

For Immediate Release

Notice Concerning the Conversion of ELNA Co., Ltd. into a Wholly Owned Subsidiary of TAIYO YUDEN CO., LTD. through Share Exchange

TOKYO, September 28, 2018—TAIYO YUDEN CO., LTD. (hereafter "TAIYO YUDEN") and ELNA CO., LTD. (hereafter "ELNA"), in Board of Directors meetings held today in each company, have resolved to conduct a share exchange that will make TAIYO YUDEN the wholly-owning parent company in the share exchange and will make ELNA the wholly owned subsidiary in the share exchange (hereafter "the share exchange") with effective date January 1, 2019 (scheduled). TAIYO YUDEN and ELNA hereby provide notification that the two companies have entered into an agreement on the share exchange (hereafter "the share exchange agreement") on this date, with details as follows.

The share exchange is scheduled to be conducted by TAIYO YUDEN in accordance with the procedures for simplified share exchange based on the provisions of Article 796, Paragraph 2 of the Companies Act, without obtaining approval at a General Meeting of Shareholders; and to be conducted by ELNA with the approval of an Extraordinary General Meeting of Shareholders scheduled to be held on December 4, 2018.

Ahead of the effective date of the share exchange (scheduled for January 1, 2019), ordinary shares of ELNA are scheduled to be delisted from the Second Section of Tokyo Stock Exchange, Inc. (hereafter "the Tokyo Stock Exchange"), effective December 26, 2018 (with December 25, 2018 as the last day of trading).

Details

I. Purpose and Reason for the Conversion of ELNA into a Wholly Owned Subsidiary through the Share Exchange

The Company is engaged in businesses primarily centered on multilayer ceramic capacitors, inductors, FBAR/SAW devices for mobile communications and functional modules. Most of these products are primarily used in various IT and electronic devices, such as smartphones and PCs. In particular, in recent years we have focused our business expansion efforts on the further adoption of our products in the automotive, industrial, healthcare equipment, and environmental energy markets, all of which are expected to see further market expansion and growth going forward.

ELNA's business operations have focused on capacitors for some 80 years since its founding. In particular, ELNA has concentrated on developing products that can demonstrate their high quality and high performance even in environments that require vibration resistance, humidity resistance, voltage resistance, and high and low temperature resistance. ELNA has been promoting high-reliability product development that can fulfill the needs of its many customers in the automotive and industrial equipment markets.

Given this, in accelerating the global expansion of its business in the automotive, industrial equipment, and environmental energy markets, TAIYO YUDEN entered into a capital and business alliance agreement in November 2014 with ELNA, with which it has complementary strengths in products and sales channels. Under this agreement, TAIYO YUDEN acquired 15,000,000 Class A preferred shares of ELNA from Japan Industrial Partners II Investment Limited Partnership and Japan Industrial Partners II Parallel Investment Limited Partnership through a share transfer (as of December 16, 2015, TAIYO YUDEN exercised its right to request conversion by ELNA to ordinary shares, by which said Class A preferred shares were converted into 15,000,000 ordinary shares). In addition, to enhance market competitiveness and to expand their businesses, TAIYO YUDEN and ELNA have cooperated in materials procurement and production of electric double layered capacitors and lithium ion capacitors; in the sharing of technological and production expertise; and in the expansion of sales through mutual cooperation for automotive, industrial equipment, and environmental

energy markets where further growth is expected, under the capital and business alliance.

Subsequently, in conjunction with the fact that ELNA had been undergoing long-held investigation by authorities in multiple countries over suspected violations of anti-monopoly laws, and has recorded an anti-monopoly law-related extraordinary loss of 399 million yen that included verdicts of penalties and sanctions in Singapore and the U.S. (for details, see "Concerning the Decision by the Competition Commission of Singapore (CCS)," released by ELNA on January 9, 2018, and "Concerning the Verdict on Penalties Related to U.S. Antitrust Laws," released by ELNA on February 1, 2018) and attorney fees as reported in "Concerning Partial Revision to 'Financial Results for the Fiscal Year Ended in December 2017 [Japanese Standards] (Consolidated)' in Accordance with Matters Occurring after Revisions (Amendments / Numerical Data Amendments)," released by ELNA on February 22, 2018, ELNA entered insolvency of 906 million yen as of the last day of the fiscal year ended in December 2017, and entered a grace period for stock market delisting as stipulated by Article 601, Paragraph 1, Item 5 of the Securities Listing Regulations (Liabilities in excess of assets).

To address management issues under these circumstances, ELNA carried out a reorganization of its printed circuits business, which had sustained operating losses, as reported in "Notification Concerning Reorganization within the Group For the Purpose of Creating a Joint Venture in the Printed Circuit Board Business (Absorption-type Company Split with Subsidiary) and Capital Increase by Way of Third-Party Allotment Accompanying the Transfer of a Consolidated Subsidiary," released by ELNA on February 22, 2018.

In addition, to achieve early resolution of its insolvency through equity funding, ELNA implemented a capital increase by way of third-party allotment with TAIYO YUDEN as allottee, effective April 3, 2018 (hereafter "capital increase by TAIYO YUDEN"), in accordance with "TAIYO YUDEN Announces Agreement on Capital and Business Alliance with ELNA CO., LTD. and the Transfer of a Subsidiary through the Underwriting of a Capital Increase by Way of Third-Party Allotment," released by TAIYO YUDEN on February 26, 2018 and "Notice Concerning Capital and Business Alliance with TAIYO YUDEN CO., LTD., Issue of New Shares through Third-Party Allotment, and Transfer of Parent Company and Major Shareholders," released by ELNA on the same day, after which TAIYO YUDEN held 63.78% (rounded to the second decimal place; the same holds hereafter for percentages of voting rights held) of the total number of voting rights of ELNA. As a result, TAIYO YUDEN made ELNA, a company specialized in the capacitor business, primarily aluminum electrolytic capacitors, into a consolidated subsidiary.

However, the environment surrounding ELNA's business remained difficult following the capital increase by TAIYO YUDEN, and, as reported in "Notice Concerning the Recording of Non-Operating Expenses, Extraordinary Income, and Extraordinary Loss," released by ELNA on May 15, 2018, ELNA recorded an extraordinary loss of 2,457 million yen in its consolidated financial report for the first quarter of the fiscal year ending in December 2018; furthermore, as reported in "Notice Concerning the Recording of Extraordinary Loss (Non-Consolidated)," released by ELNA on June 28, 2018, ELNA recorded an extraordinary loss of 650 million yen as compensation to GLOBAL BRANDS MANUFACTURE LIMITED (the underwriter of the capital increase by way of third party allotment accompanying the transfer of a consolidated subsidiary in accordance with the conversion of ELNA's printed circuit to a joint venture as implemented in April 2018). Accordingly, ELNA's situation became considerably more severe than envisioned at the time that the capital increase by TAIYO YUDEN was considered, and, as reported in "Financial Results for the Second Quarter of the Fiscal Year Ending December 2018 [Japanese Standards] (Consolidated)," released by ELNA on August 10, 2018, ELNA's net assets reached a low level of 271 million yen as of the end of the second quarter of the fiscal year ending December 2018.

Furthermore, given the possibility of incurring additional loss of penalties related to anti-monopoly laws and, as reported in the quarterly report released by ELNA on August 10, 2018, including but not limited to expenses for civil suits related to the class actions suits raised in the U.S. and Canada, if further sweeping capital policies are not implemented, ELNA will become insolvent within the fiscal year ending in December

2018, and can be effectively expected to fall under the standards for delisting as prescribed by Article 601, Paragraph 1, Item 5 of the Securities Listing Regulations, and to become delisted.

Under these circumstances, and given that numerous negative impacts on the execution of ELNA's business (due to reduced trust from ELNA's business partners, banking partners, and other stakeholders; associated financing risks; and other factors) can be expected if ELNA becomes delisted, ELNA considered the possibility of implementing further revenue improvements, expense reductions in its capacitor business and other measures. However, given the severe situation faced by ELNA, avoiding insolvency in the fiscal year ending in December 2018 would be difficult through the management measures of ELNA on its own. Accordingly, ELNA investigated solutions, including the possibility of support from sources other than TAIYO YUDEN, from a variety of approaches. Despite this, as securing a source of support other than TAIYO YUDEN could weaken the collaboration in business operations based on the existing capital and business alliance with TAIYO YUDEN, would reduce synergies, and would create an impression in shareholders, business partners, and other stakeholders of dilution of the relationship between ELNA and TAIYO YUDEN with an undeniable chance of shaking stakeholders' confidence, there were strong concerns over the likelihood of negative impacts on ELNA's corporate value.

ELNA has performed a wide-ranging exploration of capital assistance and business collaboration partners, including increased investment from TAIYO YUDEN as noted above. Based on that past experience and the course of its investigations, and based on the fact that TAIYO YUDEN can be considered an indispensable partner from the standpoint of improving ELNA's corporate value, ELNA reached the decision that, in order to overcome the severe situation that the company faces, obtaining additional support from TAIYO YUDEN would be best from the viewpoint of maintaining and improving ELNA's corporate value. Accordingly, on August 20, 2018, ELNA made a request to TAIYO YUDEN to consider sweeping capital support that includes another increase in capital.

TAIYO YUDEN, for its part, considered the option of maintaining its position as a major shareholder of ELNA, an independent listed company. However, as a result of serious consideration of the probability of an inability to fully benefit from synergies based on a capital and business partnership with ELNA and of other negative impacts on the business of TAIYO YUDEN in the event of further deterioration of ELNA's business situation, TAIYO YUDEN determined that making ELNA a wholly owned subsidiary is necessary for further expansion of business. Furthermore, (1) making ELNA a wholly owned subsidiary would enable TAIYO YUDEN to accelerate reconstruction and renewal through the further promotion of greater management efficiency in ELNA and the execution of sweeping business structure reform; (2) TAIYO YUDEN can expect further expansion of sales as it will gain the ability to propose and agilely execute general sales strategies together with ELNA, with which it has complementary strengths in products and sales channels; and (3) TAIYO YUDEN can expect to enhance the reliability of creating synergies through rationalization by integrating business that overlap in the two companies, through cooperation in production and materials procurement, and through the sharing of technological and production expertise. For these reasons, TAIYO YUDEN has determined that making ELNA a wholly owned subsidiary of TAIYO YUDEN would be the best measure for contributing to the improved value of both companies. In addition, TAIYO YUDEN plans to implement a share exchange with ordinary shares of TAIYO YUDEN offered as consideration, and believes that, by holding ordinary shares of TAIYO YUDEN, ELNA shareholders will therefore be able to benefit from gains in the corporate value of the TAIYO YUDEN Group overall, including ELNA, following the share exchange.

For ELNA's part, it is predicted that avoiding insolvency in the fiscal year ending in December 2018 will be difficult through the management measures of ELNA on its own, and that loss of confidence would emerge in the event of delisting, leading to concerns over the possibility that the benefits of synergies gained so far

through the capital and business alliance with TAIYO YUDEN would not be fully realized. As such, ELNA has determined that its conversion to a consolidated subsidiary of TAIYO YUDEN as a result of a capital increase from TAIYO YUDEN was positively received directly by stakeholders such as the business partners of ELNA following the announcement of said increase, and foresees that if it is able to strengthen its relationship with TAIYO YUDEN by becoming a wholly owned subsidiary, the trust of its business partners will be further strengthened and the building of long-term and stable business relationships with partners will become possible. Furthermore, it will be possible to engage in overall optimal and speedy decision-making within the same Group, the fast sharing of sales channels and business expertise, and other actions that would be difficult to achieve without becoming a wholly owned subsidiary. In addition, ELNA believes that it will be able to obtain advantages such as more accurately assessing the needs of the capacitor market, and, based on that, improve product planning and sales capabilities by engaging in joint development and sales with the TAIYO YUDEN Group. Moreover, by implementing the share exchange, the minority shareholders of ELNA will become shareholders of TAIYO YUDEN and will therefore be able to benefit from gains in the corporate value of the TAIYO YUDEN Group overall, including ELNA.

By uniting as one with the aim of achieving the management vision of the TAIYO YUDEN Group – "To be an excellent company that enjoys the trust and highest regards from our customers" – TAIYO YUDEN and ELNA hope to meet the expectations of TAIYO YUDEN shareholders, including the ELNA shareholders who will acquire ordinary shares of TAIYO YUDEN in accordance with the share exchange.

II. Summary of the Share Exchange

1. Schedule for the share exchange

Date of Board of Directors resolutions on entering the share exchange agreement (both companies)	September 28, 2018
Date of entering the share exchange agreement	September 28, 2018
Date of public notice of Extraordinary General Meeting of Shareholders date of record	October 5, 2018 (scheduled)
Extraordinary General Meeting of Shareholders date of record (ELNA)	October 20, 2018 (scheduled)
Date of Extraordinary General Meeting of Shareholders resolution approving the share exchange agreement	December 4, 2018 (scheduled)
Final day of trading (ELNA)	December 25, 2018 (scheduled)
Date of delisting (ELNA)	December 26, 2018 (scheduled)
Effective date of the share exchange	January 1, 2019 (scheduled)

Note 1: The above schedule may be changed through agreement by both companies as necessary, in accordance with progress in procedures for the share exchange, etc. Any changes to the above schedule will be promptly disclosed.

Note 2: TAIYO YUDEN plans to carry out the share exchange in accordance with the procedures for simplified share exchange based on the provisions of Article 796, Paragraph 2 of the Companies Act, without obtaining approval at a General Meeting of Shareholders.

2. Method for the Share Exchange

Based on the share exchange agreement that was entered into effective today, the share exchange will make TAIYO YUDEN the wholly-owning parent company in the share exchange and make ELNA a wholly owned subsidiary in the share exchange. The share exchange is scheduled to be performed with effective date of January 1, 2019, by TAIYO YUDEN in accordance with the procedures for simplified share exchange based on the provisions of Article 796, Paragraph 2 of the Companies Act, without obtaining approval at a General

Meeting of Shareholders; and to be performed by ELNA with approval of the share exchange by an Extraordinary General Meeting of Shareholders scheduled to be held on December 4, 2018.

In establishing consideration for the share exchange, as noted in III.4. "Measures to Ensure Impartiality," III.5. "Measures to Avoid Conflicts of Interest," and VIII. "Matters Concerning Transactions with Controlling Shareholders, etc." below, full consideration will be given to the shareholders of ELNA, with appropriate measures taken to ensure fairness and avoid conflicts of interest, measures taken to protect minority shareholders when performing transactions with controlling shareholders, etc.

3. Details of Allotments Involved in the Share Exchange

Name	TAIYO YUDEN (wholly-owning parent company in the share exchange)	ELNA (wholly-owned subsidiary in the share exchange)
Details of allotments involved in the share exchange	1	0.025 (prior to consolidation of shares)
		0.250 (following consolidation of shares)
Number of shares to be granted in the share exchange	Ordinary shares of TAIYO YUDEN: 1,306,334 shares (scheduled)	

Note 1: Consolidation of shares by ELNA

In accordance with the "Notice Concerning Change to the Number of Shares Constituting One Unit of Stock, Consolidation of Stock, and Partial Change to the Articles of Incorporation" released on April 26, 2018, prior to the effective date of the share exchange and effective October 1, 2018, ELNA intends to carry out a 10-to-1 consolidation of shares held by shareholders registered in the final record of shareholders as of September 30, 2018 (hereafter "the consolidation of shares").

Accordingly, the allotment ratio in the share exchange in the table above lists both the allotment ratio based on the stock value of ELNA prior to the consolidation of shares, and the allotment ratio based on the stock value of ELNA after the consolidation of shares.

Note 2: Allotment ratio of shares

For 1 ordinary share of ELNA after consolidation of shares, 0.250 ordinary shares of TAIYO YUDEN (hereafter, "the share exchange ratio") will be allocated and granted. However, allotment of the 91,924,000 ordinary shares of ELNA held by TAIYO YUDEN (as of June 30, 2018) will not be carried out under the share exchange.

In the event that circumstances that would have major impact on the above share exchange ratio have arisen or have been identified, the share exchange ratio may be modified following discussion by both companies.

Note 3: Number of shares to be allocated and granted through the share exchange

In connection with the share exchange, TAIYO YUDEN will grant 1,306,334 ordinary shares (scheduled) of TAIYO YUDEN, which is 0.250 times the total number of ordinary shares of ELNA held by shareholders immediately following the effective date of the consolidation of shares, to all shareholders of ELNA (excluding TAIYO YUDEN) who are shareholders immediately prior to the time (hereafter "the time of record") when TAIYO YUDEN acquires all the outstanding shares of ELNA (excluding shares of ELNA held by TAIYO YUDEN) through the share exchange. However, the TAIYO YUDEN ordinary shares to be granted are scheduled to be appropriated from the treasury shares owned by TAIYO YUDEN (2,632,328 shares as of June 30, 2018), and no new issue of shares is planned. The above number of shares to be granted by TAIYO YUDEN is calculated with reference to the consolidation ratio for consolidation of shares, based on the 52,253,381 shares

obtained by subtracting the treasury shares owned by ELNA (26,077 shares) and the ordinary shares of ELNA held by TAIYO YUDEN (91,924,000 shares) from the total number of issued shares of ELNA as of June 30, 2018 (144,203,458 shares). The number of shares allocated and granted through the share exchange may be revised in the future due to reasons including the retirement of treasury shares that will be acquired by ELNA through lawful means such as the right of dissenting shareholders to demand the purchase of shares, and demands to purchase shares constituting less than one unit from holders of said shares.

In addition, by resolution of a Board of Directors meeting held by the day before the effective date of the share exchange, ELNA plans to retire all treasury shares that it holds at the time of the resolution and all treasury shares that it will hold by the time of record (including treasury shares to be acquired in accordance with demands to purchase the shares of dissenting shareholders, executed in conjunction with the share exchange, as stipulated in Article 785, Paragraph 1 of the Companies Act).

Note 4: Handling of shares constituting less than one unit of stock

Shareholders newly holding shares of TAIYO YUDEN constituting less than one unit (i.e., fewer than 100 shares) are expected to arise following the share exchange. For shareholders who hold shares constituting less than one unit of stock of TAIYO YUDEN, shares constituting less than one unit of stock cannot be sold on stock exchanges. However, in accordance with Article 192, Paragraph 1 of the Companies Act, it is possible for those shareholders to sell their shares by demanding that TAIYO YUDEN purchase their held shares constituting less than one unit. For details, inquire to the TAIYO YUDEN administrator of the record of shareholders (Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.) or the transacting securities company (if using a securities depository program). No program for purchasing that targets shares constituting less than one unit is implemented.

Note 5: Handling of fractional shares of stock

In connection with the share exchange, with respect to shareholders of ELNA who receive allocation of a fractional share of TAIYO YUDEN stock, money equivalent to the amount obtained by multiplying the fair value per ordinary share of TAIYO YUDEN by the relevant fraction, rounding up to the nearest 1 yen, will be granted in accordance with the provisions of Article 234 of the Companies Act and other relevant laws and regulations. Here, "fair value per ordinary share of TAIYO YUDEN" will refer to the closing price at the end of trading of TAIYO YUDEN ordinary shares on the Tokyo Stock Exchange on the trading day prior to the effective date of the share exchange (or, if a closing price does not exist on said trading day prior to the effective date, then the closing price on the last trading day for which said closing price exists (limited to dates prior to the effective date of the share exchange); the same will apply hereafter).

4. Handling of Subscription Rights to Shares and Bonds with Subscription Rights to Shares under the Share Exchange

ELNA plans to acquire all subscription rights to shares issued by ELNA from the holders of said rights, at no charge, and to subsequently retire those rights, effective as of the time of record.

ELNA does not issue bonds with subscription rights to shares.

III. Grounds for Calculation of the Details of Allotments Involving the Share Exchange

1. Grounds and reasons for the details of the allotments

In order to ensure fairness and validity in calculating the share exchange ratio noted in II.3 "Details of Allotments Involved in the Share Exchange" above, TAIYO YUDEN and ELNA separately requested calculation of the share exchange ratio by independent third parties. As third parties performing the calculation, TAIYO YUDEN selected SMBC Nikko Securities Inc. (hereafter "SMBC Nikko Securities"), and ELNA

selected AGS Consulting Co., Ltd. (hereafter "AGS Consulting").

As noted in III.4 "Measures to Ensure Impartiality" below, based on a calculation report concerning the share exchange ratio received from the third-party calculation body SMBC Nikko Securities on September 27, 2018 and based on counsel received from TMI Associates, and after careful deliberation and examination, TAIYO YUDEN determined that the share exchange ratio is appropriate and is not detrimental to the interests of shareholders, and accordingly deemed performance of the share exchange at said share exchange ratio to be appropriate

As noted in III.4 "Measures to Ensure Impartiality" below, ELNA conducted careful deliberation and examination based on a calculation report concerning the share exchange ratio received from the third-party calculation body AGS Consulting on September 27, 2018, on counsel received from the legal firm Abe, Ikubo & Katayama, and on a report received on September 27, 2018 from a third-party committee (composed of members who do not have vested interests with the controlling shareholders TAIYO YUDEN and ELNA; details are as noted in III.5 "Measures to Avoid Conflicts of Interest" below) on the question of whether the share exchange would be disadvantageous to minority shareholders of ELNA. As a result, the share exchange ratio was agreed upon through full deliberation with the third-party committee and repeated negotiations with TAIYO YUDEN by directors who do not hold vested interests, and ELNA determined that the share exchange ratio of ELNA is a value taken from the upper limit of the calculated range under the discounted cash flow method (hereafter "the DCF method") used by AGS Consulting as noted in III.2.(2) "Overview of Calculations" below; and that, given that ELNA is expected to be insolvent at the end of the fiscal year ending in December 2018 as noted in I. "Purpose and Reason for Conversion of ELNA into a Wholly-Owned Subsidiary through the Share Exchange" above, the share exchange ratio calculated using the DCF method based on detailed business plans is recognized as more rational than the market share price method. From this, ELNA determined that the share exchange ratio is appropriate in light of the results of calculation by the third-party calculation body AGS Consulting, and, having reviewed the report by the third-party committee while receiving counsel from legal advisors, determined that the share exchange ratio is not detrimental to the interests of the shareholders of ELNA, and accordingly deemed performance of the share exchange under said share exchange ratio to be appropriate.

In addition to the above, TAIYO YUDEN and ELNA, comprehensively taking into account factors including both companies' financial status, asset status, and future outlook, determined through negotiations and deliberations that the share exchange is appropriate and will not be detrimental to the interests of the shareholders of either company, and accordingly entered into an agreement on the share exchange, including the share exchange ratio, based on the resolutions of the Board of Directors meetings conducted today by both companies.

In the event of major change in the conditions that form the basis for calculation, the share exchange ratio may be modified under the share exchange agreement following deliberation between the two companies.

2. Matters Concerning Calculation

(1) Names of the Calculating Bodies and Relationships with the Two Companies

SMBC Nikko Securities, the calculation body for TAIYO YUDEN, and AGS Consulting, the calculation body for ELNA, are both independent from TAIYO YUDEN and ELNA, do not correspond to related parties of TAIYO YUDEN or ELNA, and do not have significant vested interests that should be noted with respect to the share exchange.

(2) Overview of Calculations

As ordinary shares of TAIYO YUDEN are listed on the Tokyo Stock Exchange and has a market share price, SMBC Nikko Securities performed calculations using the market share price method (with calculations based on the arithmetic average of closing value for 1-month, 3-month, and 6-month periods, retroactive from

September 27, 2018, the calculation date of record).

As ordinary shares of ELNA are listed on the Tokyo Stock Exchange and has a market share price, SMBC Nikko Securities performed calculations using the market share price method (with calculations based on the arithmetic average of closing value for 1-month, 3-month, and 6-month periods, retroactive from September 27, 2018, the calculation date of record), and used the DCF method to reflect valuation of future business performance.

The valuation range, taking the price of one ordinary share of TAIYO YUDEN under each valuation method as 1, is as follows.

Method adopted	Result of share exchange ratio calculation (after consolidation of shares)
Market share price method	0.300–0.350
DCF method	0.198–0.391

In calculating the above share exchange ratio, SMBC Nikko Securities used information provided from the two companies, publicly disclosed information, etc. on the assumption that all such documents, information, etc., are accurate and complete, and has not independently verified the accuracy or completeness of these. In addition, the company has not conducted independent evaluations, appraisals, or valuations of the assets and liabilities (including contingent liabilities) of TAIYO YUDEN, ELNA, or affiliated companies of these, including analysis and evaluation of individual assets or liabilities, and has not requested appraisal or evaluation from any third party. The share exchange ratio calculation by SMBC Nikko Securities reflects information and economic conditions current as of September 27, 2018. Additionally, it is assumed that the business plans of ELNA have been rationally considered and prepared by the senior management of the company, based on the best forecasts and judgment possible at the time. Moreover, the results of share exchange ratio calculation by SMBC Nikko Securities are not an expression of opinion on the fairness of the share exchange ratio in the share exchange.

ELNA's business plans, which SMBC Nikko Securities received from ELNA as a premise for calculations under the DCF method, include business years for which significant earnings fluctuations are forecast. Specifically, in the fiscal year ending in December 2018, ELNA forecasts impacts including an extraordinary loss of about 3.1 billion yen due to penalties and attorney expenses related to anti-monopoly law, and a net loss for the period of about 4.3 billion yen. For the fiscal year ending in December 2019, ELNA forecasts a reduction in the loss related to anti-monopoly law, increased sales, and an improved profit margin, leading to improvement in net loss for the period to about 600 million yen. In addition, amid forecasts for continued increases in sales and improvements in profit margin, and due to the end of payments related to anti-monopoly law, ELNA forecasts net income for the fiscal year ending in December 2020 to improve to about 900 million yen.

These business plans do not presume the execution of the share exchange.

Similarly, as ordinary shares of TAIYO YUDEN are listed on the Tokyo Stock Exchange and has a market share price, AGS Consulting performed calculations using the market share price method (with calculations based on the arithmetic average of closing value for 1-month, 3-month, and 6-month periods, retroactive from September 27, 2018, the calculation date of record).

As ordinary shares of ELNA are listed on the Tokyo Stock Exchange and has a market share price, AGS Consulting performed calculations using the market share price method (with calculations based on the arithmetic average of closing value for 1-month, 3-month, and 6-month periods, retroactive from September 27, 2018, the calculation date of record), and used the DCF method to reflect valuation of future business

performance.

The valuation range, taking the price of one ordinary share of TAIYO YUDEN under each valuation method as 1, is as follows.

Method adopted	Result of share exchange ratio calculation (after consolidation of shares)
Market share price method	0.300–0.350
DCF method	0.160–0.287

In calculating the above share exchange ratio, AGS Consulting used information provided from the two companies, publicly disclosed information, etc. on the assumption that all such documents, information, etc., are accurate and complete, and has not independently verified the accuracy or completeness of these. In addition, the company has not conducted independent evaluations, appraisals, or valuations of the assets and liabilities (including contingent liabilities) of TAIYO YUDEN, ELNA, or affiliated companies of these, including analysis and evaluation of individual assets or liabilities, and has not requested appraisal or evaluation from any third party. The share exchange ratio calculation by AGS Consulting reflects information and economic conditions current as of September 27, 2018. Additionally, it is assumed that the business plans of ELNA have been rationally considered and prepared by the senior management of the company, based on the best forecasts and judgment possible at the time.

Under the DCF method, AGS Consulting evaluates corporate value and share value by discounting the free cash flow that ELNA is projected to generate in the future by a fixed discount rate, based on financial forecasts taking into account factors, including business plans provided by ELNA for the fiscal year ending in December 2018 to the fiscal year ending in December 2021, the company's most recent business performance trends, and publicly disclosed information. Specifically, AGS Consulting uses a discount rate of 5.93% to 6.93%, calculates going-concern value using the perpetuity growth method with the perpetuity growth rate valued at 0%, and calculates a share exchange ratio of 0.160-0.287.

ELNA's business plans, which form the premise for AGS Consulting's calculations under the DCF method, include business years for which significant earnings fluctuations are forecast. Specifically, in the fiscal year ending in December 2018, ELNA forecasts impacts including an extraordinary loss of about 3.1 billion yen due to penalties and attorney expenses related to anti-monopoly laws, and a net loss for the period of about 4.3 billion yen. In the fiscal year ending in December 2019, ELNA forecasts a reduction in the loss related to anti-monopoly laws, increased sales, and an improved profit margin, leading to improvement in net loss for the period to about 600 million yen. In addition, amid forecasts for continued increases in sales and improvements in profit margin, and due to the end of payments related to anti-monopoly laws, ELNA forecasts net income for the fiscal year ending in December 2020 to improve to about 900 million yen.

These business plans do not presume the execution of the share exchange.

Specific values in the business plans that form the premise for calculations under the DCF method are as follows.

	Period ending December 2018	Period ending December 2019	Period ending December 2020	Period ending December 2021
Net sales	18,260	16,332	19,696	23,096
Operating income	(175)	1,088	1,408	1,878
EBITDA	624	1,739	2,192	2,770
Free cash flows	(5,110)	(925)	(222)	1,060

(Millions of yen)

3. Likelihood of and Reasons for Delisting

Through the share exchange, ELNA will become a wholly owned subsidiary of TAIYO YUDEN as of the effective date (scheduled for January 1, 2019). In accordance with the Criteria for Delisting of the Tokyo Stock Exchange and after the prescribed procedures have been completed, ordinary shares of ELNA are scheduled to be delisted effective December 26, 2018 (with December 25, 2018 the last day of trading).

Following the delisting, trading of ordinary shares of ELNA on the Tokyo Stock Exchange will not be possible. However, as the ordinary shares of TAIYO YUDEN allotted to ELNA shareholders through the share exchange will be listed on the Tokyo Stock Exchange, those shareholders who have received an allotment of 100 or more ordinary shares of TAIYO YUDEN (the number of shares constituting one unit) through the share exchange, despite possibly receiving an allotment partially composed of shares less than the number constituting one unit in accordance with the number of shares held, will be able to continue trading shares of 1 or more unit on the stock exchange, which will offer stock liquidity.

However, ELNA shareholders who will receive an allotment of ordinary shares of TAIYO YUDEN composed of less than the number of shares constituting one unit will become holders of shares less than one unit through the share exchange. The shares constituting less than one unit cannot be sold on stock markets, but it is possible to sell these by requesting that TAIYO YUDEN purchase the shares constituting less than one unit. See Note 4: "Handling of shares constituting less than one unit of stock" in II.3. above for details of handling.

For details of the handling of fractions of less than one share, see Note 5: "Handling of fractional shares of stock" in II.3. above.

Until the last day of trading on December 25, 2018 (scheduled), regular shareholders of ELNA can conduct normal trading of their ordinary shares of ELNA on the Tokyo Stock Exchange, and can exercise their legal rights prescribed in the Companies Act and other related laws and ordinances.

4. Measures to Ensure Impartiality

As TAIYO YUDEN already holds 91,924 voting rights in ELNA (a 63.78% proportion of voting rights held) and as ELNA corresponds to a consolidated subsidiary of TAIYO YUDEN, it has been determined that there is a need to ensure fairness in the share exchange ratio of the share exchange. The measures below were implemented to ensure fairness.

(1) Acquisition of the Share Exchange Ratio Calculation Report from the Independent Third-Party Calculation Bodies

TAIYO YUDEN selected SMBC Nikko Securities, a third-party calculation body independent of TAIYO YUDEN and ELNA, and obtained a calculation report for the share exchange ratio dated September 27, 2018. For an overview of the calculation report, see "Overview of Calculations" in III.2.(2) above.

Conversely, ELNA selected AGS Consulting, a third-party calculation body independent of TAIYO YUDEN and ELNA, and obtained a calculation report for the share exchange ratio dated September 27, 2018. For an overview of the calculation document, see "Overview of Calculations" in III.2.(2) above.

Neither TAIYO YUDEN nor ELNA has obtained from its respective third-party calculation body a statement of opinion to the effect that the share exchange ratio in the share exchange is valid and fair from a financial viewpoint.

(2) Advice from Independent Law Offices

As legal advisors for the share exchange, TAIYO YUDEN appointed TMI Associates and ELNA appointed Abe, Ikubo & Katayama, from which the companies respectively receive counsel from legal perspectives on procedures, decision-making methods and processes, etc. in the share exchange. TMI Associates and Abe, Ikubo & Katayama are both independent of TAIYO YUDEN and ELNA, and do not have significant vested interests with the companies.

5. Measures to Avoid Conflicts of Interest

As TAIYO YUDEN already holds 63.75% of all issued shares of ELNA (91,924 voting rights, or a 63.78% proportion of voting rights) and as ELNA corresponds to a subsidiary of TAIYO YUDEN, in addition to enacting the measures in "Measures to Ensure Impartiality" in III.4. above, the following measures are being enacted to avoid conflicts of interest.

(1) Acquisition of a Report from a Third-Party Committee without Vested Interests in ELNA

In order to prevent the share exchange from taking place under terms that are disadvantageous to minority shareholders, on August 31, 2018, ELNA established a third-party committee consisting of three persons (hereinafter "the third-party committee"): Osamu Higuchi, an independent outside director of ELNA, and Yukito Kato, an outside corporate auditor, who do not have vested interests with TAIYO YUDEN, the controlling shareholder of ELNA; and Kentaro Shibata, an attorney with Shibata, Suzuki & Nakada and an external expert who does not have vested interests with either TAIYO YUDEN or ELNA. In considering the share exchange, ELNA requested counsel from the third-party committee on (i) whether the purpose of the share exchange is valid, (ii) whether the share exchange ratio and other terms of the share exchange are suitable, (iii) whether the negotiation process and other procedures in the share exchange are fair, and (iv) whether, based on (i) to (iii), the share exchange is disadvantageous to the minority shareholders of ELNA.

The third-party committee convened a total of six times between August 31, 2018 and September 26, 2018, and also engaged in collection of information, held deliberations as required, and conducted a serious investigation of the above matters for counsel. In the investigations, the third-party committee received explanations from ELNA on the purpose of the share exchange, the background leading to the share exchange, the thinking of ELNA and TAIYO YUDEN concerning the share exchange, the content and performance of ELNA's business, details of ELNA's corporate value, its financial situation, and the outlook for its continuity as a company absent the premise of the share exchange (including the possibility of alternate measures instead of the share exchange). The third-party committee received briefings on the negotiation process and the decision process concerning terms of the share exchange (including the share exchange ratio), and also received an explanation of the valuation of the share exchange ratio in the share exchange from AGS Consulting. In addition, the third-party committee received briefings from Abe, Ikubo & Katayama, the legal advisor to ELNA, concerning measures to ensure the fairness of procedural aspects of the share exchange, methods and processes for decision-making involving the share exchange by ELNA's Board of Directors, and the details of other methods for avoiding conflict of interests. The third-party committee submitted a report, dated September 27, 2018, to the Board of Directors of ELNA, stating that, given the relevant details and based on the briefings, calculation results, and other investigative materials, the resolution by the ELNA Board of Directors to carry out the share exchange is not disadvantageous to minority shareholders of ELNA.

For an overview of the opinions of the third-party committee, see "Overview of the Opinions Obtained from Parties without Vested Interests in the Controlling Shareholder Stating that the Transactions, etc. Are Not Disadvantageous to Minority Shareholders" in VIII.3. below.

(2) Approval by all ELNA Directors and Corporate Auditors, excepting Directors and Corporate Auditors with vested interests

Among the Directors of ELNA, Akihiko Mochizuki resigned from TAIYO YUDEN less than five years ago, and Tomomitsu Fukuda serves concurrently as a Senior Operating Officer of TAIYO YUDEN. Accordingly, from the perspective of avoiding conflicts of interests, they do not participate in the deliberations and resolutions by ELNA's Board of Directors concerning the share exchange, and do not participate in consultations and negotiations on the share exchange with TAIYO YUDEN from a standpoint with ELNA. The proposal for the share exchange in the Board of Directors of ELNA was approved through the unanimous agreement of three of the five Board of Directors Members (excluding the above Akihiko Mochizuki and

Tomomitsu Fukuda). In deliberation on the proposal, all three of ELNA's Corporate Auditors attended the meeting and unanimously expressed the opinion that they have no objection to the enactment of the share exchange.

IV. Overview of the Companies Involved in the Share Exchange (as of June 30, 2018, unless specified otherwise)

	TAIYO YUDEN (wholly-owning parent company in the share exchange)	ELNA (wholly-owned subsidiary in the share exchange)
(1) Name	TAIYO YUDEN CO., LTD.	ELNA CO., LTD.
(2) Location	2-7-19 Kyobashi, Chuo-ku, Tokyo, Japan	3-8-11 Shin-Yokoyama, Kohoku- ku, Yokohama-shi, Kanagawa, Japan
(3) Name and position of Representative	Shoichi Tosaka, President and Chief Executive Officer	Akihiko Mochizuki, President
(4) Main operations	Manufacturing and sales of electronic parts (capacitors, ferrite and applied products, integrated devices, etc.	Manufacturing and sales of electronic parts (capacitors)
(5) Capital	23,557 million yen	6,511 million yen
(6) Date of establishment	March 23, 1950	May 25, 1937
(7) Number of issued shares	120,481,395 shares	144,203,458 shares
(8) Fiscal year	Fiscal year ending on last day of March	Fiscal year ending on last day of December
(9) Number of employees	19,011 (as of March 31, 2018/ on consolidated basis)	2,555 (as of December 31, 2017/ on consolidated basis)
(10) Major business partners	Domestic and foreign corporations manufacturing telecommunications equipment, computers, AV devices, automotive-related devices, etc.	Domestic and foreign corporations manufacturing automotive-related devices, etc.
(11) Major financing banks	Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd The Iyo Bank, Ltd. The Gunma Bank, Ltd.	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd The Bank of Yokohama, Ltd.
(12) Major shareholders and shareholding ratio (The shareholding ratio of TAIYO YUDEN is calculated with treasury stock excluded, with March 31, 2018 as reference date)	The Master Trust Bank of Japan, Ltd. (Trust Account) 20.11%	TAIYO YUDEN CO., LTD. 63.75%
	Japan Trustee Services Bank, Ltd. (Trust Account) 9.83%	Nantong Jianghai Capacitor Co., Ltd. 7.38%
	Japan Trustee Services Bank, Ltd. (Trust Account 9) 6.10%	Hakuto Co., Ltd. 1.21%
	Sumitomo Mitsui Banking Corporation 3.39%	JAPAN SECURITIES FINANCE CO., LTD. 1.09%
	Trust & Custody 3.29%	Mizuho Bank, Ltd. 0.87%

	Services Bank, Ltd. (securities Investment Trust Account)		
	The Iyo Bank, Ltd. (standing proxy: Trust & Custody Services Bank, Ltd.)	2.54%	Hiroaki Fujiki 0.42%
	Sato Traffic Orphan Welfare Fund	1.62%	Araki Industry Co., Ltd. 0.41%
	GOLDMAN, SACHS & CO. REG (standing proxy: Goldman Sachs Japan Co., Ltd.)	1.49%	Yoshiharu Shingyoji 0.35%
	Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.45%	Atsushi Oinuma 0.32%
	Nippon Life Insurance Company (standing proxy: The Master Trust Bank of Japan, Ltd)	1.41%	Takeshi Yoshida 0.31%

(13) Relationship between the companies involved

Capital relationship	TAIYO YUDEN holds 91,924,000 ordinary shares of ELNA (63.78% of voting rights) and is the parent company of ELNA.
Personal relationship	As of September 28, 2018, one Senior Operating Officer of TAIYO YUDEN serves concurrently as a Director of ELNA.
Business relationship	TAIYO YUDEN sells the products of ELNA.
Whether it is deemed as related party	TAIYO YUDEN is the parent company of ELNA, and TAIYO YUDEN and ELNA correspond to mutually related parties.

(14) Operating results and financial status for the most recent 3-year period (unit: million yen, unless specified otherwise)

Accounting period	TAIYO YUDEN			ELNA		
	Period ended March 2016	Period ended March 2017	Period ended March 2018	Period ended December 2015	Period ended December 2016	Period ended December 2017
Consolidated net assets	153,381	154,150	170,118	1,703	791	(906)
Consolidated total assets	268,380	271,149	289,135	24,873	25,382	22,734
Net assets per share (yen)	1,299.75	1,305.96	1,440.79	29.67	13.58	(13.82)
Consolidated net sales	240,385	230,716	244,117	30,842	28,542	27,075
Consolidated operating income	23,370	12,385	20,221	344	790	350
Consolidated ordinary income (loss)	22,263	11,200	20,553	(477)	(285)	(645)
Net income attributable to owners of parent company	14,751	5,428	16,355	(1,975)	(1,145)	(2,410)
Consolidated net income (loss) per share (yen)	125.27	46.08	138.80	(46.73)	(20.23)	(37.69)
Dividend per share (yen)	15.00	20.00	20.00	—	—	—

V. Status Following the Share Exchange

	wholly-owning parent company in the share exchange
(1) Name	TAIYO YUDEN CO., LTD.
(2) Location	2-7-19 Kyobashi, Chuo-ku, Tokyo, Japan
(3) Name and position of Representative	Shoichi Tosaka, President and Chief Executive Officer
(4) Main operations	Manufacturing and sales of electronic parts (capacitors, ferrite and applied products, integrated devices, etc.
(5) Capital	23,557 million yen
(6) Fiscal year	Fiscal year ending on last day of March
(7) Consolidated net assets	Not finalized at present
(8) Consolidated total assets	Not finalized at present

VI. Overview of Accounting Practices

The share exchange corresponds to a "common control transaction" in "Accounting Standards for Business Combinations (ASBJ Statement No.21)," and goodwill (or a gain on negative goodwill) is not expected to arise.

VII. Future Prospects

As ELNA is a consolidated subsidiary of TAIYO YUDEN, the impact of the share exchange on the performance of TAIYO YUDEN is expected to be negligible.

VIII. Matters Concerning Transactions with Controlling Shareholders, etc.

1. Applicability of transactions with controlling shareholders, etc., and the state of compliance with guiding principles on measures to protect minority shareholders

As TAIYO YUDEN is a controlling shareholder that holds 91,924,000 ordinary shares of ELNA (63.78% of voting rights), the share exchange corresponds to a transaction with a controlling shareholder, etc. for ELNA. In the "Guiding Principles Concerning Measures to Protect Minority Shareholders when Conducting Transactions with Controlling Shareholders" included in the Corporate Governance Report released on September 28, 2018, ELNA states that it has conducted sufficient deliberation and negotiation concerning pros and cons, terms, etc. in order to prevent undue harm to the rights of minority shareholders, and that it is striving to ensure fairness in work, independence through the preservation of autonomy, and protection of minority shareholders, in accordance with laws and ordinances including the Companies Act and the Financial Instruments and Exchange Act, and in accordance with ELNA's internal rules.

Regarding the share exchange, as noted in III.4. "Measures to Ensure Impartiality" and III.5. "Measures to Avoid Conflicts of Interest" above, ELNA intends to determine the share exchange ratio after enacting measures to ensure fairness and avoid conflicts of interest, and to carry out the share exchange. Accordingly, the company believes that the share exchange complies with ELNA's "Guiding Principles Concerning Measures to Protect Minority Shareholders when Conducting Transactions with Controlling Shareholders" above.

2. Matters Concerning Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

As noted in VIII.1. "Applicability of transactions with controlling shareholders, etc., and the state of compliance with guiding principles on measures to protect minority shareholders" above, the share exchange corresponds to a transaction with a controlling shareholder, etc. for ELNA. Accordingly, ELNA determined that measures to ensure fairness and measures to avoid conflicts of interest are necessary, conducted serious deliberations and investigations on terms of the share exchange in meetings of its Board of Directors, and made a decision on the

share exchange after ensuring fairness and avoiding conflicts of interest by enacting the measures noted in III.4. "Measures to Ensure Impartiality" and III.5. "Measures to Avoid Conflicts of Interest" above.

3. Overview of the Opinions Obtained from Parties without Vested Interests in the Controlling Shareholder Stating that the Transactions, etc. Are Not Disadvantageous to Minority Shareholders

As noted in III.5. "Measures to Avoid Conflicts of Interest" above, ELNA established a third-party committee to prevent the share exchange from being carried out under terms that are disadvantageous to minority shareholders. ELNA consulted with the third-party committee on the questions of (i) whether the purpose of the share exchange is valid, (ii) whether the share exchange ratio and other terms of the share exchange are suitable, (iii) whether the negotiation process and other procedures in the share exchange are fair, and (iv) whether, based on (i) to (iii), the share exchange is disadvantageous to the minority shareholders of ELNA.

As a result, ELNA obtained from the third-party committee a report stating, with regard to (i) above, (1) that, given the existing and potential added losses related to anti-monopoly laws, ELNA would become insolvent in the fiscal year ending in December 2018 and would fall under standards for delisting if sweeping capital measures are not implemented, and that delisting can effectively be expected; (2) that avoiding said insolvency would be difficult through the management measures of ELNA on its own, and that management support from a third party is indispensable; (3) that ELNA also considered the option of obtaining support from a third party other than its parent company, TAIYO YUDEN, but considered that this would likely weaken synergies through the capital and business alliance with TAIYO YUDEN and have negative impacts on ELNA's corporate value, with an undeniable chance of shaking the confidence of business partners and other stakeholders; (4) that, with TAIYO YUDEN as the provider of support, further strengthening of business partners' confidence can be expected and fast sharing of business partner sales channels and business knowledge, improvements to product planning and sales capabilities, and other merits can be obtained, and, accordingly, that obtaining further support from TAIYO YUDEN is best in terms of maintaining and improving ELNA's corporate value; and (5) that by selecting conversion to wholly owned subsidiary through the share exchange as the method for support from TAIYO YUDEN, ELNA's minority shareholders would become TAIYO YUDEN shareholders and would be able to benefit from gains in the corporate value of the TAIYO YUDEN Group overall, including ELNA, which the committee considers to be valid as the purpose for carrying out the share exchange; and, with regard to (ii) above, (1) that, in the calculation report by AGS Consulting on the share exchange dated September 27, 2018, taking the price of 1 ordinary share of TAIYO YUDEN as 1, the share exchange ratio is calculated as 0.300-0.350 under the market share price method and 0.160-0.287 under the DCF method, and, in briefings conducted by AGS Consulting to the third-party committee, no particular unreasonable points were recognized in calculating this share exchange ratio, and the share exchange ratio is within the range of the share exchange ratio calculation results under the DCF method in AGS Consulting's calculations; (2) that, in variables including those in ELNA's business plans (from the fiscal year ending in December 2018 to the fiscal year ending in December 2021) that formed the premise for AGS Consulting's calculation of ELNA's share price, no unreasonable points, such as calculations premised on an unreasonably low share exchange ratio, were recognized; (3) that the share exchange ratio was determined after the enactment of measures to avoid conflicts of interest and following multiple deliberations and negotiations by ELNA to raise the share exchange ratio as a party independent from TAIYO YUDEN; (4) that, as the share exchange ratio was determined with all due consideration given to preventing the occurrence of ELNA shareholders who become holders of shares less than one unit of stock of TAIYO YUDEN, the ratio can be viewed as considerate of the interests of minority shareholders; and (5) that, as due diligence on TAIYO YUDEN did not uncover matters that would have a major impact on the share exchange ratio, the share exchange ratio is suitable, and the committee does not recognize irrationality in the share exchange ratio or in the terms of the share exchange set forth in the share exchange agreement, the committee considers the agreement to be reasonable; and, with regard to (iii) above, (1) that ELNA engaged in deliberations and negotiations with TAIYO YUDEN to raise the share exchange ratio, with value placed on the content of

discussions and investigations in meetings of the third-party committee; (2) that, in considering the share exchange ratio and in determining opinions on the share exchange, ELNA received a calculation report on the share exchange ratio from AGS Consulting, a third-party calculation body independent from ELNA and TAIYO YUDEN; (3) that, in order to exclude arbitrariness from the decision-making process concerning the share exchange and to ensure fairness, transparency, and objectivity in ELNA's decision-making process, ELNA established a third-party committee and sought counsel through deliberations in a total of 6 meetings; (4) that ELNA received legal advice from ELNA's legal advisor Abe, Ikubo & Katayama, a legal firm independent of ELNA and TAIYO YUDEN, regarding points of note in the decision-making process concerning the share exchange and other decision-making concerning the share exchange; and (5) that of the Directors of ELNA, Akihiko Mochizuki, who has a background with TAIYO YUDEN, and Tomomitsu Fukuda, who serves concurrently as an executive of TAIYO YUDEN, have not participated in any deliberations on issues concerning the ELNA Board of Directors' investigation of the share exchange, do not intend to participate in deliberations and resolutions of the Board of Directors meeting scheduled to be held on September 28, 2018 concerning entry into the share exchange agreement, and are not participating in investigation into the share exchange or in deliberations and negotiations with TAIYO YUDEN concerning the share exchange from ELNA's standpoint, and thus that the negotiation process and other procedures of ELNA in the share exchange can be considered fair; and, with regard to (iv) above, that, as a result of comprehensive consideration of the factors in (i) to (iii), the committee considers the share exchange as not detrimental to the minority shareholders of ELNA.

– end –

(For reference) Consolidated results forecasts and consolidated results for the previous fiscal year
TAIYO YUDEN

	(Millions of yen)			
	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company
Year ending March 31, 2019 (Forecast announced August 6, 2018)	260,000	24,500	24,500	17,000
Year ended March 31, 2018	244,117	20,221	20,553	16,355

ELNA

	(Millions of yen)			
	Net sales	Operating income	Ordinary income (loss)	Net income (loss) attributable to owners of parent company
Year ending December 31, 2018 (Forecast)	—	—	—	—
Year ended December 31, 2017	27,075	350	(645)	(2,410)

Note 1: For the consolidated results forecast for the fiscal year ending in December, 2018, numerical indications of performance are difficult due to the large number of factors affecting performance that are unidentified at present, and thus are not shown.