



## Financial Results Summary for the Fiscal Year Ended March 31, 2017 [Japan GAAP] (Consolidated)

May 10, 2017

Company Name Tabuchi Electric Co., Ltd. Exchange listed on: Tokyo Stock Exchange  
 Securities code 6624 URL http://www.zbr.co.jp  
 Representative (Title) President and Chief Executive Officer (Name) Toshihiro Kaihoshi  
 Corporate Director, Executive  
 Contact (Title) Corporate Officer and Manager, (Name) Masao Sasano (TEL) +81-6-4807-3500  
 Management Control Division  
 Scheduled date of ordinary shareholders' meeting June 29, 2017 Scheduled commencement date of dividends payment: \_  
 Scheduled filing date of the securities report June 29, 2017  
 Preparation of supplementary materials for report : Yes  
 Convening results briefing : Yes ( For institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

### 1. Consolidated Operating Results for the Fiscal Year Ended March 31, 2017

(From April 1, 2016 to March 31, 2017)

#### (1) Consolidated Operating Results

(Percentages represent year on year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders	
	million yen	%	million yen	%	million yen		million yen	%
Fiscal year ending March 31, 2017	26,178	(33.1)	(3,332)	—	(3,414)	—	(5,553)	—
Fiscal year ending March 31, 2016	39,103	(26.6)	4,916	(55.6)	4,704	(59.1)	3,181	(58.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2017 -¥5,531 million yen (-)

Fiscal year ended March 31, 2016 ¥2,344 million yen (-72.6%)

	Net income per share	Net income per share - fully diluted	Net income to shareholders equity	Ordinary income to Assets	Operating income to Net sales
	yen	yen	%	%	%
Fiscal year ending March 31, 2017	(137.39)	-	(41.8)	(9.9)	(12.7)
Fiscal year ending March 31, 2016	78.72	-	20.5	12.6	12.6

#### (2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ending March 31, 2017	31,888	10,185	31.9	252.01
Fiscal year ending March 31, 2016	36,823	16,363	44.4	404.86

(Reference) Shareholders' equity: Fiscal year ended March 31, 2017 ¥10,185 million yen

Fiscal year ended March 31, 2016 ¥16,363 million yen

#### (3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	million yen	million yen	Million yen	Million yen
Fiscal year ending March 31, 2017	(2,940)	(2,680)	4,313	4,365
Fiscal year ending March 31, 2016	3,771	(3,683)	(1,061)	5,737

### 2. Dividends

	Annual dividends					Total amount of annual dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of the year	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2016	-	8.00	-	8.00	16.00	646	20.3	4.2
Fiscal year ended March 31, 2017	-	8.00	-	0.00	8.00	323	-	2.4
Fiscal year ending March 31, 2018 (forecast)	-	0.00	-	-	-		-	

(Note) The end of Fiscal year ending March 31, 2018 dividends is not conformed yet

### 3. Consolidated Operating Results Forecast for the fiscal year ending March 31, 2018

(From April 1, 2017 to March 31, 2018)

(Percentage represents changes from the previous year for Full year, and on YoY basis for Quarterly results)

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
First two quarters	15,000	15.5	(500)	—	(500)	—	(500)	—	(12.37)
Full year	32,000	22.2	100	—	100	-	0	-	0.00

#### \* Notes

(1) Major changes in subsidiaries during the first nine months of the fiscal year ending March 31, 2017 : None  
(Changes in specified subsidiaries resulting in a change in the scope of consolidation)

(2) Changes in accounting policies or estimates and retrospective restatements

- 1) Changes in accounting policies in line with revisions in accounting standards : Yes
- 2) Changes in accounting policies other than item 1) above : None
- 3) Changes in accounting estimates : None
- 4) Retrospective restatements : None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	fiscal year ending March 31, 2017	40,502,649shares	Fiscal year ended March 31, 2016	40,502,649shares
2) Number of shares of treasury stock at the end of the period	Fiscal year ending March 31, 2017	85,042shares	Fiscal year ended March 31, 2016	84,867shares
3) Average number of shares issued during the first nine months	Fiscal year ending March 31, 2017	40,417,713shares	Fiscal year ended March 31, 2016	40,417,813shares

\* Financial Results Summary is not subject to audit

\* Explanation for appropriate use of operating results forecasts, other special notes

The operating results forecasts are prepared based on the information available as of the date of the announcement of the material and the actual results may differ from forecasts due to various factors.

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## 1. Summary of Business Results

### (1) Summary of Business Results for the Current Fiscal Year

In the global economy during the consolidated fiscal year under review, despite the slowdown of economic growth in China and emerging countries, the issue of the UK's departure from the European Union (EU), concerns of protectionism, and Middle East risks, the U.S. economy showed steady growth, moderately recovering on the whole. The Japanese economy, too, is undergoing a moderate recovery, with consumer spending recovering, backed by the improvement in the employment and income environments, and the increase in exports and capital investment.

Under such business environment, the domestic PV power-generation market remained sluggish, and the Company was severely affected by the downturn in low-voltage transmission transactions for which it has a significant market share. Although we have made efforts to increase sales in high-voltage transmission transactions which continue to have demand by launching new products of solar inverters for PV power-generation, sales did not reach a level where we could recover our market share as it took considerable time for products to penetrate. On the other hand, sales in the North American market were not as high as they could have been, as time was necessary to address specifications and standards which differ depending on state governments and local electricity companies.

As a result, for the consolidated fiscal year under review, the Company Group posted net sales of 26,178 million yen (down 33.1% year on year), operating loss of 3,332 million yen (compared to operating income of 4,916 million yen for the same period in the previous fiscal year), and ordinary loss of 3,414 million yen (compared to ordinary income of 4,704 million yen for the same period in the previous fiscal year). With the goodwill, impairment loss of non-current assets, and reversal of deferred tax assets and others, net loss attributable to owners of the parent was 5,553 million yen (compared to net income attributable to owners of the parent of 3,181 million yen for the same period in the previous fiscal year).

The operating results by segment are as follows:

#### (i) Transformers Business

The Transformers Business posted net sales of 9,391 million yen (up 2.5% year on year) and an operating income of 321 million yen (down 52.8% year on year). This was due to an increase in net sales of a consolidated subsidiary which was incorporated through the M&A transaction conducted in the second half of the previous fiscal year, and an increase in operating expenses including amortization of goodwill.

#### (ii) Power Supplies Business

The power supplies business posted net sales of 16,786 million yen (down 43.9% year on year) and operating loss of 3,419 million yen (compared to operating income of 5,029 million yen for the same period in the previous fiscal year). This was due to a decrease in solar inverters for PV power-generation under the sluggish domestic PV power-generation market, particularly the downturn in the low-voltage transmission transactions, in spite of the smooth launch of amusement power supplies at the end of the fiscal year.

### (2) Summary of Financial Position for the Current Fiscal Year

As for the financial position for the current fiscal year end, total assets stood at 31,888 million yen, a decrease of 4,935 million yen from the previous consolidated fiscal year end. This was primarily due to a decrease in cash and deposits of 1,372 million yen, notes and accounts receivable-trade of 1,590 million yen, and goodwill of 733 million yen, respectively.

Liabilities stood at 21,702 million yen, an increase of 1,242 million yen from the previous consolidated fiscal year end. This was primarily due to a decrease in notes and accounts payable-trade of 2,990 million yen, and an increase in interest bearing debts of 4,960 million yen.

Net assets stood at 10,185 million yen, a decrease of 6,177 million yen from the previous consolidated fiscal year end. This was primarily due to the posting of a net loss attributable to owners of the parent of 5,553 million yen.

### (3) Summary of Cashflow for the Current Fiscal Year

The amount of cash and cash equivalents for the current fiscal year end was 4,365 million yen, a decrease of 1,372 million yen from the previous consolidated fiscal year end.

Cash flows from operating activities resulted in a net outflow of 2,940 million yen (compared to a net inflow of 3,771 million yen in the previous fiscal year). Primary reasons for the increase were depreciation of 1,781 million yen, a decrease in notes and accounts receivable-trade of 1,590 million yen, and an impairment loss of 1,050 million yen. Primary reasons for the decrease were a loss before income taxes and minority interests of 4,627 million yen, and a decrease in notes and accounts payable-trade of 3,007 million yen.

Cash flows from investing activities resulted in a net outflow of 2,680 million yen (compared to a net outflow of 3,683 million yen in the previous fiscal year). A breakdown of the major items includes an outflow of 1,540 million yen for the purchase of property, plant and equipment, and 817 million yen for the purchase of intangible assets.

Cash flows from financing activities resulted in a net inflow of 4,313 million yen (compared to a net outflow of 1,061 million yen in the previous fiscal year). A breakdown of the major items includes an inflow of 4,163 million yen from the increase in short-term loans payable, and proceeds of 1,907 million yen from long-term loans payable.

### (4) Future Outlook

Regarding the future outlook for the global economy, despite political uncertainties in Europe such as in France and Germany, the U.S. economy is expected to show a stable economic recovery, with an expectation of robust corporate profits and continuous steady personal consumption. China is showing signs of recovery, and ASEAN countries are also expected to show moderate economic upturns. As for the Japanese economy, the employment and income environments as well as corporate profits are likely to improve, and the economic recovery is expected to continue.

Under such situation, the Company Group expects to see strong purchase orders for amusement power supplies in the power supplies business. It will increase its sales of solar inverters for PV power-generation such as by launching cost competitive new products for high-voltage transmission transactions which continue to have demand. Overseas, we will cultivate markets in Southeast Asia, and increase sales by focusing on hybrid solar inverters with batteries in the North American market which have potential demand.

Business expansion is expected to continue in the transformers business. However, the Company Group will be committed to developing and receiving orders for on-vehicle products for the future.

A sound improvement in the profit structure will also be implemented through the Management Restructuring Strategy

announced on February 10, 2017.

The full year consolidated operating results forecasts for the next fiscal year are net sales of 32,000 million yen, operating income of 100 million yen, ordinary income of 100 million yen, and net income attributable to the parent of 0 million yen.

The foreign exchange rate is assumed to be 110 yen to the U.S. dollar.

\*Since the above forecasts are based on the information currently available to the Company, and certain assumptions determined reasonable, actual operating results may differ from the forecasts. The major reasons for such difference include the economic situation and fluctuations in the supply and demand of products in the major markets (Japan, Europe, the U.S., Asia and others), and fluctuations in foreign exchange rates.

#### (5) Basic Policy for Profit Distribution and Dividends for Current and Next Fiscal Years

The Company Group views returning profits to shareholders as one of the most important management tasks, and will aim to maintain stable dividend payments by comprehensively taking into account its operating results and financial conditions.

Furthermore, with regard to internal reserves, it will focus on injecting such reserves into future growth areas, and make use of them in overseas expansions and environmental measures, while further strengthening its consolidated business foundation to meet the expectations of shareholders.

Regretfully, as announced on February 10, 2017, there was no year-end dividend payment for the current fiscal year. There will be no interim dividend payment for the next fiscal year, and the year-end dividend payment is yet to be decided at present as it will be determined based on changes in the operating results. The Company kindly asks the shareholders for their understanding regarding this matter.

#### 2. Basic Approach to Selection of Accounting Standards

The policy of the Company Group for the time being is to prepare its consolidated financial statements in accordance with Japan GAAP. It will do this in consideration of the comparability of consolidated financial statements between accounting periods and between companies.

With respect to the adoption of the International Financial Reporting Standards (IFRS), it is our policy to handle the matter properly, taking into consideration various circumstances inside and outside Japan.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (March 31, 2016)	Current fiscal year (March 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	5,737	4,365
Notes and accounts receivable - trade	6,815	5,115
Electronically recorded monetary claims - operating	67	177
Merchandise and finished goods	5,527	4,875
Work in process	375	540
Raw materials and supplies	3,755	3,627
Deferred Tax Asset	617	54
Other	1,790	971
Allowance for doubtful accounts	(0)	(0)
Total current asset	24,688	19,726
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,663	4,091
Accumulated depreciation	(1,850)	(2,022)
Buildings and structures, net	1,813	2,069
Machinery, equipment and vehicles	8,612	8,906
Accumulated depreciation	(4,681)	(5,499)
Machinery equipment and vehicles, net	3,930	3,407
Land	942	942
Construction in process	488	264
Other	2,343	2,410
Accumulated depreciation	(1,649)	(1,703)
Other, net	693	707
Total property, plant and equipment	7,868	7,391
Intangible assets		
Goodwill	733	-
Other	1,069	1,409
Total intangible assets	1,802	1,409
Investments and other assets		
Investment securities	1,529	1,817
Long-term loans receivable	3	284
Deferred Tax Asset	15	29
Other	915	1,229
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	2,463	3,359
Total non-current assets	12,133	12,160
Deferred assets		
Bond issuance expenses	1	0
Deferred assets	1	0
<b>Total assets</b>	<b>36,823</b>	<b>31,888</b>

(Millions of yen)

	Previous fiscal year (March 31, 2016)	Current fiscal year (March 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,824	2,973
Electronically recorded obligations - operating	3,600	1,460
Short-term loans payable	1,828	5,999
Current portion of long-term loans payable	919	934
Current portion of bonds	60	60
Lease obligations	130	71
Accounts payable	2,368	1,543
Income taxes payable	140	45
Provision for bonuses	357	260
Provision for directors' bonuses	25	-
Provision for product warranties	454	248
Other	663	1,045
<b>Total current liabilities</b>	<b>14,374</b>	<b>14,643</b>
Non-current liabilities		
Bonds payable	90	30
Long-term loans payable	1,270	2,232
Lease obligations	114	46
Net defined benefit liability	772	666
Deferred tax liabilities	64	303
Long-term unearned revenue	3,253	3,214
Other	520	564
<b>Total non-current liabilities</b>	<b>6,085</b>	<b>7,058</b>
<b>Total liabilities</b>	<b>20,459</b>	<b>21,702</b>
Net assets		
Shareholders' equity		
Capital stock	3,611	3,611
Retained earnings	13,312	7,112
Treasury shares	(21)	(21)
<b>Total shareholders' equity</b>	<b>16,902</b>	<b>10,702</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8)	125
Deferred gains or losses on hedges	(9)	(24)
Foreign currency translation adjustment	(428)	(546)
Remeasurements of defined benefit plans	(92)	(72)
<b>Total accumulated other comprehensive income</b>	<b>(538)</b>	<b>(516)</b>
<b>Total net assets</b>	<b>16,363</b>	<b>10,185</b>
<b>Total liabilities and net assets</b>	<b>36,823</b>	<b>31,888</b>



## (2) Consolidated Statement of Income

## Consolidated Statement of Income

(Millions of yen)

	The previous fiscal year (From April 1, 2015 To March 31, 2016)	The current fiscal year (From April 1, 2016 to March 31, 2017)
Net sales	39,103	26,178
Cost of sales	27,556	23,508
Gross profit	11,546	2,669
Selling, general and administrative expenses	6,629	6,001
Operating income	4,916	(3,332)
Non-operating income		
Interest income	7	4
Dividend income	5	5
Share of profit of entities accounted for using equity method	45	91
Other	45	50
Total non-operating income	103	151
Non-operating expenses		
Interest expenses	81	78
Sales discount	20	14
Derivative loss	49	-
Foreign exchange loss	58	74
Commission paid	85	61
Other	18	3
Total non-operating expenses	314	233
Ordinary income (loss)	4,704	(3,414)
Extraordinary income		
Subsidy income	156	-
Gain on sales of non-current assets	9	-
Total extraordinary income	166	-
Extraordinary loss		
Loss on valuation of investment securities	76	-
Impairment loss	-	1,050
Loss on retirement of fixed assets	4	83
Other	-	78
Total extraordinary losses	80	1,213
Income (loss) before income taxes and minority interests	4,790	(4,627)
Income taxes - current	1,281	169
Income taxes - deferred	332	756
Total income taxes	1,613	925
Net income(loss)	3,176	(5,553)
Net income(loss) attributable to Non-controlling shareholders	(4)	-
Net income attributable to parent company shareholders	3,181	(5,553)

Consolidated Statement of Comprehensive Income

(Millions of yen)

	The previous fiscal year (From April 1, 2015 to March 31, 2016)	The current fiscal year (From April 1, 2016 to March 31, 2017)
Net income(Loss)	3,176	(5,553)
Other comprehensive income		
Valuation difference on available-for-sale securities	2	134
Deferred gains or losses on hedges	(49)	(14)
Foreign currency translation adjustment	(664)	(100)
Remeasurements of defined benefit plans, net of tax	3	20
Share of other comprehensive income of entities accounted for using equity method	(124)	(17)
Total other comprehensive income	(832)	22
Comprehensive income	2,344	(5,531)
(Breakdown)		
Comprehensive income attributable to parent company shareholders	2,349	(5,531)
Comprehensive income attributable to Non- controlling shareholders	(4)	-

### (3) Consolidated Statement of Changes in Equity

Previous fiscal year (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2015	3,611	10,777	(21)	14,367
Changes of items during period				
Dividends of surplus		(646)		(646)
Net income attributable to parent company shareholders		3,181		3,181
Purchase of treasury shares			(0)	(0)
Net changes of items other than shareholders' equity				
Total changes of items during period	-	2,535	(0)	2,534
Balance as of March 31, 2015	3,611	13,312	(21)	16,902

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2015	(11)	40	360	(95)	293	-	14,661
Changes of items during period							
Dividends of surplus							(646)
Net income attributable to parent company shareholders							3,181
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	2	(49)	(789)	3	(832)	-	(832)
Total changes of items during period	2	949	(789)	3	(832)	-	1,702
Balance as of March 31, 2016	(8)	(9)	(428)	(92)	(538)	-	16,363

Fiscal year under review (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2015	3,611	13,312	(21)	16,902
Changes of items during period				
Dividends of surplus		(646)		(646)
Net income attributable to parent company shareholders		(5,553)		(5,553)
Purchase of treasury shares			(0)	(0)
Net changes of items other than shareholders' equity				
Total changes of items during period	-	(6,199)	(0)	(6,199)
Balance as of March 31, 2017	3,611	7,112	(21)	10,702

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2016	(8)	(9)	(428)	(92)	(538)	-	16,363
Changes of items during period							
Dividends of surplus							(646)
Net income attributable to parent company shareholders							(5,553)
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	134	(14)	(117)	20	22	-	22
Total changes of items during period	134	(14)	(117)	20	22	-	(6,177)
Balance as of March 31, 2017	125	(24)	(546)	(72)	(516)	-	10,185

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	The previous fiscal year (From April 1, 2015 to March 31, 2016)	The current fiscal year (From April 1, 2016 to March 31, 2017)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	4,790	(4,627)
Depreciation	1,587	1,781
Impairment loss	-	1,050
Increase (decrease) in allowance for doubtful accounts	(3)	-
Increase (decrease) in provision for product warranties	(336)	(205)
Increase (decrease) in net defined benefit liability	(59)	(108)
Amortization of goodwill	81	149
Subsidy income	(156)	-
Interest and dividend income	(12)	(9)
Interest expenses	81	78
Share of (profit) loss of entities accounted for using equity method	(45)	(91)
(Profit) loss on sale of tangible fixed assets	(5)	83
(Profit) loss on valuation of investment securities	76	-
Decrease (increase) in notes and accounts receivable - trade	8,336	1,590
Decrease (increase) in inventories	(4,782)	612
Increase (decrease) in notes and accounts payable - trade	(374)	(3,007)
Increase (decrease) in long-term unearned revenue	963	(38)
Other	(1,521)	29
Subtotal	8,621	(2,712)
Interest and dividend income received	12	9
Interest expenses paid	(81)	(78)
Proceeds from subsidy income	156	-
Income taxes paid	(4,937)	(159)
<b>Cash flows from operating activities</b>	<b>3,771</b>	<b>(2,940)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,912)	(1,540)
Proceeds from sales of property, plant and equipment	12	-
Purchase of intangible assets	(472)	(817)
Proceeds from sales of investment securities	39	22
Purchase of investment securities	(24)	(56)
Purchase of shares of subsidiaries and associates	(457)	-
Other	131	(289)
<b>Cash flows from investing activities</b>	<b>(3,683)</b>	<b>(2,680)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	932	4,163
Proceeds from long-term loans payable	300	1,907
Repayments of long-term loans payable	(1,388)	(927)
Redemption of bonds	(60)	(60)
Cash dividends paid	(646)	(641)
Repayments of finance lease obligations	(199)	(129)
Other	(0)	(0)
<b>Cash flows from financing activities</b>	<b>(1,061)</b>	<b>4,313</b>
Effect of exchange rate change on cash and cash equivalents	(157)	(64)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,130)</b>	<b>(1,372)</b>
Cash and cash equivalents at the beginning of the period	6,868	5,737
<b>Cash and cash equivalents at the end of the period</b>	<b>5,737</b>	<b>4,365</b>

## (5) Notes to Consolidated Financial Statements

(Notes Relating to Going Concern Assumption)

Not applicable.

(Notes on Any Significant Change in Shareholders' Equity)

(Application of Practical Solution to a change in depreciation method due to Tax Reform 2016)

In association with the revision of the Corporation Tax Act, Tabuchi Electric and its domestic consolidated subsidiaries have applied the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (Accounting Standards Board of Japan (ASBJ) Practical Issue Task Force (PITF) No. 32, issued on June 17, 2016) from the first quarter of the current consolidated fiscal year. As a result, the depreciation method for facilities attached to buildings and for structures acquired on or after April 1, 2016 was changed from the declining-balance method to the straight-line method. The impact of this change on the consolidated financial statements is minimal.

(Additional Information)

(Application of Revised Implementation Guidance on Recoverability of Deferred Tax Assets)

The "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No.26, issued on March 28, 2016) was applied from the current consolidated fiscal year.

(Segment Information)

### 1 Overview of Reportable Segment

#### (1) Methods of determining reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available and such information is evaluated regularly by the highest decision-making body of the Company in deciding how to allocate resources and in assessing performance.

Based on business units and according mainly to the types of products and similarity in production methods, the Company treats the Transformers Business and the Power Supplies Business as its reportable segments.

#### (2) Types of products and services under the reportable segments

The Transformers Business manufactures and sells industrial and consumer transformations and other products.

The Power Supplies Business manufactures and sells industrial and consumer power supply equipment, power conditioning systems and other products.

### 2. Calculation Method of Net Sales, Income or Loss by Reportable Segment

The method of accounting procedures for reportable business segments are generally the same as the method of accounting procedures applied to prepare consolidated financial statements.

Income in the reportable segment is based on the operating income amount. Intersegment revenue and transfers are based on the prevailing market prices.

### 3. Information on net sales and income or loss by reportable segment

The previous fiscal year (From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Reportable segment			Adjustments	Amount on Consolidated Statement of Income
	Transformer Business	Power Supply Business	Total		
Net sales					
Net sales to outside customers	9,158	29,945	39,103	-	39,103
Intersegment net sales or transfers	2,934	-	2,934	(2,934)	-
Total	12,092	29,945	42,038	(2,934)	39,103
Segment income	680	5,029	5,710	(793)	4,916

(Notes) 1. Adjustment of -793 million yen to segment income is all-company expenses that are not distributed to each reportable segment.

All-company expenses are primarily research and development expenses that do not belong to reportable segments.

2. Segment income is adjusted with operating income on the Consolidated Statement of Income.

The current fiscal year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Reportable segment			Adjustments	Amount on Consolidated Statement of Income
	Transformer Business	Power Supply Business	Total		
Net sales					
Net sales to outside customers	9,391	16,786	26,178	-	26,178
Intersegment net sales or transfers	1,507	-	1,507	(1,507)	-
Total	10,898	16,786	27,685	(1,507)	26,178
Segment income	321	(3,419)	(3,098)	(234)	(3,332)

(Notes) 1. Adjustment of -234 million yen to segment income is all-company expenses that are not distributed to each reportable segment.

All-company expenses are primarily research and development expenses that do not belong to reportable segments.

2. Segment income is adjusted with operating income on the Consolidated Statement of Income.