



Flash Report for the Year Ended March 31, 2016 [Japan GAAP] (on a consolidated basis)

May 12, 2016

Name: Shindengen Electric Manufacturing Co., Ltd. Securities Exchange: Tokyo Stock Exchange
Code Number: 6844 Registered Head Office: Tokyo

(URL <http://www.shindengen.co.jp/>)

Representative: Yoshinori Suzuki, President

Inquiries: Yoshiaki Matsumoto, Manager of Corporate Planning Group, Planning Dept.

Tel: +81-3-3279-4431

Scheduled date for annual general meeting of shareholders: June 29, 2016

Date for initiation of dividend payments (subject to change): June 30, 2016

Scheduled date for submission of securities report: June 30, 2016

Prepared earnings results briefing material: Yes

Held earnings results briefing (for institutional investors and securities analysts): Yes

* All amounts are rounded down to the nearest million yen.

1. Results for the Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Operating results (¥ million)

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of the parent | |
|---------------------------|-----------|--------|------------------|---------|-----------------|---------|---|---------|
| Year ended March 31, 2016 | ¥98,110 | (9.4)% | ¥ 799 | (89.6)% | ¥ 405 | (94.8)% | ¥ 205 | (96.1)% |
| Year ended March 31, 2015 | 108,255 | 3.5 | 7,673 | (32.2) | 7,861 | (28.3) | 5,252 | (56.7) |

Notes: 1. Percentage figures for net sales, operating income, ordinary income and Profit attributable to owners of the parent represent year-on-year comparisons.

2. Comprehensive income (loss)

Year ended March 31, 2016: ¥(4,876) million (—%) Year ended March 31, 2015: ¥9,068 million (down 33.8%)

| | Net income per share (¥) | | Net income on equity | Ordinary income to total assets | Operating income to net sales |
|---------------------------|--------------------------|---------|----------------------|---------------------------------|-------------------------------|
| | Basic | Diluted | | | |
| Year ended March 31, 2016 | ¥ 1.99 | — | 0.4 % | 0.3 % | 0.8% |
| Year ended March 31, 2015 | 50.98 | — | 9.9 | 5.9 | 7.1 |

Note: Earnings from investments in equity-method affiliates

Year ended March 31, 2016: ¥223 million Year ended March 31, 2015: ¥270 million

(2) Financial position (¥ million)

| | Total assets | Net assets | Equity ratio | Net assets per share (¥) |
|----------------------|--------------|------------|--------------|--------------------------|
| As of March 31, 2016 | ¥133,101 | ¥50,751 | 38.1% | ¥492.63 |
| As of March 31, 2015 | 134,002 | 56,664 | 42.3 | 549.97 |

Note: Owners' equity

As of March 31, 2016: ¥50,751 million As of March 31, 2015: ¥56,664 million

(3) Cash flows (¥ million)

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at year-end |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| Year ended March 31, 2016 | ¥ 10,420 | ¥(5,884) | ¥ (2,864) | ¥38,905 |
| Year ended March 31, 2015 | 9,027 | (6,285) | (6,540) | 38,047 |

2. Dividends

| | Cash dividends per share (¥) | | | | | Total dividends (full term) (¥ million) | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|---------------------------------------|------------------------------|-------|-----|----------|--------|---|-----------------------------|--|
| | Quarter-end | | | Year-end | Annual | | | |
| | 1st | 2nd | 3rd | | | | | |
| Year ended March 31, 2015 | ¥— | ¥0.00 | ¥— | ¥10.00 | ¥10.00 | ¥1,030 | 19.6% | 1.9% |
| Year ended March 31, 2016 | — | 0.00 | — | 12.50 | 12.50 | 1,287 | 628.1 | 2.4 |
| Year ending March 31, 2017 (forecast) | — | 0.00 | — | 12.50 | 12.50 | | 35.8 | |

3. Business Performance Forecasts for the Year Ending March 31, 2017

(April 1, 2016 to March 31, 2017)

| | (¥ million) | | | | | | | | |
|-------------------|-------------|--------|------------------|---------|-----------------|---------|---|---------|--------------------------|
| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of the parent | | Net income per share (¥) |
| First-half period | ¥ 47,200 | (5.6)% | ¥2,100 | (33.9)% | ¥2,200 | (31.3)% | ¥1,700 | (28.7)% | ¥16.50 |
| Full term | 98,800 | 0.7 | 4,500 | 462.8 | 4,500 | — | 3,600 | — | 34.94 |

Note: Percentage figures represent year-on-year comparisons.

Note

(1) Significant changes in the scope of consolidation

Inclusion: None

Exclusion: None

(2) Changes in accounting policies, accounting estimates and correction of errors

Changes in accounting policies due to revision of the accounting standards: Applicable

Changes in accounting policies other than above: Not applicable

Changes in accounting estimates: Not applicable

Correction of errors: Not applicable

(3) Number of ordinary shares issued, end of the year (including treasury stock)

As of March 31, 2016: 103,388,848 shares As of March 31, 2015: 103,388,848 shares

Number of shares in treasury at the end of the year

As of March 31, 2016: 367,447 shares As of March 31, 2015: 356,557 shares

Average number of shares during the period

Year ended March 31, 2016: 103,026,207 shares

Year ended March 31, 2015: 103,036,080 shares

(Reference)**Non-Consolidated Results for the Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)****(1) Operating results**

(¥ million)

| | Net sales | | Operating income (loss) | | Ordinary income (loss) | |
|---------------------------|-----------|---------|-------------------------|--------|------------------------|--------|
| Year ended March 31, 2016 | ¥82,038 | (11.4)% | ¥(3,269) | — % | ¥(2,014) | — % |
| Year ended March 31, 2015 | 92,638 | (3.0) | 3,483 | (51.6) | 4,887 | (42.8) |

| | Net income (loss) | | Net income (loss) per share (¥) | |
|---------------------------|-------------------|--------|------------------------------------|---------|
| | | | Basic | Diluted |
| Year ended March 31, 2016 | ¥(1,465) | — % | ¥ (14.22) | — |
| Year ended March 31, 2015 | 3,321 | (66.3) | 32.24 | — |

Note: Percentage figures represent year-on-year comparisons.

(2) Financial position

(¥ million)

| | Total assets | Net assets | Equity ratio | Net assets per share (¥) |
|----------------------|--------------|------------|--------------|--------------------------|
| As of March 31, 2016 | ¥110,218 | ¥41,156 | 37.3% | ¥399.49 |
| As of March 31, 2015 | 115,620 | 45,003 | 38.9 | 436.79 |

Note: Owners' equity

As of March 31, 2016: ¥41,156 million As of March 31, 2015: ¥45,003 million

* Disclosure of Implementation Status of Audit Procedures

Audit procedures under the Financial Instruments and Exchange Law had not been completed as of the release of this financial report. (This financial report is not subject to audit procedures under Japan's Financial Instruments and Exchange Law.)

* Appropriate use of earnings forecasts and other matters

The earnings forecasts and other forward-looking statements noted in this document are based on information available at the time and on assumptions deemed rational. The Company makes absolutely no promises regarding the achievement of said earnings forecasts and other forward-looking statements. Actual earnings may differ significantly due to various factors.

Consolidated Balance Sheets

| | Millions of yen | |
|---------------------------------------|----------------------|----------------------|
| | As of March 31, 2015 | As of March 31, 2016 |
| Assets | | |
| Current assets: | | |
| Cash and deposits | ¥ 33,337 | ¥ 34,180 |
| Notes and accounts receivable – trade | 22,287 | 19,507 |
| Securities | 5,000 | 5,000 |
| Finished products | 7,604 | 7,616 |
| Work in process | 3,740 | 3,529 |
| Raw materials | 10,096 | 9,291 |
| Deferred tax assets | 1,429 | 1,109 |
| Other | 3,322 | 4,912 |
| Allowance for doubtful accounts | (33) | (30) |
| Total current assets | 86,784 | 85,117 |
| Noncurrent assets: | | |
| <i>Tangible fixed assets –</i> | | |
| Buildings and structures | 9,223 | 8,426 |
| Machinery, equipment and vehicles | 8,466 | 8,581 |
| Land | 5,395 | 6,117 |
| Leased assets – net | 400 | 362 |
| Construction in progress | 933 | 1,662 |
| Other – net | 1,674 | 1,399 |
| Total tangible fixed assets | 26,093 | 26,550 |
| <i>Intangible assets –</i> | | |
| Goodwill | 85 | 50 |
| Software | 563 | 680 |
| Leased assets | 100 | 25 |
| Other | 473 | 324 |
| Total intangible assets | 1,223 | 1,081 |
| <i>Investments and other assets –</i> | | |
| Investment securities | 14,661 | 12,794 |
| Deferred tax assets | 4,529 | 6,938 |
| Other | 772 | 670 |
| Allowance for doubtful accounts | (63) | (52) |
| Total investments and other assets | 19,900 | 20,350 |
| Total noncurrent assets | 47,217 | 47,983 |
| Total assets | 134,002 | 133,101 |

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2015 As of March 31, 2016

Liabilities

Current liabilities:

| | | |
|------------------------------------|---------------|---------------|
| Notes and accounts payable – trade | ¥ 17,856 | ¥ 15,779 |
| Short-term loans payable | 7,628 | 7,438 |
| Current portion of bonds | 400 | 2,475 |
| Lease obligations | 232 | 163 |
| Income taxes payable | 936 | 115 |
| Provision for bonuses | 1,039 | 945 |
| Other | 3,641 | 6,980 |
| Total current liabilities | 31,735 | 33,898 |

Long-term liabilities:

| | | |
|------------------------------------|---------------|---------------|
| Bonds payable | 2,900 | 925 |
| Long-term loans payable | 24,658 | 23,239 |
| Lease obligations | 314 | 262 |
| Deferred tax liabilities | 51 | 83 |
| Net defined benefit liability | 14,931 | 17,588 |
| Provision for product warranties | 2,518 | 6,184 |
| Asset retirement obligations | 147 | 141 |
| Other | 82 | 25 |
| Total long-term liabilities | 45,602 | 48,450 |
| Total liabilities | 77,337 | 82,349 |

Net assets

Shareholders' equity:

| | | |
|-----------------------------------|---------------|---------------|
| Capital stock | 17,823 | 17,823 |
| Capital surplus | 7,738 | 7,738 |
| Retained earnings | 27,747 | 26,922 |
| Treasury stock | (123) | (129) |
| Total shareholders' equity | 53,185 | 52,354 |

Accumulated other comprehensive income (loss):

| | | |
|--|--------------|----------------|
| Valuation difference on available-for-sale securities | 3,113 | 1,766 |
| Foreign currency translation adjustment | 1,519 | (42) |
| Remeasurements of defined benefit plans | (1,154) | (3,326) |
| Total accumulated other comprehensive income (loss) | 3,478 | (1,603) |

| | | |
|-------------------------|---------------|---------------|
| Total net assets | 56,664 | 50,751 |
|-------------------------|---------------|---------------|

| | | |
|---|-----------------|-----------------|
| Total liabilities and net assets | ¥134,002 | ¥133,101 |
|---|-----------------|-----------------|

Consolidated Statements of Income and Comprehensive Income

| | Millions of yen | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2016 |
| Net sales | ¥108,255 | ¥ 98,110 |
| Cost of sales | 87,648 | 85,051 |
| Gross profit | 20,677 | 13,058 |
| Selling, general and administrative expenses | 12,933 | 12,258 |
| Operating income | 7,673 | 799 |
| Nonoperating income: | | |
| Interest income | 82 | 102 |
| Dividends income | 264 | 275 |
| Foreign exchange gain | 798 | — |
| Royalty income | 100 | 109 |
| Share of profit of entities accounted for using equity method | 270 | 223 |
| Other | 152 | 230 |
| Total nonoperating income | 1,668 | 941 |
| Nonoperating expenses: | | |
| Interest expenses | 604 | 497 |
| Foreign exchange losses | — | 606 |
| Amortization of net retirement benefit obligation at transition | 618 | — |
| Other | 257 | 231 |
| Total nonoperating expenses | 1,480 | 1,335 |
| Ordinary income | 7,861 | 405 |
| Extraordinary losses: | | |
| Business structure improvement expenses | — | 200 |
| Impairment losses | — | 38 |
| Total extraordinary losses | — | 239 |
| Income before income taxes | 7,861 | 166 |
| Income taxes – current | 2,739 | 382 |
| Income taxes – deferred | (130) | (421) |
| Total income taxes | 2,608 | (38) |
| Net income | ¥ 5,252 | ¥ 205 |
| (Breakdown) | | |
| Profit attributable to owners of parent | 5,252 | 205 |
| Other comprehensive income (loss): | | |
| Valuation difference on available-for-sale securities | 1,036 | (1,347) |
| Foreign currency translation adjustment | 1,730 | (1,358) |
| Adjustments of defined benefit plans | 898 | (2,172) |
| Share of other comprehensive income of associates accounted for using equity method | 150 | (203) |
| Total other comprehensive income (loss) | 3,815 | (5,081) |
| Comprehensive income (loss) | ¥ 9,068 | ¥ (4,876) |
| (Breakdown) | | |
| Comprehensive income (loss) attributable to owners of the parent company | ¥ 9,068 | ¥ (4,876) |
| Comprehensive income attributable to minority interests | — | — |

Note: Amounts under one million yen are omitted.

Consolidated Statements of Changes in Net Assets

Fiscal 2016 (April 1, 2015 to March 31, 2016)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of year | 17,823 | 7,738 | 27,747 | (123) | 53,185 |
| Cumulative effects of changes in accounting policies | | | | | — |
| Restated balance | 17,823 | 7,738 | 27,747 | (123) | 53,185 |
| Changes during year | | | | | |
| Dividends from surplus | | | (1,030) | | (1,030) |
| Profit attributable to owners of the parent | | | 205 | | 205 |
| Change of scope of consolidation | | | | | — |
| Acquisition of treasury stock | | | | (5) | (5) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes during year | — | — | (825) | (5) | (830) |
| Balance at end of year | 17,823 | 7,738 | 26,922 | (129) | 52,354 |

(Millions of yen)

| | Accumulated other comprehensive income(loss) | | | | Total net assets |
|--|---|---|---|---|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income (loss) | |
| Balance at beginning of year | 3,113 | 1,519 | (1,154) | 3,478 | 56,664 |
| Cumulative effects of changes in accounting policies | | | | | — |
| Restated balance | 3,113 | 1,519 | (1,154) | 3,478 | 56,664 |
| Changes during year | | | | | |
| Dividends from surplus | | | | | (1,030) |
| Profit attributable to owners of the parent | | | | | 205 |
| Change of scope of consolidation | | | | | — |
| Acquisition of treasury stock | | | | | (5) |
| Net changes of items other than shareholders' equity | (1,347) | (1,562) | (2,172) | (5,081) | (5,081) |
| Total changes during year | (1,347) | (1,562) | (2,172) | (5,081) | (5,912) |
| Balance at end of year | 1,766 | (42) | (3,326) | (1,603) | 50,751 |

Consolidated Statements of Changes in Net Assets

Fiscal 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of year | 17,823 | 7,738 | 24,333 | (118) | 49,776 |
| Cumulative effects of changes in accounting policies | | | (699) | | (699) |
| Restated balance | 17,823 | 7,738 | 23,634 | (118) | 49,077 |
| Changes during year | | | | | |
| Dividends from surplus | | | (1,030) | | (1,030) |
| Profit attributable to owners of the parent | | | 5,252 | | 5,252 |
| Change of scope of consolidation | | | (108) | | (108) |
| Acquisition of treasury stock | | | | (4) | (4) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes during year | — | — | 4,113 | (4) | 4,108 |
| Balance at end of year | 17,823 | 7,738 | 27,747 | (123) | 53,185 |

(Millions of yen)

| | Accumulated other comprehensive income (loss) | | | | Total net assets |
|--|---|---|---|---|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income (loss) | |
| Balance at beginning of year | 2,077 | (138) | (2,052) | (113) | 49,662 |
| Cumulative effects of changes in accounting policies | | | | | (669) |
| Restated balance | 2,077 | (138) | (2,052) | (113) | 48,963 |
| Changes during year | | | | | |
| Dividends from surplus | | | | | (1,030) |
| Profit attributable to owners of the parent | | | | | 5,252 |
| Change of scope of consolidation | | | | | (108) |
| Acquisition of treasury stock | | | | | (4) |
| Net changes of items other than shareholders' equity | 1,036 | 1,658 | 898 | (3,592) | 3,592 |
| Total changes during year | 1,036 | 1,658 | 898 | (3,592) | 7,701 |
| Balance at end of year | 3,113 | 1,519 | (1,154) | (3,478) | 56,664 |

Consolidated Statements of Cash Flows

| | Millions of yen | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2016 |
| Cash flows from operating activities: | | |
| Income before income taxes and minority interests | ¥ 7,861 | ¥ 166 |
| Depreciation and amortization | 5,157 | 5,070 |
| Bond issuance cost | 14 | 13 |
| Impairment loss | — | 38 |
| Increase (decrease) in provision for bonuses | (31) | (93) |
| Increase in provision for product warranties | 2,518 | 3,666 |
| Increase (decrease) in net defined benefit liability | 872 | (465) |
| Interest and dividends income | (346) | (377) |
| Interest expenses | 604 | 497 |
| Decrease (increase) in notes and accounts receivable – trade | 2,551 | 2,540 |
| Decrease (increase) in inventories | 975 | 117 |
| Decrease (increase) in accrued consumption taxes | (742) | (259) |
| Decrease (increase) in accounts receivable – other | 148 | 48 |
| Increase (decrease) in notes and accounts payable – trade | (2,792) | (1,177) |
| Loss on disposal of tangible fixed assets | 97 | 37 |
| Other – net | (3,044) | 2,928 |
| Sub-total | 13,846 | 12,752 |
| Interest and dividend received | 399 | 450 |
| Interest paid | (611) | (498) |
| Income taxes paid | (4,607) | (2,282) |
| Net cash provided by operating activities | 9,027 | 10,420 |
| Cash flows from investing activities: | | |
| Purchases of investment securities | (0) | (200) |
| Proceeds from sale of investments in securities | 3 | 11 |
| Payments for investments in capital of affiliates | (102) | — |
| Purchases of tangible fixed assets | (5,982) | (5,526) |
| Proceeds from sale of tangible fixed assets | 76 | 29 |
| Purchases of intangible assets | (266) | (294) |
| Other – net | (13) | 97 |
| Net cash used in investing activities | (6,285) | (5,884) |

| | Millions of yen | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2015 | Year ended March 31, 2016 |
| Cash flows from financing activities: | | |
| Net increase in short-term loans payable | 0 | 0 |
| Proceeds from long-term loans payable | 6,000 | 6,000 |
| Repayment of long-term loans payable | (7,964) | (7,630) |
| Proceeds from issuance of bonds | 485 | 486 |
| Redemption of bonds | (3,400) | (400) |
| Purchases of treasury stock | (4) | (5) |
| Repayment of lease obligations | (627) | (284) |
| Cash dividends paid | (1,030) | (1,030) |
| Net cash provided by (used in) financing activities | (6,540) | (2,864) |
| Effect of exchange rate changes on cash and cash equivalents | 1,198 | (814) |
| Net increase (decrease) in cash and cash equivalents | (2,601) | 857 |
| Cash and cash equivalents at beginning of year | 39,803 | 38,047 |
| Increase in cash and cash equivalents from newly consolidated subsidiaries and others | 845 | — |
| Cash and cash equivalents at end of year | 38,047 | 38,905 |

Note: Amounts under one million yen are omitted.

Notes Pertaining to Going Concern Assumption

None

Segment Information

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

1. Reporting segment overview

The Company's reportable operating segments are components of an entity for which separate financial information is available and evaluated regularly by the board of directors in determining the allocation of management resources and in assessing performance.

The Shindengen Group formulates comprehensive domestic and overseas strategies for the products that its business divisions provide.

The Shindengen Group's business is organized into three reportable segments—Device Business, Car Electronics Business and Next Generation Energy Business—which form the base of its business divisions.

The Device Business manufactures diodes, thyristors, MOSFET, high-withstand voltage power ICs and power modules. The Car Electronics Business mainly manufactures electronics components for motorcycles and automobiles, along with general purpose inverters. The Next Generation Energy Business primarily manufactures power conditioners for photovoltaic generators, power storage systems, recharging stands for electric vehicles, and power supplies for information and communication equipment.

2. Method of calculating sales, income (loss), identifiable assets/liabilities and other items by reporting segment

The accounting method for business segments reported is based on the same method applied to consolidated financial statements. Income by reporting segment is the amount based on operating income. In addition, inter-segment sales and transfers are primarily based on market prices or manufacturing costs.

3. Net sales, income (loss), identifiable assets/liabilities and other items by reporting segment

| | Millions of yen | | | | | | | |
|--|---------------------------|--------------------------|---------------------------------|----------|-----------------|----------|-----------------------|--------------------------------------|
| | Year ended March 31, 2016 | | | | | | | |
| | Devices Business | Car Electronics Business | Next Generation Energy Business | Total | Other (Notes 2) | Total | Adjustments (Notes 3) | Financial Statement Amount (Notes 4) |
| Net sales: | | | | | | | | |
| Outside customers | ¥30,134 | ¥49,038 | ¥15,836 | ¥95,009 | ¥3,100 | ¥98,110 | ¥ — | ¥ 98,110 |
| Inter-segment | 6,155 | 24 | — | 6,180 | — | 6,180 | (6,180) | — |
| Total | 36,290 | 49,063 | 15,836 | 101,190 | 3,100 | 104,290 | (6,180) | 98,110 |
| Segment income (loss) | ¥ 2,109 | ¥ 1,786 | ¥ (555) | ¥ 3,340 | ¥ 37 | ¥3,377 | ¥(2,578) | ¥ 799 |
| Segment assets | ¥33,210 | ¥30,408 | ¥9,258 | ¥ 72,877 | ¥ 872 | ¥ 73,750 | ¥59,351 | ¥133,101 |
| Other items | | | | | | | | |
| Depreciation and amortization | 2,400 | 1,823 | 400 | 4,625 | 0 | 4,626 | 444 | 5,070 |
| Increases in property, plant and equipment and intangible assets | 2,641 | 3,042 | 123 | 5,806 | 0 | 5,807 | 872 | 6,679 |

Notes: 1. Amounts under one million yen are omitted.

2. The "Other" category includes activities not included in the reporting segments, such as solenoids.

3. Details of adjustments are below:

(1) ¥(2,578) million posted under "Adjustments" includes "Corporate expenses" that have not been allocated to each reporting segment. "Corporate expenses" are primarily general and administrative expenses that cannot be attributed to any reporting segment.

(2) Segment assets totaling ¥59,351 million posted under "Adjustments" comprise corporate assets of ¥59,049 million not allocated to each reporting segment and other adjustments of ¥302 million.

(3) Depreciation and amortization totaling ¥444 million posted under "Adjustments" mainly comprises corporate expenses not attributable to each reporting segment.

(4) The increases in property, plant and equipment and intangible assets amounting to ¥872 million posted under "Adjustments" primarily comprises corporate assets not attributable to each reporting segment.

4. Segment income (loss) is adjusted to the operating income stated on the consolidated statements of income and consolidated statements of comprehensive income.

5. Changes in reporting segment.

The Company's reporting segments comprise product segments based on the business divisions. Effective April 1, 2015, the segmentation of product administration was changed in part.

As a result, some product groups were transferred from the Next Generation Energy Business to the Car Electronics Business on April 1, 2015.

Consolidated segment information provided for the fiscal year ended March 31, 2015 was restated based on this change in the segmentation of product administration.

Significant Subsequent Events

Changes in executives

1) Change in representative director

- Representative director scheduled to retire

Representative director Masato Morikawa (scheduled for appointment as consultant)

2) Other changes in executives

- Executive officer scheduled to retire

Executive officer Masanori Nakamura (scheduled for appointment as advisor)

3) Scheduled retirement date

June 29, 2016