CONSOLIDATED FINANCIAL STATEMENTS
FURUKAWA ELECTRIC CO., LTD. AND
ITS SUBSIDIARIES
March 31, 2015 and 2014

CONSOLIDATED BALANCE SHEETS
FURUKAWA ELECTRIC CO., LTD. AND
ITS SUBSIDIARIES
At March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
ASSETS			
Current assets:			
Cash and bank deposits (Note 4)	¥ 30,011	¥ 26,719	$ 250,092
Marketable securities (Note 5)	20	21	167
Trade receivable	190,431	199,287	1,586,925
Inventories (Note 6)	99,443	93,668	828,692
Deferred income taxes (Note 16)	4,209	5,025	35,075
Other current assets	46,065	36,690	383,875
Allowance for doubtful accounts	(1,361)	(1,400)	(11,342)
Total current assets	368,818	360,010	3,073,484
Non-current assets:			
Investments and long-term loans (Notes 5, 7 and 9)	139,998	137,500	1,166,650
Property, plant and equipment, net of accumulated depreciation (Notes 8, 9 and 15)	199,217	191,069	1,660,141
Deferred income taxes (Note 16)	3,090	3,530	25,750
Asset for retirement benefits (Notes 2s and 10)	4,177	3,472	34,808
Other non-current assets	20,968	20,709	174,733
Allowance for doubtful accounts	(2,143)	(1,445)	(17,858)
Total non-current assets	365,307	354,835	3,044,224
Total	¥ 734,125	¥ 714,845	$ 6,117,708

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term debt (Note 9)	¥ 96,749	¥ 119,913	$ 806,242
Current portion of bonds (Note 9)	10,000	100	83,333
Trade payable	110,404	104,377	920,033
Accrued income taxes	1,408	1,654	11,733
Deferred income taxes (Note 16)	57	65	475
Provision for product defect compensation (Note 2h)	1,602	1,100	13,350
Provision for loss on disaster (Note 2j)	114	1,210	950
Other current liabilities	66,815	65,450	556,792
Total current liabilities	287,149	293,869	2,392,908
Long-term liabilities :			
Bonds (Note 9)	30,000	40,000	250,000
Long-term debt (Note 9)	137,783	117,842	1,148,192
Liability for retirement benfits (Notes 2s and 10)	43,486	42,526	362,383
Provision for environmental costs (Note 2i)	10,496	11,768	87,467
Asset retirement obligation	574	566	4,783
Deferred income taxes (Note 16)	2,424	1,270	20,200
Other long-term liabilities	7,470	7,270	62,250
Total long-term liabilities	232,233	221,242	1,935,275
Contingent liabilities (Note 12)			
Net assets			
Shareholders' equity (Note 11)			
Common stock Authorized shares, 2,500,000 thousand in 2015 and 2014 Issued shares, 706,669 thousand in 2015 and 2014	69,395	69,395	578,292
Capital surplus	21,468	21,468	178,900
Retained earnings	83,265	79,219	693,875
Common treasury stock, at cost 458 thousand in 2015 604 thousand in 2014	(279)	(277)	(2,325)
Total shareholders' equity	173,849	169,805	1,448,742
Accumulated other comprehensive income			
Unrealized gain on available-for-sale securities (Note 5)	21,591	19,095	179,925
Deferred gain (loss) on derivatives under hedge accounting (Note 2c)	516	(298)	4,300
Adjustments for retirement benefits of an overseas subsidiary	-	-	-
Adjustments for retirement benefits	(9,293)	(5,556)	(77,442)
Foreign currency translation adjustments	4,079	(5,809)	33,992
Total accumulated other comprehensive income	16,893	7,432	140,775
Minority interests	24,001	22,497	200,008
Total net assets	214,743	199,734	1,789,525
Total	¥ 734,125	¥ 714,845	$ 6,117,708

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

FURUKAWA ELECTRIC CO., LTD. AND ITS SUBSIDIARIES

For the years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
Net sales	¥ 867,818	¥ 931,782	$ 7,231,817
Cost of sales (Note 14)	741,077	790,542	6,175,642
Gross profit	126,741	141,240	1,056,175
Selling, general and administrative expenses (Note 14)	108,868	115,783	907,233
Operating income	17,873	25,457	148,942
Other income (expenses):			
Interest and dividend income	2,271	2,571	18,925
Interest expense	(3,994)	(4,551)	(33,283)
Foreign exchange (loss) income, net	(60)	2,033	(500)
Equity in income (loss) of non-consolidated subsidiaries and affiliates	1,856	(826)	15,467
Gain on collection of write-down receivables	-	1,020	-
Reversal of provision for environmental costs (Note 2t)	983	-	8,192
Gain on disposal of property, plant and equipment	1,183	521	9,858
Loss on disposal of property, plant and equipment	(539)	(1,102)	(4,492)
Impairment loss (Notes 2r and 15)	(1,347)	(6,805)	(11,225)
Gain on sales of investment securities (Note 5)	6,563	4,949	54,692
Loss on write-down of investment securities	(2,582)	2	(21,517)
Gain on contribution of asset to retirement benefit trust	3,601	3,014	30,008
Subsidy income	2,615	-	21,792
Business restructuring costs	(958)	(2,958)	(7,983)
Cartel-related costs	(1,683)	(2,449)	(14,025)
Loss on disaster	(2,610)	(1,844)	(21,750)
Loss on reduction of property, plant and equipment	(2,613)	-	(21,775)
Other, net	(4,390)	(1,729)	(36,584)
	(1,704)	(8,154)	(14,200)
Income before income taxes and minority interests	16,169	17,303	134,742
Income taxes (Note 16) :			
Current	3,737	6,229	31,142
Deferred	2,956	2,809	24,633
	6,693	9,038	55,775
Net income before minority interests	9,476	8,265	78,967
Minority interests in earning of consolidated subsidiaries	2,120	2,656	17,667
Net income	¥ 7,356	¥ 5,609	$ 61,300

	Yen		U.S. dollars
	2015	2014	2015
Per common share (Notes 2p and 2q)			
Basic net income	¥ 10.42	¥ 7.94	$ 0.09
Diluted net income	-	-	-
Cash dividends	¥ 3.00	¥ 3.00	$ 0.03

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHEMSIVE INCOME

FURUKAWA ELECTRIC CO., LTD. AND
ITS SUBSIDIARIES

For the years ended March 31, 2015 and 2014

	Millions of yen				Thousands of U.S. dollars (Note 3)
		2015		2014	2015
Net income before minority interests	¥	9,476	¥	8,265	$ 78,967
Other comprehensive income					
Unrealized gain or loss on available-for-sale securities		2,191		1,049	18,259
Deferred gain or loss on derivatives under hedge accounting		780		(534)	6,500
Adjustments for retirement benefits (Notes 2s and 10)		(3,931)		336	(32,758)
Foreign currency translation adjustments		7,078		7,128	58,983
Share of other comprehensive income of affiliates accounted for by the equity method		5,863		3,316	48,858
Total other comprehensive income (Note 17)		11,981		11,295	99,842
Comprehensive income (Note 17)	¥	21,457	¥	19,560	$ 178,809
Attributable to :					
Shareholders of the parent company	¥	17,465	¥	15,126	$ 145,542
Minority interests	¥	3,992	¥	4,434	$ 33,267

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FURUKAWA ELECTRIC CO., LTD. AND
ITS SUBSIDIARIES

(For the years ended March 31, 2015)

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Common treasury stock	Total Shareholders' equity
Balance at March 31, 2014	¥ 69,395	¥ 21,468	¥ 79,219	¥ (277)	¥ 169,805
Cumulative effect of change in accounting principle(Note 2)	-	-	(770)	-	(770)
Restated balance at April 1, 2014	69,395	21,468	78,449	(277)	169,035
Cash dividends paid	-	-	(2,119)	-	(2,119)
Net income	-	-	7,356	-	7,356
Net effect of increase in consolidated subsidiaries	-	-	(299)	-	(299)
Net effect of decrease in consolidated subsidiaries	-	-	(150)	-	(150)
Net effect of merger of non-consolidated subsidiaries			28		28
Acquisition of treasury stock	-	-	-	(2)	(2)
Disposal of treasury stock	-	(0)	-	0	0
Net change during the year	-	-	-	-	-
Balance at March 31, 2015	¥ 69,395	¥ 21,468	¥ 83,265	¥ (279)	¥ 173,849

	Millions of yen						
	Accumulated other comprehensive income						
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Adjustment for retirement benefits (Note 10)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2014	¥ 19,095	¥ (298)	¥ (5,556)	¥ (5,809)	¥ 7,432	¥ 22,497	¥ 199,734
Cumulative effect of change in accounting principle(Note 2)	-	-	-	-	- -	-	(770)
Restated balance at April 1, 2014	19,095	(298)	(5,556)	(5,809)	7,432	22,497	198,964
Cash dividends paid	-	-	-	-	- -	-	(2,119)
Net income	-	-	-	-	- -	-	7,356
Net effect of increase in consolidated subsidiaries	-	-	-	-	- -	-	(299)
Net effect of decrease in consolidated subsidiaries	-	-	-	-	- -	-	(150)
Net effect of merger of non-consolidated subsidiaries	-	-	-	-	- -	-	28
Acquisition of treasury stock	-	-	-	-	- -	-	(2)
Disposal of treasury stock	-	-	-	-	- -	-	0
Net change during the year	2,496	814	(3,737)	9,888	9,461	1,504	10,965
Balance at March 31, 2015	¥ 21,591	¥ 516	¥ (9,293)	¥ 4,079	¥ 16,893	¥ 24,001	¥ 214,743

	Thousands of U.S. dollars (Note 3)				
	Shareholders' equity				
	Common stock	Capital capital	Retained earnings	Common treasury stock	Total Shareholders' equity
Balance at March 31, 2014	$ 578,292	$ 178,900	$ 660,158	$ (2,308)	$ 1,415,042
Cumulative effect of change in accounting principle(Note 2)	-	-	(6,417)	-	(6,417)
Restated balance at April 1, 2014	578,292	178,900	653,741	(2,308)	1,408,625
Cash dividends paid	-	-	(17,658)	-	(17,658)
Net income	-	-	61,300	-	61,300
Net effect of increase in consolidated subsidiaries	-	-	(2,491)	-	(2,491)
Net effect of decrease in consolidated subsidiaries	-	-	(1,250)	-	(1,250)
Net effect of merger of non-consolidated subsidiaries	-	-	233	-	233
Acquisition of treasury stock	-	-	-	(17)	(17)
Disposal of treasury stock	-	(0)	-	0	0
Net change during the year	-	-	-	-	-
Balance at March 31, 2015	$ 578,292	$ 178,900	$ 693,875	$ (2,325)	$ 1,448,742

	Thousands of U.S. dollars (Note 3)						
	Accumulated other comprehensive income						
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Adjustment for retirement benefits (Note 10)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at March 31, 2014	$ 159,125	$ (2,483)	$ (46,300)	$ (48,408)	$ 61,934	$ 187,475	$ 1,664,451
Cumulative effect of change in accounting principle(Note 2)	-	-	-	-	-	-	(6,417)
Restated balance at April 1, 2014	159,125	(2,483)	(46,300)	(48,408)	61,934	187,475	1,658,034
Cash dividends paid	-	-	-	-	-	-	(17,658)
Net income	-	-	-	-	-	-	61,300
Net effect of increase in consolidated subsidiaries	-	-	-	-	-	-	(2,491)
Net effect of decrease in consolidated subsidiaries	-	-	-	-	-	-	(1,250)
Net effect of merger of non-consolidated subsidiaries							233
Acquisition of treasury stock	-	-	-	-	-	-	(17)
Disposal of treasury stock	-	-	-	-	-	-	0
Net change during the year	20,800	6,783	(31,142)	82,400	78,841	12,533	91,374
Balance at March 31, 2015	$ 179,925	$ 4,300	$ (77,442)	$ 33,992	$ 140,775	$ 200,008	$ 1,789,525

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FURUKAWA ELECTRIC CO., LTD. AND
ITS SUBSIDIARIES

(For the years ended March 31, 2014)

	Millions of yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Common treasury stock	Total Shareholders' equity
Balance at April 1, 2013	¥ 69,395	¥ 21,468	¥ 76,125	¥ (275)	¥ 166,713
Cumulative effect of change in accounting principle	-	-	-	-	-
Restated balance at April 1, 2013	¥ 69,395	¥ 21,468	¥ 76,125	¥ (275)	¥ 166,713
Cash dividends paid	-	-	(2,119)	-	(2,119)
Net income	-	-	5,609	-	5,609
Net effect of increase in consolidated subsidiaries	-	-	(353)	-	(353)
Net effect of decrease in affiliates accounted for by the equity method	-	-	(43)	-	(43)
Net effect of decrease in consolidated subsidiaries	-	-	-	-	-
Net effect of merger of non-consolidated subsidiaries	-	-	-	-	-
Acquisition of treasury stock	-	-	-	(2)	(2)
Disposal of treasury stock	-	-	-	-	-
Net change during the year	-	-	-	-	-
Balance at March 31, 2014	¥ 138,790	¥ 42,936	¥ 155,344	¥ (552)	¥ 336,518

	Millions of yen							
	Accumulated other comprehensive income							
	Unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Adjustments for retirement benefits of an overseas subsidiary	Adjustment for retirement benefits (Note 10)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at April 1, 2013	¥ 18,160	¥ 419	¥ (4,206)	¥ -	¥ (15,346)	¥ (973)	¥ 57,104	¥ 222,844
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	-
Restated balance at April 1, 2013	¥ 18,160	¥ 419	¥ (4,206)	¥ -	¥ (15,346)	¥ (973)	¥ 57,104	¥ 222,844
Cash dividends paid	-	-	-	-	-	-	-	(2,119)
Net income	-	-	-	-	-	-	-	5,609
Net effect of increase in consolidated subsidiaries	-	-	-	-	-	-	-	(353)
Net effect of decrease in affiliates accounted for by the equity method	-	-	-	-	-	-	-	(43)
Net effect of decrease in consolidated subsidiaries	-	-	-	-	-	-	-	-
Net effect of merger of non-consolidated subsidiaries	-	-	-	-	-	-	-	-
Acquisition of treasury stock	-	-	-	-	-	-	-	(2)
Disposal of treasury stock	-	-	-	-	-	-	-	-
Net change during the year	935	(717)	4,206	(5,556)	9,537	8,405	(34,607)	(26,202)
Balance at March 31, 2014	¥ 37,255	¥ 121	¥ -	¥ (5,556)	¥ (21,155)	¥ 6,459	¥ 79,601	¥ 422,578

CONSOLIDATED STATEMENTS OF CASH FLOWS
FURUKAWA ELECTRIC CO., LTD. AND
ITS SUBSIDIARIES

For the years ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 16,169	¥ 17,303	$ 134,742
Adjustments for:			
Depreciation and amortization	22,509	28,107	187,575
Gain on sales of marketable securities and investment securities, net	(6,563)	(4,900)	(54,692)
Equity in (income) loss of non-consolidated subsidiaries and affiliates	(1,856)	826	(15,467)
(Gain) loss on disposal of property, plant and equipment, net	(644)	581	(5,367)
Loss on write-down of inventories	868	1,447	7,233
Loss on write-down of investment securities	2,582	2	21,517
Impairment loss	1,347	6,805	11,225
Interest and dividend income	(2,271)	(2,571)	(18,925)
Interest expense	3,994	4,551	33,283
Foreign exchange income, net	(796)	(264)	(6,633)
Decrease in liability for retirement benefits	(902)	(2,607)	(7,517)
Decrease (increase) in trade receivable	20,118	(13,699)	167,650
Increase in inventories	(3,109)	(13,101)	(25,908)
Decrease in trade payable	(1,115)	(2,592)	(9,292)
Decrease in provision for environmental costs	(1,262)	(109)	(10,517)
(Decrease) increase in provision for loss on disaster	(1,096)	1,066	(9,133)
Other, net	(4,308)	8,419	(35,900)
Subtotal	43,665	29,264	363,874
Interest and dividend income received	3,734	3,384	31,117
Interest expense paid	(4,055)	(9,194)	(33,792)
Income taxes paid	(1,854)	(4,541)	(15,450)
Net cash provided by operating activities	41,490	18,913	345,749
Cash flows from investing activities:			
Purchase of property, plant and equipment	(27,676)	(39,365)	(230,633)
Purchase of intangible assets	(738)	(964)	(6,150)
Purchase of investment securities	(3,162)	(3,286)	(26,350)
Proceeds from sales of investment securities	9,611	7,228	80,092
Proceeds from sales of non-current assets	2,593	2,375	21,608
Increase in short-term loan, net	(4,611)	(5,175)	(38,425)
Decrease (increase) in time deposit, net	927	(437)	7,725
Other	(477)	(666)	(3,975)
Net cash used in investing activities	(23,533)	(40,290)	(196,108)

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
Cash flows from financing activities:			
(Decrease) increase in short-term debt, net	(2,235)	4,116	(18,625)
Proceeds from long-term debt	36,231	46,475	301,925
Repayment of long-term debt	(44,602)	(29,236)	(371,683)
Proceeds from issuance of bonds	-	10,070	-
Repayment of redemption of bonds	(100)	(2,296)	(833)
Proceeds from minority shareholders	-	189	-
Cash dividends paid	(2,115)	(2,121)	(17,625)
Cash dividends paid to minority shareholders	(576)	(883)	(4,800)
Payments for purchase of common treasury stock	(1)	(1)	(9)
Payments for purchase of common treasury stock by subsidiaries	(2,046)	(6)	(17,050)
Proceeds from sales and leaseback of property, plant and equipment	760	4,672	6,333
Other	(853)	(1,062)	(7,108)
Net cash (used in) provided by financing activities	(15,537)	29,917	(129,475)
Effect of exchange rate changes on cash and cash equivalents	1,466	591	12,217
Net increase in cash and cash equivalents	3,886	9,131	32,383
Cash and cash equivalents at beginning of year	25,320	30,477	211,000
Cash and cash equivalents of newly consolidated subsidiaries	244	135	2,033
Cash and cash equivalents of de-consolidated subsidiaries	(10)	(14,423)	(83)
Net increase in cash and cash equivalents from mergers	48	-	400
Cash and cash equivalents at end of year (Note 4)	¥ 29,488	¥ 25,320	$ 245,733

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FURUKAWA ELECTRIC CO., LTD. AND
ITS SUBSIDIARIES

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Furukawa Electric Co., Ltd. (the "Company") and its subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards (hereinafter "IFRSs"), and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

The accompanying consolidated financial statements include the accounts of the Company and significant companies controlled by directly or indirectly by the Company (collectively the "Group").
Companies over which the Company exercises significant influence in terms of their operating and financial policies have been accounted for by the equity method.

The Company applies the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical issues task Force (PITF) No.18) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for using Equity Method (PITF No.24).

In accordance with these PITFs, the accompanying consolidated financial statements have been prepared based on the financial statements of foreign consolidated subsidiaries and affiliates prepared in accordance with either IFRSs or accounting principles generally accepted in the United States of America as adjusted for certain items including goodwill, actuarial differences and capitalized development costs.

Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year presentations.

2. Significant Accounting Policies

a) Basis of consolidation

1) The consolidated financial statements include the accounts of the Company and its 101 major subsidiaries in 2015. All significant intercompany accounts and transactions have been eliminated in consolidation.

Investments in its 14 major affiliates in 2015 are accounted for by the equity method.

Differences between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries and in companies which are accounted for by the equity method (goodwill) are amortized by the straight-line method over periods, when such a goodwill would be effective, not exceeding 20 years. However, immaterial amounts of goodwill are charged to expense in the year of acquisition.

2) Fiscal year-end of the consolidated subsidiaries

There are 43 subsidiaries' fiscal year-ends differ from that of the Company due to local statutory requirements. Those 43 subsidiaries' fiscal year end is December 31 and the Company makes necessary adjustments if there are any significant transactions. There have been no significant transactions, which would materially affect the Company's financial position and results of operations, with such subsidiaries during the period from their closing dates to March 31.

b) Cash and cash equivalents

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

c) Financial instruments

1) Debt and equity securities

Debt securities for which the Company and its consolidated subsidiaries have both the positive intent and ability to hold to maturity are classified as "held-to-maturity debt securities" and mainly carried at amortized cost. Securities other than held-to-maturity debt securities and investments in equity securities of non-consolidated subsidiaries and affiliates are classified as "available-for-sale securities" and carried at fair value with unrealized gain and loss, net of tax, reported as a separate component of net assets. For the purpose of computing gain and loss on securities sold, the cost of these securities is determined using the moving average method. Securities that do not have readily determinable fair values are recorded at cost. The Company and its consolidated subsidiaries do not hold any trading securities.

Debt securities due within one year are presented as "Marketable securities" under current assets, and all other securities are presented as "Investments and long-term loans" in the accompanying balance sheets.

Additional information with respect to marketable debt and equity securities is included in Note 5.

2) Derivatives

Derivative financial instruments are measured at fair value, if determinable, and resulting gain or loss is included in net income, with the exception that gain or loss on certain qualified hedging instruments may be deferred as an a part of "Net assets" until the gain and loss on the hedged items is recognized. The Company's hedging activities for interest rate risk on outstanding debt, foreign currency risk and fluctuation risk in market prices are considered qualified hedge transactions.

Additional information on derivatives is presented in Note 19.

d) Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the amount of estimated non-recoverable receivables on an individual account basis, plus the amount calculated by applying the historical bad debt loss ratios to the remaining receivables.

e) Inventories

Inventories are stated principally at cost determined using the average method, which requires the amount of the inventories on the balance sheets be written down when there is a decrease in profitability.

f) Property, plant and equipment, and depreciation

Property, plant and equipment, including significant capital expenditures and additions, are stated at cost. Repairs and maintenance expense are charged to income as incurred.
Properties are depreciated principally using the straight-line method.

g) Retirement benefits

Employees who terminate their service with the Company or its domestic consolidated subsidiaries are entitled to lump-sum severance indemnities determined based on accumulated points allocated to employees each year according to their job classification and performance. The liability for these severance indemnities is not funded.

The retirement benefit plans of the Company and its domestic consolidated subsidiaries have features whereby employees who retire at age 55 or over with 20 or more years of service may elect to receive benefits in the form of pensions. These plans, which are non-contributory and funded, generally provide for an annuity payable over a ten-year period subsequent to retirement. The annual contributions for pension benefits include current service costs, amortization of prior service costs and interest on the unfunded portion of past service costs.
The Company and its domestic consolidated subsidiaries recognize retirement benefits based on the estimated amounts of projected benefit obligation reduced by the fair value of the pension plan assets at each fiscal year-end.

The retirement benefit obligation for employees is attributed to each period by the benefit formula method.

Prior service cost is being amortized as incurred by the straight-line method over periods (mainly 1 year through 15 years), which are shorter than the average remaining years of service of the employees.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods (mainly 1 year through 15 years), which are shorter than the average remaining years of service of the employees.

A minimum pension liability adjustment is required for the Company's consolidated subsidiaries in the U.S., generally when the accumulated benefit obligation exceeds plan assets under U.S. GAAP. The minimum liability adjustment, less allowable intangible assets, is directly charged to retained earnings, net of tax benefit, in the accompanying consolidated financial statements.

In addition, retirement benefits to directors and statutory auditors of the Company's consolidated subsidiaries are provided at the amount which would be required if all directors and statutory auditors were to retire at the balance sheet date according to internal regulations.

h) Provision for product defect compensation

Provision for product defect compensation is provided at an amount deemed necessary to cover possible compensation costs.

i) Provision for environmental costs

Provision for environmental costs, mainly to remove Poly Chlorinated Biphenyl ("PCB") and to improve soil conservation, is provided to cover estimated future costs.

j) Provision for loss on disaster

Provision for loss on disaster is provided to cover estimated future costs in order to undertake the restoration of damaged assets due to disaster.

k) Leases

Depreciation of finance lease assets that transfer ownership of the assets, mainly office equipment in the copper foil business division, is calculated by the same method applied for property, plant and equipment.
Depreciation of finance lease assets, which do not transfer ownership of the assets at the end of the lease term, is calculated by the straight-line method over the lease periods, which are deemed as the useful lives, assuming no residual value.
However, finance lease transactions entered before March 31, 2008, which do not substantially transfer ownership of the assets, are continuously accounted for as operating leases.

l) Revenue recognition

Operating revenue is mainly recorded upon shipment of goods.

Revenue is recognized by the percentage-of-completion method for construction contracts of which the outcome of the progress performed by the end of the year is deemed to be certain. The construction progress is estimated based on the percentage of construction costs incurred for the work performed to date compared to the estimated total construction costs ("cost-comparison method"). For other construction contracts, such revenue is recognized by the completed-construction method.

m) Research and development costs, and computer software

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

n) Income taxes

Accrued income taxes are recorded based on the Company's income tax returns.

Deferred income taxes are recognized to reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and measured using the enacted tax rates and laws which will be in effect when differences are expected to reverse.

The Company has elected to file its tax return under the consolidated tax filing system.

o) Translation of foreign currency accounts

Current and non-current monetary items denominated in foreign currencies are translated into Japanese yen at exchange rates in effect at the respective balance sheet dates. Monetary items denominated in foreign currencies, for which foreign exchange forward contracts are used to hedge the foreign currency fluctuation, are translated into Japanese yen at the contracted rates. Exchange gain or loss is credited or charged to current operations.

The Company translates the revenue and expense accounts of the overseas consolidated subsidiaries and affiliates accounted for by the equity method at the average rates of exchange in effect during the year. The balance sheet accounts except for the components of net assets excluding minority interests in the overseas consolidated subsidiaries and affiliates accounted for by the equity method, are translated into Japanese yen at the rates of exchange in effect at the respective balance sheet date. The components of net assets excluding minority interests in the overseas consolidated subsidiaries and affiliates accounted for by the equity method are translated at their historical exchange rates. Differences arising from translation where two exchange rates have been used are presented under translation adjustments as a component of net assets.

p) Cash dividends

Dividends paid out of earnings are, in principle, approved by the shareholders' meeting. Interim dividends can be paid at any time during the fiscal year by resolution of the board of directors, if the Article of Incorporation set out for such dividends under the Corporate Law of Japan.

The Corporate Law of Japan provides certain limitations on the amount available for dividends.

q) Net income per common share

The consolidated statements of operations include "basic" and "diluted" per share information. Basic per share income is calculated by dividing net income by the weighted average number of shares of common stock outstanding during the respective years. The weighted average number of shares used in the calculation of basic net income per common share was 706,058 thousand and 706,068 thousand for the years ended March 31, 2015 and 2014, respectively. Diluted net income per share has not been presented for the years ended March 31, 2015 and 2014, since the Company has issued no dilutive potential shares.

r) Impairment of property, plant and equipment

Property, plant and equipment are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss shall be recognized in the statements of income by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount, to be measured as the higher of net selling price or value in use. Accumulated loss of impairment is deducted directly from the acquisition costs of the related assets in accordance with the revised disclosure requirements.

Additional information on impairment of property, plant and equipment, and depreciation is presented in Note 15.

s) Accounting Change

The Company and its domestic subsidiaries adopted Section 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) and the main clause of Section 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of May 17, 2012) effective from April 1, 2014. As a result, the methods for calculating the retirement benefit obligation and service cost have been revised in the following respects: the method for attributing projected benefits to each period has been changed from the straight-line method to the benefit formula method, and the method for determining the discount rate has been changed to use a single weighted-average discount rate reflecting the expected timing and amount of benefit payments.
The cumulative effect of changing the method for calculating the retirement benefit obligation and service cost was recognized by adjusting retained earnings at April 1, 2014, in accordance with the transitional treatment provided in Paragraph 37 of Accounting Standard for Retirement Benefits.
As a result, the liability for retirement benefits increased by ¥ 399 million ($3,325 thousand) and retained earnings decreased by ¥ 769 million ($6,408 thousand) at April 1, 2014. The effect of consolidated operating income and income before income

taxes and minority interests for the year ended March 31, 2015 were immaterial.

t) Change In Accounting Estimates

1) TOTOKU ELECTRIC CO., LTD., a subsidiary of the Company, was previously recorded provision for environmental costs to cover future environmental related costs, such as Poly Chlorinated Biphenyl ("PCB").
After a third party in the private sector can decontaminate PCB contaminants kept in the Company's premises, waste removing costs have been re-estimated. As a result, the difference between the costs previously estimated and the re-estimated costs is recorded as reversal of provision of environmental costs in its consolidated statements of income. This results in increasing income before income taxes by ¥ 983 million ($8,192 thousands).

2) Copper processing equipment in the copper strip and high-function material department was previously depreciated over seven years as its useful life. The change in the useful life of the equipment, which has been made from seven years to twelve years, was triggered by full recovery of main equipment at the Nikko factory in the fourth quarter in this fiscal year, of which production had been stopped due to heavy snow in February 2014 for a certain period. This change was made based on economic and estimated useful life when it is available for use. Such useful life was determined in overall consideration of production cycle and physical life of the equipment etc., in addition to actual operating state of the equipment.
The effect of the change in useful life was, however, immaterial to operating income and income before income taxes of this fiscal year.

u) Standards issued but not yet effective

1) Accounting standards for business combinations
On September 13, 2013, the ASBJ issued "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7), "Revised Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2), "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10), and "Revised Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).

(1) Overview
Under these revised accounting standards, the accounting treatment for any changes in a parent's ownership interest in a subsidiary when the parent retains control over the subsidiary and the corresponding accounting for acquisition-related costs were revised. In addition, the presentation method of net income was amended, the reference to "minority interests" was changed to "non-controlling interests," and transitional provisions for these accounting standards were also defined.

(2) Scheduled date of adoption
Those revised accounting standards and guidance will be adopted from the beginning of the fiscal year ending March, 31, 2016. Transitional accounting treatments will also be applied to business combinations performed from the

beginning of the fiscal year ending March 31, 2016.

(3) Impact of adopting revised accounting standards and guidance
The Company is currently evaluating the effect of adopting these revised standards on its consolidated financial statements.

2) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No.18, of March 26, 2015)

(1) Overview
This PITF has been revised based on the following Accounting Standards;
- Corresponding to Accounting Standards for Consolidated Financial Statements (ASBJ Statement No.22 revised in September 2013).
- Corresponding to U.S. Accounting Standards for goodwill revised in January 2014
- Clarifying actuarial gains or losses set out in Accounting Standards for retirement benefits which is charged to income

(2) Scheduled date of adoption
The revised accounting standards and guidance will be adopted from the beginning of the fiscal year ending March 31, 2016.

(3) Impact of adopting revised accounting standards and guidance
The Company is currently evaluating the effect of adopting these revised standards on its consolidated financial statements.

v) Additional information

(The fiscal year ended March 31, 2015)
1) In terms of violation of the Competition Act by automotive wire harness cartels, there are several class actions taken in the United States of America and Canada to compensate for damages made by series of automotive parts cartels which are subject to the authority's investigations. The Company and its consolidated subsidiaries become defendants in these law suits for cartels of the wire harness and other automotive parts. Besides, the Company and its consolidated subsidiaries are in negotiations with certain carmakers on compensations for damages made by the automotive wire harness cartels.

2) In reference to the automotive parts manufactured by its consolidated subsidiaries, vehicles in which such parts have been incorporated are being recalled, the Company or its consolidated subsidiaries are possibly required to compensate a part of costs by our customers for such parts.

3. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥120 =U.S. $ 1, the approximate rate of exchange for the year ended March 31, 2015, has been used for the purpose of the translation. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at this rate or any other rate.

4. Cash Flow Information

1)Cash and cash equivalents at March 31, 2015 and 2014 consisted of:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Cash and bank deposits	¥30,011	¥26,719	$250,092
Less, time deposits with an original maturity of more than 3 months	(523)	(1,399)	(4,358)
Highly liquid securities	0	0	0
Cash and cash equivalents	¥29,488	¥25,320	$245,733

2)The following is the summary of assets and liabilities of the companies, which became non-consolidated entities due to business integration took place on October 1, 2013.

Furukawa-Sky Aluminum Corp.(hereafter "FSA"), which was previously a consolidated subsidiary of the Company until September 30, 2013, integrated with Sumitomo Light Metal Industries, Ltd. into UACJ Corporation (hereafter "UACJ") on October 1, 2013.
As a result of this business integration, FSA and its 16 subsidiaries were not the Company's consolidated subsidiaries. UACJ, as a new integrated company, is an affiliate accounted for under the equity method.

	Millions of yen
	2014
Current assets (*)	¥ 96,445
Non-current assets	104,396
Total assets	¥ 200,841
Current liabilities	(86,955)
Long-term liabilities	(56,332)
Total liabilities	¥(143,287)

(*) This account is included Cash and cash equivalents amounted to ¥14,423 million, which is presented as Cash and cash equivalents of de-consolidated subsidiaries in the consolidated statements of cash flows.

5. Debt and Equity Securities

Investments in debt and equity securities that have a readily determinable fair value at March 31, 2015 and 2014 included in "Marketable securities" (Current assets) and in "Investments and long-term loans" (Non-current assets) are summarized as follows:

	Millions of yen			
	2015			
	Cost	Fair value	Gross unrealized gain	Gross unrealized loss
Held-to-maturity debt securities:				
Government bonds, municipal bonds and other	¥ —	¥ —	¥—	¥ —
Other debt securities	117	122	5	—
Total held-to-maturity debt securities	¥ 117	¥122	¥ 5	¥ —
Available-for-sale securities:				
Marketable equity securities	¥ 15,226	¥ 46,595	¥ 31,380	¥ (11)
Other securities	7	8	1	—
Total available-for-sale securities	¥ 15,233	¥ 46,603	¥ 31,381	¥ (11)

	Thousands of U.S. dollars			
	2015			
	Cost	Fair value	Gross unrealized gain	Gross unrealized loss
Held-to-maturity debt securities:				
Government bonds, municipal bonds and other	$ —	$ —	$ —	$ —
Other debt securities	975	1,017	42	—
Total held-to-maturity debt securities	$ 975	$ 1,017	$ 42	$ —
Available-for-sale securities:				
Marketable equity securities	$ 126,883	$ 388,292	$261,500	$ (92)
Other securities	58	66	8	—
Total available-for-sale securities	$ 126,941	$ 388,358	$261,508	$ (92)

	Millions of yen			
	2014			
	Cost	Fair value	Gross unrealized gain	Gross unrealized loss
Held-to-maturity debt securities:				
Government bonds, municipal bonds and other	¥ —	¥ —	¥ —	¥ —
Other debt securities	119	123	4	—
Total held-to-maturity debt securities	¥ 119	¥ 123	¥ 4	¥ —
Available-for-sale securities:				
Marketable equity securities	¥ 18,141	¥ 47,704	¥ 29,644	¥ (81)
Other securities	7	7	-	(0)
Total available-for-sale securities	¥ 18,148	¥ 47,711	¥ 29,644	¥ (81)

Proceeds from sales of available-for-sale securities for the years ended March 31, 2015 and 2014 were ¥8,408 million ($70,067 thousand) and ¥6,408 million, respectively. The gross realized gains on those sales for the years ended March 31, 2015 and 2014 were ¥6,272 million ($52,267 thousand) and ¥4,941 million, respectively. There was no gross realized losses on those sales for the year ended March 31, 2015, and the gross realized losses for the year ended March 31, 2014, was ¥0 million.
Impairment loss on available-for-sale securities with fair value amounted to ¥2,582 million ($21,517 thousand) was recorded for the year ended March 31, 2015.

6. Inventories

Inventories at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Finished goods	¥ 36,479	¥ 29,946	$ 303,992
Work in process	28,238	27,073	235,317
Raw materials and supplies	34,726	36,649	289,383
	¥ 99,443	¥ 93,668	$ 828,692

7. Investments and Long-term Loans

Investments and long-term loans at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Non-consolidated subsidiaries and affiliates	¥ 90,626	¥ 86,503	$ 755,217
Other	49,372	50,997	411,433
	¥ 139,998	¥ 137,500	$ 1,166,650

8. Property, Plant and Equipment

Property, plant and equipment at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Land	¥ 39,846	¥ 40,630	$ 332,050
Buildings	210,430	206,375	1,753,583
Machinery and equipment	520,134	507,185	4,334,450
Leased assets	4,518	3,133	37,650
Construction in progress	17,238	14,478	143,650
	792,166	771,801	6,601,383
Accumulated depreciation	(592,949)	(580,732)	(4,941,242)

	¥ 199,217	¥191,069	$ 1,660,141

9. Short-term Debt, Long-term Debt and Bonds

Short-term debt represents notes payable to banks, most of which are unsecured, bank overdrafts commercial papers issued by the Company, and bearing interest at rates ranging from 0.0200% to 8.350% per annum and 0.020% to 13.750% per annum at March 31, 2015 and 2014, respectively.

Bonds and Long-term debt at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
0.69% unsecured bonds due 2015	¥10,000	¥10,000	$ 83,333
0.77% unsecured bonds due 2016	10,000	10,000	83,333
0.74% unsecured bonds due 2017	10,000	10,000	83,333
0.79% unsecured bonds due 2018	10,000	10,000	83,333
Secured bonds issued by consolidated subsidiaries, due 2014 with interest rates at 0.93%	-	100	-
Loans, principally from banks and insurance companies, due from 2015 to 2021 with interest rates ranging from 0.230% to 10.500% and predominantly collateralized	155,087	161,830	1,292,393
	195,087	201,930	1,625,725
Less: portion due within one year	27,304	44,088	227,533
	¥ 167,783	¥ 157,842	$ 1,398,192

At March 31, 2015, the following assets were pledged as collateral for short-term debt of ¥2,202million ($18,350 thousand), long-term debt of ¥1,701 million ($14,175 thousand), and others of ¥498 million ($4,150 thousand):

	Millions of yen	Thousands of U.S. dollars
	2015	2015
Property, plant and equipment	¥ 6,843	$ 57,025
Investments in securities	1,150	9,583
	¥ 7,993	$ 66,608

At March 31, 2014, the following assets were pledged as collateral for short-term debt of ¥2,951 million, long-term debt of ¥567 million, and others of ¥558 million:

	Millions of yen
	2014
Property, plant and equipment	¥ 4,619
Investments in securities	1,306
	¥ 5,925

The aggregate annual maturities of the non-current portion of long-term debt and bonds at March 31, 2015 were as follows:

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2017	¥45,303	$ 377,525
2018	25,479	212,325
2019	34,238	285,317
2020	20,011	166,758
2021 and thereafter	42,752	356,267
	¥ 167,783	$ 1,398,192

10. Severance and Retirement Plans

The Company and its consolidated subsidiaries have funded and/or unfunded defined benefit pension plans and/or defined contribution plans. The defined benefit plans consist of Employees' Pension Fund Plan, defined benefit corporation pension plan and lump-sum severance indemnity plan.

There are cases where additional retirement benefits are paid at the time of retirement of employees. The Company has established an employees' retirement benefit trust and certain consolidated subsidiaries have joined multi-employer employees pension fund.

The plans, which are not possible to reasonably compute the amounts of plan assets corresponding to their own contribution amounts, are accounted for in the same way as the defined contribution plan.

Liability for retirement benefits and net periodic benefit costs are, however, calculated by the simplified method under the defined benefit corporation pension plans and the lump-sum severance indemnity plans set up by a part of consolidated subsidiaries.

(For the year ended March 31, 2015 and 2014)

1. Defined benefit plans

The changes in defined benefit obligation for the year ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of year	¥ 90,264	¥ 109,256	$ 752,200
Cumulative effect of change in accounting principle (Note 2s)	400	-	3,333
Restated balance at beginning of year	90,664	109,256	755,533
Current service cost	3,820	4,014	31,833
Interest cost	1,832	2,064	15,267
Actuarial gain and loss	9,449	355	78,742
Prior service cost	90	-	750
Benefits paid	(5,677)	(6,256)	(47,308)
Decrease due to business combination, net	-	(20,738)	-
Foreign currency transaction adjustments	3,381	1,569	28,175
Balance at end of year	¥ 103,559	¥ 90,264	$ 862,992

The changes in plan assets for the year ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of year	¥ 53,929	¥ 52,452	$ 449,408
Expected return on plan assets	1,756	1,690	14,633
Actuarial gain and loss	4,517	3,200	37,642
Contributions from the Company	1,944	5,131	16,200
Funded amount of retirement benefit trust	4,814	5,030	40,117
Benefits paid	(2,837)	(3,469)	(23,642)
Decrease due to business combination, net	-	(11,587)	-
Others	2,553	1,482	21,275
Balance at end of year	¥ 66,676	¥ 53,929	$ 555,633

The changes in net liability for retirement benefits using a simplified method for the year ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at beginning of year	¥ 2,718	¥3,780	$ 22,650
Retirement benefit expenses	446	861	3,716
Benefits paid	(247)	(498)	(2,058)
Contributions to fund	(522)	(354)	(4,350)
Increase (decrease) due to business combination, net	3	(488)	25
Decrease due to termination of plans	-	(546)	-
Other	(18)	(37)	(150)
Balance at end of year	¥ 2,380	¥ 2,718	$ 19,833

Reconciliation between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2015 and 2014:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Funded defined benefit obligation	¥ 99,509	¥ 86,939	$ 829,242
Plan assets	(70,523)	(57,359)	(587,692)
	28,986	29,580	241,550
Unfunded defined benefit obligation	10,323	9,473	86,025
Net liability for defined benefit obligation	39,309	39,053	327,575
Liability for retirement benefits	43,486	42,526	362,383
Asset for retirement benefits	(4,177)	(3,473)	(34,808)
Net liability for defined benefit obligation	¥ 39,309	¥ 39,053	$ 327,575

Note: The above items include the part used a simplified method.

The components of net periodic benefit costs for the year ended March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Service cost	¥ 3,820	¥ 4,014	$ 31,833
Interest cost	1,832	2,064	15,267
Expected return on plan assets	(1,756)	(1,689)	(14,633)
Amortization of actuarial gain and loss	1,228	2,279	10,233
Amortization of prior service cost	180	164	1,500
Retirement benefit expenses calculated on a simplified method	446	861	3,716
Others	136	1,312	1,134
Net periodic benefit costs	¥ 5,886	¥ 9,005	$ 49,050

Other comprehensive income on defined retirement benefit plans (before tax effects) as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Prior service cost	¥ 104	¥ 12	$ 867
Actuarial gain and loss	(4,532)	323	(37,767)
Total	¥ (4,428)	¥ 335	$ (36,900)

Accumulated other comprehensive income on defined retirement benefit plans (before tax effects) as of March 31, 2015 and 2014, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrecognized prior service cost	¥ 387	¥ 491	$ 3,225
Unrecognized actuarial gain and loss	10,294	5,761	85,783
Total	¥ 10,681	¥ 6,252	$ 89,008

Plan assets as of March 31, 2015 and 2014.

a) Components of plan assets

Plan assets consisted of the followings:

	2015	2014
Equity investments	53%	49%
Debt investments	22%	25%
Assets in an insurer's general account	14%	15%
Cash and deposits	3%	7%
Others	8%	4%
Total*	100%	100%

(*): The above plan assets included 16% and 9% of assets held by the retirement benefit trust set up for retirement benefit plan as of March 31, 2015 and 2014, respectively.

b) Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

Assumptions used for the year ended March 31, 2015,and 2014 were set forth as follows:

	2015	2014
Discount rate	0.6-8.2%	1.2-9.0%
Expected rate of return on plan assets	1.5-7.3%	1.5-7.3%

2. Defined contribution plans

Payment for defined contribution plans for the years ended March 31, 2015 and 2014 were ¥1,283 million ($10,692 thousand) and ¥921 million, respectively.

11. Shareholders' Equity

Under the Corporate Law of Japan, cash dividends may be paid at any time during the fiscal year with certain conditions. An amount equal to 10% of dividends is required to be appropriated as additional paid-in capital (a component of "Capital surplus") or legal reserve (a component of "Retained earnings") until the amount of additional paid-in capital and legal reserve equals 25% of common stock. The cash dividends paid out of additional paid-in capital and/or legal reserve are recorded in the financial year in which the proposed appropriation of retained earnings is approved by the board of directors and/or the shareholders. The maximum amount that the Company can distribute as cash dividends is calculated based on the non-consolidated fiscal statements of the Company.

(Dividends)

Dividends whose record date is attributable to the year ended March 31, 2015 but to be effective in the following year.

1) Dividend payment

Approvals by shareholders' meeting held on June 25, 2014 are as follows:

Type of shares	Common stock
Total amount of dividends	¥2,118 million ($17,650 thousand)
Dividends per share	¥3.0 ($0.03)
Record date	March 31, 2014
Effective date	June 26, 2014

2) Dividends whose record date is attributable to the year ended March 31, 2015 but to be effective in the following year.

Approvals by shareholders' meeting held on June 24, 2015 are as follows:

Type of shares	Common stock
Total amount of dividends	¥2,118 million ($17,650 thousand)
Funds for dividends	Retained earnings
Dividends per share	¥3.0 ($0.03)
Record date	March 31, 2015
Effective date	June 25, 2015

12. Contingent Liabilities

Contingent liabilities at March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Loans guaranteed (principally for non-consolidated subsidiaries and affiliates)	¥ 25,164	¥ 19,825	$ 209,700
Repurchase obligation of the securitization of receivables	6,754	4,706	56,283
Total	¥ 31,918	¥ 24,531	$ 265,983

13. Leases

1) Finance lease transactions entered before March 31, 2008, which do not transfer ownership of the assets

Lease rental expense for the years ended March 31, 2015 and 2014 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Lease rental expense	¥ 4	¥ 4	$ 33

The amounts of outstanding future lease payments at March 31, 2015 and 2014, which included the portion of interest thereon, are as follows:

	Millions of yen				Thousands of U.S. dollars	
	2015		2014		2015	
Future lease payments:						
Within one year	¥	4	¥	4	$	33
Over one year		5		9		42
Total	¥	9	¥	13	$	75

Acquisition cost, accumulated depreciation and net book value of the leased assets at March 31, 2015 and 2014, and depreciation expense for the years ended March 31, 2015 and 2014, assuming capitalization, are summarized as follows:

	Millions of yen				Thousands of U.S. dollars	
	2015		2014		2015	
Acquisition cost	¥	37	¥	53	$	308
Accumulated depreciation		(28)		(40)		(233)
Net book value	¥	9	¥	13	$	75
Depreciation	¥	4	¥	4	$	33

Depreciation is based on the straight-line method over the lease term of leased assets with zero residual value.

14. Research and Development Expenses

Research and development costs charged to income for the years ended March 31, 2015 and 2014 amounted to ¥16,599 million ($138,325 thousand) and ¥17,461 million, respectively.

15. Impairment Loss

For the purpose of determining whether impairment loss has occurred, the Company and its subsidiaries classify property, plant and equipment into groups by company, business or business unit, each of which is deemed to generate independent cash flows, and idle properties into individual independent groups.

(For the year ended March 31, 2015)

Impairment loss by type of assets for the year ended March 31, 2015 consisted of the following:

1) The Company

Usage and Location	Type of asset	Millions of yen	Thousands of U.S. dollars
Manufacturing equipment and building (idle properties) for copper foil business located in Nikko-city, Tochigi prefecture	Building	¥ 141	$ 1,175
	Machinery and equipment	44	367
	Sub-total	¥ 185	$ 1,542

2) The consolidated subsidiaries

Usage and Location	Type of asset	Millions of yen	Thousands of U.S. dollars
Idle properties located in Kofu-city, Yamanashi prefecture and other	Land	¥ 537	$ 4,475
Idle properties located in Nikko-city, Tochigi prefecture	Land	445	3,708
Fixed assets for business use	Machinery and equipment	180	1,500
	Sub-total	1,162	9,683
	Total 1)+2)	¥ 1,347	$ 11,225

The carrying amounts of certain assets forming parts of idle properties were written down to their recoverable amounts, due to the fact that the carrying amounts were less than their fair market value. Recoverable amount of each idle property was mainly evaluated based on the net selling value (fair value less costs to sell). The recoverable amount of such asset group was mainly determined based on either appraisal value prepared by real estate appraisers or others. If such assets cannot be sold or diverted to other usage, they are booked at the memorandum price.

It has been decided that recoverable amounts of fixed assets for copper foil business and for other business use were less than their carrying amounts due to continuing negative cash flow generated from operating activities and the likelihood of the carrying amount not being recoverable by future cash flows. Accordingly, the carrying amounts of such assets were reduced to the recoverable amounts. The recoverable amounts of the asset groups were mainly evaluated based on the value in use, which was calculated by discounting future cash flows at the Company's discount rate.

(For the year ended March 31, 2014)

1)The Company

Usage and Location	Type of asset	Millions of yen
Manufacturing equipment and building for copper foil business located in Nikko-city, Tochigi prefecture	Building	¥ 62
	Machinery and equipment	2,046
	Land	663
	Other	163
Manufacturing equipment and building for engineering plastic product business located in Hiratsuka-city, Kanagawa prefecture (Idle properties)	Building	143
	Machinery and equipment	411
	Other	7
Manufacturing equipment and building for bus bar business located in Ichihara-city, Chiba prefecture (Idle properties)	Building	157
	Machinery and equipment	47
	Other	26
Manufacturing equipment for fiber cable business located in Ichihara-city, Chiba prefecture (Idle properties)	Machinery and equipment	5
Manufacturing equipment for fitel business located in Ichihara-city, Chiba prefecture (Idle properties)	Machinery and equipment	1
	Sub-total	¥ 3,731

2) The consolidated subsidiaries

Usage and Location	Type of asset	Millions of yen
Fixed assets for business use located in Oyama-city, Tochigi prefecture	Land and other	¥ 2,410
Manufacturing equipment and building for fiber cable business located in Hakui county, Ishikawa prefecture and other	Building and other	424
Fixed assets for business use located in Georgia, U.S.A	Intangible assets	191
Fixed assets for business use and other	Machinery, equipment and other	49
	Sub-total	3,074
	Total 1)+2)	¥ 6,805

It has been decided that recoverable amounts of fixed assets for copper foil business located in Nikko-city, Tochigi prefecture were less than their carrying amounts due to continuing negative cash flow generated from operating activities and the likelihood of the carrying amount not being recoverable by future cash flows. Accordingly, the carrying amounts of such assets were reduced to the recoverable amounts. Recoverable amount was mainly evaluated based on the net selling value (fair value less costs to sell). The recoverable amount of such asset group was mainly determined based on either appraisal value prepared by real estate appraisers or others. If such assets cannot be sold or diverted to other usage, they are booked at the memorandum price.

The carrying amounts of fixed assets for business use located in Oyama-city, Tochigi prefecture were written down to their recoverable amounts, due to the fact that the consolidated subsidiary changed asset category on managerial accounting, so that impairment was recognized according to the Accounting Standard for Impairment of Fixed Assets. Recoverable amount was mainly evaluated based on the net selling value (fair value less costs to sell). The recoverable amount of such asset group was mainly determined based on either appraisal value prepared by real estate appraisers or others.

It has been decided that recoverable amounts of fixed assets for business use other than the above fixed assets located in Nikko-city, Oyama-city and idle properties were less than their carrying amounts due to continuing negative cash flow generated from operating activities and the likelihood of the carrying amount not being recoverable by future cash flows. Accordingly, the carrying amounts of such assets were reduced to the recoverable amounts. The recoverable amounts of the asset groups were mainly evaluated based on the value in use, which was calculated by discounting future cash flows at the Company's discount rate.

The carrying amounts of certain assets forming parts of idle properties were written down to their recoverable amounts, due to the fact that the carrying amounts were less than their fair market value. Recoverable amount of each idle property was mainly evaluated based on the net selling value (fair value less costs to sell). The recoverable amount of such asset group was mainly determined based on either appraisal value prepared by real estate appraisers or others. If such assets cannot be sold or diverted to other usage, they are booked at the memorandum price.

16. Income Taxes

Income taxes applicable to the Company and its domestic consolidated subsidiaries consist of corporation tax, inhabitants' tax and enterprise tax, which in the aggregate would result in a statutory income tax rate of approximately 35.6% and 38.0% for the years ended March 31, 2015 and 2014, respectively. Overseas consolidated subsidiaries are subject to income taxes in the countries in which they operate.

The "Act for Partial Amendment of the Income Tax, etc."(Act No. 9 of 2015) and the "Act for Partial Amendment of the Local Tax, etc."(Act No. 2 of 2015) were promulgated on March 31, 2015. As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 35.64% to 33.10% for the temporary differences expected to be realized or settled from fiscal years beginning April 1, 2015 and from 35.64% to 32.34% for the temporary differences expected to be realized or settled from fiscal years beginning April 1, 2016, respectively. The effect of the announced reduction of the effective statutory tax rate was to increase deferred tax assets, after offsetting deferred tax liabilities, by ¥458 million ($3,817 thousand), deferred income tax expense by¥492 million ($4,100 thousand), unrealized gain on available-for-sale securities by ¥1,021 million ($8,508 thousand) at and for the year ended March 31, 2015, respectively.

Summarized below is reconciliation at March 31, 2015 and 2014:

	2015	2014
Japanese statutory income tax rate	35.6%	38.0%
Tax benefits of net operating loss not recognized	1.0	4.4
Entertainment expense and other	4.6	6.6
Dividend income non- taxable	(3.8)	(3.8)
Equity in income of non-consolidated subsidiaries and affiliates	(4.1)	1.8
Valuation allowance	(1.5)	6.3
Difference of applicable tax rate of overseas consolidated subsidiaries	(12.1)	(3.4)
Utilization of loss carried forward	(3.6)	(5.3)
Amortization of goodwill	1.2	1.2
Undistributed earnings of overseas consolidated subsidiaries	10.4	2.4
Effect of effective statutory tax rate change	9.0	(0.3)
Other, net	4.7	4.3
Effective income tax rate	41.4%	52.2%

Deferred tax assets (liabilities) at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Liability for retirement benefits	¥ 14,970	¥ 14,501	$ 124,750
Loss carried forwards	114,362	107,258	953,017
Accrued bonus	2,908	3,224	24,233
Depreciation	3,810	4,836	31,750
Impairment loss	18,170	18,813	151,416
Other	10,680	11,389	89,000
Gross deferred tax assets	164,900	160,021	1,374,166
Valuation allowance	(141,580)	(135,825)	(1,179,833)
Total deferred tax assets	23,320	24,196	194,333
Unrealized gain on available-for-sale securities	(10,126)	(10,498)	(84,383)
Special reserve for deferred capital gain	(79)	(93)	(658)
Revaluation difference on land	(3,465)	(3,801)	(28,875)
Other	(4,831)	(2,585)	(40,259)
Total deferred tax liabilities	(18,501)	(16,977)	(154,175)
Net deferred tax assets	¥ 4,819	¥ 7,219	$ 40,158

17. Other Comprehensive Income

(For the year ended March 31, 2015)

1) The following table presents components of recycled amounts of other comprehensive income for the year ended March 31, 2015:

	Millions of yen	
Unrealized gain or loss on available-for-sale securities		
Amount arising during the year	¥ 7,765	
Reclassification adjustments for gains and losses included in net income	(5,959)	¥ 1,806
Deferred gain or loss on derivatives under hedge accounting		
Amount arising during the year	1,638	
Adjustments for amounts transferred to assets' acquisition costs	(437)	1,201
Adjustments for retirement benefits		
Amount arising during the year	(5,969)	
Reclassification adjustments for gains and losses included in net income	1,541	(4,428)
Foreign currency translation adjustments		
Amount arising during the year	7,084	
Reclassification adjustments for gains and losses included in net income	(6)	7,078
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the year	6,430	
Reclassification adjustments for gains and losses included in net income	(567)	
Adjustments for amounts transferred to assets' acquisition costs	¥ (0)	5,863
Subtotal before tax effects		11,520
Tax effects		461
Total other comprehensive income		¥ 11,981

	Thousands of U.S. dollars	
Unrealized gain or loss on available-for-sale securities		
Amount arising during the year	$ 64,708	
Reclassification adjustments for gains and losses included in net income	(49,658)	$ 15,050
Deferred gain or loss on derivatives under hedge accounting		
Amount arising during the year	13,650	
Adjustments for amounts transferred to assets' acquisition costs	(3,642)	10,008
Adjustments for retirement benefits		
Amount arising during the year	(49,742)	
Reclassification adjustments for gains and losses included in net income	12,842	(36,900)
Foreign currency translation adjustments		
Amount arising during the year	59,033	
Reclassification adjustments for gains and losses included in net income	(50)	58,983
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the year	53,583	
Reclassification adjustments for gains and losses included in net income	(4,725)	
Adjustments for amounts transferred to assets' acquisition costs	(0)	48,858
Subtotal before tax effects		95,999
Tax effects		3,843
Total other comprehensive income		$ 99,842

2) Deferred tax of other comprehensive income for the year ended March 31, 2015:

	Millions of yen		
	Before-tax amounts	Tax (expense) benefits	Net-of-tax amounts
Unrealized gain or loss on available-for-sale securities	¥ 1,806	¥ 385	¥ 2,191
Deferred gain or loss on derivatives under hedge accounting	1,201	(421)	780
Adjustments for retirement benefits	(4,428)	497	(3,931)
Foreign currency translation adjustments	7,078	-	7,078
Share of other comprehensive income of affiliates accounted for by the equity method	5,863	-	5,863
Total other comprehensive income	¥ 11,520	¥ 461	¥ 11,981

	Thousands of U.S. dollars		
	Before-tax amounts	Tax (expense) benefits	Net-of-tax amounts
Unrealized gain or loss on available-for-sale securities	$ 15,050	$ 3,209	$ 18,259
Deferred gain or loss on derivatives under hedge accounting	10,008	(3,508)	6,500
Adjustments for retirement benefits	(36,900)	4,142	(32,758)
Foreign currency translation adjustments	58,983	-	58,983
Share of other comprehensive income of affiliates accounted for by the equity method	48,858	-	48,858
Total other comprehensive income	$ 95,999	$ 3,843	$ 99,842

(For the year ended March 31, 2014)

1) The following table presents components of recycled amounts of other comprehensive income for the year ended March 31, 2014:

	Millions of yen	
Unrealized gain or loss on available-for-sale securities		
Amount arising during the year	¥ 6,431	
Reclassification adjustments for gains and losses included in net income	(4,918)	¥ 1,513
Deferred gain or loss on derivatives under hedge accounting		
Amount arising during the year	465	
Reclassification adjustments for gains and losses included in net income	(803)	
Adjustments for amounts transferred to assets' acquisition costs	(523)	(861)
Adjustments for retirement benefits		
Amount arising during the year	(222)	
Reclassification adjustments for gains and losses included in net income	557	335
Foreign currency translation adjustments		
Amount arising during the year	7,128	7,128
Share of other comprehensive income of affiliates accounted for by the equity method		
Amount arising during the year	3,395	
Reclassification adjustments for gains and losses included in net income	21	
Adjustments for amounts transferred to assets' acquisition costs	¥ (100)	3,316
Subtotal before tax effects		11,431
Tax effects		(136)
Total other comprehensive income		¥ 11,295

2) Deferred tax of other comprehensive income for the year ended March 31, 2014:

	Millions of yen		
	Before-tax amounts	Tax (expense) benefits	Net-of-tax amounts
Unrealized gain or loss on available-for-sale securities	¥ 1,513	¥ (464)	¥ 1,049
Deferred gain or loss on derivatives under hedge accounting	(861)	327	(534)
Adjustments for retirement benefits	335	1	336
Foreign currency translation adjustments	7,128	-	7,128
Share of other comprehensive income of affiliates accounted for by the equity method	3,316	-	3,316
Total other comprehensive income	¥ 11,431	¥ (136)	¥ 11,295

18. Financial Instruments

1. Conditions of Financial instruments

1) Policy for financial instruments

The fund management policy of the Group (the Company and its consolidated subsidiaries) has been set up to put its operating funds in deposits or investments that are assured of no impairment in the principal and the necessary fund is obtained through borrowings from banks and other financial institutions and bond issuances.
Derivative transactions are not entered into for speculative purposes.

2) Details of financial instruments and associated risks and risk management system

Trade notes and accounts receivable arising from operation are exposed to credit risk of customers. The Group carries out the practice of keeping track of due dates and outstanding balances of each customer under the credit management rules, as well as monitoring major customers' credit status on a regular basis in order to minimize credit risk.
Marketable securities and investment securities are mainly equity securities and exposed to the risk of changes in market value. These securities are primarily the shares of companies with which the Group has business relationship, and the fair value of these securities are evaluated on a regular basis.
Trade notes and accounts payable arising from operations normally have payment terms of less than one year.
Short-term and long-term debt are mainly utilized for working capital and capital investments. The interest rate risk of a certain portion of those loans payable is hedged using interest rate swaps as hedging instruments.
On derivative transactions, foreign exchange forward contracts are used for hedge of foreign currency risk associated with receivables and payables arising from operations and denominated in foreign currency, interest rate swaps are used for hedge of interest rate risk associated with loans payable, metal forward contracts are used for hedge of price risk of raw materials and work in process. Execution and management of derivative transactions are subject to related internal rules.

In relation to accounting for hedge transactions, hedging instruments and hedged items, hedging policy, and effectiveness of hedge transactions are set out in its internal rules. Although trade payable and short-term and long-term debt are exposed to liquidity risk, these payables are managed by such means as cash flow projections prepared on a timely manner.

3) Supplementary information on the fair value of financial instruments

The fair value of financial instruments is based upon the market prices or reasonable estimates of fair value of these instruments if these fair values are not available. The estimated fair values would not be fixed due to variety of factors and assumptions. In addition, the contractual amounts of the derivative transactions set out in "2. Fair value of financial instruments" as below are not an indicator of the market risk associated with derivative transactions.

2. Fair value of financial instruments

The carrying amounts on the consolidated balance sheets, fair value, and differences as of March 31, 2015 and 2014 are as follows. In addition, financial instruments, of which it is extremely difficult to measure the fair value, are not included in the following table. (Please see "Financial instruments of which the fair value is extremely difficult to measure")

(At March 31, 2015)

	Millions of yen		
	Carrying amount (*1)	Fair value (*1)	Difference
(1) Cash and bank deposits	¥ 30,011	¥ 30,011	¥ -
(2) Trade receivable	190,431	190,431	-
(3) Marketable securities and investments securities			
a. Held-to-maturity debt securities	117	122	5
b. Available-for-sale securities	46,604	46,604	-
c. Unconsolidated subsidiaries and affiliated companies	59,340	51,783	(7,557)
Total of assets	326,503	318,951	(7,552)
(1) Trade payable	(110,404)	(110,404)	-
(2) Short-term debt	(96,749)	(96,749)	-
(3) Bonds (including current portion)	(40,000)	(40,329)	(329)
(4) Long-term debt	(137,783)	(136,745)	1,038
Total of liabilities	(384,936)	(384,227)	709
Derivative transactions (*2)			
(1) Derivative transactions for which hedge accounting does not apply	(54)	(54)	-
(2) Derivative transactions for which hedge accounting apply	782	782	-
Total of derivative transactions	¥ 728	¥ 728	¥ -

(At March 31, 2015)

	Thousands of U.S. dollars		
	Carrying amount (*1)	Fair value (*1)	Difference
(1) Cash and bank deposits	$ 250,092	$ 250,092	$ -
(2) Trade receivable	1,586,925	1,586,925	-
(3) Marketable securities and investments securities			
a. Held-to-maturity debt securities	975	1,017	42
b. Available-for-sale securities	388,367	388,367	-
c. Unconsolidated subsidiaries and affiliated companies	494,500	431,525	(62,975)
Total of assets	2,720,859	2,657,926	(62,933)
(1) Trade payable	(920,033)	(920,033)	-
(2) Short-term debt	(806,242)	(806,242)	-
(3) Bonds (including current portion)	(333,333)	(336,075)	(2,742)
(4) Long-term debt	(1,148,192)	(1,139,542)	8,650
Total of liabilities	(3,207,800)	(3,201,892)	5,908
Derivative transactions (*2)			
(1) Derivative transactions for which hedge accounting does not apply	(450)	(450)	-
(2) Derivative transactions for which hedge accounting apply	6,517	6,517	-
Total of derivative transactions	$ 6,067	$ 6,067	$ -

(*1); Items recorded in liabilities are put in parentheses.
(*2); Assets and liabilities arising from derivative transactions are presented on a net basis and net liabilities' items are put in parentheses.

(At March 31, 2014)

	Millions of yen		
	Carrying amount (*1)	Fair value (*1)	Difference
(1) Cash and bank deposits	¥ 26,719	¥ 26,719	¥ -
(2) Trade receivable	199,287	199,287	-
(3) Marketable securities and investments securities			
a. Held-to-maturity debt securities	118	123	5
b. Available-for-sale securities	47,712	47,712	-
c. Unconsolidated subsidiaries and affiliated companies	52,892	59,954	7,062
Total of assets	326,728	333,795	7,067
(1) Trade payable	(104,377)	(104,377)	-
(2) Short-term debt	(119,913)	(119,913)	-
(3) Bonds (including current portion)	(40,100)	(40,536)	(436)
(4) Long-term debt	(117,842)	(118,366)	(524)
Total of liabilities	(382,232)	(383,192)	(960)
Derivative transactions (*2)			
(1) Derivative transactions for which hedge accounting does not apply	15	15	-
(2) Derivative transactions for which hedge accounting apply	(391)	(391)	-
Total of derivative transactions	¥ (376)	¥ (376)	¥ -

(*1); Items recorded in liabilities are put in parentheses.
(*2); Assets and liabilities arising from derivative transactions are presented on a net basis and net liabilities' items are put in parentheses.

I. Fair value of financial instruments

Assets

(1) Cash and deposits

The carrying amount approximates fair value due to the short maturity of these instruments.

(2) Trade receivable

The carrying amount approximates fair value due to the short maturity of these instruments.
A part of trade receivable is treated as receivable denominated in Japanese yen due to applying the special treatment of foreign currency exchange contracts and the carrying amount approximates fair value.

(3) Marketable securities and investment securities

The fair value of equity securities is based on quoted market price, if available. The fair value of debt securities is based on quoted market price or provided price by financial institutions. Marketable securities and investment securities by holding purpose are set out in “Note 5. Debt and Equity Securities”.

Liabilities

(1) Trade payable

The carrying amount approximates fair value because of the short maturity of these instruments.

A part of trade payable is treated as payable denominated in Japanese yen due to applying the special treatment of foreign currency exchange contracts and the carrying amount approximates fair value.

(2) Short-term debt

The carrying amount approximates fair value because of the short maturity of these instruments.

(3) Bonds

Fair value of bonds is based on quoted market price, if available. If not, the fair value is based on present value by discounting total cash flows of principles and interest to be paid at the rate considering remaining periods of those bonds and the related credit risk.

(4) Long-term debt

Fair value of long-term debts is based on the price provided by a financial institution or the present value of future cash flows discounted using the current debt rate for similar debt of a comparable maturity. Interest rate swaps subject to special treatment are used for long-term floating rate debt. Principle and interest of the debt in which these interest rate swaps are embedded, are discounted using the current debt rate, which is estimated reasonably for similar debt of a comparable maturity.

Derivative Transactions

Notional amount, fair value, unrealized gain or loss, and others are described in "Note 19. Additional Information on Derivatives".

II. Financial instruments of which the fair value is extremely difficult to measure

Unlisted investment securities of unconsolidated subsidiaries and affiliated companies amounted to ¥26,082 million ($217,350 thousand) and ¥28,222 million as of March 31, 2015 and 2014 are not included in (3) Marketable securities and investments securities a. Held-to-maturity debt securities and c. Unconsolidated subsidiaries and affiliated companies above, because market value are not available and their future cash flow are not estimated, accordingly it is not practicable to estimate the fair value.

III. The redemption schedule for money claim and held-to-maturity debt securities with maturity date subsequent to the consolidated balance sheets date:

(At March 31, 2015)

	Millions of yen			
	Within 1 year	Over 1 year to 5 years	Over 5 year to 10 years	Over 10 years
Bank deposits	¥ 29,304	¥ -	¥ -	¥ -
Trade receivable	190,431	-	-	-
Marketable securities and investments securities Held-to-maturity debt securities: Other debt securities	19	-	98	-
Total	¥ 219,754	¥ -	¥ 98	¥ -

	Thousands of U.S. dollars			
	Within 1 year	Over 1 year to 5 years	Over 5 year to 10 years	Over 10 years
Bank deposits	$ 244,200	$ -	$ -	$ -
Trade receivable	1,586,925	-	-	-
Marketable securities and investments securities Held-to-maturity debt securities: Other debt securities	158	-	817	-
Total	$ 1,831,283	$ -	$ 817	$ -

(At March 31, 2014)

	Millions of yen			
	Within 1 year	Over 1 year to 5 years	Over 5 year to 10 years	Over 10 years
Bank deposits	¥ 26,231	¥ -	¥ -	¥ -
Trade receivable	199,287	-	-	-
Marketable securities and investments securities Held-to-maturity debt securities: Other debt securities	19	-	99	-
Total	¥ 225,537	¥ -	¥ 99	¥ -

IV. The redemption schedule for long-term debt and other interest bearing debt with maturity date subsequent to the consolidated balance sheets date

The redemption schedule for long-term debt and other interest bearing debt with maturity date subsequent to the consolidated balance sheets date are described in "Note 9. Short-term Debt, Long-term Debt and Bonds"

19. Additional Information on Derivatives

1. At March 31, 2015

1) Derivative transactions for which hedge accounting does not apply

a) Foreign currency related transactions

	Millions of yen				Thousands of U.S. dollars			
	2015				2015			
	Notional Amount	Portion over 1 year	Fair value (*)	Unrealized gain(loss)	Notional Amount	Portion over 1 year	Fair value (*)	Unrealized gain(loss)
Non-market transaction								
Foreign currency:								
Sell	¥ 2,786	¥ -	¥ (79)	¥ (79)	$23,217	$ -	$ (658)	$ (658)
Buy	5,470	-	165	165	45,583	-	1,375	1,375
Total	¥ 8,256	¥ -	¥ 86	¥ 86	$68,800	$ -	$ 717	$ 717

(*) Fair value is determined by prices obtained from foreign exchange market.

b) Commodity related transactions

	Millions of yen				Thousands of U.S. dollars			
	2015				2015			
	Notional Amount	Portion over 1 year	Fair value (*)	Unrealized gain(loss)	Notional Amount	Portion over 1 year	Fair value (*)	Unrealized gain(loss)
Market transaction								
Forward contracts:								
Sell	¥10,564	¥ -	¥ (83)	¥ (83)	$ 88,033	$ -	$ (692)	$ (692)
Buy	6,414	-	(57)	(57)	53,450	-	(475)	(475)
Total	¥16,978	¥ -	¥ (140)	¥ (140)	$141,483	$ -	$ (1,167)	$ (1,167)

(*) Fair value is determined by prices obtained from commodity exchange market.

2) Derivative transactions for which hedge accounting apply

a) Foreign currency related transactions

		Millions of yen					Thousands of U.S. dollars		
		2015					2015		
	Hedged item	Notional Amount	Portion over 1 year	Fair value (*)	Calculation method of fair value		Notional Amount	Portion over 1 year	Fair value (*)
Normal accounting method									
Foreign currency:									
Sell	Trade receivable	¥ 3,090	¥ -	¥ (219)	Forward rate of Foreign currency		$ 25,750	$ -	$ (1,825)
Buy	Trade payable	9,045	0	697	Forward rate of Foreign currency		75,375	0	5,808
Assignment Accounting (special treatment for foreign exchange forward contract)									
Foreign currency:									
Sell	Trade receivable	5,856	-			-	48,800	-	
Buy	Trade payable	432	-			-	3,600	-	
	Total	¥ 18,423	¥ 0	¥ 478			$ 153,525	$ 0	$ 3,983

(*) The fair value of foreign currency related transactions subject to assignment accounting (special treatment for foreign exchange forward contract) embeds in accounting subject to hedging included in the fair value of the corresponding trade receivable and trade payable.

b) Interest-rate related transactions

	Hedged item	Millions of yen 2015 Notional Amount	Portion over 1 year	Fair value (*)	Thousands of U.S. dollars 2015 Notional Amount	Portion over 1 year	Fair value (*)
Special treatment interest rate swap:							
Receiving fixed rates and paying floating rates	Long-term debt	¥ 8,413	6,203		$ 71,108	$ 51,692	
Receiving floating rates and paying fixed rates	Long-term debt	85,230	81,755		710,250	681,292	
Receiving floating rates and paying floating rates	Long-term debt	200	-		1,667	-	
	Total	¥ 93,843	¥ 87,958	-	$ 782,025	$ 732,984	-

(*) The fair value of interest rate swaps subject to special treatment embeds in long-term debt subject to hedging included in the fair value of the corresponding long-term debt.

c) Commodity related transactions

	Hedged item	Millions of yen 2015 Notional Amount	Portion over 1 year	Fair value	Calculation method of fair value	Thousands of U.S. dollars 2015 Notional Amount	Portion over 1 year	Fair value
Normal accounting method:								
Forward contracts for metal materials:								
Sell	Raw materials and work in process	¥ 1,478	¥ -	¥ (152)	Forward rate of metal material	$ 12,317	$ -	$ (1,267)
Buy		8,666	119	456		72,217	992	3,800
	Total	¥ 10,144	¥ 119	¥ 304		$ 84,534	$ 992	$ 2,533

2. At March 31, 2014

1) Derivative transactions for which hedge accounting does not apply

a) Foreign currency related transactions

	Millions of yen			
	2014			
	Notional Amount	Portion over 1 year	Fair value (*)	Unrealized gain(loss)
Non-market transaction				
Foreign currency:				
Sell	¥ 846	¥ -	¥ (14)	¥ (14)
Buy	3,762	-	14	14
Total	¥4,608	¥ -	¥ (0)	¥ (0)

(*) Fair value is determined by prices obtained from foreign exchange market.

b) Commodity related transactions

	Millions of yen			
	2014			
	Notional Amount	Portion over 1 year	Fair value (*)	Unrealized gain(loss)
Market transaction				
Forward contracts:				
Sell	¥11,936	¥ -	¥ 20	¥ 20
Buy	2,723	1,027	(5)	(5)
Total	¥14,659	¥ 1,027	¥ 15	¥ 15

(*) Fair value is determined by prices obtained from commodity exchange market.

2) Derivative transactions for which hedge accounting apply

a) Foreign currency related transactions

		Millions of yen				
		2014				
		Hedged item	Notional Amount	Portion over 1 year	Fair value (*)	Calculation method of fair value
Normal accounting method						
Foreign currency:						
	Sell	Trade receivable	¥ 3,295	¥ -	¥ (93)	Forward rate of Foreign currency
	Buy	Trade payable	10,558	-	82	Forward rate of Foreign currency
Assignment Accounting (special treatment for foreign exchange forward contract)						
Foreign currency:						
	Sell	Trade receivable	6,270	-		-
	Buy	Trade payable	¥816	-		-
		Total	¥ 20,939	¥ -	¥ (11)	

(*) The fair value of foreign currency related transactions subject to assignment accounting (special treatment for foreign exchange forward contract) embeds in accounting subject to hedging included in the fair value of the corresponding trade receivable and trade payable.

b) Interest-rate related transactions

		Millions of yen			
		2014			
	Hedged item	Notional Amount	Portion over 1 year	Fair value (*)
Special treatment interest rate swap:				
Receiving fixed rates and paying floating rates	Long-term debt	¥ 7,658	¥ 5,547	
Receiving floating rates and paying fixed rates	Long-term debt	81,112	78,691	
Receiving floating rates and paying floating rates	Long-term debt	600	-	
	Total	¥ 89,370	¥ 84,238	-

(*) The fair value of interest rate swaps subject to special treatment embeds in long-term debt subject to hedging included in the fair value of the corresponding long-term debt.

c) Commodity related transactions

	Millions of yen				
	2014				
	Hedged item	Notional Amount	Portion over 1 year	Fair value	Calculation method of fair value
Normal accounting method:					
Forward contracts for metal materials:					
Sell	Raw materials and work in process	¥ 1,681	¥ -	¥ (20)	Forward rate of metal material
Buy		10,563	-	(360)	
	Total	¥ 12,244	¥ -	¥ (380)	

20. Real estate for rental and others

The Company and certain consolidated subsidiaries have rentable land and rental office building located in Tokyo and other prefecture. Net revenue of such real estate (main revenue of such real estate is included in operating revenue and main costs for such real estate are included in operating expenses) amounted to ¥1,767 million ($14,725 thousand) and ¥1,329 million for the year ended March 31, 2015 and 2014, respectively.

The carrying amount, fair value and changes in the value of real estate related to real estate for rental and others are as follows:

(For the year ended March 31, 2015)

Millions of yen			
Carrying amount in the consolidated balance sheets			Fair value
Opening balance	Net changes	Closing balance	
¥ 14,310	¥ (1,844)	¥ 12,466	¥ 32,328

Thousands of U.S. dollars			
Carrying amount in the consolidated balance sheets			Fair value
Opening balance	Net changes	Closing balance	
$ 119,250	$ (15,367)	$ 103,883	$ 269,400

(For the year ended March 31, 2014)

Millions of yen			
Carrying amount in the consolidated balance sheets			Fair value
Opening balance	Net changes	Closing balance	
¥ 19,781	¥ (5,471)	¥ 14,310	¥ 33,524

1) The carrying amount is the amount of its acquisition costs less accumulated depreciation and accumulated impairment losses.

2) The changes in the carrying amount are mainly an increase due to capital expenditures and a decrease due to sales and disposal of real estate amounted to ¥579 million ($4,825 thousand) and a change in purpose of possession amounted to ¥901 million ($7,508 thousand) for the year ended March 31, 2015.
The changes in the carrying amount are mainly an increase due to capital expenditures and a decrease due to change of scope for consolidation amounted to ¥3,778 million and sales of real estate amounted to ¥1,248 million for the year ended March 31, 2014.

3) Fair value of March 31, 2015 and 2014 is primarily determined based on internal assessed value according to the Real Estate Appraisal Standards, or amount based on certain evaluated value and value based on the index appropriately affecting real estate market.

21. Segment Information

1. Outline of reportable segments

The reportable segment of the Company is a company group's component for which the financial information can be obtained separately from its other components, and the Board of Directors reviews such reportable segments on a regular basis in order to decide allocations of managerial resources and evaluate business performance.

On classification method of reportable segments in the Company's Group, business in the Company and its Group companies are separately reported based upon similarity of market and the Company decided six reportable segments, such as Telecommunications, Energy and industrial products, Electronics and automotive systems, Metals, Light metals and Services and other.

(1) Telecommunications:

Manufacture and sale of optical fiber cable, optical related parts, optical fiber cable-attached parts and construction, network equipment, etc.

(2) Energy and industrial products:

Manufacture and sale of bare wire, aluminum wire, insulated wire, power cables, power cable-attached parts and construction, electric wire tubing, plastic products, thermal engineering electric feeders, etc.

(3) Electronics and automotive systems:

Manufacture and sale of batteries, automobile parts and electric wire, magnet wire, heat pipes, aluminum plates for memory disks, electronic components and parts, etc.

(4) Metals:

Manufacture and sale of copper products such as copper tubes, rolled copper products, electrolytic copper foils, shape memory alloys, etc.

(5) Services, development and other:

Real estate service, distribution service, information service, development for new business, etc.

Furukawa-Sky Aluminum Corp.(hereafter "FSA"), which had previously been the Company's consolidated subsidiary, was integrated with Sumitomo Light Metal Industries, Ltd.(hereafter "SLM") on October 1, 2013.

By this business integration, FSA and its subsidiaries, which consisted of Light metals reportable segment, are not the Company's subsidiaries, and became its affiliates accounted for by the equity method, UACJ Corporation(hereafter "UACJ"), as a new integrated company.

2. Segment information on sales and income (loss), identifiable assets and other items by business for the years ended March 31, 2015 and 2014 is summarized as follows:

(For the year ended March 31, 2015)

	Telecommuni-cations	Energy and industrial products	Electronics and automotive systems	Metals	Light metals	Services, development and other	Sub-total	Adjustments*	Total
	Millions of yen								
Net sales									
Outside customers	¥ 149,565	¥ 251,386	¥ 299,667	¥ 130,255	¥ -	¥ 36,945	¥ 867,818	¥ −	¥ 867,818
Inter-segment sales	5,650	41,826	8,540	3,436	-	16,572	76,024	(76,024)	—
Total	155,215	293,212	308,207	133,691	-	53,517	943,842	(76,024)	867,818
Segment income(loss)	¥ 5,653	¥ 4,293	¥ 12,923	¥ (4,944)	¥ -	¥ (122)	¥ 17,803	¥ 70	¥ 17,873
Assets	¥ 133,384	¥ 158,981	¥ 219,767	¥ 112,703	¥	¥ 139,740	¥ 764,575	¥ (30,450)	¥ 734,125
Others									
Depreciation	¥ 4,928	¥ 3,166	¥ 7,408	¥ 4,488	¥ -	¥ 1,360	¥ 21,350	¥ 1,159	¥ 22,509
Amortization of goodwill	¥ 88	¥ 124	¥ 70	¥ -	¥ -	¥ 345	¥ 627	¥ -	¥ 627
Investments in affiliates accounted for by the equity method	¥ 1,630	¥ 12,666	¥ 9,305	¥ 5,925	¥ -	¥ 49,331	¥ 78,857	¥ -	¥ 78,857
Tangible/intangible fixed assets increased	¥ 5,215	¥ 2,992	¥ 11,837	¥ 8,227	¥ -	¥ 1,724	¥ 29,995	¥ 680	¥ 30,675

(For the year ended March 31, 2014)

	Telecommuni-cations	Energy and industrial products	Electronics and automotive systems	Metals	Light metals	Services, development and other	Sub-total	Adjustments*	Total
	Millions of yen								
Net sales									
Outside customers	¥ 148,325	¥ 256,795	¥ 282,866	¥ 125,942	¥ 94,029	¥ 23,825	¥ 931,782	¥ −	¥ 931,782
Inter-segment sales	5,526	42,149	8,106	4,762	2,559	20,288	83,390	(83,390)	—
Total	153,851	298,944	290,972	130,704	96,588	44,113	1,015,172	(83,390)	931,782
Segment income(loss)	¥ 7,810	¥ 1,663	¥ 14,006	¥ (3,054)	¥ 4,445	¥ 403	¥ 25,273	¥ 184	¥ 25,457
Assets	¥ 132,333	¥ 167,130	¥ 198,619	¥ 102,877	¥ −	¥ 133,145	¥ 734,104	¥ (19,259)	¥ 714,845
Others									
Depreciation	¥ 4,624	¥ 3,363	¥ 6,668	¥ 5,597	¥ 5,400	¥ 1,349	¥ 27,001	¥ 1,106	¥ 28,107
Amortization of goodwill	¥ 87	¥ 158	¥ 106	¥ -	¥ 101	¥ 346	¥ 798	¥ -	¥ 798
Investments in affiliates accounted for by the equity method	¥ 1,165	¥ 14,296	¥ 7,265	¥ 5,398	¥ -	¥ 44,504	¥ 72,628	¥ -	¥ 72,628
Tangible/intangible fixed assets increased	¥ 5,988	¥ 3,956	¥ 13,299	¥ 2,736	¥ 9,213	¥ 1,463	¥ 36,655	¥ 781	¥ 37,436

(For the year ended March 31, 2015)

	Telecommuni-cations	Energy and industrial products	Electronics and automotive systems	Metals	Light metals	Services, development and other	Sub-total	Adjustments*	Total
	Thousands of U.S.dollars								
Net sales									
Outside customers	$ 1,246,375	$ 2,094,884	$ 2,497,225	$ 1,085,458	$ -	$ 307,875	$ 7,231,817	$ −	$ 7,231,817
Inter-segment sales	47,083	348,550	71,167	28,633	-	138,100	633,533	(633,533)	—
Total	1,293,458	2,443,434	2,568,392	1,114,091	-	445,975	7,865,350	(633,533)	7,231,817
Segment income(loss)	$ 47,108	$ 35,776	$ 107,692	$ (41,201)	$ -	$ (1,017)	$ 148,358	$ 584	$ 148,942
Assets	$ 1,111,533	$ 1,324,841	$ 1,831,392	$ 939,192	$	$ 1,164,500	$ 6,371,458	$ (253,750)	$ 6,117,708
Others									
Depreciation	$ 41,067	$ 26,383	$ 61,733	$ 37,400	$ -	$ 11,333	$ 177,916	$ 9,659	$ 187,575
Amortization of goodwill	$ 733	$ 1,033	$ 583	$ -	$ -	$ 2,875	$ 5,224	$ -	$ 5,224
Investments in affiliates accounted for by the equity method	$ 13,583	$ 105,550	$ 77,542	$ 49,375	$ -	$ 411,092	$ 657,142	$ -	$ 657,142
Tangible/intangible fixed assets increased	$ 43,458	$ 24,933	$ 98,642	$ 68,558	$ -	$ 14,367	$ 249,958	$ 5,667	$ 255,625

* Inter-segment transactions are eliminated from the consolidated financial statements. Corporate assets are included in the consolidated financial statements. Adjustments include increase of tangible/intangible fixed assets and depreciation related to the corporate assets.

(Change for the year ended March 31, 2015)
Changes in reportable segments
A business unit, which had previously been included in "Telecommunication" segment was changed to "Service and other" segment as a result of revisions of controlling business units effective from the current fiscal year to accelerate developments of more new business.
In order to disclose more appropriate position among reportable segments, the name of segment "Service and other" has been changed to "Service, development and other".
Segment information for the previous fiscal year has been prepared based on the new reportable segments.

(Change for the year ended March 31, 2014)

1) On depreciation method of property, plant and equipment, the Company and certain domestic consolidated subsidiaries mainly adopted the declining-balance method for property, plant and equipment other than buildings and overseas consolidated subsidiaries mainly adopted the straight-line method so far. The Company and the certain domestic consolidated subsidiaries, however, have changed the depreciation method to the straight-line method from this fiscal year.
The Group planned in the medium-term management plan to increase resources allocated to overseas operation base for expanding business in the overseas market which can expect growth, its policy was made clear, to shift to investments for maintenance and updates corresponding to mature market environment in the domestic market. After this, as a result of investigating the operation status of its assets, which are mainly domestic production facility owned by the Company and the certain domestic consolidated subsidiaries, long-term and stable operation status of those assets were expected afterwards. Therefore, it was judged that depreciation using by the straight-line method provides reasonable cost allocation reflecting such an operation status of those assets.
As a result of this change, segment income (loss) of Telecommunications, Energy and industrial products, Electronics and automotive systems, Metals, Loght metals and Services and other increased by ¥516 million, ¥555 million, 545 million, 72 million, 17 million and ¥312 million, respectively, compared with previous method had been applied.

2) The financial statements of P.T. Tembaga Mulia Semanan,Tbk, whose statutory financial year end was December 31, has been consolidated by using their financial statements as of the parent fiscal year end which are prepared solely for consolidation purpose to further enhance appropriate disclosure of consolidated financial information.
Accordingly, consolidated financial statements have been prepared based on financial statements for the fifteen months fiscal period, from January 1, 2013 to March 31, 2014.
As a result of this change, net sales and segment income increased by ¥15,916 million and ¥176 million, respectively,compared with previous method had been applied.

<Relative information>

Information by regions

(For the year ended March 31, 2015)

	Millions of yen			
	Japan	Asia	Other areas	Total
Net sales	¥ 482,565	¥ 245,005	¥ 140,248	¥ 867,818
Property, plant and equipment, net of accumulated depreciation	¥ 118,911	¥ 55,688	¥ 24,618	¥ 199,217

	Thousands of U.S. dollars (Note 3)			
	Japan	Asia	Other areas	Total
Net sales	$ 4,021,375	$ 2,041,708	$ 1,168,734	$ 7,231,817
Property, plant and equipment, net of accumulated depreciation	$ 990,925	$ 464,066	$ 205,150	$ 1,660,141

(For the year ended March 31, 2014)

	Millions of yen			
	Japan	Asia	Other areas	Total
Net sales	¥ 547,699	¥ 258,990	¥ 125,093	¥ 931,782
Property, plant and equipment, net of accumulated depreciation	¥ 116,543	¥ 51,317	¥ 23,209	¥ 191,069

<Information of impairment loss by reportable segments>

(For the year ended March 31, 2015)

	Millions of yen								
	Telecommuni -cations	Energy and industrial products	Electronics and automotive systems	Metals	Light metals	Services, developmen t and other	Sub-total	Adjustments	Total
Impairment loss	¥ 93	¥ 546	¥ 78	¥ 185	¥ -	¥ 445	¥ 1,347	¥ -	¥ 1,347
	Thousands of U.S. dollars (Note 3)								
Impairment loss	$ 775	$ 4,550	$ 650	$ 1,542	$ -	$ 3,708	$ 11,225	$ -	$ 11,225

(For the year ended March 31, 2014)

	Millions of yen								
	Telecommuni -cations	Energy and industrial products	Electronics and automotive systems	Metals	Light metals	Services, developmen t and other	Sub-total	Adjustments	Total
Impairment loss	¥ 621	¥ 815	¥ 24	¥ 2,935	¥ 2,410	¥ -	¥ 6,805	¥ -	¥ 6,805

<Information of goodwill by reportable segments>

(For the year ended March 31, 2015)

	Millions of yen								
	Telecommuni -cations	Energy and industrial products	Electronics and automotive systems	Metals	Light metals	Services, developmen t and other	Sub-total	Adjustments	Total
Amortization of goodwill	¥ 88	¥ 124	¥ 69	¥ -	¥ -	¥ 346	¥ 627	¥ -	¥ 627
Goodwill as of March 31	¥ 72	¥ 794	¥ 104	¥ -	¥ -	¥ 2,909	¥ 3,879	¥ -	¥ 3,879
	Thousands of U.S. dollars (Note 3)								
Amortization of goodwill	$ 733	$ 1,033	$ 575	$ -	$ -	$ 2,883	$ 5,224	$ -	$ 5,224
Goodwill as of March 31	$ 600	$ 6,616	$ 867	$ -	$ -	$ 24,242	$ 32,325	$ -	$ 32,325

(For the year ended March 31, 2014)

	Millions of yen								
	Telecommuni -cations	Energy and industrial products	Electronics and automotive systems	Metals	Light metals	Services, developmen t and other	Sub-total	Adjustments	Total
Amortization of goodwill	¥ 87	¥ 158	¥ 106	¥ -	¥ 101	¥ 346	¥ 798	¥ -	¥ 798
Goodwill as of March 31	¥ 177	¥ 515	¥ 124	¥ -	¥ -	¥ 3,254	¥ 4,070	¥ -	¥ 4,070

22. Related Party Transactions

1. Transactions of the Company with related companies

(For the year ended March 31, 2015)

Type of Related Party	Affiliate
Name	VISCAS Corporation.
Address	Shinagawa-ku Tokyo
Capital	¥12,100 million ($100,833 thousand)
Type of business	Energy and industrial products
Voting right share owing (share owed)	Direct 50.0%
Business relationship	Sale of material, purchase of finished goods, lease contracts of real estate, appointment of directors to other companies and providing financial support.
Description of transactions	Loans guaranteed
Amounts of transactions	¥9,820 million ($81,833 thousand)
Accounts	—
Closing balances	—

(For the year ended March 31, 2014)

Type of Related Party	Affiliate
Name	VISCAS Corporation.
Address	Shinagawa-ku Tokyo
Capital	¥12,100 million
Type of business	Energy and industrial products
Voting right share owing (share owed)	Direct 50.0%
Business relationship	Sale of material, purchase of finished goods, lease contracts of real estate, appointment of directors to other companies and providing financial support.
Description of transactions	Loans guaranteed
Amounts of transactions	¥9,190 million
Accounts	—
Closing balances	—

2. Information on the parent company and siginificant affiliate companies

(For the year ended March 31, 2015 and 2014)

1) Information on the parent company
None.

2) Financial statement of a siginificant affiliate company
A significant affiliate company is UACJ Corporation (hereafter "UACJ").
Summarized aggregate financail statement data of it is as fillows.

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2015	2014	2015
Total current assets	¥269,889	¥236,638	$2,249,075
Total non-current assets	¥408,063	¥371,852	$3,400,525
Total current liaibilities	¥287,884	¥236,387	$2,399,033
Total non-current liaibilities	¥202,932	¥203,963	$1,691,100
Net assets	¥187,136	¥168,140	$1,559,467
Sales	¥572,541	¥364,107	$4,771,175
Income before income taxes and minority interests	¥18,856	¥15,523	$157,133
Net income	¥8,649	¥9,946	$72,075

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Independent Auditor's Report

The Board of Directors
Furukawa Electric Co., Ltd.

We have audited the accompanying consolidated financial statements of Furukawa Electric Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Furukawa Electric Co., Ltd. and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

Ernst & Young ShinNihon LLC

June 24, 2015