

**To Those Shareholders with Voting Rights**

**Consolidated Statement of Changes in Equity for the 94th Fiscal Term**

**Notes to the Consolidated Financial Statements for the 94th Fiscal Term**

**Non-Consolidated Statement of Changes in Equity for the 94th Fiscal Term**

**Notes to the Non-Consolidated Financial Statements for the 94th Fiscal Term**

The above documents are provided to shareholders of the Company by posting them on the Company's Web site (<https://www.denso.com/>) in accordance with the relevant laws and regulations and Article 16 of the Articles of Incorporation. They form a part of the information subject to audits when the Audit & Supervisory Board prepared its Audit Report and the Accounting Auditors prepared their Independent Auditors' Report.

May 23, 2017

**DENSO CORPORATION**

**Consolidated Statement of Changes in Equity**  
(From April 1, 2016, to March 31, 2017)

(Millions of yen)

	Equity attributable to owners of the parent company					
	Capital stock	Capital surplus	Treasury stock	Other components of equity		
				Stock acquisition rights	Net fair value gain on equity instruments designated as FVTOCI	Remeasurements of defined benefit pension plans
<b>Balance as of April 1, 2016</b>	<b>187,457</b>	<b>267,640</b>	<b>(246,486)</b>	—	<b>361,376</b>	—
Profit for the year	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	—	59,970	21,206
<b>Comprehensive income (loss) for the year</b>	—	—	—	—	<b>59,970</b>	<b>21,206</b>
Acquisition of treasury stock	—	—	(30,020)	—	—	—
Disposal of treasury stock (including disposal through the exercise of stock options)	—	14	65	—	—	—
Retirement of treasury stock	—	(1,683)	245,250	—	—	—
Dividends	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries without loss of control	—	14	—	—	—	—
Transfer to retained earnings	—	—	—	—	(3,009)	(21,206)
Other increase (decrease)	—	—	—	—	—	—
<b>Total transactions with the owners</b>	—	<b>(1,655)</b>	<b>215,295</b>	—	<b>(3,009)</b>	<b>(21,206)</b>
<b>Balance as of March 31, 2017</b>	<b>187,457</b>	<b>265,985</b>	<b>(31,191)</b>	—	<b>418,337</b>	—

	Equity attributable to owners of the parent company						Non-controlling interests	Total equity
	Other components of equity			Retained earnings	Total			
	Exchange differences on translating foreign operations	Cash flow hedges	Total					
<b>Balance as of April 1, 2016</b>	<b>61,351</b>	<b>(522)</b>	<b>422,205</b>	<b>2,492,762</b>	<b>3,123,578</b>	<b>131,457</b>	<b>3,255,035</b>	
Profit for the year	—	—	—	257,619	257,619	16,276	273,895	
Other comprehensive income (loss)	(25,198)	477	56,455	—	56,455	(1,102)	55,353	
<b>Comprehensive income (loss) for the year</b>	<b>(25,198)</b>	<b>477</b>	<b>56,455</b>	<b>257,619</b>	<b>314,074</b>	<b>15,174</b>	<b>329,248</b>	
Acquisition of treasury stock	—	—	—	—	(30,020)	—	(30,020)	
Disposal of treasury stock (including disposal through the exercise of stock options)	—	—	—	—	79	—	79	
Retirement of treasury stock	—	—	—	(243,567)	—	—	—	
Dividends	—	—	—	(95,001)	(95,001)	(12,262)	(107,263)	
Changes in the ownership interest in subsidiaries without loss of control	—	—	—	—	14	11	25	
Transfer to retained earnings	—	—	(24,215)	24,215	—	—	—	
Other increase (decrease)	—	—	—	—	—	(22)	(22)	
<b>Total transactions with the owners</b>	—	—	<b>(24,215)</b>	<b>(314,353)</b>	<b>(124,928)</b>	<b>(12,273)</b>	<b>(137,201)</b>	
<b>Balance as of March 31, 2017</b>	<b>36,153</b>	<b>(45)</b>	<b>454,445</b>	<b>2,436,028</b>	<b>3,312,724</b>	<b>134,358</b>	<b>3,447,082</b>	

## Notes to the Consolidated Financial Statements

### 1. Basis of Presenting the Consolidated Financial Statements

(1) Basis of preparation of the consolidated financial statements

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) under the provision of Article 120, Paragraph 1 of the Company Accounting Regulations. Certain disclosures required by IFRS have been omitted from these consolidated financial statements under the provision set forth in the second sentence of said paragraph.

(2) Scope of consolidation

1) Number of consolidated subsidiaries: 190

2) Names of the principal consolidated subsidiaries:

(Domestic)

A total of 62 companies including DENSO SALES JAPAN CORPORATION and ASMO CO., LTD.

(Overseas)

A total of 128 companies including DENSO INTERNATIONAL AMERICA, INC., DENSO MANUFACTURING MICHIGAN, INC., DENSO MANUFACTURING TENNESSEE, INC., DENSO MANUFACTURING ATHENS TENNESSEE, INC., DENSO SALES CANADA, INC., DENSO MEXICO S.A. DE C.V., DENSO EUROPE B.V., DENSO MANUFACTURING HUNGARY, LTD., DENSO INTERNATIONAL ASIA PTE., LTD. (Singapore), DENSO SALES (THAILAND) CO., LTD., DENSO (THAILAND) CO., LTD., SIAM DENSO MANUFACTURING CO., LTD., PT. DENSO SALES INDONESIA, and DENSO (CHINA) INVESTMENT CO., LTD.

(3) Application of the equity method

1) Number of associates accounted for by the equity method: 60

2) Name of the principal associates accounted for by the equity method:

(Domestic) TSUDA INDUSTRIES CO., LTD., Jeco Co., Ltd. and 13 other companies (a total of 15)

(Overseas) MICHIGAN AUTOMOTIVE COMPRESSOR, INC. and 44 other companies (a total of 45)

(4) Summary of significant accounting policies

1) Financial assets

The Company and its subsidiaries (hereinafter the “Group”) have made an early adoption of IFRS 9 *Financial Instruments* (as amended in October 2010).

i) Initial recognition and measurement

The Group classifies financial assets into financial assets measured at amortized cost and financial assets measured at fair value based on their nature and holding purposes. The Group determines the classification at initial recognition. The sale or purchase of financial assets occurred in the normal course of business are recognized or derecognized at the transaction date.

a) Financial assets measured at the amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets measured at the amortized cost are measured initially at fair value plus transaction costs directly attributable to the acquisition.

b) Financial assets measured at fair value

If the financial assets do not meet the above condition, they are classified as financial assets measured at fair value through profit or loss or other comprehensive income.

Equity instruments are measured at fair value. By its irrevocable designation, the financial assets held for trading are measured at fair value with changes recognized through profit or loss, or otherwise are measured at fair value with changes recognized through other comprehensive income. The designation has been applied consistently.

Financial assets other than equity instruments that do not meet the condition in relation to the measurement of amortized cost are measured at fair value with changes recognized through profit or loss.

Financial assets measured at fair value through profit or loss are initially measured at fair value and transaction costs are recognized in profit or loss when they occur. Financial assets measured at

fair value through other comprehensive income are initially measured at fair value plus transaction costs directly attributable to the acquisition.

ii) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows:

a) Financial assets measured at amortized cost

The carrying amount of financial assets measured at amortized cost is measured using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest income is recognized in profit or loss, and included in "Finance income" in the consolidated statement of income. In cases where a financial asset measured at amortized cost is derecognized, the difference between the carrying amount and the consideration received or receivable is recognized in profit or loss.

b) Financial assets measured at fair value

Changes in the fair value of financial assets measured at fair value are recognized in profit or loss. However, gains or losses occurring from the disposal or remeasurement of fair value of the equity instruments measured at fair value through other comprehensive income are recognized in other comprehensive income and accumulated within "Other components of equity," and is not recognized in profit or loss. The amount is transferred to retained earnings when the equity instruments are derecognized. Dividends for equity instruments are recognized in profit or loss for the period when the right to receive dividends is established and included in "Finance income" in the consolidated statement of income. Net gains or losses arising from the equity instruments measured at fair value through profit or loss are recognized as "Finance income" or "Finance costs" in the consolidated statement of income. The interest income from the debt instruments is also included in net gains or losses above.

iii) Impairment of financial assets measured at amortized cost

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial assets measured at amortized cost are impaired. Objective evidence of impairment includes: a default or delinquency of the borrower, granting the borrower a concession that the companies would not otherwise consider, indications for bankruptcy of the issuer or obligor and the disappearance of active markets.

If there is any objective evidence that impairment losses on financial assets measured at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

When impairment is recognized, the carrying amount of the financial asset measured at amortized cost is reduced by an allowance for doubtful accounts and impairment losses are recognized as "Other expenses" in the consolidated statement of income. The carrying amount of financial assets is directly reduced for the impairment when they are expected to become uncollectible in the future and all collaterals are implemented or transferred to the companies in the Group. If, in a subsequent period, the estimated amount of the impairment loss provided changes due to an event occurring after the impairment was recognized, the previously recognized impairment losses are adjusted through the allowance for doubtful accounts.

iv) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers the contractual right to receive cash flows from financial assets in transactions in which substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor holds substantially all the risks and rewards of ownership of the asset and continues to control the transferred asset, the Group recognizes the retained interest on the assets and the relevant liabilities that might possibly be paid in association therewith.

2) Hedge accounting and derivatives

The Group utilizes derivatives, including currency swaps, interest rate swaps and foreign exchange forward contracts to hedge foreign exchange and interest rate risks. These derivatives are initially measured at fair value when the contract is entered into, and are subsequently remeasured at fair value at each reporting period.

The Group has derivatives held for hedging purposes but do not qualify for hedge accounting. The fluctuation on the fair value of these derivatives is recognized in profit or loss immediately.

At the inception of the hedge, the Group formally designates and documents the hedging relationship

between the hedging instruments and the hedged items by following the objectives of risk management and the strategies for undertaking the hedge. In addition, the Group assesses on a quarterly basis whether the hedging instruments are highly effective in offsetting changes in cash flows of the hedged items attributable to the hedged risk at the inception of the hedge and during its term. To qualify as a cash flow hedge of a forecast transaction, the transaction must be highly probable.

#### *Cash flow hedge*

The Group adopts only cash flow hedge as its approach to hedge accounting.

The effective portion of gains or losses on hedging instruments is recognized as other comprehensive income, while the ineffective portion is recognized immediately in profit or loss in the consolidated statement of income.

The amount of hedging instruments recognized in other comprehensive income is reclassified to profit or loss when the transactions of the hedged items affect profit or loss.

Hedge accounting is discontinued prospectively when the hedge no longer qualifies for hedge accounting, or when the hedging instrument expires or is sold, terminated or exercised, or when the designation is revoked.

When hedge accounting is discontinued, the balances of other comprehensive income related to cash flow hedges remain until the forecast transaction affects profit or loss. When a forecast transaction is no longer expected to occur, the balance of other comprehensive income related to cash flow hedges is recognized immediately in profit or loss.

### 3) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and the cost is determined mainly using the periodic average method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 4) Depreciation or amortization methods of property, plant and equipment and intangible assets

#### i) Property, plant, and equipment

Except for assets that are not subject to depreciation such as land and construction in progress, property, plant, and equipment is depreciated mainly using the straight-line method over their estimated useful lives as follows.

The estimated useful lives and depreciation method are reviewed at each end of the reporting period.

- Buildings and structures: 6 to 50 years
- Machinery and vehicles: 3 to 10 years
- Other: 2 to 10 years

#### ii) Intangible assets

Intangible assets with finite useful lives are amortized by using the straight-line method over their estimated useful lives as follows.

- Software: 3 to 5 years
- Development costs: 3 years

### 5) Impairment of non-financial assets

The Group assesses, for each fiscal year, whether there is any indication that an asset may be impaired. If any indication exists, or in cases where the impairment test is required to be performed each year, the recoverable amount of the asset is estimated. In cases that the recoverable amount cannot be estimated for each asset, it is estimated by the cash-generating unit to which the asset belongs. The grouping of assets in applying impairment accounting of the Group is determined by business group, which is the unit used in management accounting to understand profits and losses on an ongoing basis. In addition, assets are grouped into rented property group and idle property group, with each property as a minimum unit. Meanwhile, the headquarters and welfare facilities are categorized as corporate assets because they do not generate cash flows independently.

The impairment losses are included in “Other expenses” in the consolidated statement of income. Assessment for impairment is performed with respect to each asset, cash-generating unit or group of cash-generating units. The recoverable amount of an asset or a cash-generating unit (or group of cash-generating units) is determined at the higher of its fair value less costs of disposal and its value in use. If the carrying amount of the asset or cash-generating unit exceeds the recoverable amount, impairment losses are recognized and the carrying amount is reduced to the recoverable amount. In determining the fair value less costs of disposal, the Group uses an appropriate valuation model supported by available fair value indicators. In determining the value in use, estimated future cash flows are calculated using discount

rates that reflect current market assessments of the time value of money.

The Group assesses whether there is any indication that an impairment loss recognized in prior years for an asset other than goodwill may no longer exist or may have decreased, such as any changes in assumptions used for the determination of the recoverable amount. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated. In cases that the recoverable amount exceeds the carrying amount of the asset or cash generating unit, impairment losses are reversed up to the lower of the estimated recoverable amount or the carrying amount (net of depreciation) that would have been determined if no impairment losses had been recognized in prior years. However, an impairment loss recognized for goodwill is not reversed.

6) Recognition criteria for provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations.

Where the effect of the time value of money is material, the amount of a provision is measured by discounting the estimated future cash flows at the discount rate that is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount due to the passage of time is recognized as "Finance costs" in the consolidated statement of income.

The main provisions are recorded as follows.

Reserve for product warranties:

Reserve for product warranties is recognized at an estimated amount of warranty expenses and timing of economic benefit outflows based on past experiences for after-sales service expenses incurred.

Provision for loss on antitrust issues:

Provision for loss on antitrust issues is recognized at an estimated amount of potential future losses to prepare for payments of settlements, etc., with regard to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts.

7) Recognition criteria for provisions

i) Post-employment benefits

a) Defined benefit plans

The Group has defined benefit pension plans and lump-sum benefit plans.

Defined benefit plans are post-employment benefit plans other than defined contribution plans ((refer to b) below). The Group's net defined benefit obligations are calculated respectively for each plan by estimating the future amount of benefit that employees have earned in exchange for their service for the previous years and the current year. The benefits are discounted to determine the present value. These calculations are performed annually by qualified actuaries using the projected unit credit method. The fair values of plan assets are deducted from the above calculation results.

The discount rates are equivalent to the market yields of AA credit-rated corporate bonds at the end of each reporting period that have maturity terms approximating those of the Group's obligations. Increase/decrease in benefit obligations for employee's past services due to the revision of the pension plan is recognized in profit or loss. The Group recognizes the increase/decrease in obligations due to the remeasurement of benefit obligations and plan assets of defined benefit plans in other comprehensive income and then immediately reclassifies them from other comprehensive income to retained earnings.

b) Defined contribution plans

Defined contribution plans are post-employment benefit plans in which the employer pays fixed contributions into separate entities and will have no legal or constructive obligation to make further contributions. The obligations for contributions to defined contribution plan are recognized as an expense during the period when the service is rendered.

ii) Other long-term employee benefits

Long-term employee benefits, such as long-service employee awards, are recognized as a liability when the Group has present constructive obligations to pay as a result of past employee service, and when reliable estimates of the obligation can be made. The Group's long-term employee benefits are calculated by discounting the estimated future amount of benefit to the present value.

The discount rates are equivalent to the market yields of AA credit-rated corporate bonds at the end of each reporting period that have maturity terms approximating those of the Company's obligations.

iii) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed during the period when the service is rendered.

Bonus accrual is recognized as a liability, when the Group has present legal or constructive obligations to pay as a result of past employee service, and when reliable estimates of the obligation can be made.

8) Revenue

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods transfer to the buyers, the Group retains neither continuing managerial involvement nor effective control over the goods sold, it is probable that the future economic benefits will flow to the Group, and the amount of revenue and the corresponding costs can be measured reliably.

The amount that is recognized as revenue is the inflows of economic benefits from which sales-related tax, rebates and similar items are excluded.

In the sales of products and merchandise, if the Group has sold them as the principal obligor of a contract by assuming the general risk of inventory before receiving purchase orders from customers, the relevant revenue is recognized in a gross amount in the consolidated statement of income.

9) Foreign currency translation

Each company in the Group specifies its own functional currency, the currency of the primary economic environment in which the entity operates, and measures transactions based on the functional currency. The foreign currency transactions are translated into the functional currency at the rates of exchange prevailing at the dates of transactions or an approximation of the rate.

Monetary items denominated in foreign currencies are retranslated into each company's functional currency at the current exchange rates at the end of the reporting period. Non-monetary items denominated in foreign currencies that are measured at the acquisition cost are translated at the rate of the transaction date. Other items denominated in foreign currencies that are measured at the fair value are translated at the rates prevailing at the date when the fair value was determined.

Differences arising from the translation and settlement are recognized in profit or loss during the period, as presented in "Foreign exchange gain or loss" in the consolidated statement of income.

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the parent and the presentation currency of the consolidated financial statements. In order to present the consolidated financial statements, the assets and liabilities of foreign operations are translated into Japanese yen at the rates of exchange prevailing at the fiscal year-end, while revenue and expenses of foreign operations are translated into Japanese yen at the average exchange rates for the period, unless exchange rates significantly fluctuate during the period. The translation differences are recognized as "Exchange differences on translating foreign operations" in the other comprehensive income and its cumulative amount is classified as "Other components of equity" of the equity section. In the event of a loss of control due to the disposal of foreign operations, the relevant cumulative amount of translation differences is recognized in profit or loss during the period in which they are disposed of.

Goodwill and fair value adjustments resulting from the acquisition of foreign operations are retranslated as assets and liabilities of such foreign operations as at the end of the reporting period, and exchange differences are recognized in "Other components of equity."

## 2. Notes to the Consolidated Statement of Financial Position

(1) Accumulated depreciation of property, plant and equipment           ¥3,176,628 million  
Accumulated depreciation of property, plant and equipment includes accumulated impairment loss.

### (2) Other

The details of contingent liabilities in this consolidated fiscal year are as follows:

#### Concerning the Antitrust Law

##### 1) Investigations by Countries and Competition Authorities

The Company is responding to the authorities' investigations in certain jurisdictions.

##### 2) Civil Lawsuits

The Company and certain subsidiaries of the Group are among the defendants named in several lawsuits in the United States and Canada wherein damages are claimed on suspicion of violation of antitrust law or competition law in connection with certain past transactions concerning specific auto parts.

In the United States, depending upon the particular auto part, putative class action lawsuits have been filed against the Company and certain subsidiaries of the Group on behalf of putative classes of direct purchasers (e.g., tier-one suppliers, RV manufacturers and aftermarket parts distributors). Lawsuits also have been filed by several state attorneys general on behalf of their state's government entities and/or citizens within their states, and by an automotive insurance company.

Progress in these cases may differ depending on the procedural nature of the suit and the products involved. In the putative class action lawsuits, each case will be subject to the process known as discovery (a procedure where the parties to the litigation mutually disclose evidence, such as documents, relating to the subject matter of the litigation prior to trial). After discovery concludes and followed by defendants' motion practices, if any, plaintiffs may bring motions for class certification, to allow them to assert the claims of all members of their putative classes. Only after such motions are decided will the cases proceed to any trial on the merits. In the lawsuits filed by the state attorneys general and the automotive insurance company, however, there is no such process for considering class certification, and any trial on the merits will commence after discovery concludes. In each of these cases, however, the Company could commence settlement discussions with the plaintiffs at any time in the proceedings and reach a settlement.

In Canada, a number of putative class actions have been filed in several provinces against the Company and certain subsidiaries of the Group on behalf of both direct purchasers (e.g., automobile manufacturers) and indirect purchasers (e.g., automobile dealerships and vehicle purchasers). Class certification in Canada occurs at an earlier stage of the process than in the U.S., prior to any discovery, and certification hearings for some of the Canadian cases are expected to take place in 2018.

##### 3) Individual Settlement Negotiations

The Company has been engaged in negotiations with the Company's major customers (certain automobile manufacturers), individually concerning the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts.

In relation to certain of these matters, the Company has estimated its potential payable amounts and has reserved such amounts in the "Other expenses" category (See item (1) of "3. Notes to the Consolidated Statement of Income.>").

Please note that pursuant to IAS 37, the Company has not disclosed the overall content of these disputes because the disclosure of such information could be expected to prejudice the position of the Company.

## 3. Notes to the Consolidated Statement of Income

(1) Settlement amounts, etc., with regard to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts, are reported as loss on antitrust issues in the amount of ¥9,508 million.



#### 4. Notes to the Consolidated Statement of Changes in Equity

(1) Type and total number of shares issued as of March 31, 2017: 794,068,713 shares of common stock

##### (2) Dividends

###### 1) Dividends paid

Resolution	Type of stock	Total dividend amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 28, 2016	Common stock	47,569	60	March 31, 2016	May 30, 2016
Board of Directors meeting held on October 28, 2016	Common stock	47,432	60	September 30, 2016	November 25, 2016

2) Of the dividends for which the record date belongs to the fiscal year ended March 31, 2017, those for which the effective date of the dividends will be in the fiscal year ending March 31, 2018

A resolution was made as follows at the Board of Directors meeting held on April 28, 2017.

Resolution	Type of stock	Total dividend amount (Millions of yen)	Source of funds for dividends	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 28, 2017	Common stock	47,153	Retained earnings	60	March 31, 2017	May 29, 2017

#### 5. Notes to Financial Instruments

##### (1) Status of financial instruments

###### 1) Capital Management

To achieve sustainable growth, the Group aims to ensure financial health while continuing stable and lasting return to shareholders by managing its resources into activities such as facility investment in business, research and development, and merger and acquisition. Generally, the operating cash flows cover such funding by keeping and strengthening the Group's profitability and cash-generating ability, with additional interest-bearing debt, such as bonds and borrowings, if necessary. In addition, the Group secures funds to maintain the stable financial health in the long term. The Group is not subject to any externally imposed restriction on capital as of March 31, 2017.

###### 2) Description and extent of financial risks

###### 1) Financial risk management policy

In the course of business activities, the Group is exposed to financial risks, such as credit risks, market risks and liquidity risks, and performs risk management activities in accordance with certain policies to avoid or reduce these risks. The policy of asset management and derivative transactions at the Group, are approved by the Board of Directors of the Company at the beginning of each fiscal year, the transactions and relevant risk management during the period are implemented primarily in accordance with internal regulations.

The Group policy limits derivative transactions for the purpose of mitigating risks arising from transactions on actual demand. Therefore, the Group does not enter into derivative transactions for speculation purposes.

###### i) Credit risk

Trade receivables such as notes and accounts receivable are exposed to credit risk of the customers. The Group manages trade receivables based on the due dates and balance by customer. For those customers whose credit risk is of concern to the Group, measures to protect the receivables are individually developed and implemented by periodically monitoring the status and evaluating the default risk due mainly to deterioration of their financial standing at an earlier stage.

As short-term bond investment trusts as well as government and corporate bonds held by the Group for investment in debt instruments are all highly-rated instruments or instruments issued by highly-rated financial institutions and other issuers in accordance with internal asset management regulations, credit risk is deemed as immaterial.

The Group enters into derivative transactions only with highly-rated financial institutions to minimize counterparty risks.

The carrying amount of financial assets, net of accumulated impairment loss, presented in the consolidated statement of financial position represents the maximum exposure of the Group's financial assets to credit risks without taking account of the value of collaterals obtained.

## ii) Market risk

### *Foreign exchange risk*

The Group operates globally and is exposed to foreign currency risks related to transactions in currencies other than the local currencies in which the Group operates. Such foreign exchange risk is economically hedged principally by forward foreign currency contracts related to the foreign currency trade receivables and payables. Currency swaps are used as derivative transactions for the borrowings in foreign currency.

Risk management is performed by the Company's accounting division based on the internal guidelines which prescribe the authority and the limits for each transaction. The actual results of such transactions are reported monthly to the executive supervising the accounting division. The consolidated subsidiaries conduct the management of their derivative transactions based on the similar guidelines.

### *Interest-rate risks*

Since the Group borrows funds at both fixed interest rates and variable interest rates, the Group's borrowings and bonds are exposed to interest rate fluctuation risk. The Group's interest-bearing borrowings mainly consist of bonds and borrowings with fixed interest rates, and the borrowings at the variable interest rate are practically equivalent to fixed interest rate bonds by using corresponding interest-rate swap agreement in principle.

Risk management is performed by the Company's accounting division based on the internal guidelines which prescribe the authority and the limits for each transaction. The actual results of such transactions are reported monthly to the executive supervising the accounting division. The consolidated subsidiaries conduct the management of their derivative transactions based on the similar guidelines.

## iii) Liquidity risk

The Group raises funds by borrowings and bonds, however, such debts are exposed to the liquidity risk that the Group would not be able to repay debts on the due date due to the deterioration of the financing environment. The Group manages its liquidity risk by holding adequate volumes of assets with liquidity to cover the amounts of one month's consolidated revenue of the Group, along with adequate financial planning developed and revised by the Group's accounting department based on the reports from each business unit.

## iv) Price fluctuation risk of equity instruments

The Group is exposed to price fluctuation risk arising from equity instruments (stocks). As these investments are not held for short-term trading purpose, but mainly for forming a business alliance or strengthening a business relationship with business partners, the Group does not sell these investments frequently. The Group reviews holding status of such equity instruments on an ongoing basis in light of the relationship with the business partners by periodically evaluating their fair values as well as the financial condition of the issuers (i.e. business partners).

## (2) Fair value of financial instruments

The carrying amounts and fair values of financial instruments held as of March 31, 2017 (consolidated closing date of the fiscal year under review) are presented as follows.

### 1) Financial instruments measured at amortized cost

(Unit: Millions of yen)

	Carrying amount	Fair value
Financial assets		
Debt securities	59,183	59,312
Financial liabilities		
Long-term borrowing (Note)	158,661	159,830
Corporate bonds (Note)	110,000	109,961

(Note) The current portions are included in these amounts.

As the fair value of short-term financial assets and short-term financial liabilities, which are measured at amortized cost, approximates carrying amounts, their note disclosures are omitted.

As the fair value of long-term borrowings is calculated based on the present value which is obtained by discounting the sum of the principal amount and interest payments at an interest rate assumed to be applied if the same loans were newly executed.

2) Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

(Unit: Millions of yen)

	Carrying amount	Fair value
Derivative assets	10,357	10,357
Stocks		
Listed stocks	989,641	989,641
Unlisted stocks	89,482	89,482
Other equity securities	2,438	2,438
Derivative assets	7,454	7,454

Derivatives used by the Group primarily consist of foreign exchange forward contracts, currency swaps, and interest rate swaps.

The fair values of foreign exchange forward contracts are determined based on the forward foreign exchange quotations for similar contracts with similar terms. With respect to interest swaps and currency swaps, the fair values are determined by reference to prices quoted by financial institutions.

The fair values of unlisted stocks and other equity securities are determined by using the adjusted market value method with adjustments to the market value using the PBR, or price book-value ratio, if necessary. In addition, immaterial items are measured by the book value of net assets method.

The liquidity discount, which is a significant unobservable input used in measuring the fair value of unlisted shares and other equity securities, is assumed to be 30%.

## 6. Notes to Per Share Data

- (1) Equity per share attributable to owners of the parent company      ¥4,215.46  
(2) Basic earnings per share      ¥326.32

## 7. Note to Subsequent Events

- (1) Additional acquisition of shares of FUJITSU TEN LIMITED (Becoming a subsidiary of the Company)

At the Board of Directors meeting held on April 28, 2017, the Company resolved to make FUJITSU TEN LIMITED (hereinafter, "FUJITSU TEN") as the Company's consolidated subsidiary by obtaining portion of FUJITSU LIMITED (hereinafter, "FUJITSU")'s shares in its consolidated subsidiary FUJITSU TEN.

- 1) Reason for the additional acquisition of shares (Becoming a subsidiary of the Company)

FUJITSU TEN was established in 1972 as a spinoff of FUJITSU's radio division. Since Toyota Motor Corporation (hereinafter, "Toyota") and the Company took stakes in 1973, FUJITSU TEN has offered various products and services as a manufacturer of car electronics products including audio and multimedia. Recently, FUJITSU TEN has strengthened its Vehicle-ICT business to create new value, while accelerating collaboration with the FUJITSU Group companies to transform itself from a supplier of standalone products to a system manufacturer that proposes and provides connected in-vehicle information equipment and services.

In the automotive field, the interface between the driver and vehicle is becoming increasingly important due to remarkable technological innovations. Against this backdrop, the Company has made FUJITSU TEN its group company to enhance cooperation between the two companies in developing in-vehicle ECUs, millimeter-wave radar, advanced driver assistance/automated driving technologies, and basic electronic technologies and to improve corporate value together.

2) Company profile of the new subsidiary (FUJITSU TEN)

i)	Company name	FUJITSU TEN LIMITED		
ii)	Head office location	2-28, Goshō-dori 1-chome, Hyogo-ku, Kobe-shi, Hyogo, Japan		
iii)	Representatives	Chairman & Representative Director: Takashi Shigematsu President & Representative Director: Akira Yamanaka		
iv)	Main businesses	Development, manufacture, and sales of infotainment equipment and automotive electronics equipment		
v)	Capital	¥5,300 million		
vi)	Establishment	October 25, 1972		
vii)	Major shareholders and percentage of shares held	FUJITSU LIMITED		55.00%
		Toyota Motor Corporation		35.00%
		DENSO CORPORATION		10.00%
viii)	Relationship between the Company and the new subsidiary	Capital relationship	The Company owns 10.00% of FUJITSU TEN's total number of outstanding shares.	
		Personnel relationship	There are no noteworthy personnel ties between FUJITSU TEN and affiliates of FUJITSU TEN and the Company and affiliates of the Company.	
		Business relationship	There is a business relationship between FUJITSU TEN and affiliates of FUJITSU TEN and the Company and affiliates of the Company in the form of product and component sales and supplier transactions. There are no other noteworthy business ties between the two companies and or their affiliates.	
ix)	Consolidated results of operation and consolidated financial positions for the most recent three years (Unit: Millions of yen, unless otherwise stated)			
		For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2017
	Total equity	42,510	35,610	38,336
	Total assets	170,900	164,418	173,629
	Equity per share	9,241.30 yen	7,741.30 yen	8,333.91 yen
	Revenue	329,787	363,287	383,617
	Operating profit	2,812	5,493	13,483
	Ordinary profit	2,765	4,026	13,062
	Profit attributable to owners of the parent company	(3,024)	(1,224)	4,650
	Earnings per share	(657.39) yen	(266.09) yen	1,010.87 yen

3) Company profile of the counterparty

i)	Name	FUJITSU LIMITED	
ii)	Head office location	4-1-1 Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa, Japan	
iii)	Representative	Representative Director and President: Tatsuya Tanaka	
iv)	Main businesses	Development, manufacture, sales and providing services of software and products in the fields of information processing and communication	
v)	Capital	¥324,625 million (As of September 30, 2016)	
vi)	Establishment	June 20, 1935	
vii)	Total equity	¥856,409 million	
viii)	Total assets	¥3,003,658 million	
ix)	Major shareholders and percentage of shares held	Fuji Electric Co., Ltd.	11.03%
		Japan Trustee Services Bank, Ltd. (Trust account)	4.52%
		The Master Trust Bank of Japan, Ltd. (Trust account)	3.76%
		Fujitsu Employee Shareholding Association	2.81%
		Mizuho Bank, Ltd.	1.79%
		Asahi Mutual Life Insurance Company	1.70%
		THE BANK OF NEW YORK MELLOW SA/NV 10 (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.59%
		STATE STREET AND TRUST COMPANY 505225 (Standing proxy: Bank Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1.55%
		CBNY-GOVERNMENT OF NORWAY (Standing proxy: Department of securities brokerage of Citibank Japan Ltd.)	1.43%
		STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Bank Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1.30%
x)	Relationship between the Company and the counterparty	Capital relationship	There are no noteworthy capital ties between FUJITSU and the affiliates of FUJITSU and the Company and the affiliates of the Company.
		Personnel relationship	There are no noteworthy personnel ties between FUJITSU and the affiliates of FUJITSU and the Company and the affiliates of the Company.
		Business relationship	There is a business relationship in form of purchase of software between FUJITSU and the Company. There are no other noteworthy business ties between the two companies.
		Status of related-party relationship	FUJITSU is not considered to be a related party of the Company. In addition, the related individuals and affiliates of FUJITSU are not considered to be related parties of the Company.

4) Details regarding acquisition of shares

i)	Number of shares held before the acquisition	460,000 shares (Number of voting rights: 460,000) (Shareholding ratio of voting rights: 10.00%)
ii)	Number of shares to be acquired	1,886,000 shares (Number of voting rights: 1,886,000)
iii)	Acquisition cost	Common stock of FUJITSU TEN ¥16,511 million Advisory fee, etc. (estimated amount) ¥360 million Total (estimated amount) ¥16,871 million
iv)	Number of shares to be held after the acquisition	2,346,000 shares (Number of voting rights: 2,346,000) (Shareholding ratio of voting rights: 51.00%)

5) Schedule

i) Date of Board of Directors resolution	April 28, 2017
ii) Date of agreement	April 28, 2017
iii) Effective date of transfer of shares	Scheduled on October 2, 2017 (depends on status of approval from competition regulatory authority)

(2) Acquisition of treasury stock and tender offer on treasury stock

At the Board of Directors meeting held on April 28, 2017, the Company resolved to acquire treasury stock by a tender offer pursuant to Article 156, Paragraph 1 of the Companies Act that is applied by replacing the terms and phrases according to Article 165, Paragraph 3 and provisions set forth in the Articles of Incorporation.

1) Purpose of treasury stock acquisition and tender offer

As part of promoting shareholders returns and enhancing capital efficiency, the Company has entered into discussions on treasury stock acquisition based on the plan of acquiring certain common stock held by Toyota, which is the largest shareholder, considering the point that the Company is capable of acquiring significant amount of treasury stock in a relatively short period without affecting the liquidity of its common stock by acquiring certain common stock held by major shareholders as treasury stock.

As a result, in terms of equality among shareholders and transaction transparency, tender offer is the most appropriate way to acquire treasury stock by ensuring opportunities for shareholders to determine whether to sell their shares in the tender offer while monitoring the trend in market prices.

2) Details of the resolution concerned with acquisition of treasury stock

Type of shares to be purchased:	Common stock
Total number of shares to be purchased:	6,600,100 shares (at maximum)
Total cost of shares to be purchased	28,519,032,100 yen (at maximum)
Acquisition period	May 1, 2017 through June 30, 2017

3) Outline of the tender offer on treasury stock

Number of shares to be acquired by tender offer	6,600,000 shares
Tender offer price	4,321yen per share
Tender offer period	May 1, 2017 through May 31, 2017
Date of tender offer commencement notice	May 1, 2017
Settlement commencement date	June 22, 2017

Non-Consolidated Statement of Changes in Equity  
(From April 1, 2016, to March 31, 2017)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock, at cost	Shareholders' equity
		Additional paid-in capital	Other capital surplus		Other retained earnings					
					Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	General reserve	Earned surplus carried forward		
<b>Balance as of April 1, 2016</b>	<b>187,457</b>	<b>265,985</b>	<b>4,165</b>	<b>43,274</b>	<b>103</b>	<b>382</b>	<b>896,390</b>	<b>704,245</b>	<b>(246,475)</b>	<b>1,855,526</b>
<b>Changes in the fiscal year</b>										
Dividends from surplus	—	—	—	—	—	—	—	(95,001)	—	(95,001)
Reversal of reserve for special depreciation	—	—	—	—	(18)	—	—	18	—	—
Provision of reserve for advanced depreciation of fixed assets	—	—	—	—	—	2	—	(2)	—	—
Net income	—	—	—	—	—	—	—	117,573	—	117,573
Acquisition of treasury stock	—	—	—	—	—	—	—	—	(30,020)	(30,020)
Disposal of treasury stock	—	—	14	—	—	—	—	—	65	79
Retirement of treasury stock	—	—	(4,179)	—	—	—	—	(241,071)	245,250	—
Net changes in items other than those in shareholders' equity	—	—	—	—	—	—	—	—	—	—
<b>Total of changes in the fiscal year</b>	<b>—</b>	<b>—</b>	<b>(4,165)</b>	<b>—</b>	<b>(18)</b>	<b>2</b>	<b>—</b>	<b>(218,483)</b>	<b>215,295</b>	<b>(7,369)</b>
<b>Balance as of March 31, 2017</b>	<b>187,457</b>	<b>265,985</b>	<b>—</b>	<b>43,274</b>	<b>85</b>	<b>384</b>	<b>896,390</b>	<b>485,762</b>	<b>(31,180)</b>	<b>1,848,157</b>

	Variance of estimate/conversion		Stock acquisition rights	Total equity
	Net unrealized gain on available-for-sale securities	Deferred gains on derivatives under hedge accounting		
<b>Balance as of April 1, 2016</b>	<b>336,800</b>	<b>(49)</b>	<b>—</b>	<b>2,192,277</b>
<b>Changes in the fiscal year</b>				
Dividends from surplus	—	—	—	(95,001)
Reversal of reserve for Special depreciation	—	—	—	—
Provision of reserve for advanced depreciation of fixed assets	—	—	—	—
Net income	—	—	—	117,573
Acquisition of treasury stock	—	—	—	(30,020)
Disposal of treasury stock	—	—	—	79
Retirement of treasury stock	—	—	—	—
Net changes in items other than those in Shareholders' equity	53,930	(217)	—	53,713
<b>Total of changes in the fiscal year</b>	<b>53,930</b>	<b>(217)</b>	<b>—</b>	<b>46,344</b>
<b>Balance as of March 31, 2017</b>	<b>390,730</b>	<b>(266)</b>	<b>—</b>	<b>2,238,621</b>

## Notes to the Non-Consolidated Financial Statements

### **1. Significant Accounting Policies**

(1) Standard and method of valuation of securities

1) Investment in subsidiaries and associates

Stated at cost using the moving-average method.

2) Available-for-sale securities

Available-for-sale securities for which the market price is readily determinable:

Stated at the market price, based on the market quotation at the balance sheet date. Unrealized gains and losses are reported, net of applicable taxes, as a separate component of equity. The cost of securities sold is determined based on the moving-average method.

Available-for-sale securities for which the market price is not readily determinable:

Stated at cost mainly determined by the moving-average method.

(2) Derivatives are stated at the market price.

(3) Inventories are stated at cost determined by the gross average method (write-down of book values due to the decline in profitability for the amounts stated in the non-consolidated balance sheet)

(4) Depreciation of property, plant and equipment (excluding leased property) is computed by the declining-balance method, and the amortization of intangible assets (excluding leased property) and depreciation of leased assets are computed using the straight-line method.

(5) Accounting standards for reserves

Allowance for doubtful accounts:

Allowance for doubtful accounts is provided at an amount of possible losses from uncollectible receivables based on the past loan loss ratio for bad debts for ordinary receivables and on the estimated recoverability for specific doubtful receivables.

Accrued bonuses to employees:

Accrued bonuses to employees are recognized for payments of bonuses to employees at an amount estimated by the Company to be recorded for the fiscal year under review.

Accrued bonuses to directors and corporate auditors:

Accrued bonuses to directors and corporate auditors are recognized for payments of bonuses to board members and audit & supervisory board members at an estimated amount to be recorded for the fiscal year under review.

Reserve for product warranties:

Reserve for product warranties is provided at an amount projected for after-sales service of products based on past experience.

Provision for loss on antitrust issues:

Provision for loss on antitrust issues is recognized at an estimated amount of potential future losses to prepare for payments of settlements, etc., with regard to the alleged violation of antitrust law or competition law in connection with certain past transactions regarding specific auto parts.

Liability for employees' retirement benefits:

Liability for employees' retirement benefits is provided at an amount calculated based on the projected benefit obligations and plan assets at the balance sheet date. Liability for employees' retirement benefits and retirement benefit expenses are accounted for as follows:

1) Method of allocating the projected retirement benefits to periods

In calculating the projected benefit obligations, the benefit formula basis is used to allocate the projected retirement benefits to the years of service up to the end of the fiscal year under review.

2) Amortization method for actuarial gains or losses and prior service cost

Prior service cost is amortized using the straight-line method over a certain period (10 years), which is shorter than the average remaining service period of employees at the time of the occurrence.

Actuarial gains or losses are amortized for the pro-rata amount computed by the straight-line method over a certain period (10 years), which is shorter than the average remaining service period of employees at the time of the occurrence, commencing from the following fiscal year of occurrence.

- The accounting procedures for unrecognized actuarial gains or losses and unrecognized prior service cost pertaining to retirement benefits in the non-consolidated financial statements are different from those used in the consolidated financial statements.



Retirement allowances for directors and corporate auditors:

Retirement allowances for directors and corporate auditors is recognized at an amount considered necessary to be borne by the Company based on its in-house rules at the balance sheet date of the fiscal year under review to prepare for possible payments to retiring board members and audit & supervisory board members.

Provision for loss on business of subsidiaries and associates:

Provision for loss on business of subsidiaries and associates is recognized at an expected amount to prepare for possible losses that could derive from the business of any subsidiaries and associates by taking into account the financial conditions of those companies.

(6) Hedge accounting

Interest rate and currency swap agreements are accounted for by deferred hedging accounting (valuation gains/losses on hedging instruments are deferred as assets/liabilities until the gains/losses on the underlying hedged instruments are realized). Preferential treatment accounting is applied to certain interest rate and currency swap agreements that satisfy the requirements.

(7) Transactions subject to the consumption tax and local consumption taxes are recorded at amounts exclusive of the consumption tax.

[Additional information]

The Company has adopted “Revised Implementation Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan (ASBJ) Guidance No.26, March 28, 2016) from the fiscal year ended March 31, 2017.

## 2. Notes to the Non-Consolidated Balance Sheet

(1) Short-term monetary receivables due from subsidiaries and associates	¥347,264 million
(2) Short-term monetary payables due to subsidiaries and associates	¥408,011 million
(3) Accumulated depreciation of property, plant and equipment	¥1,980,845 million
(4) Other	

See Item (2) of “2. Notes to the Consolidated Statement of Financial Position.”

## 3. Notes to the Non-Consolidated Statement of Income

(1) Sales to subsidiaries and associates	¥1,948,304 million
(2) Purchases from subsidiaries and associates	¥915,210 million
(3) Other operating transactions with subsidiaries and associates	¥29,285 million
(4) Transactions with subsidiaries and associates other than operating transactions	¥68,981 million
(5) Loss on antitrust issues	

See item (1) of “3. Notes to the Consolidated Statement of Income.”

## 4. Note to the Non-Consolidated Statement of Changes in Equity

Number of shares of treasury stock at the end of the fiscal year: 8,186,085 shares

## 5. Note to Tax-Effect Accounting

The significant components of deferred tax assets and liabilities are summarized as follows:

(Deferred tax assets)	(Millions of yen)
Depreciation and amortization	49,241
Liability for employees' retirement benefits	45,782
Reserve for product warranties	12,948
Accrued bonuses to employees	11,632
Impairment loss on investment in subsidiaries and associates	9,615
Other	73,414
Subtotal deferred tax assets	202,632
Valuation reserve	(17,494)
Total deferred tax assets	185,138

(Deferred tax liabilities)	
Net unrealized gain on available-for-sale securities	(164,911)
Prepaid pension cost	(47,270)
Other	(11,356)
<b>Total deferred tax liabilities</b>	<b>(223,537)</b>
Net deferred tax assets	(38,399)

## 6. Notes to Transactions with Related Parties

### (1) Transactions with subsidiaries

Company name	Ownership percentage of voting rights	Business line	Relationship with the Company		Description of important transactions	Transaction amount (Millions of yen)	Account item	The fiscal year-end balance (Millions of yen)	
			Officers' posts concurrently held (persons)	Business relationship					
DENSO FINANCE & ACCOUNTING CENTER CO., LTD.	Directly holding 100%	Entrusted accounting and financial operations as well as factoring	-	Factoring	Factoring	147,918	Accounts payable—trade	125,931	
							Accounts payable—other	19,072	
					Lending of loans receivable	Lending of loans receivable	30,607	Short-term loans receivable from subsidiaries and associates	32,662
						Reception of interest	16		
ASMO CO., LTD.	Directly holding 79.80%	Manufacture and sale of automotive components	-	Purchase of products, etc.	Operating transactions	Purchase of various automotive components	158,240	Accounts payable—trade	28,613
	Indirectly holding 12.59%				Borrowing of funds	Borrowings of funds	1,168	Deposits received from subsidiaries and associates	37,223
						Payment of interest	2		

#### Notes:

1. The transaction amount does not include consumption taxes, whereas the fiscal year-end balance includes consumption taxes.
2. The transaction amount indicates the average balance during the fiscal year.
3. The lending of loans receivable and the reception of interest are determined by fully taking into account the market interest rate and other factors.
4. As for the transaction with DENSO FINANCE & ACCOUNTING CENTER CO., LTD., a portion of the payments for accounts payable—trade and accounts payable—other are settled via factoring under the master agreement entered into by and between the Company, its certain suppliers and DENSO FINANCE & ACCOUNTING CENTER CO., LTD.
5. As for the transaction with DENSO FINANCE & ACCOUNTING CENTER CO., LTD., the transfer of monetary payables is conducted at the net book value of the Company.
6. As for the transaction with ASMO CO., LTD., terms and conditions are determined through negotiation by fully taking into account market prices and other factors in the same manner applicable to ordinary transactions.

**(2) Transactions with other subsidiaries/associates**

Company name	Ownership percentage of voting rights	Business line	Relationship with the Company		Description of important transactions	Transaction amount (Millions of yen)	Account item	The fiscal year-end balance (Millions of yen)
			Officers' posts concurrently held (persons)	Business relationship				
Toyota Motor Corporation	Directly holding 24.81%	Manufacture and sale of automobiles and automotive components	Concurrent appointment: 1 Employment transfer: 1	The Company's products are sold thereto.	Operating transactions	1,101,018	Accounts receivable—trade	97,206
	Electronically recorded monetary claims-operating						31,722	
	Indirectly holding 0.17%						Accounts receivable—other	35
						30,357	Accounts payable—trade	3,309

**Notes:**

1. The transaction amount does not include consumption taxes, whereas the fiscal year-end balance includes consumption taxes.
2. The above transactions are conducted through negotiations by taking into account the market price and other factors similar to those for general transactions.

**7. Notes to Per Share Data**

(1) Equity per share	¥2,848.54
(2) Net income per share	¥148.92

**8. Note to Subsequent Events**

See "7. Note to Subsequent Events" in Notes to the Consolidated Financial Statements.

**9. Other Note**

The amounts stated in the non-consolidated financial statements are rounded off to the nearest unit.