Notes to Consolidated Financial Statements

Years ended March 31, 2016 and 2015 Casio Computer Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of CASIO COMPUTER CO., LTD. ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English (with certain expanded disclosure) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2016, which was ¥113 to U.S.$1. The convenience translation should not be construed as a representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant subsidiaries (together with the Company, "the Group") which the Company controls through majority voting rights or existence of certain conditions. Shares of associates of which the Company has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

In the elimination of investments in subsidiaries, the portion of assets and liabilities of a subsidiary attributable to the subsidiary's shares acquired by the Company are recorded based on the fair value as of the respective dates when such shares are acquired. The amounts of assets and liabilities attributable to non-controlling interests of the subsidiary are determined using the financial statements of the subsidiary.

Material intercompany balances, transactions and profits have been eliminated in consolidation.

The difference between the cost and underlying fair value of the net assets of investments in subsidiaries at acquisition is included in other assets and is amortized on a straight-line basis over five years.

Cash flow statements

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term highly liquid investments with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated at the current exchange rates at the balance sheet date, and the translation gains and losses are credited or charged to income (loss).

Assets and liabilities of consolidated overseas subsidiaries are translated into yen at the current exchange rate at the balance sheet date while their revenue and expenses are translated at the average exchange rate for the period. Differences arising from such translation are included in net assets as foreign currency translation adjustment.

Securities and investment securities

Debt securities designated as held-to-maturity are carried at amortized cost using the straight-line method. Available-for-sale securities for which fair value is readily determinable, are stated at fair value as of the end of the period with unrealized gains and losses, net of applicable deferred tax assets or liabilities, not reflected in earnings but directly reported as a separate component under net assets. The cost of such securities sold is determined primarily by the moving-average method. Available-for-sale securities for which fair value is not readily determinable are stated primarily at moving-average cost.

Derivatives and hedge accounting

The accounting standards for financial instruments require companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments meet the criteria for hedge accounting.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Group defers recognition of gains or losses resulting from changes in the fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swaps is added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

The Group uses forward foreign currency contracts and interest rate swaps as derivative financial instruments primarily for the purpose of mitigating future risks of fluctuations of foreign currency exchange rates with respect to foreign currency assets and liabilities and of interest rate changes with respect to cash management.

Forward foreign currency and interest rate swap contracts are subject to risks of foreign currency exchange rate changes and interest rate changes, respectively.

The derivative transactions are executed and managed by the Company's Finance Department in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

Notes to Consolidated Financial Statements

Allowance for doubtful accounts

The allowance for doubtful accounts is provided at an amount sufficient to cover probable losses on the collection of receivables.

The amount of the allowance is determined by an estimated amount of probable bad debt that is based on past write-off experience and a review of the collectability of individual receivables.

Inventories

Inventories are stated primarily at the lower of cost (first-in, first-out) or net realizable values at year-end.

Property, plant and equipment, except leased assets

Property, plant and equipment is stated at cost. For the Company and its consolidated subsidiaries in Japan, depreciation is principally determined by the declining-balance method at rates based on estimated useful lives except for the following items. The building and structures of the head office of the Company as well as, buildings, excluding building fixtures, acquired on or after April 1, 1998, are depreciated using the straight-line method. For overseas subsidiaries, depreciation is principally determined by the straight-line method. The depreciation period ranges from 2 years to 50 years for buildings and structures, from 2 years to 17 years for machinery, equipment and vehicles, and from 1 year to 20 years for tools, furniture and fixtures.

Software, except leased assets

Software is categorized by the following purposes and amortized using the following two methods.

Software for market sales: The production costs for the master product are capitalized and amortized over no more than 3 years on a projected revenue basis.

Software for internal use: The acquisition costs of software for internal use are amortized over 5 years using the straight-line method.

The amount of software costs capitalized is included in Other under Investments and other assets in the consolidated balance sheets.

Leased assets

(Finance leases which do not transfer ownership of the leased property to the lessee)

Leased assets are divided into the two principal categories of property, plant and equipment and intangible assets included in Other under Investments and other assets. The former consists primarily of facilities (machinery and equipment, tools, furniture and fixtures) while the latter consists of software. The assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and the residual value is zero.

Retirement benefits

Under the terms of the employees' severance and retirement plan, eligible employees are entitled under most circumstances, upon mandatory retirement or earlier voluntary severance, to severance payments based on compensation at the time of severance and years of service.

For employees' severance and retirement benefits, the Company and some of its consolidated subsidiaries in Japan provide a defined benefit plan and have established and are participating in the Casio corporate pension fund, which is a system with multiple business proprietors.

The Company and its consolidated subsidiaries in Japan received permission from the Minister of Health, Labour and Welfare, for release from the obligation of paying benefits for employees' prior services relating to the substitutional portion of the Welfare Pension Insurance Scheme. Afterwards, the welfare pension insurance plan was changed to the defined benefit plan.

The Company and some of its consolidated subsidiaries in Japan also provide a defined contribution plan. On April 1, 2012, the Company and certain consolidated subsidiaries transferred part of the defined benefit plan to the defined contribution plan. In addition, the Company has established an employee retirement benefit trust.

The liabilities and expenses for retirement benefits are determined based on the amounts actuarially calculated using certain assumptions. The liability and expenses for the retirement benefit plan subject to some of the consolidated subsidiaries are calculated by a simplified method.

Income taxes

Taxes on income consist of corporation, inhabitants' and enterprise taxes.

The Company and certain consolidated subsidiaries in Japan apply the consolidated tax payment system.

The Group recognizes tax effects of temporary differences between carrying amounts for financial reporting purposes and amounts for tax purposes. The provision for income taxes is computed based on the profit before income taxes included in the statements of income of each company of the Group. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences.

Appropriations of retained earnings

Appropriations of retained earnings are accounted for and reflected in the accompanying consolidated financial statements when approved by the shareholders.

Amounts per share of common shares

Earnings per share of common shares is computed based on the weighted average number of common shares outstanding during each fiscal year (less the treasury shares).

Cash dividends per share represent the actual amount applicable to the respective years.

Notes to Consolidated Financial Statements

Reclassifications

Certain reclassifications have been made in the 2015 consolidated financial statements to conform to the 2016 presentation.

Changes in accounting policies

The Company and its domestic subsidiaries adopted “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013 (hereinafter, “Statement No. 21”)), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013 (hereinafter, “Statement No. 22”)) and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013 (hereinafter, “Statement No. 7”)) (together, the “Business Combination Accounting Standards”), from the current fiscal year. As a result, the Company changed its accounting policies to recognize in capital surplus the differences arising from the changes in the Company’s ownership interest of subsidiaries over which the Company continues to maintain control and to record acquisition related costs as expenses in the fiscal year in which the costs are incurred. In addition, for business combinations taking place on or after 1 April, 2015, the Company changed its accounting policy for the reallocation of acquisition costs due to the completion following provisional accounting to reflect such reallocation in the consolidated financial statements for the fiscal year in which the business combination took place. The Company also changed the presentation of net income and the term “non-controlling interests” is used instead of “minority interests.” Certain amounts in the prior year comparative information were reclassified to conform to such changes in the current year presentation.

With regard to the application of the Business Combination Accounting Standards, the Company followed the provisional treatments in article 58-2(4) of Statement No. 21, article 44-5(4) of Statement No. 22 and article 57-4(4) of Statement No. 7 with application from the beginning of the current fiscal year prospectively.

In the consolidated statements of cash flows, cash flows from acquisition or disposal of shares of subsidiaries with no changes in the scope of consolidation are included in “Cash flows from financing activities,” and cash flows from acquisition related costs for shares of subsidiaries with changes in the scope of consolidation or costs related to acquisition or disposal of shares of subsidiaries with no changes in the scope of consolidation are included in “Cash flows from operation activities.”

There is no effect on the consolidated financial statements and the amounts per share of the current fiscal year.

Accounting standard and guidance that are yet to be adopted

“Revised Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016 (hereinafter, “Guidance No. 26”)

(1) Overview

Following the framework in Auditing Committee Report No. 66 “Audit Treatment regarding the Judgment of Recoverability of Deferred Tax Assets,” which prescribes estimation of deferred tax assets according to the classification of the entity according to one of five types, the following statements were changed as necessary:

1. Treatment for an entity that does not meet any of the criteria in types 1 to 5;
2. Criteria for types 2 and 3;
3. Treatment for deductible temporary differences, which an entity classified as type 2 and is unable to schedule;
4. Treatment for the period, which an entity classified as type 3 is able to reasonably estimate, with respect to future taxable income before consideration of taxable or deductible temporary differences that exist at the end of the current fiscal year; and
5. Treatment when an entity classified as type 4 also meets the criteria for types 2 or 3

(2) Effective date

Effective from the beginning of the fiscal year ending March 31, 2017

(3) Effects of application of the Guidance

There is no effect of application of the Guidance on the consolidated financial statements.

3. Cash and Cash Equivalents

(1) Cash and cash equivalents at March 31, 2016 and 2015:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	**2016**
Cash and deposits	**¥ 66,648**	¥ 82,806	**$ 589,805**
Time deposits over three months	**(345)**	(939)	**(3,053)**
Debt securities within three months to maturity	**55,600**	17,110	**492,036**
Short-term loans receivable with resale agreement	**6,154**	11,760	**54,460**
Cash and cash equivalents	**¥128,057**	¥110,737	**$1,133,248**

(2) Significant non-cash transactions

1) Assets and obligations relating to finance lease transactions

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	**2016**
Assets relating to finance lease transactions	**¥833**	¥607	**$7,372**
Obligations relating to finance lease transactions	**893**	650	**7,903**

Notes to Consolidated Financial Statements

2) Retirement of treasury shares

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Retirement of treasury shares	¥—	¥10,970	$—

3) Exercise of subscription rights to shares of convertible bond-type bonds with subscription rights to shares

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Gain on disposal of treasury shares due to exercise of subscription rights to shares	¥—	¥77	$—
Decrease in treasury shares due to exercise of subscription rights to shares	—	153	—
Decrease in bonds with subscription rights to shares due to exercise of subscription rights to shares	¥—	¥230	$—

4. Inventories

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Finished goods	¥43,082	¥41,064	$381,257
Work in process	6,943	7,258	61,442
Raw materials and supplies	7,751	7,629	68,593
Total	¥57,776	¥55,951	$511,292

5. Fair Value of Financial Instruments

(1) Qualitative information on financial instruments

1) Policies for using financial instruments

The Group invests surplus funds in highly secure financial assets, and funds required for working capital and capital investments are raised through the issuance of bonds or loans from financial institutions such as banks. Derivatives are used to avoid the risks described hereinafter and no speculative transactions are entered into.

2) Details of financial instruments used and risks involved, and how they are managed

Notes and accounts receivable-trade are exposed to customers' credit risk. To minimize that risk, the Group periodically monitors the due date and the balance of the accounts.

Securities and investment securities are primarily highly secure and highly-rated debt securities and shares of companies with which the Group has business relations, and are exposed to market price fluctuation risk. The Group periodically monitors the market price and reviews the status of these holdings.

Operating payables comprising notes and accounts payable-trade, accounts payable-other as well as income taxes payable have a due date of within one year.

Operating payables, loans payable, and bonds are subject to liquidity risk (the risk of an inability to pay by the due date). However, the Group manages liquidity risk by maintaining short-term liquidity in excess of a certain level of consolidated sales or by other means.

The Group uses derivative transactions of forward foreign currency contracts to hedge currency fluctuation risks arising from debts and credits denominated in foreign currencies, as well as interest rate swap contracts to fix the cash flows associated with loans payable. The Group utilizes and manages derivative transactions following the internal regulations for them, which stipulate policy, objective, scope, organization, procedures and financial institutions to deal with, and has an implementation and reporting system for derivative transactions reflecting proper internal control functions.

Notes to Consolidated Financial Statements

3) Supplemental information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in the case where there is no market price, by making a reasonable estimation. Because the preconditions applied include a floating element, estimation of fair value may vary. The contract amounts, as presented in Note 7 "Derivative Transactions," do not reflect market risk.

(2) Fair values of financial instruments

The following table summarizes book value and fair value of the financial instruments, and the difference between them as of March 31, 2016 and 2015. Items for which fair value is difficult to estimate are not included in the following table (see (Note) 2 on P. 32).

Millions of Yen

For 2016	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 66,648	¥ 66,648	¥ —
[2] Notes and accounts receivable-trade	47,843	47,843	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	30,000	30,000	—
b. Available-for-sale securities	57,436	57,436	—
Total assets	¥201,927	¥201,927	¥ —
Liabilities			
[1] Notes and accounts payable-trade	¥ 34,542	¥ 34,542	¥ —
[2] Accounts payable-other	21,483	21,483	—
[3] Income taxes payable	4,334	4,334	—
[4] Bonds with subscription rights to shares	10,033	11,704	1,671
[5] Long-term loans payable	67,000	67,361	361
Total liabilities	¥137,392	¥139,424	¥2,032
Derivative transactions	¥ —	¥ —	¥ —

Thousands of U.S. Dollars (Note 1)

For 2016	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	$ 589,805	$ 589,805	$ —
[2] Notes and accounts receivable-trade	423,390	423,390	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	265,487	265,487	—
b. Available-for-sale securities	508,283	508,283	—
Total assets	$1,786,965	$1,786,965	$ —
Liabilities			
[1] Notes and accounts payable-trade	$ 305,681	$ 305,681	$ —
[2] Accounts payable-other	190,115	190,115	—
[3] Income taxes payable	38,354	38,354	—
[4] Bonds with subscription rights to shares	88,788	103,576	14,788
[5] Long-term loans payable	592,920	596,115	3,195
Total liabilities	$1,215,858	$1,233,841	$17,983
Derivative transactions	$ —	$ —	$ —

Millions of Yen

For 2015	Book value	Fair value	Difference
Assets			
[1] Cash and deposits	¥ 82,806	¥ 82,806	¥ —
[2] Notes and accounts receivable-trade	45,869	45,869	—
[3] Securities and investment securities			
a. Held-to-maturity debt securities	9,000	9,000	—
b. Available-for-sale securities	62,753	62,753	—
Total assets	¥200,428	¥200,428	¥ —
Liabilities			
[1] Notes and accounts payable-trade	¥ 35,135	¥ 35,135	¥ —
[2] Accounts payable-other	23,843	23,843	—
[3] Income taxes payable	3,208	3,208	—
[4] Bonds with subscription rights to shares	10,043	11,974	1,931
[5] Long-term loans payable	67,000	67,198	198
Total liabilities	¥139,229	¥141,358	¥2,129
Derivative transactions*	¥ 152	¥ 152	¥ —

* Net receivables and payables, which are derived from derivative transactions, are presented in net amounts.

Notes to Consolidated Financial Statements

(Note) 1: Method for calculating the fair value of financial instruments and matters related to securities and investment securities and derivative transactions

Assets

[1] Cash and deposits, [2] Notes and accounts receivable-trade

Since these items are short-term and the fair value approximates the book value, the book value is used as fair value.

[3] Securities and investment securities

The fair value of equity securities is the market price, while the fair value of debt securities is the market price or the price quoted by the correspondent financial institution. Since certificates of deposit and commercial paper are short-term, and the fair value approximates the book value, the book value is used as fair value.

See Note 6 “Securities and Investment Securities” for information on securities categorized by holding purpose.

Liabilities

[1] Notes and accounts payable-trade, [2] Accounts payable-other, [3] Income taxes payable

Since these items are short-term, and the fair value approximates the book value, the book value is used as fair value.

[4] Bonds with subscription rights to shares

The fair value of bonds with subscription rights to shares is the price quoted by the correspondent financial institution.

[5] Long-term loans payable

The fair value of long-term loans payable with fixed interest rates is the sum of the principal and total interest discounted by the rate that is applied if a new loan is made.

Since long-term loans payable with floating interest rates reflect market interest rates over the short term, and the fair value approximates the book value, the book value is used as fair value. However, those that are subject to special treatment interest rate swaps are measured by taking the sum of the principal and total interest associated with the interest rate swaps and discounting it by the rate that is reasonably estimated and applied if a new loan is made (see Note 7 “Derivative Transactions”).

Derivative transactions

See Note 7 “Derivative Transactions.”

(Note) 2: Financial instruments of which fair value is difficult to estimate

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	**2016**
	Book value	Book value	Book value
Unlisted shares	¥2,571	¥2,531	$22,752

The market price of the above shares is not available, therefore the fair value is difficult to estimate. Hence, they are not included in “[3] Securities and investment securities” on P31.

In the fiscal years ended March 31, 2016 and 2015, there were no unlisted shares declared impairment loss.

(Note) 3: Monetary claims and securities and investment securities with repayment due dates after March 31, 2016 and 2015:

Millions of Yen

For 2016	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 66,648	¥—	¥—	¥—
Notes and accounts receivable-trade	47,843	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	30,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	—	—	—	—
b. Corporate bonds	15,600	—	—	—
c. Others	—	—	—	—
(2) Others	10,000	—	—	—
Total	¥170,091	¥—	¥—	¥—

Notes to Consolidated Financial Statements

Thousands of U.S. Dollars (Note 1)

For 2016	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	$ 589,805	$—	$—	$—
Notes and accounts receivable-trade	423,390	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	265,487	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	—	—	—	—
b. Corporate bonds	138,053	—	—	—
c. Others	—	—	—	—
(2) Others	88,496	—	—	—
Total	$1,505,231	$—	$—	$—

Millions of Yen

For 2015	Within one year	Within five years	Within ten years	Over ten years
Cash and deposits	¥ 82,806	¥—	¥—	¥—
Notes and accounts receivable-trade	45,869	—	—	—
Securities and investment securities				
1. Held-to-maturity debt-securities				
(1) Government bonds	—	—	—	—
(2) Corporate bonds	—	—	—	—
(3) Others	9,000	—	—	—
2. Available-for-sale securities with maturities				
(1) Debt securities				
a. Government bonds	—	—	—	—
b. Corporate bonds	—	—	—	—
c. Others	15,000	—	—	—
(2) Others	8,110	—	—	—
Total	¥160,785	¥—	¥—	¥—

(Note) 4: Bonds with subscription rights to shares and long-term loans payable with due dates after March 31, 2016 and 2015

Millions of Yen

For 2016	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with subscription rights to shares	¥—	¥ —	¥ —	¥10,000	¥ —	¥—
Long-term loans payable	—	6,000	38,000	—	23,000	—
Total	¥—	¥6,000	¥38,000	¥10,000	¥23,000	¥—

Thousands of U.S. Dollars (Note 1)

For 2016	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with subscription rights to shares	$—	$ —	$ —	$88,496	$ —	$—
Long-term loans payable	—	53,097	336,283	—	203,540	—
Total	$—	$53,097	$336,283	$88,496	$203,540	$—

Millions of Yen

For 2015	Within one year	Within two years	Within three years	Within four years	Within five years	Over five years
Bonds with subscription rights to shares	¥—	¥ —	¥ —	¥ —	¥10,000	¥—
Long-term loans payable	—	23,000	6,000	38,000	—	—
Total	¥—	¥23,000	¥6,000	¥38,000	¥10,000	¥—

6. Securities and Investment Securities

(1) Held-to-maturity debt securities

Millions of Yen

	2016		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥30,000	¥30,000	¥—
Securities other than the above	—	—	—
Total	¥30,000	¥30,000	¥—

Notes to Consolidated Financial Statements

	Thousands of U.S. Dollars (Note 1)		
	2016		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	$265,487	$265,487	$—
Securities other than the above	—	—	—
Total	$265,487	$265,487	$—

	Millions of Yen		
	2015		
	Book value	Fair value	Difference
Securities with fair values exceeding book values	¥9,000	¥9,000	¥—
Securities other than the above	—	—	—
Total	¥9,000	¥9,000	¥—

(2) Available-for-sale securities

Securities with book values exceeding acquisition costs:

	Millions of Yen		
	2016		
	Book value	Acquisition cost	Difference
Equity securities	¥25,020	¥13,544	¥11,476
Debt securities	15,600	15,600	—
Others	15,101	15,062	39
Total	¥55,721	¥44,206	¥11,515

	Thousands of U.S. Dollars (Note 1)		
	2016		
	Book value	Acquisition cost	Difference
Equity securities	$221,416	$119,859	$101,557
Debt securities	138,053	138,053	—
Others	133,637	133,292	345
Total	$493,106	$391,204	$101,902

	Millions of Yen		
	2015		
	Book value	Acquisition cost	Difference
Equity securities	¥34,283	¥17,491	¥16,792
Debt securities	15,034	15,004	30
Others	13,177	13,143	34
Total	¥62,494	¥45,638	¥16,856

Securities other than the above:

	Millions of Yen		
	2016		
	Book value	Acquisition cost	Difference
Equity securities	¥1,715	¥2,014	¥(299)
Debt securities	—	—	—
Others	—	—	—
Total	¥1,715	¥2,014	¥(299)

	Thousands of U.S. Dollars (Note 1)		
	2016		
	Book value	Acquisition cost	Difference
Equity securities	$15,177	$17,823	$(2,646)
Debt securities	—	—	—
Others	—	—	—
Total	$15,177	$17,823	$(2,646)

	Millions of Yen		
	2015		
	Book value	Acquisition cost	Difference
Equity securities	¥259	¥278	¥(19)
Debt securities	—	—	—
Others	—	—	—
Total	¥259	¥278	¥(19)

(Notes): 1. Acquisition cost is presented based on book values after posting of impairment loss.
2. The market price of unlisted shares is not available, therefore the fair value is difficult to estimate. Hence, the amounts of unlisted shares, which are ¥2,571 million ($22,752 thousand) and ¥2,531 million on the consolidated balance sheets as of March 31, 2016 and 2015 respectively, are not included in Available-for-sale securities above.

Notes to Consolidated Financial Statements

(3) Available-for-sale securities sold for the years ended March 31, 2016 and 2015

Millions of Yen

	2016		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	¥3,342	¥1,313	¥205
Debt securities	—	—	—
Others	—	—	—
Total	¥3,342	¥1,313	¥205

Thousands of U.S. Dollars (Note 1)

	2016		
	Sales amount	Gross realized gains	Gross realized losses
Equity securities	$29,575	$11,619	$1,814
Debt securities	—	—	—
Others	—	—	—
Total	$29,575	$11,619	$1,814

Not applicable for the year ended March 31, 2015.

(4) Securities and investment securities impaired

No impairment of securities and investment securities was recorded for the years ended March 31, 2016 and 2015.

With respect to impairment loss, securities with a fair value that has declined by 50% or more against their acquisition costs are impaired. Among securities that have declined by 30% or more, but less than 50% against their acquisiton costs, those that have been comprehensively assessed and deemed as unlikely to recover their value are also impaired.

7. Derivative Transactions

Derivative transactions not subject to hedge accounting

(1) Currency-related derivatives

Not applicable at March 31, 2016.

Millions of Yen

	2015			
	Contract amount			
	Total	Due after one year	Fair value	Realized gain (loss)
Forward contracts:				
To sell:				
Euros	¥3,903	¥—	¥ 297	¥ 297
British pounds	693	—	35	35
Chinese yuan	9,474	—	(180)	(180)
Total	¥ —	¥—	¥ 152	¥ 152

(Notes): 1. Fair values of derivative transactions are determined by forward exchange rates.
2. Transactions are transactions other than market transactions.

(2) Interest rate-related derivatives

Not applicable at March 31, 2016 and 2015.

Derivative transactions subject to hedge accounting

(1) Currency-related derivatives

Not applicable at March 31, 2016 and 2015.

Notes to Consolidated Financial Statements

(2) Interest rate-related derivatives

Millions of Yen

Hedge accounting method	Type	Main hedged item	2016 Contract amount Total	2016 Contract amount Due after one year	2016 Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥3,500	¥3,500	(Note) 2
Total			¥3,500	¥3,500	¥—

Thousands of U.S. Dollars (Note 1)

Hedge accounting method	Type	Main hedged item	2016 Contract amount Total	2016 Contract amount Due after one year	2016 Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	$30,973	$30,973	(Note) 2
Total			$30,973	$30,973	$—

Millions of Yen

Hedge accounting method	Type	Main hedged item	2015 Contract amount Total	2015 Contract amount Due after one year	2015 Fair value
Interest rate swaps that are subject to special treatment	Interest rate swaps: Receive float/ Pay fix	Long-term loans payable	¥3,500	¥3,500	(Note) 2
Total			¥3,500	¥3,500	¥—

(Notes): 1. Fair values of derivative transactions are determined by prices principally reported by the financial institutions with which the Group engages in derivative transactions.
2. Since interest rate swaps that are subject to special treatment are accounted for with long-term loans payable, which are hedged items, their fair value is included in the fair value of the said long-term loans payable.

8. Short-term Loans Payable, Bonds and Long-term Loans Payable and Lease Obligation

Short-term loans payable represent bank loans and their average interest rates were 0.2% per annum at March 31, 2016 and 2015.

(Note): An average interest rate is the weighted average rate on the year-end balance of loans payable.

Bonds and long-term loans payable at March 31, 2016 and 2015:

	Millions of Yen 2016	Millions of Yen 2015	Thousands of U.S. Dollars (Note 1) 2016
Euro-yen convertible bond-type bonds with subscription rights to shares due in 2019*	¥10,033	¥10,043	$ 88,788
Loans principally from banks due within one year	—	—	—
Loans principally from banks due over one year**	67,000	67,000	592,920
Total	77,033	77,043	681,708
Less amount due within one year	—	—	—
	¥77,033	¥77,043	$681,708

* Details of bonds with subscription rights to shares ("warrants")

Type of shares involved	common shares
Price of warrants	gratis
Share issue price	¥2,055.7 ($18.19)
Total issue amount	¥10,050 million ($88,938 thousand)
Total value of new shares issued upon exercise of warrants	—
Warrant-linked	100%
Period of exercise of warrants	August 6, 2014 to July 9, 2019

Upon request to exercise warrants in question, payments usually required for the issuance of the corresponding number of shares shall be exempted as the issuer of bonds in question, in return, will be automatically exempted from obligation of redemption of the bonds in a lump-sum.
Exercise of warrants in question shall be regarded as an eligible request for exercise of subscription rights.
The conversion price of the euro-yen convertible bond-type bonds with subscription rights to shares due in 2019 was adjusted to ¥2,051.8 ($18.16) from ¥2,055.7 ($18.19) retroactive to April 1, 2016 pursuant to the terms and conditions of the bonds due to the payment of a year-end dividend of ¥22.50 ($0.20) per share and an annual dividend of ¥40.00 ($0.35) per share. The General Meeting of Shareholders held on June 29, 2016 approved the payment of these dividends of ¥22.50 ($0.20).

** The average interest rates were 0.3% and 0.4% per annum at March 31, 2016 and 2015, respectively. An average interest rate is the weighted average rate on the year-end balance of loans payable.

Notes to Consolidated Financial Statements

The annual maturities of bonds and long-term loans payable at March 31, 2016:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2017	¥ —	$ —
2018	6,000	53,097
2019	38,000	336,283
2020	10,000	88,496
2021	23,000	203,540

The annual maturities of lease obligations at March 31, 2016:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars (Note 1)
2017	¥841	$7,442
2018	587	5,195
2019	333	2,947
2020	195	1,726
2021	106	938

The lines of credit with the main financial institutions agreed as of March 31, 2016 and 2015:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Line of credit	¥57,100	¥57,196	$505,310
Unused	57,100	57,196	505,310

9. Income Taxes

(1) The following table summarizes the significant differences between the statutory tax rate and the Group's actual income tax rate for financial statement purposes for the years ended March 31, 2016 and 2015.

	2016	2015
Statutory tax rate	33.1%	35.6%
Increase (reduction) in tax resulting from:		
Difference in statutory tax rate (including overseas subsidiaries)	(2.7)	(6.5)
Valuation allowance	(9.4)	(11.7)
Retained earnings of overseas subsidiaries	(1.4)	3.4
Decrease of deferred tax assets at year end due to changes of Japan tax rate	1.8	4.6
Other	1.9	(2.6)
Actual income tax rate	23.3%	22.8%

(2) Significant components of deferred tax assets and liabilities as of March 31, 2016 and 2015:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Deferred tax assets:			
Net operating loss carryforwards	¥11,626	¥ 17,233	$102,885
Inventories	1,932	1,913	17,097
Retirement benefits and the related expenses	1,928	713	17,062
Accrued expenses (bonuses to employees)	1,695	1,827	15,000
Property, plant and equipment	1,491	1,624	13,195
Other	5,017	5,722	44,398
Gross deferred tax assets	23,689	29,032	209,637
Valuation allowance	(6,025)	(10,398)	(53,319)
Total deferred tax assets	17,664	18,634	156,318
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(3,526)	(5,451)	(31,204)
Retained earnings of overseas subsidiaries	(2,775)	(3,325)	(24,558)
Unrealized holding gain	(1,287)	(1,366)	(11,389)
Reserve for advanced depreciation of non-current assets	(70)	(80)	(619)
Other	(71)	(80)	(628)
Total deferred tax liabilities	(7,729)	(10,302)	(68,398)
Net deferred tax assets	¥ 9,935	¥ 8,332	$ 87,920

Notes to Consolidated Financial Statements

(3) Adjustments of amount of deferred tax assets and liabilities due to change in the corporate tax rate

The "Act for Partial Revision of the Income Tax Act and Others" (Act No. 15 of 2016) and the "Act for Partial Revision of the Local Tax Act and Others" (Act No. 13 of 2016) were enacted in the Diet on March 29, 2016. Under these revised acts, the effective tax rate used for calculating deferred tax assets and deferred tax liabilities has been reduced from 32.3% to 30.9% for the temporary differences expected to reverse from April 1, 2016 to March 31, 2018, and to 30.6% for those expected to reverse from the fiscal year beginning April 1, 2018

As a result, the amount of net deferred tax assets decreased by ¥460 million ($4,071 thousand) and income taxes-deferred increased by ¥727 million ($6,434 thousand), valuation difference on available-for-sale securities increased by ¥198 million ($1,752 thousand) and remeasurements of defined benefit plans increased by ¥69 million ($611 thousand) as of and for the year ended March 31, 2016.

10. Retirement Benefits

(1) Defined benefit plan (Defined benefit plans, including multi-employer pension plans)

1) Movement in projected benefit obligation (except plans applied simplified method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Projected benefit obligation at beginning of period	¥54,206	¥48,825	$479,699
Service cost	1,747	1,582	15,460
Interest cost	588	949	5,204
Actuarial differences accrued	45	4,305	398
Benefits paid	(2,320)	(1,954)	(20,531)
Others	(1,027)	499	(9,088)
Projected benefit obligation at end of period	¥53,239	¥54,206	$471,142

2) Movement in pension plan assets (except plans applied simplified method)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Pension plan assets at beginning of period	¥66,676	¥57,728	$590,053
Expected return on pension plan assets	2,193	1,896	19,407
Actuarial differences accrued	(6,268)	7,099	(55,469)
Contributions paid by the employer	1,215	1,449	10,752
Benefits paid	(2,162)	(2,073)	(19,132)
Others	(811)	577	(7,177)
Pension plan assets at end of period	¥60,843	¥66,676	$538,434

3) Movement in net defined benefit liability for plans applied the simplified method

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Net defined benefit liability at beginning of period	¥(449)	¥ 142	$(3,974)
Retirement benefit expenses	483	(394)	4,274
Benefits paid	(44)	(6)	(389)
Contributions paid by the employer	(157)	(181)	(1,389)
Others	(4)	(10)	(35)
Net defined benefit liability at end of period	¥(171)	¥ (449)	$(1,513)

4) Reconciliation from projected benefit obligation and pension plan assets to liability (asset) for retirement benefits

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Funded projected benefit obligation	¥ 57,383	¥ 58,321	$ 507,814
Pension plan assets	(65,337)	(71,429)	(578,203)
	(7,954)	(13,108)	(70,389)
Unfunded projected benefit obligation	179	189	1,584
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	(7,775)	(12,919)	(68,805)
Net defined benefit liability	1,338	1,219	11,841
Net defined benefit asset	(9,113)	(14,138)	(80,646)
Total net liability (asset) for retirement benefits recorded on the consolidated balance sheets	¥ (7,775)	¥(12,919)	$ (68,805)

(Note): Including plans applied the simplified method.

Notes to Consolidated Financial Statements

5) Retirement benefit expenses

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Service cost	¥ 1,747	¥ 1,582	$ 15,460
Interest cost	588	949	5,204
Expected return on pension plan assets	(2,193)	(1,896)	(19,407)
Amortization of actuarial differences	1,273	1,500	11,266
Amortization of prior service costs	(1,857)	(1,867)	(16,434)
Others	476	(394)	4,212
Retirement benefit expenses	¥ 34	¥ (126)	$ 301

6) Remeasurements of defined benefit plans (before income tax effects)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Actuarial differences	¥(4,777)	¥ 4,247	$(42,274)
Prior service costs	(1,857)	(1,867)	(16,434)
Total	¥(6,634)	¥ 2,380	$(58,708)

7) Accumulated remeasurements for retirement benefit (before income tax effects)

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Unrecognized actuarial differences	¥ 7,635	¥ 2,858	$ 67,567
Unrecognized prior service costs	(11,588)	(13,445)	(102,549)
Total	¥ (3,953)	¥(10,587)	$ (34,982)

8) Pension plan assets

(i) Pension plan assets comprise:

	2016	2015
Equity securities	54%	58%
Debt securities	16%	15%
General account	20%	19%
Others	10%	8%
Total	100%	100%

(Note): The employee retirement benefit trust set up for corporate pension plans represents 14% and 15% of total pension assets, as of March 31, 2016 and 2015, respectively.

(ii) Long-term expected rate of return

Current and target asset allocations, as well as current and expected returns on various categories of pension plan assets have been considered in determining the long-term expected rate of return.

9) Actuarial assumptions

The principal actuarial assumptions at the end of the period follow:

	2016	2015
Discount rate	mainly 0.8%	mainly 0.8%
Long-term expected rate of return	mainly 3.0%	mainly 3.0%

(2) Defined contribution plan

At March 31, 2016 and 2015, the required contributions to the defined contribution plans of the Company and its consolidated subsidiaries were ¥1,011 million ($8,947 thousand) and ¥1,054 million, respectively.

Notes to Consolidated Financial Statements

11. Net Assets

Under the Japanese Corporation Law ("the Law") and regulations, the entire amount paid for new shares is required to be designated as capital stock. However, a company may, by a resolution of the board of directors, designate an amount not exceeding one-half of the price of the new shares as legal capital surplus, which is included in capital surplus.

In cases where dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of capital stock over the total of legal capital surplus and legal retained earnings must be set aside as legal capital surplus or legal retained earnings. Legal retained earnings is included in retained earnings in the accompanying consolidated balance sheets.

Legal capital surplus and legal retained earnings may not be distributed as dividends. However, all legal capital surplus and all legal retained earnings may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with the Law.

12. Lease Transactions

(1) Finance lease transactions which do not transfer the ownership of the leased property to the lessee, and that were concluded prior to the year that began on April 1, 2008 for which the new accounting standards were applied

The assumed outstanding future lease payments as of March 31, 2016 and 2015:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	**2016**
Future lease payments:			
Due within one year	**¥12**	¥14	**$106**
Due over one year	**33**	55	**292**
Total	**¥45**	¥69	**$398**

Total lease expenses, total assumed depreciation cost and total assumed interest cost as lessee for the years ended March 31, 2016 and 2015:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	**2016**
Total lease expenses	**¥15**	¥18	**$133**
Total assumed depreciation cost	**11**	13	**97**
Total assumed interest cost	**2**	3	**18**

Assumed data as to acquisition cost, accumulated depreciation and net book value of the leased assets under the finance lease contracts as lessee as of March 31, 2016 and 2015:

	Millions of Yen		
	2016		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	**¥155**	**¥119**	**¥36**
Total	**¥155**	**¥119**	**¥36**

	Thousands of U.S. Dollars (Note 1)		
	2016		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	**$1,372**	**$1,053**	**$319**
Total	**$1,372**	**$1,053**	**$319**

	Millions of Yen		
	2015		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥192	¥136	¥56
Total	¥192	¥136	¥56

(Notes): 1. In calculating assumed depreciation cost, the leased assets are depreciated on a straight-line basis on the assumption that the lease term is the useful life and residual value is zero.
2. In calculating the assumed interest cost, the diffence between the total lease amount and the assumed acquisition cost is taken as the assumed interest cost. The method of distribution over each period depends on the interest method.

Notes to Consolidated Financial Statements

(2) Finance leases

See Note 2 on P. 28

(3) Operating leases

The outstanding future noncancellable lease payments as of March 31, 2016 and 2015:

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Future lease payments:			
Due within one year	¥ 231	¥ 244	$2,044
Due over one year	869	1,079	7,691
Total	¥1,100	¥1,323	$9,735

13. Segment Information

(1) Overview of reportable segments

The Group's reportable segments consist of the Group's constituent units for which separate financial information is available and which are subject to periodic examination in order for the board of directors to determine the allocation of management resources and evaluate financial results.

The Group designates three areas of segment reporting, which are the "Consumer," "System Equipment," and "Others" segments, based on the type of products and services, and the market and consumer categories.

The categories of the main products and services belonging to each reportable segment:

Consumer: Watches, Clocks, Electronic dictionaries, Electronic calculators, Label printers, Electronic musical instruments, Digital cameras, etc.

System Equipment: Handheld terminals, Electronic cash registers, Office computers, Page printers, Data projectors, etc.

Others: Molds, etc.

(2) Basis of measurement for net sales, income or loss, assets and others for each reportable segment

The accounting method for the reportable segments is largely in line with the descriptions in Notes 1-2 on P. 27-29. Intersegment profits are based on the market price.

(3) Information on net sales, income or loss, assets and others for each reportable segment

Millions of Yen

For 2016	Reportable segments: Consumer	System Equipment	Others	Total	Adjustments*	Amounts on consolidated financial statements**
Net sales:						
External customers	¥300,956	¥42,669	¥8,633	¥352,258	¥ —	¥352,258
Intersegment	2	49	8,788	8,839	(8,839)	—
Total	300,958	42,718	17,421	361,097	(8,839)	352,258
Segment income (loss)	48,981	(1,825)	(114)	47,042	(4,873)	42,169
Segment assets	189,995	45,219	19,809	255,023	113,431	368,454
Others						
Depreciation	6,684	2,308	442	9,434	274	9,708
Amortization of goodwill	—	11	—	11	—	11
Investment to entities accounted for using equity method	—	—	2,510	2,510	—	2,510
Increase in property, plant and equipment and intangible assets	7,178	2,979	274	10,431	454	10,885

Thousands of U.S. Dollars (Note 1)

For 2016	Reportable segments: Consumer	System Equipment	Others	Total	Adjustments*	Amounts on consolidated financial statements**
Net sales:						
External customers	$2,663,327	$377,602	$ 76,398	$3,117,327	$ —	$3,117,327
Intersegment	18	433	77,770	78,221	(78,221)	—
Total	2,663,345	378,035	154,168	3,195,548	(78,221)	3,117,327
Segment income (loss)	433,460	(16,150)	(1,009)	416,301	(43,124)	373,177
Segment assets	1,681,372	400,168	175,301	2,256,841	1,003,814	3,260,655
Others						
Depreciation	59,150	20,425	3,911	83,486	2,425	85,911
Amortization of goodwill	—	97	—	97	—	97
Investment to entities accounted for using equity method	—	—	22,212	22,212	—	22,212
Increase in property, plant and equipment and intangible assets	63,522	26,363	2,425	92,310	4,017	96,327

Notes to Consolidated Financial Statements

Millions of Yen

For 2015	Reportable segments: Consumer	System Equipment	Others	Total	Adjustments*	Amounts on consolidated financial statements**
Net sales:						
External customers	¥287,113	¥40,848	¥10,428	¥338,389	¥ —	¥338,389
Intersegment	4	36	8,181	8,221	(8,221)	—
Total	287,117	40,884	18,609	346,610	(8,221)	338,389
Segment income (loss)	47,130	(5,692)	(219)	41,219	(4,456)	36,763
Segment assets	199,604	47,342	23,677	270,623	104,033	374,656
Others						
Depreciation	5,688	2,445	517	8,650	177	8,827
Amortization of goodwill	—	12	—	12	—	12
Investment to entities accounted for using equity method	—	—	2,460	2,460	—	2,460
Increase in property, plant and equipment and intangible assets	6,093	3,047	268	9,408	259	9,667

* Adjustments are as shown below:
(1) Downward adjustments to segment income (loss) for the years ended March 31, 2016 and 2015 are ¥4,873 million ($43,124 thousand) and ¥4,456 million, respectively. These amounts include corporate expenses that are not allocated to any reportable segments of ¥4,873 million ($43,124 thousand) and ¥4,456 million, respectively. Corporate expenses principally consist of administrative expenses of the parent company and R&D expenses for fundamental research, which are not attributable to any reportable segments.
(2) Adjustments to segment assets for the years ended March 31, 2016 and 2015 are ¥113,431 million ($1,003,814 thousand) and ¥104,033 million, respectively. These amounts include corporate assets that are not allocated to any reportable segments of ¥113,886 million ($1,007,841 thousand) and ¥104,489 million, respectively.
(3) Adjustments to depreciation for the years ended March 31, 2016 and 2015 are ¥274 million ($2,425 thousand) and ¥177 million, respectively. These amounts consist of depreciation of assets related to administrative divisions that are not attributable to any reportable segments.
(4) Adjustments to the increase in property, plant and equipment and intangible assets for the years ended March 31, 2016 and 2015 are ¥454 million ($4,017 thousand) and ¥259 million, respectively. These amounts consist of capital expenditures in administrative divisions that are not attributable to any reportable segments.
** Segment income (loss) is reconciled with operating income in the consolidated financial statements.

(4) Information about geographic areas

Millions of Yen

For 2016	Japan	North America	Europe	Asia	Others	Total
Net sales	**¥110,594**	**¥47,166**	**¥51,714**	**¥99,085**	**¥43,699**	**¥352,258**

Thousands of U.S. Dollars (Note 1)

For 2016	Japan	North America	Europe	Asia	Others	Total
Net sales	**$978,708**	**$417,398**	**$457,646**	**$876,858**	**$386,717**	**$3,117,327**

Millions of Yen

For 2015	Japan	North America	Europe	Asia	Others	Total
Net sales	¥106,191	¥43,584	¥51,443	¥96,502	¥40,669	¥338,389

(Note): Sales are classified by country or region where customers are located.

Millions of Yen

For 2016	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	**¥52,396**	**¥1,028**	**¥431**	**¥6,944**	**¥83**	**¥60,882**

Thousands of U.S. Dollars (Note 1)

For 2016	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	**$463,682**	**$9,097**	**$3,814**	**$61,451**	**$735**	**$538,779**

Millions of Yen

For 2015	Japan	North America	Europe	Asia	Others	Total
Property, plant and equipment	¥52,900	¥1,138	¥481	¥7,697	¥85	¥62,301

(5) Information on impairment loss of non-current assets for each reportable segment

Millions of Yen

For 2016	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	**¥—**	**¥743**	**¥16**	**¥288**	**¥1,047**

Thousands of U.S. Dollars (Note 1)

For 2016	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	**$—**	**$6,575**	**$141**	**$2,549**	**$9,265**

Millions of Yen

For 2015	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Impairment loss	¥—	¥1,485	¥1	¥836	¥2,322

Notes to Consolidated Financial Statements

(6) Information on amortization of goodwill and unamortized balance in each reportable segment

Millions of Yen

For 2016	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year ..	¥—	¥45	¥—	¥—	¥45

Thousands of U.S. Dollars (Note 1)

For 2016	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year ..	$—	$398	$—	$—	$398

Millions of Yen

For 2015	Consumer	System Equipment	Others	Elimination or unallocated amount	Total
Goodwill					
Balance at the end of the reporting year ..	¥—	¥56	¥—	¥—	¥56

(Note): Disclosure of the amount of goodwill amortization has been omitted as it is disclosed in the segment information above.

14. Contingent Liabilities

At March 31, 2016 and 2015, the Group was contingently liable for trade notes and export drafts discounted with banks in the amount of ¥1,193 million ($10,558 thousand) and ¥1,926 million, respectively.

15. Impairment Loss

For 2016

The Group posts impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, leased assets, software etc.	Hachioji City, Tokyo; Iruma City, Saitama Pref. and others
Idle assets	Land, buildings and structures	Yamagata City, Yamagata Pref.; Ashiya City, Hyogo Pref. and others

With respect to business assets, the Group carries out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation, and idle assets are managed on an individual basis.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to the deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amount of ¥1,047 million ($9,265 thousand) is recognized as "impairment loss."

The breakdown of the losses is: ¥135 million ($1,195 thousand) for tools, furniture and fixtures, ¥293 million ($2,593 thousand) for land, ¥310 million ($2,743 thousand) for leased assets, ¥291 million ($2,575 thousand) for software, and ¥18 million ($159 thousand) for others.

Recoverable amounts are estimated using net selling prices which are reasonably estimated. Recoverable amounts for land are calculated based on publically assessed value, etc., and those for assets other than land are based on estimated disposal values.

For 2015:

The Group posts impairment loss.

Use	Type of assets	Location
Business assets	Tools, furniture and fixtures, leased assets, etc.	Iruma City, Saitama Pref. and others
Idle assets	Land, buildings and structures	Kawaguchi City, Saitama Pref.; Ome City, Tokyo, and others

With respect to business assets, the Group carries out asset grouping principally according to its management accounting categories, which are employed to enable continuous monitoring of the Group's earnings situation, and idle assets are managed on an individual basis.

The Group has applied impairment accounting to business assets whose values are deemed to have significantly declined due to the deteriorating business environment and idle assets to make optimal use of these assets in the future. Book value of these assets has been reduced to recoverable amounts and the reduced amount of ¥2,322 million is recognized as "impairment loss."

The breakdown of the losses is: ¥424 million for buildings and structures, ¥313 million for tools, furniture and fixtures, ¥450 million for land, ¥949 million for leased assets and ¥186 million for others.

Recoverable amounts are measured using reasonable estimates of net selling price that involves information including real estate appraisal value for land, buildings and structures, and estimated disposal value for all other assets.

16. Subsequent Events

Appropriation of retained earnings

At the annual shareholders' meeting held on June 29, 2016, the Company's shareholders approved the payment of a cash dividend of ¥22.50 ($0.20) per share aggregating ¥5,767 million ($51,035 thousand) to registered shareholders as of March 31, 2016.