Translation

October 31, 2016

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2017 <under Japanese GAAP>

Company name: **TAIYO HOLDINGS CO., LTD.**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 4626
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Scheduled date to file quarterly report: November 1, 2016
Scheduled date to commence dividend payments: December 1, 2016
Preparation of supplementary results briefing material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts disregarded, unless otherwise noted)

1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2017 (from April 1, 2016 to September 30, 2016)

(1) Operating results (cumulative)

(Millions of yen; % year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended		%		%		%		%
September 30, 2016	23,442	(7.7)	4,557	(21.5)	4,602	(21.9)	3,623	(11.4)
September 30, 2015	25,400	2.5	5,807	22.1	5,889	20.7	4,088	22.5

Note: Comprehensive income
For the six months ended September 30, 2016: 550 million yen [(85.0%)]
For the six months ended September 30, 2015: 3,673 million yen [(14.7%)]

(Yen)

	Basic earnings per share	Diluted earnings per share
Six months ended		
September 30, 2016	156.61	–
September 30, 2015	177.53	–

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2016	63,815	44,312	67.0	1,844.66
March 31, 2016	65,464	45,250	65.9	1,865.94

Reference: Equity (Net assets excluding non-controlling interests)
As of September 30, 2016: 42,731 million yen
As of March 31, 2016: 43,115 million yen

2. Cash dividends

(Yen)

	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2016	–	55.00	–	55.00	110.00
Fiscal year ending March 31, 2017	–	55.00			
Fiscal year ending March 31, 2017 (Forecast)			–	55.00	110.00

Notes: 1. Revisions to the forecasts of cash dividends most recently announced: None

2. The cash dividends presented above are cash dividends on common shares. Please refer to "Cash dividends for class shares," presented below, for information on cash dividends for class shares (unlisted) granted different rights from the common shares issued by the Company.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Millions of yen; % year on year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
Fiscal year ending March 31, 2017	45,700	(8.3)	8,000	(27.0)	7,800	(29.9)	5,500	(29.5)	238.03

Note: Revisions to the consolidated earnings forecasts most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the current six months (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of specific accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements:

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
b. Changes in accounting policies due to other reasons: None
c. Changes in accounting estimates: None
d. Restatement of prior period financial statements after error corrections: None

Note: For details see "2. Matters Regarding Summary Information (Notes) (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements" on page 5 of the Supplementary Schedules and Notes.

(4) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2016	27,528,500 shares
As of March 31, 2016	27,485,600 shares

b. Number of treasury shares at the end of the period

As of September 30, 2016	4,363,557 shares
As of March 31, 2016	4,379,037 shares

c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	23,137,700 shares
Six months ended September 30, 2015	23,032,665 shares

Notes:
1. Series I Class A Shares and Series II Class A Shares possess the same rights as common shares in regard to the right to receive dividends of surplus and the right to receive distribution of residual assets. They are therefore included in the number of outstanding shares at period-end and the average number of outstanding shares during the period.
2. The number of treasury shares includes shares of the Company held by The Master Trust Bank of Japan, Ltd. (trust account for shares granted under the Employee Stock Ownership Plan (ESOP)).

*** Representation regarding performance of quarterly review procedures**

The completion of quarterly review procedures in accordance with the Financial Instruments and Exchange Act is not required for preparing this quarterly financial results report. The quarterly review procedures for the quarterly financial statements had not been completed at the time this quarterly financial results report was disclosed.

*** Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company offers no guarantees regarding achievement of any forecasts in the forward-looking statements. Actual results may differ substantially due to various unforeseen factors.

Cash dividends for class shares

The following is a breakdown of cash dividends per share for class shares granted different rights than common shares.

(Yen)

Series I Class A shares	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2016	–	55.00	–	55.00	110.00
Fiscal year ending March 31, 2017	–	55.00			
Fiscal year ending March 31, 2017 (Forecast)			–	55.00	110.00

(Yen)

Series II Class A shares	Annual cash dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2016	–	–	–	–	–
Fiscal year ending March 31, 2017	–	55.00			
Fiscal year ending March 31, 2017 (Forecast)			–	55.00	110.00

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1. Qualitative Information Regarding Settlement of Accounts for the First Six Months

The following abbreviations of product group categories are used in this section.

Abbreviation	Meaning
PWB	Printed Wiring Board
PKG	Semiconductor Package

(1) Qualitative information regarding consolidated operating results

The global economy during the first six months of the current consolidated fiscal year saw a gradual rebound as the U.S. economy continued to rebound and the unemployment rate in the European economy declined. However, the Chinese economy saw consumer spending soften and the gradual rebound in the Japanese economy continued, but improvement in corporate profits came to a standstill and consumer prices remained level.

In the electronics component industry, a market related to the Taiyo Group, demand for smartphones, servers, and vehicle installation parts remained strong.

Such conditions led to net sales of 23,442 million yen (down 7.7% year on year) for the first six months of the current consolidated fiscal year. This was mainly due to the trend of appreciation in the Japanese yen.

Sales of rigid board materials were flat in terms of unit volume, but sales declined from the first six months of the previous fiscal year, due in part to the appreciation of the yen. This resulted in sales of 16,523 million yen (down 8.5% year on year).

PKG board and flexible board materials saw unit volume growth over the first six months of the previous fiscal year, however, sales declined year on year, due in part to continued appreciation of the yen. This resulted in sales of 4,861 million yen (down 4.0% year on year).

Operating income consequently fell to 4,557 million yen (down 21.5% year on year), ordinary income fell to 4,602 million yen (down 21.9% year on year), and profit attributable to owners of parent fell to 3,623 million yen (down 11.4% year on year).

Sales results by product group category

The following are sales results by product group category for the six months ended September 30, 2016.

(Millions of yen)

Name of product group category		Six months ended September 30, 2015	Six months ended September 30, 2016	Compared to the same period of the previous fiscal year	
				Change	Percentage change (%)
PWB materials	Rigid board materials	18,061	16,523	(1,538)	(8.5)
	PKG board and flexible printed circuit board materials	5,065	4,861	(203)	(4.0)
	Build-up board materials	546	535	(11)	(2.1)
Other related Products (Note)	–	1,726	1,523	(203)	(11.8)
Total		25,400	23,442	(1,957)	(7.7)

(Note) Sales of FPD (Flat Panel Display) materials are reported as Other related products from the first three months of the current consolidated fiscal year because they comprise a small percentage of all products.

Results by segment are as follows (Segment sales include inter-segment sales and transactions).

1) Japan

The consolidated companies located in Japan are Taiyo Ink Mfg. Co., Ltd. and Chugai Kasei Co., Ltd.

PKG board materials were strong, mainly due to high-performance smartphone-related materials. A year on year decline in sales was recorded despite this, due in part to continued appreciation of the yen.

This resulted in sales of 8,594 million yen (down 0.7% year on year), with segment profit of 862 million yen (down 42.1% year on year).

2) China (including Hong Kong)

The consolidated companies located in China are Taiyo Ink (Suzhou) Co., Ltd., Onstatic Ink (Shenzhen) Co., Ltd., Taiyo Ink International (HK) Limited, and Taiyo Ink Trading (Shenzhen) Co., Ltd. Onstatic Ink (Shenzhen) Co., Ltd. is a subsidiary of Onstatic Technology Co., Ltd.

Rigid board materials saw strong growth in sales, primarily for vehicle installation parts, however sales declined on a year on year basis, due in part to appreciation of the yen.

This resulted in sales of 10,439 million yen (down 7.8% year on year), with segment profit of 2,387 million yen (down 0.2% year on year).

3) Taiwan

The consolidated companies located in Taiwan are Taiwan Taiyo Ink Co., Ltd. and Onstatic Technology Co., Ltd. (plus two other subsidiaries).

Rigid board materials were flat as demand for smartphones, servers and vehicle installation parts remained on par with the first six months of last fiscal year. Sales saw a year on year decline despite this, due in part to continued appreciation of the yen.

This resulted in sales of 4,128 million yen (down 17.7% year on year), with segment profit of 833 million yen (down 28.1% year on year).

4) Korea

The consolidated companies located in South Korea are Taiyo Ink Co., (Korea) Ltd. and Taiyo Ink Products Co., Ltd.

PKG board materials saw year on year growth in sales as demand for high-performance smartphone-related materials remained firm.

This resulted in sales of 4,073 million yen (up 4.7% year on year), with segment profit of 605 million yen (down 16.7% year on year).

5) Other

The consolidated companies located in other countries are Taiyo America, Inc., Taiyo Ink International (Singapore) Pte Ltd, and Taiyo Green Energy Co., Ltd.

Unit volume for Taiyo America, Inc. was on par with the first six months of the previous fiscal year.

Taiyo Ink International (Singapore) Pte Ltd saw strong demand as the market for vehicle installation parts expanded, but sales declined year on year, due in part to continued appreciation of the yen.

Taiyo Green Energy Co., Ltd. became a consolidated subsidiary from the first three months of the current consolidated fiscal year.

This resulted in sales of 1,990 million yen (down 12.1% year on year), with segment profit of 295 million yen (up 0.6% year on year).

(2) Qualitative information regarding consolidated financial position

Assets, liabilities and net assets

The following shows the status of assets, liabilities and net assets as of September 30, 2016.

	As of March 31, 2016 (Millions of yen)	As of September 30, 2016 (Millions of yen)	Change (Millions of yen)	Main factors (Comparison with the end of the previous fiscal year)
Current assets	39,340	38,521	(818)	Decreases of 461 million yen in notes and accounts receivable – trade, 147 million yen in merchandise and finished goods, and 75 million yen in raw materials and supplies
Non-current assets	26,124	25,294	(830)	Decrease of 694 million yen in goodwill
Total assets	65,464	63,815	(1,648)	
Total liabilities	20,214	19,503	(710)	Decreases of 512 million yen in long-term loans payable
Total net assets	45,250	44,312	(938)	Increase of 3,705 million yen from net income and decreases of 1,270 million yen from payment of dividends and 2,912 million yen in foreign currency translation adjustment, 554 million yen in non-controlling interests
Total liabilities and net assets	65,464	63,815	(1,648)	

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

No changes have been made to the consolidated earnings forecasts for the fiscal year ending March 31, 2017 from the earnings forecasts that were announced in "Consolidated Financial Results for the Fiscal Year Ended March 31, 2016," released on May 2, 2016.

2. Matters Regarding Summary Information (Notes)

(1) Changes in significant subsidiaries during the current six months

No items to report.

(2) Application of specific accounting methods for preparing quarterly consolidated financial statements

No items to report.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

(Application of practical solution concerning a change in the method of depreciation under the 2016 tax reform)

The Practical Solution on a Change in Depreciation Method due to Tax Reform 2016 (ASBJ PITF No. 32, June 17, 2016) was applied from the first three months of the current consolidated fiscal year in conjunction with the reform of the Corporation Tax Act. The method of depreciation of buildings and associated equipment and structures acquired on or after April 1, 2016 was changed from the declining balance method to the straight-line method.

The impact of this change on operating income, ordinary income, and profit before income taxes for the first six months of the current consolidated fiscal year is not material in nature.

(4) Additional information

(Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts)

The Company has applied the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ PITF No. 30, March 26, 2015).

1) Overview of transactions

At a meeting of the Board of Directors held on May 2, 2014, the Company resolved to introduce the Employee Stock Ownership Plan ("ESOP") trust, an employee incentive plan for granting stock. Through this plan, the Company aims to cultivate a sense of belonging among its employees, increase their sense of participation in the management of the Company, and heighten their morale and motivation to help improve operating results and increase the stock price over the long term as well. In addition, the Company aims to enhance corporate value over the medium- and long-term through the plan. The Company will establish a trust into which it will contribute funds for the acquisition of the Company's stock. The beneficiaries of this trust will be employees of the Company who meet certain criteria. The trust will acquire stock of the Company in one lot from the Company in the number expected to be granted to employees of the Company based on the regulations for the granting of stock established in advance. Following this, the trust will deliver Company stock to employees gratis, during the term of their service, in accordance with the regulations for the granting of stock, based on the qualifications, grade, and other criteria for eligibility of Company employees during the trust period. The Company will contribute the full amount of the acquisition funds for the stock of the Company to be acquired through the trust, so no contribution will be required of Company employees. The trust is accounted for by the gross method, in which assets and liabilities of the trust are recorded on the balance sheet as assets and liabilities of the Company and profits and losses of the trust are recorded on the statement of income as profits and losses of the Company.

2) Company stock remaining in trusts

Company stock remaining in trusts are recorded as treasury shares under net assets according to the book value in the trust (after deduction of associated expenses). The book value and the number of shares of this Company stock stood at 179 million yen and 58,910 shares, respectively, as of September 30, 2016.

(Application of Implementation Guidance on Recoverability of Deferred Assets)

The Implementation Guidance on Recoverability of Deferred Tax Assets (revised Guidance No.26, March 28, 2016) was applied from the first three months of the current consolidated fiscal year.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	21,408	21,775
Notes and accounts receivable - trade	12,836	12,374
Merchandise and finished goods	2,013	1,865
Work in process	410	419
Raw materials and supplies	1,593	1,518
Other	1,417	655
Allowance for doubtful accounts	(339)	(86)
Total current assets	39,340	38,521
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,523	10,494
Other, net	9,120	8,997
Total property, plant and equipment	19,644	19,491
Intangible assets		
Goodwill	4,432	3,737
Other	486	456
Total intangible assets	4,919	4,194
Investments and other assets		
Other	1,562	1,820
Allowance for doubtful accounts	(1)	(211)
Total investments and other assets	1,561	1,608
Total non-current assets	26,124	25,294
Total assets	65,464	63,815
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,765	6,173
Short-term loans payable	932	1,733
Income taxes payable	776	810
Other	3,424	2,491
Total current liabilities	10,898	11,209
Non-current liabilities		
Long-term loans payable	7,413	6,901
Other	1,901	1,392
Total non-current liabilities	9,315	8,294
Total liabilities	20,214	19,503
Net assets		
Shareholders' equity		
Capital stock	6,188	6,265
Capital surplus	7,304	7,381
Retained earnings	42,490	44,807
Treasury shares	(14,141)	(14,094)
Total shareholders' equity	41,841	44,359
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	96	97
Foreign currency translation adjustment	1,190	(1,722)
Remeasurements of defined benefit plans	(12)	(2)
Total accumulated other comprehensive income	1,274	(1,627)
Non-controlling interests	2,135	1,580
Total net assets	45,250	44,312
Total liabilities and net assets	65,464	63,815

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	25,400	23,442
Cost of sales	13,981	13,160
Gross profit	11,419	10,282
Selling, general and administrative expenses	* 5,612	* 5,725
Operating income	5,807	4,557
Non-operating income		
Interest income	52	29
Dividend income	4	35
Foreign exchange gains	18	–
Other	55	68
Total non-operating income	131	134
Non-operating expenses		
Interest expenses	34	37
Foreign exchange losses	–	28
Loss on investments in partnership	7	6
Other	7	15
Total non-operating expenses	49	89
Ordinary income	5,889	4,602
Extraordinary income		
Gain on sales of non-current assets	4	–
Gain on transfer of benefit obligation relating to employees' pension fund	34	–
Total extraordinary income	38	–
Extraordinary losses		
Loss on sales of non-current assets	0	–
Impairment loss	32	–
Total extraordinary losses	33	–
Profit before income taxes	5,894	4,602
Income taxes - current	1,824	1,466
Income taxes - deferred	(168)	(569)
Total income taxes	1,656	897
Profit	4,238	3,705
Profit attributable to non-controlling interests	149	81
Profit attributable to owners of parent	4,088	3,623

Consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	4,238	3,705
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	0
Foreign currency translation adjustment	(539)	(3,165)
Remeasurements of defined benefit plans, net of tax	8	9
Total other comprehensive income	(565)	(3,154)
Comprehensive income	3,673	550
Comprehensive income attributable to owners of parent	3,494	721
Comprehensive income attributable to non-controlling interests	178	(171)

(3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	5,894	4,602
Depreciation	785	1,044
Impairment loss	32	–
Amortization of goodwill	139	124
Loss (gain) on investments in partnership	–	6
Decrease (increase) in net defined benefit asset	17	21
Increase (decrease) in net defined benefit liability	(4)	0
Increase (decrease) in allowance for doubtful accounts	5	(3)
Increase (decrease) in provision for bonuses	13	63
Increase (decrease) in provision for directors' bonuses	176	38
Increase (decrease) in provision for directors' retirement benefits	2	(64)
Increase (decrease) in allowance for stocks payment	(15)	13
Interest and dividend income	(57)	(65)
Interest expenses	34	37
Decrease (increase) in notes and accounts receivable - trade	(921)	(1,211)
Decrease (increase) in inventories	160	(116)
Increase (decrease) in notes and accounts payable - trade	413	1,334
Other, net	(118)	(945)
Subtotal	6,558	4,881
Interest and dividend income received	63	80
Interest expenses paid	(30)	(37)
Income taxes paid	(2,026)	(1,223)
Net cash provided by (used in) operating activities	4,564	3,701
Cash flows from investing activities		
Payments into time deposits	(2,399)	(1,222)
Proceeds from withdrawal of time deposits	1,327	2,753
Purchase of property, plant and equipment	(1,922)	(1,134)
Purchase of intangible assets	(57)	(58)
Purchase of investment securities	(6)	(130)
Other, net	(310)	(3)
Net cash provided by (used in) investing activities	(3,369)	204
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	381	971
Proceeds from long-term loans payable	50	200
Repayments of long-term loans payable	(359)	(226)
Purchase of treasury shares	(0)	–
Proceeds from sales of treasury shares	1	0
Cash dividends paid	(1,037)	(1,270)
Dividends paid to non-controlling interests	(321)	(383)
Proceeds from issuance of common shares	106	153
Other, net	–	(100)
Net cash provided by (used in) financing activities	(1,178)	(656)
Effect of exchange rate change on cash and cash equivalents	(212)	(1,142)
Net increase (decrease) in cash and cash equivalents	(196)	2,106
Cash and cash equivalents at beginning of period	18,183	18,385
Increase in cash and cash equivalents from newly consolidated subsidiary	–	42
Increase the amount of cash and cash equivalents due to the stock exchange	163	–
Cash and cash equivalents at end of period	18,151	20,534

(4) Notes to consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on substantial changes in shareholders' equity)

No items to report.

(Segment information, etc.)

[Segment information]

I. Six months ended September 30, 2015

1. Information regarding net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segments					Other (Note 4)	Total
	Japan (Note 1)	China (Note 2) (Note 3)	Taiwan (Note 3)	Korea	Total		
Net sales							
External sales	5,249	10,697	3,528	3,718	23,193	2,207	25,400
Inter-segment sales or transfers	3,402	622	1,486	171	5,682	56	5,739
Total sales	8,651	11,320	5,014	3,889	28,876	2,263	31,139
Segment profit	1,490	2,392	1,159	727	5,770	293	6,063

Notes : 1. The net sales and operating income of Chugai Kasei Co., Ltd. have been presented in the "Japan" segment from the first three months ended June 30, 2015.
2. The "China" segment covers local subsidiaries in China and Hong Kong.
3. The "China" and "Taiwan" segments include Net sales and Operating income of Onstatic Technology Co., Ltd. (and four other subsidiaries). One of the four subsidiaries of Onstatic Technology Co., Ltd. was dissolved on February 20, 2015.
One of the subsidiaries of Onstatic Technology Co., Ltd. is not operational so it is not included among reportable segments.
4. The "Other" segment represents operating segments not included in reportable segments and covers the business activities of local subsidiaries in the U.S. and other Asian countries.

2. Matters related to assets for each reportable segment

In the three months ended June 30, 2015, Chugai Kasei Co., Ltd. was acquired and included in the scope of consolidation. This resulted in an increase of 1,869 million yen in assets as of September 30, 2015 in the "Japan" segment, compared to the end of the previous consolidated fiscal year.

3. Difference between total segment profit or loss for reportable segments and operating income on consolidated statement of income, and details thereof (reconciliation)

(Millions of yen)

Profit/loss	Six months ended September 30, 2015
Reportable segments total	5,770
"Other" segment profit	293
Inter-segment eliminations	(4)
Amortization of goodwill	(139)
Profit/loss not allocated to business segments (Note)	(112)
Operating income on the consolidated statement of income	5,807

Note: Profit/loss primarily related to the holding company (company filing the consolidated financial statements).

4. Information regarding impairment losses on non-current assets, goodwill and negative goodwill by reportable segment

(Impairment losses on non-current assets)

(Millions of yen)

	Japan	China	Taiwan	Korea	Other	Corporate and elimination	Total
Impairment loss	–	–	32	–	–	–	32

II. Six months ended September 30, 2016

1. Information regarding net sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segments					Other (Note 3)	Total
	Japan	China (Note 1) (Note 2)	Taiwan (Note 2)	Korea	Total		
Net sales							
External sales	4,694	10,033	2,880	3,896	21,504	1,938	23,442
Inter-segment sales or transfers	3,900	406	1,247	176	5,731	51	5,783
Total sales	8,594	10,439	4,128	4,073	27,236	1,990	29,226
Segment profit	862	2,387	833	605	4,688	295	4,983

Notes: 1. The "China" segment covers local subsidiaries in China and Hong Kong.

2. The net sales and operating income of Onstatic Technology Co., Ltd. (and another three subsidiaries) have been presented in the "China" and "Taiwan" segments.

3. The "Other" segment consists of business segments that are not included among Reportable segments. It consists mainly of local subsidiaries in the U.S. and the rest of Asia.

2. Difference between total segment profit or loss for reportable segments and operating income on the consolidated statement of income, and details thereof (reconciliation)

(Millions of yen)

Profit/loss	Six months ended September 30, 2016
Reportable segments total	4,688
"Other" segment profit	295
Inter-segment eliminations	(139)
Amortization of goodwill	(124)
Profit/loss not allocated to business segments (Note)	(163)
Operating income on the consolidated statement of income	4,557

Note: Profit/loss primarily related to the holding company (company filing the consolidated financial statements).

3. Information regarding impairment losses on non-current assets, goodwill and negative goodwill by reportable segment

No items to report.

(Significant subsequent events)

No items to report.