

# Consolidated Financial Results

Second quarter for the year ending March 31, 2016

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# Financial Summary

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## 2Q for the Year Ending March 2016

- Net sales increased 16% Q/Q to 65.5 billion yen and operating income increased 83% Q/Q to 9.2 billion yen, both reaching record highs on a quarterly basis.

Attributable mainly to an increase in sales of electronic components for smartphones and the improvement of the sales mix on the back of a higher ratio of super high-end products.

## 1H for the Year Ending March 2016

- Net sales increased 16% Y/Y to 122.1 billion yen, reaching a new record high on a half-year basis. Operating income increased 5.8 times Y/Y to 14.2 billion yen.

## Earnings Forecast for the Year Ending March 2016

- Full-year forecast has been revised upward.

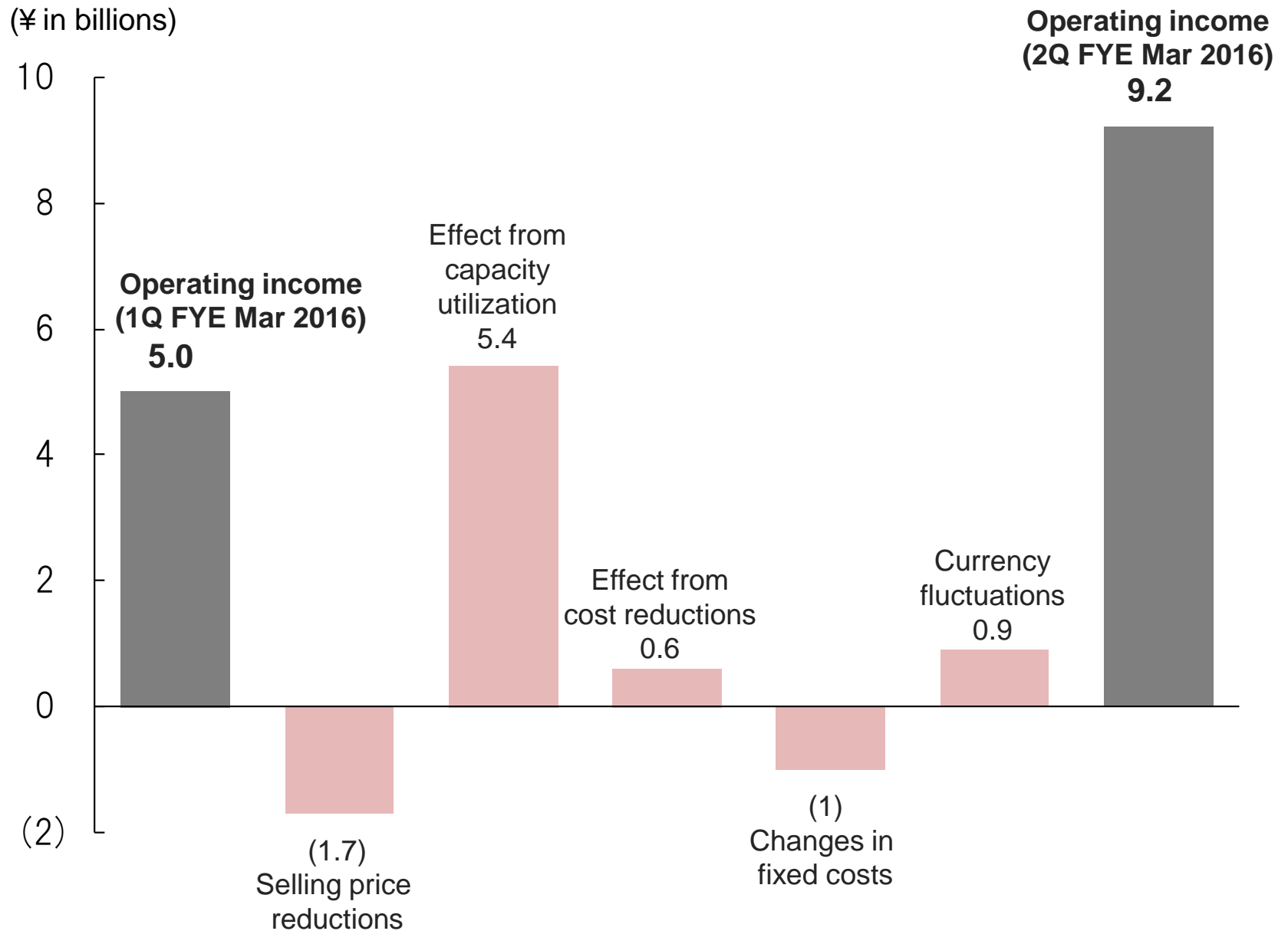
The financial results for the first half of the year ending March 2016 exceeded the initial forecast on the back of a higher ratio of super high-end products and the effects of the depreciation of the yen among other factors.

## 2Q- Consolidated Financial Results (Q/Q)

¥ in millions	FYE Mar 31, 2016		Change Q/Q	
	1Q (01 Apr 2015 – 30 Jun 2015)	2Q (01 Jul 2015 – 30 Sep 2015)	Amount	%
Net sales	56,518	65,591	9,073	16.1
Operating income	5,037	9,216	4,179	83.0
Ordinary income	5,052	8,785	3,733	73.9
Net income attributable to owners of parent company	3,058	4,890	1,832	59.9
Yen to USD average exchange rate	120.24 yen	123.41 yen	3.17 yen depreciated	

- Impact of exchange rate fluctuation: + 1.4 billion yen on net sales and +0.9 billion yen on operating income. (including the impact of currencies other than US dollars)

# 2Q - Factors driving Operating Income (Q/Q)



## 2Q - Financial Results by Product Segment (Q/Q)

¥ in millions	FYE Mar 31, 2016		Change Q/Q	
	1Q	2Q	Amount	%
Capacitors	28,427	33,798	5,370	18.9
Ferrite and applied products	10,634	13,236	2,602	24.5
Integrated modules & devices	14,153	15,455	1,301	9.2
Others	3,302	3,101	(201)	(6.1)
Total net sales	56,518	65,591	9,073	16.1

## 2Q - Sales of Electronic Components by Market Sector

	FYE Mar 31, 2015	FYE Mar 31, 2016		Change Q/Q	
		1Q	2Q	Amount	%
Consumer products	19%	16%	16%		13%
Information equipment	16%	14%	15%		20%
Communication equipment	42%	46%	46%		17%
Automobiles/Industrial equipment	21%	22%	21%		16%
Components/Others	2%	2%	2%		30%

※TAIYO YUDEN estimate

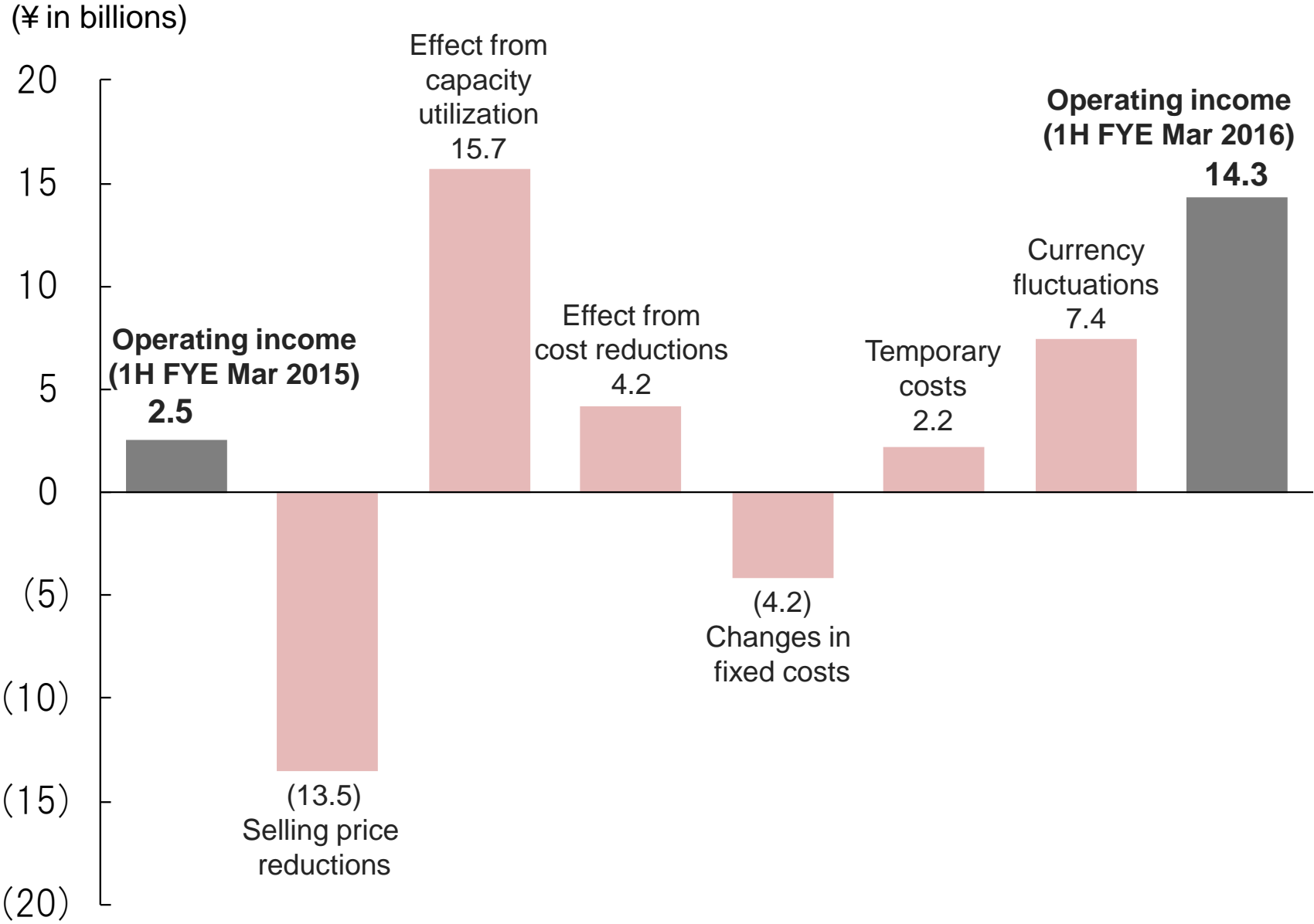
# 1H - Consolidated Financial Results (Y/Y)

¥ in millions	FYE Mar 31, 2015	FYE Mar 31, 2016	Change Y/Y	
	1H (01 Apr 2014 – 30 Sep 2014)	1H (01 Apr 2015 – 30 Sep 2015)	Amount	%
Net sales	105,184	122,109	16,925	16.1
Operating income	2,468	14,253	11,784	477.3
Ordinary income	3,527	13,837	10,309	292.2
Net income attributable to owners of parent company	726	7,948	7,222	993.7

Yen to USD average exchange rate	102.24 yen	121.83 yen	19.59 yen depreciated
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- Impact of exchange rate fluctuation: + 16.3 billion yen on net sales and +7.4 billion yen on operating income. (including the impact of currencies other than US dollars)

# 1H - Factors driving Operating Income (Y/Y)





# 1H - Financial Results by Product Segment (Y/Y)

¥ in millions	FYE Mar 31, 2015 1H	FYE Mar 31, 2016 1H	Change Y/Y	
			Amount	%
Capacitors	52,471	62,225	9,754	18.6
Ferrite and applied products	19,116	23,871	4,755	24.9
Integrated modules & devices	25,301	29,608	4,307	17.0
Others	8,296	6,404	(1,891)	(22.8)
Total net sales	105,184	122,109	16,925	16.1

# Key Expenditure Figures

¥ in millions	FYE Mar 31, 2016		Change Q/Q	
	1Q	2Q	Amount	%
R&D expenses	2,178	2,245	66	3.1
Capital investment	6,202	9,771	3,568	57.5
Depreciation expenses	5,493	5,711	218	4.0

¥ in millions	FYE Mar 31, 2015	FYE Mar 31, 2016	Change Y/Y	
	1H	1H	Amount	%
R&D expenses	3,998	4,423	425	10.6
Capital investment	8,326	15,974	7,648	91.9
Depreciation expenses	10,248	11,204	955	9.3

# **Forecast of Consolidated Performance for the Year ending March 31, 2016**

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# Forecast of Consolidated Performance

¥ in millions	FYE Mar 31, 2016 1H		FYE Mar 31, 2016 Full year (1 Apr 2015 – 31 Mar 2016)			
	Forecast	Actual	Previous forecast	Revised forecast [as of 5 Nov 2015]	Change	
					Amount	%
Net sales	120,000	122,109	244,000	246,000	2,000	0.8
Operating income	10,000	14,253	19,000	23,000	4,000	21.1
Ordinary income	10,000	13,837	19,000	23,000	4,000	21.1
Net income attributable to owners of parent company	6,500	7,948	12,000	13,000	1,000	8.3

- The full-year forecast has been revised upward as the financial results for the first half of the year ending March 2016 exceeded the initial forecast.
- Exchange rate assumption: An average exchange rate will be US\$1: ¥118 for the second half of the year ending March, 2016.

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## **Forward-looking statements**

This document contains information about the plans, business results, and strategies of TAIYO YUDEN CO., LTD. and the TAIYO YUDEN Group. These forward-looking statements other than historical facts represent judgments made by the Company based on information available at present and are inherently subject to a variety of uncertainties. TAIYO YUDEN cannot provide any guarantee as to the attainment of certain figures in the future. The Company's actual activities and business results could differ significantly due to changes including, but not limited to, changes in the electronics market in which the Company's business activities are centered. Readers should not overly rely on the information contained in this document.

**TAIYO YUDEN**