31, 2018 and 2017.

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2018		2017		**2018**	
Freight and transportation	**¥**	**4,037**	¥	3,217	**$**	**38,002**
Salaries and wages		**4,407**		4,069		**41,483**
Provision for bonus reserve		**848**		750		**7,984**
Retirement benefit expenses		**517**		815		**4,867**
Depreciation		**685**		847		**6,449**
Research and development expenses		**4,208**		4,272		**39,610**

16. Research and Development expenses

The total amounts of research and development expenses for the years ended March 31, 2018 and 2017 are as follows and all of them are charged to income as incurred.

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2018		2017		**2018**	
Research and development expenses	**¥**	**4,208**	¥	4,272	**$**	**39,610**

17. Gain on sales of property, plant and equipment

Gain on sales of property, plant and equipment for the years ended March 31, 2018 and 2017 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2018		2017		**2018**	
Machinery, equipment and others		**3**		4		**28**
Intangible fixed assets		**-**		21		**-**
Total	**¥**	**3**	¥	26	**$**	**28**

18. Loss on disposal of property, plant and equipment

Loss on retirement of property, plant and equipment for the years ended March 31, 2018 and 2017 are as follows:

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2018		2017		**2018**	
Buildings and structures	**¥**	**2**	¥	0	**$**	**18**
Machinery, equipment and others		**41**		14		**390**
Construction in progress		**-**		4		**-**
Total	**¥**	**43**	¥	19	**$**	**409**

19. Other comprehensive income

For the years ended March 31, 2018 and 2017, other comprehensive income is as follows:

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Net unrealized holding gains on securities			
Amount arising during the year	¥ **427**	¥ 706	$ **4,023**
Reclassification adjustments	**-**	-	**-**
Before deferred tax adjustments	**427**	706	**4,023**
Deferred tax amounts	**(130)**	(216)	**(1,232)**
Net unrealized holding gains on securities	**296**	490	**2,791**
Foreign currency translation adjustments			
Amount arising during the year	**559**	(1,491)	**5,265**
Reclassification adjustments	**(0)**	61	**(4)**
Foreign currency translation adjustments	**558**	(1,429)	**5,260**
Remeasurements of defined benefit plans			
Amount arising during the year	**959**	848	**9,026**
Reclassification adjustments	**614**	614	**5,782**
Before deferred tax adjustments	**1,573**	1,463	**14,809**
Deferred tax amounts	**21**	12	**204**
Remeasurements of defined benefit plans	**1,595**	1,475	**15,013**
Share in other comprehensive income of affiliated companies accounted for using the equity method			
Amount arising during the year	**(55)**	(183)	**(524)**
Reclassification adjustments	**37**	(3)	**351**
Share in other comprehensive income of affiliated companies accounted for using the equity method	**(18)**	(186)	**(173)**
Total other comprehensive income	¥ **2,432**	¥ 349	$ **22,892**

20. Dividends

(1) Year ended March 31, 2018

1) Dividends paid

Resolution	**Type of shares**	**Total dividends (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, 2017	Common stock	¥ **488**	$ **4,600**	Retained earnings	¥ **3.00**	$ **0.03**	March 31, 2017	June 30 2017

2) Dividends for which the record date came during the year ended March 31, 2018, and the effective date is after said period.

Resolution	Type of shares	Total dividends (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 28, 2018	Common stock	¥ **488**	$ **4,599**	Capital surplus	¥ **30.00**	$ **0.28**	March 31, 2018	June 29, 2018

(2) Year ended March 31, 2017

1) Dividends paid

Resolution	Type of shares	Total dividends (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**	$ **4,601**	Capital surplus	¥ **3.00**	$ **0.03**	March 31, 2016	June 30, 2016

2) Dividends for which the record date came during the year ended March 31, 2017, and the effective date is after said period.

Resolution	Type of shares	Total dividends (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, 2017	Common stock	¥ **488**	$ **4,600**	Retained earnings	¥ **3.00**	$ **0.03**	March 31, 2017	June 30, 2017

21. 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) Details 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 10. "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, 2018 and 2017 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 "Note 2. Summary of Significant Accounting Policies".

	Millions of yen					
	March 31, 2018			March 31, 2017		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
1) Cash and deposits	**¥ 24,692**	**¥ 24,692**	**¥ -**	¥ 28,497	¥ 28,497	¥ -
2) Notes and accounts receivable-trade	**29,108**	**29,108**	**-**	27,314	27,314	-
3) Investment securities						
i) Investments in securities	**4,702**	**4,702**	**-**	3,876	3,876	-
ii)Investments in stock of subsidiaries and affiliates	**12,700**	**8,141**	**(4,559)**	11,561	8,383	(3,178)
Total assets	**¥ 71,204**	**¥ 66,645**	**¥ (4,559)**	¥ 71,250	¥ 68,072	¥ (3,178)
1) Notes and accounts payable-trade	**10,106**	**10,106**	**-**	8,682	8,682	-
2) Electronically recorded obligations	**7,045**	**7,045**	**-**	5,440	5,440	-
3) Accounts payable-other	**18,287**	**18,287**	**-**	4,198	4,198	-
4) Short-term debt (Except for lease obligations)	**15,678**	**15,678**	**-**	5,873	5,873	-
5) Long-term debt (Except for lease obligations)	**18,093**	**17,818**	**(275)**	29,177	29,001	(176)
Total liabilities	**¥ 69,211**	**¥ 68,936**	**¥ (275)**	¥ 53,373	¥ 53,196	¥ (176)
Derivative transactions	**¥ 131**	**¥ 131**	**¥ -**	¥ 74	¥ 74	¥ -

	Thousands of U.S. dollars (Note 1)		
	March 31, 2018		
	Carrying amount	Fair value	Difference
1) Cash and deposits	**$ 232,424**	**$ 232,424**	**$ -**
2) Notes and accounts receivable-trade	**273,990**	**273,990**	**-**
3) Investment securities			
i) Investments in securities	**44,259**	**44,259**	**-**
ii)Investments in stock of subsidiaries and affiliates	**119,547**	**76,632**	**(42,915)**
Total assets	**$ 670,222**	**$ 627,306**	**$ (42,915)**
1) Notes and accounts payable-trade	**$ 95,129**	**$ 95,129**	**$ -**
2) Electronically recorded obligations	**66,312**	**66,312**	**-**
3) Accounts payable-other	**172,135**	**172,135**	**-**
4) Short-term debt (Except for lease obligations)	**147,572**	**147,572**	**-**
5) Long-term debt (Except for lease obligations)	**170,310**	**167,721**	**(2,588)**
Total liabilities	**$ 651,461**	**$ 648,872**	**$ (2,588)**
Derivative transactions	**$ 1,236**	**$ 1,236**	**$ -**

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 and deposits 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, 2) Electronically recorded obligations and 3) Accounts payable-other

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

4) 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.

5) 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 10. 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)	
	2018		2017		**2018**	
Unlisted shares	**¥**	**182**	¥	224	**$**	**1,715**

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, 2018 and 2017

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2018		2017		**2018**	
Cash and deposits	**¥**	**24,692**	¥	28,497	**$**	**232,424**
Trade receivables		**29,108**		27,314		**273,990**
Total	**¥**	**53,801**	¥	55,812	**$**	**506,414**

Notes 4: Redemption schedules of corporate long-term debt with maturities at March 31, 2018 and 2017

	Long-term debt					
	Millions of yen				Thousands of U.S. dollars (Note 1)	
	2018		2017		**2018**	
2018	¥	**11,984**	¥	1,684	$	**112,803**
2019		**1,204**		12,084		**11,336**
2020		**3,901**		904		**36,726**
2021		**12,800**		3,688		**120,481**
2022		**187**		12,500		**1,764**
2023 and thereafter		**-**		-		**-**

22. Lease

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.

23. 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					
	2018			2017		
	Capacitor	Other	Consolidated	Capacitor	Other	Consolidated
Net sales:						
Sales to unaffiliated customers	**¥ 127,721**	**¥ 5,640**	**¥ 133,362**	¥ 111,575	¥ 4,736	¥ 116,311
Intersegment sales	-	-	-	-	-	-
Total	**127,721**	**5,640**	**133,362**	111,575	4,736	116,311
Segment profit	**5,229**	**588**	**5,818**	3,241	96	3,338
Other:						
Depreciation	**6,584**	**48**	**6,632**	6,681	34	6,715
Increase in fixed assets	**7,365**	**160**	**7,525**	4,534	56	4,590

	Thousands of U.S. dollars (Note 1)		
	2018		
	Capacitor	Other	Consolidated
Net sales:			
Sales to unaffiliated customers	**$ 1,202,202**	**$ 53,091**	**$ 1,255,293**
Intersegment sales	-	-	-
Total	**1,202,202**	**53,091**	**1,255,293**
Segment profit	**49,227**	**5,538**	**54,766**
Other:			
Depreciation	**61,977**	**455**	**62,432**
Increase in fixed assets	**69,328**	**1,511**	**70,839**

Notes: 1. “Other” includes business segments other than the reportable segment such as CMOS Camera modules and Amorphous Choke Coils.
2. Total segment profit corresponds to operating profit 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, 2018 and 2017 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)
	2018	2017	**2018**
Japan	¥ **29,935**	¥ 27,863	$ **281,769**
China	**47,989**	39,813	**451,708**
America	**12,778**	11,367	**120,281**
Europe	**15,262**	12,664	**143,662**
Others	**27,396**	24,603	**257,871**
Total	¥ **133,362**	¥ 116,311	$ **1,255,293**

ii) Fixed assets

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	**2018**
Japan	¥ **27,300**	¥ 25,719	$ **256,967**
China	**2,242**	2,253	**21,111**
America	**3,174**	3,636	**29,884**
Europe	**33**	24	**316**
Others	**5,277**	5,907	**49,674**
Total	¥ **38,029**	¥ 37,541	$ **357,954**

iii) Information about major customer

Information about major customer for the years ended March 31, 2018 and 2017 are not presented as there is no customer to whom sales is over 10% in the consolidated statements of operations.

24. Subsequent events

Reduction of the legal capital surplus and legal retained earnings, and appropriation of retained earnings

At the board of directors' meeting held on May 10, 2018, the Company resolved a proposal to 71st annual shareholders' meeting held on June 28, 2018 of the reduction of the legal capital surplus and legal retained earnings, and appropriation of retained earnings. The proposal was approved at the shareholders' meeting.

(1) Purpose of the reduction of the legal capital surplus and legal retained earnings, and appropriation of retained earnings

The decision is made for the purpose of replenishing a deficit in retained earnings and continuing to pay long-term stable dividends, in conjunction with ensuring mobility of its capital policies in the future.

(2) Details and method of the reduction of the legal capital surplus and legal retained earnings

The Company reduced a portion of the legal capital surplus and the total amount of the legal retained earnings, and transferred each amount to other capital surplus and retained earnings carried forward, respectively, in accordance with the provisions of Article 448, Paragraph 1, of the Companies Act.

The legal capital surplus shall be reduced by ¥15,774,359,500 from ¥25,774,359,500 and the full amount is transferred to other capital surplus.

The legal retained earnings shall be reduced by ¥2,778,363,091 and the full amount is transferred to retained earnings.

(3) Details and method of appropriation of retained earnings

Following the transfer of the legal capital surplus as in (2) above, other capital surplus shall be reduced by ¥8,662,747,174 from ¥18,079,402,254 in accordance with the provisions of Article 452 of the Companies Act. This amount is transferred to retained earnings.

As a result, retained earnings shall be increased to ¥0 and year-end dividend will be distributed from other capital surplus.

(4) Schedule of the reduction of reserves and appropriation of the surplus

Resolution at the board of directors' meeting	May 10, 2018
Public notice regarding statements of objection by creditors	May 21, 2018
Final due date for statements of objection by creditors	June 21, 2018
Resolution at the annual shareholders' meeting	June 28, 2018
Effective date of transfers	June 28, 2018

25. Other

In October 2017, the U.S. Department of Justice had filed a lawsuit in the U.S. District Court for the Northern District of California against Nippon Chemi-Con Corporation claiming a violation of U.S. antitrust laws and, in May 2018, we decided to accept a plea agreement involving the payment of a fine with the U.S. Department of Justice.

In January 2018, Singapore Chemi-Con (Pte.) Ltd., a consolidated subsidiary, received notification from the Competition Commission of Singapore of their decision to fine the company for violations of the Singapore Competition Law in relation to aluminum electrolytic capacitor transactions in Singapore.

Also, in January 2018, the Company and United Chemi-Con, Inc., a subsidiary in U.S., reached an agreement with the indirect purchaser plaintiffs to pay a settlement for a class action civil lawsuit for violations of U.S. antitrust laws in relation to electrolytic capacitors and other capacitors.

Furthermore, in March 2018, we received notification from the European Commission of their decision to assess a

fine for violations of European Competition Law in relation to aluminum electrolytic capacitors and other capacitors in Europe. As a result, the Company and its consolidated subsidiaries recorded an extraordinary loss as loss related to antitrust laws.
The fine amount to be paid as a result of said settlement with the U.S. Department of Justice will be ranging from US $40 to 60 million. Though we recorded US $40 million, which is probable to be incurred, as extraordinary loss, this amount will be finalized upon settlement approval by the U.S. District Court for the Northern District of California. The Company and its consolidated subsidiaries are being subjected to investigations conducted by competition authorities of each country, 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.