Notes to Consolidated Financial Statements

TAIYO YUDEN CO., LTD. and Subsidiaries
March 31, 2016 and 2015

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of TAIYO YUDEN CO., LTD. (the "Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of consolidated overseas subsidiaries are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, and partially reflect the adjustments which are necessary to conform with Japanese GAAP.

The accompanying consolidated financial statements have been reformatted and translated into English (with some expanded descriptions) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. Certain supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2016, which was 113 yen to 1 U.S. dollar. The translations should not be construed as representations of what the Japanese yen amounts have been, could have been, or could in the future be when converted into U.S. dollars at this or any other rate of exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Consolidation Policies

The consolidated financial statements include the accounts of the Company and all of its subsidiaries (together the "Companies"). The Japanese accounting standards for consolidation require the control or influence concept for the consolidation scope of subsidiaries and equity-method affiliates. The number of consolidated subsidiaries was 30, unchanged during the current 2 fiscal years. As of March 31, 2016 and 2015, the number of equity-method affiliates was 2 and 1, respectively. Significant intercompany accounts, transactions and unrealized profits have been eliminated in consolidation.

ELNA CO., LTD. was included in equity-method affiliates in the fiscal year ended March 31, 2016, due to conversion of preferred stock to common stock.

DONGGUAN TAIYO YUDEN CO., LTD., which was a wholly-owned subsidiary of the Company, had been merged into TAIYO YUDEN (GUANGDONG) CO., LTD., which is a subsidiary of the Company, in the fiscal year ended March 31, 2015.

TAIYO YUDEN ENTERPRISES COMPANY LIMITED had been eliminated from the scope of consolidation due to completion of liquidation.

TAIYO YUDEN (SUZHOU) CO., LTD. had been eliminated from the scope of consolidation due to a share transfer to a third party in the fiscal year ended March 31, 2015.

The difference between cost of the Company's investment securities in subsidiaries and its equity in their net assets at the dates of acquisition ("goodwill") is being amortized over the subsequent five-year periods. Investment in affiliate is accounted for by the equity method. Net income (loss) includes the equity in the current net earnings (losses) of such company after the elimination of unrealized intercompany profit.

(2) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposit, and short-term investments with original maturities of three months or less, that are readily convertible into known amount of cash and are so near maturity that they present negligible risk of changes in value.

(3) Foreign Currency Transactions

Short-term and long-term foreign currency monetary items are translated into Japanese yen at appropriate fiscal year-end current rates. The resulting net gains (losses) are shown as "Gain (loss) on foreign exchange" in the accompanying consolidated statements of income.

(4) Foreign Currency Financial Statements

In translating the financial statements of foreign subsidiaries for the purpose of consolidation, all assets and liabilities are translated into Japanese yen at appropriate fiscal year-end current rates while net assets accounts are translated at historical rates. Revenue and expense items are translated at the average rates during the fiscal year. The resulting translation differences are shown as "Foreign currency translation adjustments" in net assets at March 31, 2016 and 2015 in the accompanying consolidated balance sheets.

(5) Debt and Equity Securities
The Companies classify debt and equity securities, depending on management's intent, as follows:
(i) Held-to-maturity debt securities, for which management has the positive intent and ability to hold to maturity, are reported at amortized cost.
(ii) Available-for-sale securities represent securities not classified as either trading securities or held-to-maturity debt securities. Available-for-sale securities, which have fair value, are reported at fair value with unrealized gains (losses), net of applicable taxes.
Available-for-sale securities, which do not have fair value, are stated at cost using the moving-average method. Equities of limited liability partnerships for investment business and of other similar partnerships (defined as "securities" by Article 2, Section 2 of the Financial Instruments and Exchange Act) are valued at the net equity equivalents based on the recently available financial statements of the partnership corresponding to the reporting dates of the financial statements defined by the partnership agreements.

(6) Inventories
Inventories are stated primarily at cost, determined by the average method for merchandise, finished products and work in process and by the first-in, first-out (FIFO) method for raw materials and supplies, modified by the writing down below cost to net realizable value.

(7) Property, Plant and Equipment (Except for the leased assets)
Property, plant and equipment are stated at cost. For the Company and domestic consolidated subsidiaries, depreciation is principally computed by the declining-balance method at rates based on the estimated useful lives of the assets, except that the straight-line method is applied to building acquired on and after April 1, 1998. Useful lives of the assets and residual value of the assets are mainly estimated in consistent with the method accepted under the corporate tax law in Japan. For foreign subsidiaries, depreciation is principally computed by straight-line method.

(8) Leased Assets
(i) Leased assets, ownership of which is considered to be transferred to the lessee, are depreciated in the same manner as property, plant and equipment.
(ii) Leased assets, ownership of which is not considered to be transferred to the lessee, are depreciated over the leased term by the straight-line method with no residual value, except for finance leases commencing prior to March 31, 2008, which are accounted for in the same manner as operating leases.

(9) Allowance for Doubtful Receivables
The Company and its domestic consolidated subsidiaries provide the allowance for doubtful accounts based on the percentage of actual bad debt losses against the balance of total receivables and the amount of uncollectible receivables estimated on an individual basis. Overseas consolidated subsidiaries record the allowance based primarily on the amount of uncollectible receivables estimated on an individual basis.

(10) Net Defined Benefit
Accrued retirement benefits for employees at certain consolidated subsidiaries are provided at the amount incurred during the fiscal year, which is based on the estimated present value of the defined benefit obligation less the estimated fair value of plan assets at the end of the fiscal year. Also, certain consolidated subsidiaries provide allowance for accrued pension and severance costs.

(11) Accrued Retirement Benefits for Directors and Corporate Auditors
Certain subsidiaries of the Company provide lump-sum severance benefits for directors and corporate auditors. Accrued retirement benefits for directors and corporate auditors are provided at the amount which would be required based on their internal regulations if all directors and corporate auditors retired at the balance sheet date.

(12) Accrued Bonuses for Employees
Accrued bonuses to employees are provided by the estimated amounts, which are obligated to pay to employees after the fiscal year-end, based on services provided during the current period.

(13) Accrued Bonuses for Directors
Accrued bonuses to directors are provided by the estimated amounts, which are obligated to pay to directors after the fiscal year-end, based on services provided during the current period.

(14) Income Taxes
The provision for income taxes is computed based on the pretax income for the financial reporting purposes. Deferred tax assets and liabilities are recognized for expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. A valuation allowance is recorded to reduce deferred tax assets if it is not probable that deferred tax assets will be realized in the future.
The Company and certain domestic subsidiaries adopt a consolidated tax return system.

(15) Research and Development Costs
Expenditures by the Company and certain subsidiaries for development of specified new products are charged to income as incurred and were 9,024 million yen (79,861 thousand dollar) and 8,237 million yen for the years ended March 31, 2016 and 2015, respectively.

(16) Derivative and Hedging Activities
Companies are required to state derivative instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative instruments are used for hedging purposes.
The Company defers recognition of gains or losses resulting from changes in fair value of derivative instruments until the related losses or gains on the hedged items are recognized.
If interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.
The derivative transactions are executed and managed by the finance and accounting department in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

(17) Per Share Information
Basic earnings per share is computed by dividing net earnings attributable to owners of the parent by the weighted-average number of common shares outstanding in each period, retroactively adjusted for stock splits. Basic earnings per share for the years ended March 31, 2016 and 2015 are computed in accordance with Japanese accounting standards.
Diluted earnings per share reflects the potential dilution that could occur if stock acquisition rights were exercised or convertible bonds are converted into common stock. Diluted earnings per share of common stock assumes full conversion of the outstanding convertible bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding stock acquisition rights. Diluted earnings per share for the years ended March 31, 2016 and 2015 are computed in accordance with Japanese accounting standards.
Cash dividends per share consist of interim and year-end dividends and are accounted for in the year they are declared rather than in the year in which they are actually paid.

(18) Certain Reclassifications
Certain reclassifications have been made to the prior year financial statements to conform to the presentation of the current year. These reclassifications have no significant impact on previously reported results of operations or retained earnings.

(Consolidated Statements of Income)
Previously, "Life insurance dividend income" amounting to 70 million yen was stated separately in other income (expenses) of consolidated statement of income for the year ended March 31, 2015. However, the Company has changed its method of presentation to include the account in "Other" as it is immaterial for this fiscal year. The consolidated financial statements for the year ended March 31, 2015 were rearranged in order to reflect the changes to presentation.

(19) Change in Accounting Policies

Effective from the year ended March 31, 2016, the Company and its consolidated domestic subsidiaries have applied the "Revised Accounting Standard for Business Combinations" (Accounting Standards Board of Japan ("ASBJ") Statement No. 21, September 13, 2013 (hereinafter the "Business Combinations Accounting Standard")), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013 (hereinafter the "Consolidation Accounting Standard")) and "Revised Accounting Standard for Business Divestitures"(ASBJ Statement No. 7, September 13, 2013 (hereinafter the "Business Divestitures Accounting Standard")). As a result, the Company changed its accounting policies to recognize in capital surplus the differences arising from the changes in the Company's ownership interest of subsidiaries over which the Company continues to maintain control and to record acquisition related costs as expenses in the fiscal year in which the costs are incurred. In addition, the Company changed its accounting policy for the reallocation of acquisition costs due to the completion following provisional accounting to reflect such reallocation in the consolidated financial statements for the fiscal year in which the business combination took place. The Company also changed the presentation of net income and the term "non-controlling interests" is used instead of "minority interests". Certain amounts in the prior year comparative information were reclassified to conform to such changes in the current year presentation.

With respect to application of the Accounting Standards for Business Combinations, the Company followed the provisional treatments in article 58-2 (4) of the Business Combinations Accounting Standard, article 44-5 (4) of the Consolidation Accounting Standard and article 57-4 (4) of the Business Divestitures Accounting Standard with application from the beginning of the current fiscal year prospectively.

In the consolidated statement of cash flows for the year ended March 31, 2016, cash flows from acquisition or disposal of shares of subsidiaries with no changes in the scope of consolidation are included in "Cash flows from financing activities" and cash flows from acquisition related costs for shares of subsidiaries with changes in the scope of consolidation or costs related to acquisition or disposal of shares of subsidiaries with no changes in the scope of consolidation are included in "Cash flows from operating activities".

Impact of these changes to the consolidated financial statements was immaterial. Also, impact of these changes to per share information was immaterial.

(20) New Accounting Standards Not Yet Applied

Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No.26, issued on March 28, 2016)

(1) Outline

"Implementation Guidance on Recoverability of Deferred Tax Assets" stipulates guidance for the treatment of the recoverability of deferred tax assets when applying "Standards for Tax Effect Accounting" issued by Business Accounting Council. When transferring responsibility of setting such guidance from the Japanese Institute of Certified Public Accountants ("JICPA") to ASBJ, while following the framework of JICPA Audit Committee Report No. 66 "Audit Treatment on Determining the Recoverability of Deferred Tax Assets", whereby companies are categorized into following five categories and deferred tax assets are calculated based on each of these categories, certain necessary revisions were made for category requirements and treatment of amounts recorded as deferred tax assets.

1) Treatment of companies that do not satisfy any of the category requirements for (Category 1) through (Category 5)
2) Category requirements for (Category 2) and (Category 3)
3) Treatment related to future deductible temporary differences which cannot be scheduled in companies that qualify as (Category 2)
4) Treatment related to the reasonable estimable period of future taxable income before adjusting temporary differences in companies that qualify as (Category 3)
5) Treatment in case that companies that satisfy the category requirements for (Category 4) but qualify as (Category 2) or (Category 3)

(2) Scheduled date of adoption

The Company plans to apply the guidance from the beginning of the fiscal year ending March 31, 2017.

(3) Impact of adoption of this guidance

At the time of preparation of the accompanying consolidated financial statements, the impact of application of this guidance is currently under assessment.

3. FINANCIAL INSTRUMENTS

(1) Qualitative information on financial instruments

a. Group policy for financial instruments

The Companies, which mainly produce and market electronic components, procure short-term operating funds with bank loans, and long-term funds for capital investment, etc. with bank loans and issuance of bonds in accordance with a capital investment plan.

Temporary surplus funds are managed as safe and secure financial funds such as short-term deposits. The Companies use derivative transactions to hedge risks stated below, and do not intend to use them for speculative purpose.

b. Risk management for financial instruments

Trade notes and accounts receivable which are operating receivables are exposed to consumer credit risk. Therefore, the Companies manage due dates and balances for each customer, and make efforts to early recognize concerns about collectability and reduce its risks due to deterioration in financial conditions, etc.

Investment securities consisting mainly of shares of companies with which the Companies have business relationship are managed by grasping fair values and financial conditions of issuers on a regular basis.

Payment due dates of most trade notes and accounts payable which are operating payables are within one year.

The Companies use borrowings, bonds and convertible bond with stock acquisition rights mainly for the purpose of procuring funds necessary for capital investment. As long-term loans with floating interest rate are exposed to the risk of interest-rate fluctuations, the Companies use derivative transactions (interest-rate swaps) to hedge the risk.

Operating receivables in foreign currency which arise from the Company's global business development are exposed to the risk of exchange-rate fluctuations. The Companies use forward exchange contracts as hedging instruments for operating receivables in foreign currency to reduce the risk of exchange-rate fluctuations, in principle. The Companies also make forward exchange contracts to hedge risks from operating receivables in foreign currency which are surely brought about by forecasted transactions related to exports. The Companies make derivatives transactions only with high-rated financial institutions.

In accordance with the internal risk management regulations providing for trading authority, the ceiling and other matters, the finance and accounting department executes derivative transactions, and manages them by recording details of transactions and checking balances with counterparties.

A manager of finance and accounting department reports monthly results of transactions to a Chief of Headquarters in charge, and he/she reports to the Board of Directors. Consolidated subsidiaries do not use derivative transactions.

The Company unifies the management of funds of the entire Group based on funding plans prepared by each group company in order to allow them to secure adequate liquidity.

c. Supplemental information on market value of financial instruments

Financial instruments without market quotations are stated at reasonably calculated value. Such value is calculated based on variable factors. Therefore, the value may be changed depending on prerequisites to be adopted.

(2) Fair values of financial instruments

Book values and fair values of the financial instruments on the consolidated balance sheets at March 31, 2016 and 2015 are as follows. When it is extremely difficult to measure a fair value of financial instrument, such financial instrument is not included in the table shown below.

	Millions of yen		
	2016		
	Book value	Fair value	Difference
(1) Cash, cash equivalents and time deposits	¥45,963	¥45,963	-
(2) Trade notes and accounts receivable	49,759	49,759	-
(3) Investment securities:			
1) Held-to-maturity debt securities	-	-	-
2) Available-for-sale securities	4,075	4,075	-
3) Investments in affiliate	1,320	1,470	¥150
Total assets	¥101,117	¥101,267	¥150
(4) Trade notes and accounts payable	23,430	23,430	-
(5) Short-term borrowings	11,979	11,979	-
(6) Other accounts payable	12,353	12,353	-
(7) Income taxes payable	2,340	2,340	-
(8) Convertible bonds with stock acquisition rights	20,068	20,224	¥156
(9) Long-term borrowings (*1)	21,347	21,305	(42)
Total liabilities	¥91,517	¥91,631	¥114
(10) Derivative transactions (*2)	¥775	¥775	-

	Millions of yen		
	2015		
	Book value	Fair value	Difference
(1) Cash, cash equivalents and time deposits	¥46,710	¥46,710	–
(2) Trade notes and accounts receivable	55,773	55,773	–
(3) Investment securities:			
1) Held-to-maturity debt securities	0	0	–
2) Available-for-sale securities	8,218	8,218	–
3) Investments in affiliate	–	–	–
Total assets	¥110,701	¥110,701	–
(4) Trade notes and accounts payable	23,900	23,900	–
(5) Short-term borrowings	12,366	12,366	–
(6) Other accounts payable	11,435	11,435	–
(7) Income taxes payable	1,709	1,709	–
(8) Convertible bonds with stock acquisition rights	20,082	22,600	¥2,518
(9) Long-term borrowings (*1)	21,840	21,766	(74)
Total liabilities	¥91,332	¥93,776	¥2,444
(10) Derivative transactions (*2)	¥(187)	¥(187)	-

	Thousands of U.S. dollars		
	2016		
	Book value	Fair value	Difference
(1) Cash, cash equivalents and time deposits	$406,752	$406,752	-
(2) Trade notes and accounts receivable	440,349	440,349	-
(3) Investment securities:			
1) Held-to-maturity debt securities	-	-	-
2) Available-for-sale securities	36,058	36,058	-
3) Investments in affiliate	11,682	13,009	$1,327
Total assets	$894,841	$896,168	$1,327
(4) Trade notes and accounts payable	207,345	207,345	-
(5) Short-term borrowings	106,014	106,014	-
(6) Other accounts payable	109,317	109,317	-
(7) Income taxes payable	20,713	20,713	-
(8) Convertible bonds with stock acquisition rights	177,592	178,974	$1,382
(9) Long-term borrowings (*1)	188,906	188,534	(372)
Total liabilities	$809,887	$810,897	$1,010
(10) Derivative transactions (*2)	$6,857	$6,857	-

(*1) Long-term borrowings includes current portion.
(*2) Derivatives transactions are stated in net of assets and liabilities. The figures in parenthesis indicate net liabilities.

Note 1: Measurement methods for fair value of financial instruments and matters concerning securities and derivative transactions

Assets:

(1) Cash, cash equivalents and time deposits and (2) Trade notes and accounts receivable

Since these are settled in short term, their fair values are close to book values. Accordingly, they are stated at book value.

(3) Investment securities

Equity securities are stated at price on exchange market, and bonds are stated at price offered by correspondent financial institutions.

Liabilities:

(4) Trade notes and accounts payable, (5) Short-term borrowings, (6) Other accounts payable and (7) Income taxes payable

Since these are settled in short term, their fair values are close to book values. Accordingly, they are stated at book value.

(8) Convertible bonds with stock acquisition rights

The prices offered by correspondent financial institutions are regarded as fair values.

(9) Long-term borrowings

The fair values of long-term borrowings are measured as present values obtained by discounting total amount of principal and interest at the estimated interest rate if similar borrowings were newly made. Long-term borrowings with floating interest rates are subject to the exceptional accounting method for interest-rate swaps. Their fair values are calculated by discounting the total amount of principal and interest treated together with relevant interest-rate swaps at the estimated interest rate if similar borrowings were newly made.

(10) Derivative transactions

The fair values of forward exchange contracts are stated at prices offered by financial institutions.

As derivative transactions subject to the exceptional accounting method for interest-rate swaps are treated together with hedged long-term borrowings, their fair values are included in the fair values of relevant long-term borrowings.

Note 2: Financial instruments of which fair value is extremely difficult to be identified

	Millions of yen		Thousands of U.S. dollars
	2016	2015	2016
	Book value	Book value	Book value
Unlisted equity securities	¥156	¥10	$1,383
Investments in affiliate	579	572	5,120
Equities of limited liability partnerships for investment business and of other similar partnerships	158	272	1,400

As for financial instruments shown above, there is no market price and future cash flow cannot be estimated. Accordingly, since it is considered very difficult to identify their fair value, they are not included in "Assets (3) Investment securities".

Note 3: Planned redemption amounts after March 31, 2016 and 2015 for monetary assets and investment securities

	Millions of yen	
	2016	
	Within 1 year	Over 1 year and within 5 year
Cash, cash equivalents and time deposits	¥45,928	-
Trade notes and accounts receivable	49,759	-
Investment securities		
Held-to-maturity debt securities	-	-

	Millions of yen	
	2015	
	Within 1 year	Over 1 year and within 5 year
Cash, cash equivalents and time deposits	¥46,631	-
Trade notes and accounts receivable	55,773	-
Investment securities		
Held-to-maturity debt securities	0	-

	Thousands of U.S. dollars	
	2016	
	Within 1 year	Over 1 year and within 5 year
Cash, cash equivalents and time deposits	$406,439	-
Trade notes and accounts receivable	440,349	-
Investment securities		
Held-to-maturity debt securities	-	-

4. DEBT AND EQUITY SECURITIES

(1) Held-to-maturity debt securities
Information as of March 31, 2016 and 2015 is not shown as it is immaterial.

(2) Available-for-sale securities

	Millions of Yen		
	2016		
	Book value	Acquisition cost	Unrealized Gain/loss
Securities for which book value of consolidated balance sheets exceeds acquisition cost			
Stock	¥3,270	¥1,789	¥1,481
Corporate bonds	-	-	-
Other	62	42	20
Subtotal	¥3,332	¥1,831	¥1,501
Securities for which book value of consolidated balance sheets does not exceed acquisition cost			
Stock	¥743	¥798	¥(55)
Corporate bonds	-	-	-
Other	-	-	-
Subtotal	¥743	¥798	¥(55)
Total	¥4,075	¥2,629	¥1,446

	Millions of Yen		
	2015		
	Book value	Acquisition cost	Unrealized Gain/loss
Securities for which book value of consolidated balance sheets exceeds acquisition cost			
Stock	¥5,536	¥2,651	¥2,885
Corporate bonds	-	-	-
Other	72	43	29
Subtotal	¥5,608	¥2,694	¥2,914
Securities for which book value of consolidated balance sheets does not exceed acquisition cost			
Stock	¥2,610	¥2,749	¥(139)
Corporate bonds	-	-	-
Other	-	-	-
Subtotal	¥2,610	¥2,749	¥(139)
Total	¥8,218	¥5,443	¥2,775

	Thousands of U.S. Dollars		
	2016		
	Book value	Acquisition cost	Unrealized Gain/loss
Securities for which book value of consolidated balance sheets exceeds acquisition cost			
Stock	$28,934	$15,830	$13,104
Corporate bonds	-	-	-
Other	551	374	177
Subtotal	$29,485	$16,204	$13,281
Securities for which book value of consolidated balance sheets does not exceed acquisition cost			
Stock	$6,573	$7,065	$(492)
Corporate bonds	-	-	-
Other	-	-	-
Subtotal	$6,573	$7,065	$(492)
Total	$36,058	$23,269	$12,789

(3) Impaired securities

For the years ended March 31, 2016 and 2015, the Company recorded an impairment loss on "Available-for-sale securities". The Company recorded impairment loss of 1,463 million yen (12,945 thousand dollar). The loss is divided to 34 million yen (298 thousands dollars) and 1,429 million yen (12,647 thoudands dollars) on other marketable securities and investments in affiliate respectively in the fiscal year ended March 31, 2016. The Company omits the detail about the fiscal year ended March 31, 2015, since the amount of loss is immaterial.

The Company posts the entire amount of impairment loss on all securities whose fair value at the end of the fiscal year is less than 50% of the acquisition cost.

For securities whose fair value at the end of the fiscal year decreases by 30% to 50% from their acquisition cost, the Company posts an impairment loss when it is judged necessary, by examining the impact and recoverability of the amount.

5. INDEBTEDNESS

Short-term borrowing at March 31, 2016 and 2015 principally consist of borrowings from banks at average annual rates of approximately 0.64%.

Long-term debts at March 31, 2016 and 2015 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Long-term borrowings from banks and other financial institutions			
Due within one year, weighted average interest rate 0.74% at March 31, 2016, and 0.84% at March 31, 2015	¥6,201	¥5,270	$54,873
Due after one year, weighted average interest rate 0.76% at March 31, 2016, and 0.86% at March 31, 2015	15,146	16,570	134,033
Euro Yen zero coupon convertible bonds due 2021			
Due within one year	-	-	-
Due after one year	20,000	20,000	176,991
Lease liabilities			
Due within one year			
Lease that deem to transfer ownership to lessee	-	-	-
Lease that do not transfer ownership to lessee	291	319	2,577
Due after one year			
Lease that deem to transfer ownership to lessee	-	-	-
Lease that do not transfer ownership to lessee	270	486	2,385
Total	41,908	42,645	370,859
Less current portion	(6,492)	(5,589)	(57,450)
Long-term debts, less current portion	¥35,416	¥37,056	$313,409

The average interest rate per annum for lease that do not transfer ownership to lessee is not presented since lease liabilities are stated at the amounts before deducting interest portion which is included in total lease liabilities.

The conversion price per share of Euro Yen zero coupon convertible bonds due 2021 for the years ended March 31, 2016 and 2015 were 2,069 yen (18.31 dollar) - fixed price.

The aggregate annual maturities of long-term debts other than lease liabilities as of March 31, 2016 are as follows:

For the year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2017	¥6,201	$54,873
2018	11,076	98,014
2019	3,938	34,852
2020	17	155
2021	20,017	177,141
2022 and thereafter	98	862
Total	¥41,347	$365,897

The annual maturities of lease liabilities as of March 31, 2016 are as follows:

For the year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2017	¥291	$2,577
2018	181	1,601
2019	66	583
2020	15	132
2021	7	63
2022 and thereafter	1	6
Total	¥561	$4,962

6. RETIREMENT BENEFITS

Outline of retirement benefit plans

The Company and certain domestic subsidiaries have defined contribution pension plans, prepaid retirement plans.

Certain overseas subsidiaries mainly adopted lump-sum retirement benefit plans.

Overseas subsidiaries have applied International Financial Reporting Standards ("IFRS"). "Employee Benefits" ("IAS" No. 19 amended on June 16, 2011) became effective from the fiscal year beginning on and after January 1, 2013. Effective from the fiscal year ended March 31, 2014, certain overseas subsidiaries have adopted the standard.

a. Defined benefit pension plans

(1) The reconciliation of defined benefit obligation for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Defined benefit obligation at beginning of year	¥4,472	¥3,141	$39,579
Service costs	803	654	7,109
Interest cost	112	120	994
Actuarial (gain) loss	(73)	517	(645)
Benefits paid	(211)	(299)	(1,870)
Other	(368)	339	(3,262)
Defined benefit obligation at end of year	¥4,735	¥4,472	$41,905

Defined benefit obligations in certain domestic consolidated subsidiaries calculated by the simplified method are included.

(2) The reconciliation of plan assets for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Fair value of plan assets at beginning of year	¥1,622	¥1,216	$14,357
Interest income	53	49	469
Actuarial gain (loss)	(51)	13	(457)
Employer's contribution	155	205	1,374
Benefits paid	(47)	(26)	(420)
Other	(112)	165	(989)
Fair value of plan assets at end of year	¥1,620	¥1,622	$14,334

(3) Reconciliation between the balances of defined benefits obligation and plan assets and net defined benefit liability and net defined benefit asset recorded in the consolidated balance sheets as of March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Funded defined benefits obligation	¥2,187	¥2,035	$19,354
Plan assets	(1,620)	(1,622)	(14,334)
	567	413	5,020
Unfunded defined benefits obligation	2,549	2,437	22,551
Total net liability (asset) for retirement benefit	¥3,116	¥2,850	$27,571
Net defined benefit liability	¥3,116	¥2,872	$27,571
Net defined benefit asset	-	(22)	-
Total net liability (asset) for retirement benefit	¥3,116	¥2,850	$27,571

(4) Components of retirement benefit costs for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Service costs	¥804	¥654	$7,109
Net interest	59	70	525
Amortization of actuarial differences	62	10	550
Total retirement benefit cost for the fiscal year	¥925	¥734	$8,184

The Company applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No.18).

Accordingly, the total amounts of actuarial differences have been amortized by a certain period of fixed years within average expected future service years.

(5) Adjustments in defined benefit obligation of overseas subsidiaries, excluding the income tax effect accounting, for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Actuarial differences	¥(19)	¥(459)	$(168)

(6) Accumulated amounts of adjustments in defined benefit obligation of overseas subsidiaries, excluding the income tax effect, as of March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Unrecognized actuarial differences	¥(535)	¥(515)	$(4,730)

(7) Plan assets

(i) The proportions of plan assets as of March 31, 2016 and 2015 were as follows:

	2016	2015
Debt securities	59	70 %
Equity securities	19	4
Cash and deposit with bank	18	22
Other	4	4
Total	100	100 %

77% and 79% of plan assets are retirement benefit trusts established for lump-sum retirement plans as of March 31, 2016 and 2015, respectively.

Equity securities was separately presented in the above table due to increased materiality. As a result, other was restated as of March 31, 2015.

(ii) Rates of expected return

The rates of expected return are not set since the overseas subsidiaries applied the IAS No. 19.

(8) Actuarial assumptions

	2016	2015
Discount rates (overseas subsidiaries)	2.00 - 5.34 %	3.50 - 5.07 %
Expected rate of salary increase	3.48 - 5.00 %	0.85 - 5.25 %

b. Defined contribution pension plans

The required contribution amounts to the defined contribution pension plans by the Companies were 1,224 million yen (10,835 thousand dollar) and 1,213 million yen as of March 31, 2016 and 2015, respectively.

7. NET ASSETS

Under the Companies Act of Japan ("the Act") , in cases where dividend distribution of surplus is made, the lesser of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve, must be set aside as additional paid-in capital or legal earnings reserve. Additional paid-in capital and legal earnings reserve are included in capital surplus and retained earnings, respectively, in the accompanying consolidated balance sheets. Under the Act, all additional paid-in capital and legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends. The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Act. Appropriations are not accrued in the consolidated financial statements for the corresponding period, but are recorded in the subsequent accounting period after shareholders' approval has been obtained.

8. INCOME TAXES

Income taxes in Japan applicable to the Company and domestic subsidiaries for the years ended March 31, 2016 and 2015 were comprised of (1) a corporation tax at the rate of 25.0% and 25.5% on taxable income, respectively, (2) enterprise tax of approximately 6% and 7% on taxable income and (3) prefectural and residence taxes of approximately 16% and 21% of the amount of the corporation tax. Enterprise tax is deductible for income tax purposes when paid. Income taxes of foreign subsidiaries are generally based on tax rates applicable in the country of incorporation.

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

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Deferred tax assets			
Inventories	¥744	¥1,224	$6,588
Accrued expenses	361	329	3,194
Retirement benefits	1,846	2,010	16,336
Net defined benefit liability	777	593	6,874
Enterprise tax payables	268	134	2,370
Accrued bonuses	1,022	1,039	9,042
Investment securities	761	296	6,731
Excess depreciation	864	1,155	7,646
Lump-sum depreciable assets	231	151	2,040
Allowance for doubtful receivables	102	107	903
Unused tax loss carry-forward	12,655	15,918	111,995
Other	1,223	1,643	10,829
Offset	(154)	(90)	(1,360)
Subtotal	20,700	24,509	183,188
Valuation allowance	(18,965)	(22,402)	(167,831)
Total deferred tax assets	¥1,735	¥2,107	$15,357
Deferred tax liabilities			
Undistributed earnings of foreign subsidiaries	¥3,516	¥3,489	$31,118
Inventories	608	746	5,379
Reserves	723	781	6,399
Unrealized holding gains on investment securities	397	740	3,511
Other	1,494	1,412	13,217
Offset	(154)	(90)	(1,360)
Total deferred tax liabilities	¥6,584	¥7,078	$58,264

Main items of the reconciliations of the normal income tax rate to the effective income tax rates are as follows:

	2016	2015
Statutory tax rate	32.8 %	35.4 %
(Reconciliations)		
Differences in statutory tax rates of foreign subsidiaries	(6.0)	(11.3)
Undistributed earnings of foreign subsidiaries	0.3	4.2
Valuation allowance	(6.7)	(10.5)
Foreign tax	0.3	4.5
Unrealized profit included in inventories	(2.3)	2.1
Amortization of goodwill	-	1.4
Decrease of deferred tax assets and liabilities due to income tax rates change	(0.5)	(1.4)
Others - net	1.9	1.6
Effective income tax rate	19.8 %	26.0 %

The "Act on Partial Revision of the Income Tax Act (Act No.15 of 2016)" and the "Act on Partial Revision of the Local Income Tax Act (Act No.13 of 2016)" were enacted by the National Diet on March 29, 2016 and the effective statutory tax rate utilized for the measurements of deferred tax assets and deferred tax liabilities was changed from 32.1% for the fiscal year ended March 31, 2016 to 30.7% in connection with temporary differences expected to be settled or realized in the period between April 1, 2016 and March 31, 2018, and to 30.5% for temporary differences expected to be settled or realized in the fiscal year beginning on April 1, 2018 and thereafter.

As a result, deferred tax assets, deferred tax liabilities, income taxes - deferred, net unrealized holding gains (losses) on securities<net of taxes>, and deferred gains (losses) on hedges<net of taxes>, decreased by 24 million yen (208 thousand dollars), 126 million yen (1,119 thousand dollars), 82 million yen (730 thousand dollars), increased by 20 million yen (180 thousand dollars) and 0 million yen (1 thousand dollars), respectively.

9. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Summary of net assets (liabilities) and net payment for the business transfer is as follows:

March 31, 2015

	Millions of Yen
Current assets	¥824
Non-current assets	1,373
Current liabilities	(447)
Long-term liabilities	(122)
Foreign currency translation adjustments	(188)
Gain on business transfer	103
Consideration for business transfer	1,543
Cash and cash equivalents of alienated company	(237)
Less: Income from business transfer	1,306
Balance of accrued amounts receivable from business transfer	(1,043)
Less: Income from business transfer	¥263

10. LEASE TRANSACTIONS

Operating Lease
The amounts of noncancellable future lease payments as of March 31, 2016 and 2015 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Future lease payments			
Within one year	¥79	¥211	$696
Over one year	205	320	1,819
Total	¥284	¥531	$2,515

11. IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT

The Companies categorize their business assets by segmentation for management accounting, and idle assets by individual asset. Property, plant and equipment such as head office and laboratories are categorized as common assets.

For the year ended March 31, 2016, the Companies recognized impairment loss on property, plant and equipment as follows:

Classification	Description	Location	Millions of Yen	Thousands of U.S. Dollars
Machinery and Equipment, Buildings, Construction in Progress, Intangible Assets, Others	Business assets (Optical media business)	Date, Fukushima, Others	¥178	$1,576
Machinery and Equipment	Idle assets	Tamamura, Gunma Nakanojo, Gunma Others	194	1,715
Others	Idle assets	Tamamura, Gunma Others	28	251
	Total		¥400	$3,542

For the business assets with no specific utilization plan and low profitability, due to withdrawal from "Optical media" business, their book values have been written down to the memorandum value and such reduction (178 million yen (1,576 thousand dollar)) was included in business structure improvement expenses in other income (expenses). This consists of 85 million yen (755 thousand dollar) for machinery and equipment, 29 million yen (257 thousand dollar) for buildings, 25 million yen (222 thousand dollar) for intangible assets, 22 million yen (195 thousand dollar) for construction in progress and 17 million yen (147 thousand dollar) for others.

For the idle assets with no specific utilization plan and low profitability, their book values have been written down to the memorandum value and such reduction was recorded as impairment loss on property, plant and equipment.

For the year ended March 31, 2015, the Companies recognized impairment loss on property, plant and equipment as follows:

Classification	Description	Location	Millions of Yen
Machinery and Equipment	Idle assets	Tamamura, Gunma Nakanojo, Gunma Others	¥71
Others	Idle assets	Chuo, Tokyo Tongyeong, Korea Others	24
	Total		¥95

For the idle assets with no specific utilization plan and low profitability, their book values have been written down to the memorandum value and such reduction was recorded as impairment loss on property, plant and equipment.

12. NOTES TO CONSOLIDATED STATEMENTS OF INCOME

Gain on business transfer for the year ended March 31, 2015 consists of the followings:

	Millions of Yen
	2015
Gain on sales of affiliated company's share	¥472
Special redevelopment support cost	(166)
Inventory valuation loss	(82)
Loss on disposal of property, plants, equipments	(60)
Others	(61)
Total	¥103

13. DERIVATIVE TRANSACTIONS

The fair values of derivatives held by the Companies as of March 31, 2016 and 2015 are summarized as follows. Fair value is computed based on quotes and others by financial institutions and others.

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

	Millions of Yen 2016			
	Contract amount	Due after one year	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts: Selling: U.S. Dollar	¥17,095	-	¥791	¥791
Foreign exchange forward contracts: Buying: U.S. Dollar	¥1,150	-	¥(25)	¥(25)

	Millions of Yen 2015			
	Contract amount	Due after one year	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts: Selling: U.S. Dollar	¥16,593	-	¥(205)	¥(205)
Foreign exchange forward contracts: Buying: U.S. Dollar	¥593	-	¥7	¥7

	Thousands of U.S. Dollars 2016			
	Contract amount	Due after one year	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts: Selling: U.S. Dollar	$151,284	-	$6,999	$6,999
Foreign exchange forward contracts: Buying: U.S. Dollar	$10,178	-	$(219)	$(219)

(2) Derivative transactions for which hedge accounting is applied

		Millions of Yen 2016		
		Contract amount	Due after one year	Fair value
Foreign exchange forward contracts: Selling: U.S. Dollar	Future transaction	¥6,187	-	¥13
Foreign exchange forward contracts: Buying: U.S. Dollar	Future transaction	¥1,128	-	¥(4)
Interest-rate swaps: Fixed interest payment and floating interest receipt	Long-term borrowings	¥10,500	¥10,000	-

		Millions of Yen 2015		
		Contract amount	Due after one year	Fair value
Foreign exchange forward contracts: Selling: U.S. Dollar	Future transaction	¥6,606	-	¥13
Foreign exchange forward contracts: Buying: U.S. Dollar	Future transaction	¥602	-	¥(2)
Interest-rate swaps: Fixed interest payment and floating interest receipt	Long-term borrowings	¥10,800	¥10,500	-

		Thousands of U.S. Dollars 2016		
		Contract amount	Due after one year	Fair value
Foreign exchange forward contracts: Selling: U.S. Dollar	Future transaction	$54,749	-	$110
Foreign exchange forward contracts: Buying: U.S. Dollar	Future transaction	$9,984	-	$(33)
Interest-rate swaps: Fixed interest payment and floating interest receipt	Long-term borrowings	$92,920	$88,496	-

For the exceptional accounting method for interest-rate swaps, because they are account for in combination with the hedged long-term borrowings, their fair value is included in the fair value of the long-term

14. STOCK OPTION PLAN

The Company grants stock options to its directors and operating officers in line with resolutions of the board of directors meetings.

Expenses for stock options amounting to 99 million yen (880 thousand dollar) and 57 million yen were recognized in selling, general and administrative expenses in 2016 and 2015, respectively.

For the years ended March 31, 2016 and 2015, a standard option pricing model (i.e., Black-Scholes) was used to measure the fair value of stock options granted to its directors and operating officers.

The fair value for these options was estimated at the date of grant using the Black-Scholes option pricing model with risk-free interest rates of 0.12% and 0.05% in 2016, 0.37% in 2015, dividends per share of 10 yen (0.09 dollar) in 2016, 10 yen in 2015, and volatility factor of the expected market value of the Company's common stock of 45.1% and 44.5% in 2016, 48.4% in 2015, determined by weekly historical price for the past 6.1 years in 2016, 8.2 years in 2015, which is the same period as expected life of the option.

A summary of the Company's stock options outstanding at March 31, 2016 is as follows:

Date of resolution	June 28, 2007	June 28, 2007	June 27, 2008	May 25, 2009
Date of grant	July 13, 2007	July 13, 2007	July 14, 2008	June 9, 2009
Number of options	32,000 shares of Common stock	46,000 shares of Common stock	46,000 shares of Common stock	37,000 shares of Common stock
Exercise price	¥1	¥1	¥1	¥1
Exercise period	From July 14, 2007 to July 13, 2027	From July 14, 2007 to July 13, 2027	From July 15, 2008 to July 14, 2028	From June 10, 2009 to June 9, 2029
Fair value (per share)	¥2,761	¥2,761	¥966	¥947
Options outstanding at March 31, 2015 (share)	6,000	10,000	10,000	10,000
Granted (share)	-	-	-	-
Exercised (share)	3,000	4,000	4,000	4,000
Forfeited/Expired (share)	-	-	-	-
Options outstanding at March 31, 2016 (share)	3,000	6,000	6,000	6,000

Date of resolution	June 29, 2010	June 29, 2011	April 25, 2012	May 24, 2013
Date of grant	July 21, 2010	July 14, 2011	May 11, 2012	June 10, 2013
Number of options	39,000 shares of Common stock	44,000 shares of Common stock	38,000 shares of Common stock	10,000 shares of Common stock
Exercise price	¥1	¥1	¥1	¥1
Exercise period	From July 22, 2010 to July 21, 2030	From July 14, 2011 to July 13, 2031	From May 11, 2012 to May 10, 2032	From June 10, 2013 to June 9, 2033
Fair value (per share)	¥1,013	¥948	¥739	¥1,625
Options outstanding at March 31, 2015 (share)	14,000	22,000	23,000	6,000
Granted (share)	-	-	-	-
Exercised (share)	5,000	9,000	10,000	3,000
Forfeited/Expired (share)	-	-	-	-
Options outstanding at March 31, 2016 (share)	9,000	13,000	13,000	3,000

Date of resolution	June 27, 2013	June 27, 2014	June 26, 2015	November 5, 2015
Date of grant	July 12, 2013	July 14, 2014	July 13, 2015	November 20, 2015
Number of options	31,000 shares of Common stock	55,000 shares of Common stock	62,000 shares of Common stock	2,000 shares of Common stock
Exercise price	¥1	¥1	¥1	¥1
Exercise period	From July 12, 2013 to July 11, 2033	From July 14, 2014 to July 13, 2034	From July 13, 2015 to July 12, 2035	From November 20, 2015 to November 19, 2035
Fair value (per share)	¥1,476	¥1,032	¥1,543	¥1,914
Options outstanding at March 31, 2015 (share)	31,000	55,000	-	-
Granted (share)	-	-	62,000	2,000
Exercised (share)	10,000	13,000	5,000	-
Forfeited/Expired (share)	-	-	-	-
Options outstanding at March 31, 2016 (share)	21,000	42,000	57,000	2,000

15. COMPREHENSIVE INCOME

Reclassification and income tax effects attributable to other comprehensive income for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. dollars
	2016	2015	2016
Net unrealized holding gains (losses) on securities:			
Gains (losses) arising during the year	¥(1,540)	¥1,595	$(13,631)
Reclassifications and adjustments	139	-	1,231
Before income tax effects	(1,401)	1,595	(12,400)
Income tax effects	343	(449)	3,038
Net unrealized holding gains (losses) on securities	(1,058)	1,146	(9,362)
Deferred gains (losses) on hedges:			
Gains (losses) arising during the year	(68)	(452)	(602)
Reclassifications and adjustments	66	495	582
Before income tax effects	(2)	43	(20)
Income tax effects	1	(4)	8
Deferred gains (losses) on hedges	(1)	39	(12)
Foreign currency translation adjustments:			
Adjustments arising during the year	(9,931)	11,813	(87,879)
Reclassifications and adjustments	-	(249)	-
Before income tax effects	(9,931)	-	(87,879)
Income tax effects	(17)	-	(151)
Foreign currency translation adjustments	(9,948)	11,564	(88,030)
Adjustment in defined benefit obligation of overseas subsidiaries:			
Gains (losses) arising during the year	(81)	(469)	(718)
Reclassifications and adjustments	62	10	550
Before income tax effects	(19)	(459)	(168)
Income tax effects	(62)	97	(551)
Adjustment in defined benefit obligation of overseas subsidiaries	(81)	(362)	(719)
Total other comprehensive income	¥(11,088)	¥12,387	$(98,123)

16. SEGMENT INFORMATION

(1) General information about reportable segments
The Companies’ reportable segments are those for which separately financial information is available and regular evaluation by the Company's Board of Directors is performed in order to decide how resources are allocated among the Companies.
From the fiscal year ended March 31, 2016, the Companies changed its reportable segments to a single segment of "Electronic Components". The Companies reached a conclusion that single reportable segment is reasonable and appropriate considering business deployment, allocation of management resources and management control structure of the Companies, as a result of withdrawal from "Optical media" business in December 2015. As a result of this change, the Companies have omitted the disclosure of segment information for the years ended March 31, 2016 and 2015.

(2) Basis of measurement about reportable segment income or loss, segment assets and other material items
Information have been omitted since the Companies have the single segment.

(3) Information related to the amounts of net sales, profit and loss, assets, liabilities and other items by reportable segments
As the Companies have a single business segment, there're no items to report.

(4) Information by products classification

The Companies set four product classifications ; "Capacitors", "Ferrite and applied products", "Integrated modules & devices", and "Others".

Net sales by product classifications is as follows

Millions of Yen				
2016				
Capacitors	Ferrite and applied products	Integrated modules & devices	Others	Total
¥123,675	¥46,464	¥57,696	¥12,551	¥240,386

Millions of Yen				
2015				
Capacitors	Ferrite and applied products	Integrated modules & devices	Others	Total
¥114,363	¥41,948	¥52,798	¥17,986	¥227,095

Thousands of U.S. dollars				
2016				
Capacitors	Ferrite and applied products	Integrated modules & devices	Others	Total
$1,094,470	$411,182	$510,584	$111,072	$2,127,308

(5) Transactions by geographical areas

(i) Sales

Millions of Yen				
2016				
Japan	China	Hong Kong	Other areas	Total
¥24,910	¥107,995	¥29,713	¥77,768	¥240,386

Millions of Yen				
2015				
Japan	China	Hong Kong	Other areas	Total
¥32,038	¥90,596	¥22,542	¥81,919	¥227,095

Thousands of U.S. dollars				
2016				
Japan	China	Hong Kong	Other areas	Total
$220,439	$955,706	$262,948	$688,215	$2,127,308

Hong Kong was included in Other areas for the year ended March 31, 2015.
However, Hong Kong is separately presented since sales in Hong Kong exceeded 10% of consolidated net sales for the year ended March 31, 2016.
Also, prior year information was reclassified to conform to the above change.

(ii) Property, plant and equipment

Millions of Yen				
2016				
Japan	China	Malaysia	Other areas	Total
¥66,784	¥14,212	¥14,135	¥11,916	¥107,047

Millions of Yen				
2015				
Japan	China	Malaysia	Other areas	Total
¥53,914	¥16,980	¥14,055	¥12,760	¥97,709

Thousands of U.S. dollars				
2016				
Japan	China	Malaysia	Other areas	Total
$591,010	$125,776	$125,085	$105,450	$947,321

(6) Information about impairment loss on property, plant and equipment by reportable segments

The disclosure of Information about impairment loss on property, plant and equipment by reportable segments has been omitted since the Companies have single segment.

(7) Information about amortization and the balance of (negative) goodwill by reportable segments

There're no items to report.

(8) Information about major customers

Information for major customers has been omitted since there are no major customers accounts with more than 10% of net sales on consolidated statements of income for the years ended March 31, 2016 and 2015.

17. EARNINGS PER SHARE

Reconciliation of the basic and diluted earnings per share ("EPS") for the years ended March 31, 2016 and 2015 were as follows:

For the year ended March 31, 2016	Millions of Yen	Thousands of Shares	Yen	U.S. Dollar
	Net Earnings	Weighted Average Shares	EPS	
Basic EPS				
Net income attributable to common shareholders of the parent	¥14,751	117,754	¥125.27	$1.1
Effect of dilutive securities				
Convertible bonds	-	-	-	
Convertible bonds with stock acquisition rights	(10)	9,667	-	
Stock acquisition rights	-	165	-	
Diluted EPS				
Earnings for computation	¥14,741	127,586	¥115.54	$1.0

For the year ended March 31, 2015	Millions of Yen	Thousands of Shares	Yen
	Net Earnings	Weighted Average Shares	EPS
Basic EPS			
Net income attributable to common shareholders of the parent	¥10,919	117,747	¥92.74
Effect of dilutive securities			
Convertible bonds	-	-	-
Convertible bonds with stock acquisition rights	(9)	9,667	-
Stock acquisition rights	-	178	-
Diluted EPS			
Earnings for computation	¥10,910	127,592	¥85.51

18. SUBSEQUENT EVENT

The following appropriations of retained earnings at March 31, 2016 were approved at the Company's shareholders' meeting held on June 29, 2016:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividend, 10.00 yen (0.09 dollar) per share	¥1,178	$10,426

CONSOLIDATED SUBSIDIARIES and EQUITY-METHOD AFFILIATES

CONSOLIDATED SUBSIDIARIES

Domestic (Japan)	Ownership
TAIYO YUDEN CHEMICAL TECHNOLOGY CO., LTD.	100.0%
TAIYO YUDEN TECHNO SOLUTIONS CO., LTD.	100.0%
Sun Vertex Co., Ltd.	100.0%
FUKUSHIMA TAIYO YUDEN CO., LTD.	100.0%
Kankyo Assist Co., Ltd.	100.0%
Niigata Taiyo Yuden Co., Ltd.	100.0%
TAIYO YUDEN ENERGY DEVICE CO., LTD.	100.0%
WAKAYAMA TAIYO YUDEN CO., LTD.	100.0%
Victor Advanced Media Co., Ltd.	100.0%
TAIYO YUDEN Mobile Technology Co., Ltd.	100.0%

Overseas	Ownership
TAIWAN TAIYO YUDEN CO., LTD.	100.0%
KOREA TAIYO YUDEN CO., LTD.	100.0%
TAIYO YUDEN (SINGAPORE) PTE. LTD.	100.0%
HONG KONG TAIYO YUDEN CO., LTD.	100.0%
TAIYO YUDEN (U.S.A.) INC.	100.0%
TAIYO YUDEN EUROPE GmbH	100.0%
KOREA TONG YANG YUJUN CO., LTD.	100.0%
TAIYO YUDEN (PHILIPPINES), INC.	100.0%
TAIYO YUDEN (SARAWAK) SDN. BHD.	100.0%
TAIYO YUDEN (MALAYSIA) SDN. BHD.	100.0%
TAIYO YUDEN (GUANGDONG) CO., LTD.	100.0%
KOREA KYONG NAM TAIYO YUDEN CO., LTD.	100.0%
TAIYO YUDEN (SHANGHAI) TRADING CO., LTD.	100.0%
TAIYO YUDEN (TIANJIN) ELECTRONICS CO., LTD.	100.0%
TAIYO YUDEN (SHENZHEN) ELECTRONICS TRADING CO., LTD.	100.0%
TAIYO YUDEN (CHINA) CO., LTD.	100.0%
JVC ADVANCED MEDIA U.S.A. INC.	100.0%
JVC Advanced Media EUROPE GmbH	100.0%
JVC Advanced Media (Tianjin) Co., Ltd.	100.0%
TAIYO YUDEN TRADING (THAILAND) CO., LTD	91.5%

EQUITY-METHOD AFFILIATES

Domestic (Japan)	Ownership
START Lab Inc.	49.9%
ELNA CO., LTD.	26.5%