

Consolidated Financial Results

Year ended March 31, 2016

Shinji Masuyama
Chief of Management Planning Headquarters

May 11, 2016

Financial Summary

FYE March 2016

- **Net sales rose 6% Y/Y to 240.3 billion yen, an all-time high sales**
 - Sales for communication equipment, mainly for smartphones, and automotive and industrial equipment increased
- **Operating income increased 78% Y/Y to 23.3 billion yen.**
- **Withdrawal from optical media business and concentration of resources on high profit sectors and growth sectors**

Earnings Forecast for FYE March 2017

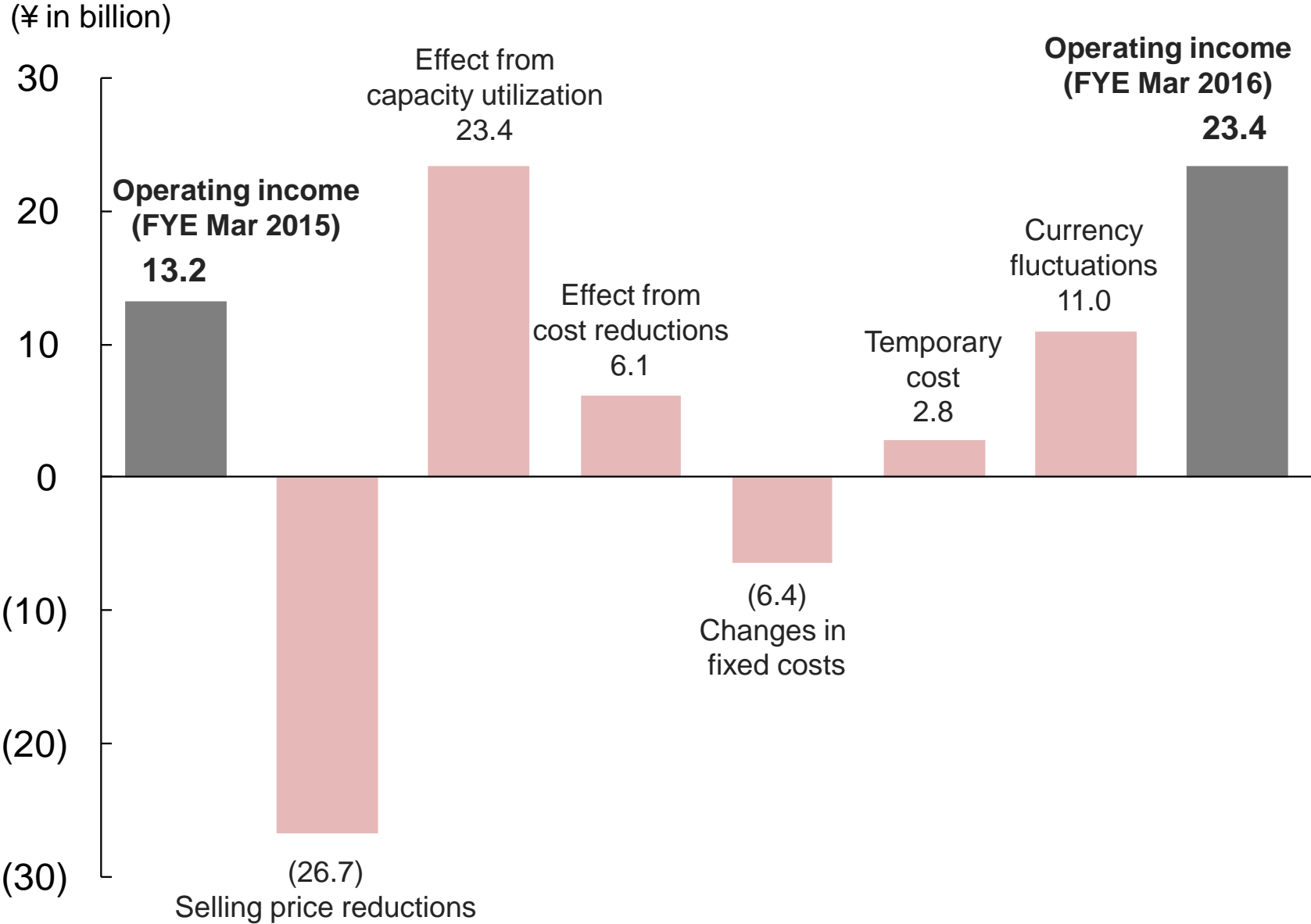
- **Forecast net sales of 225.0 billion yen, operating income of 10.0 billion yen**
 - Exchange rate assumption: USD1 = 105 yen
- **We intend to increase the annual dividend per share to 20 yen (interim dividend: 10 yen, year-end dividend: 10 yen).**
 - Annual dividend for FYE March 2016: 15 yen (interim: 5 yen, year-end: 10 yen)

Summary of Consolidated Financial Results (Y/Y)

¥ in millions	FYE Mar 31, 2015 (01 Apr 2014 – 31 Mar 2015)	FYE Mar 31, 2016 (01 Apr 2015 – 31 Mar 2016)	Change Y/Y	
			Amount	%
Net sales	227,095	240,385	13,290	5.9
Operating income	13,153	23,370	10,217	77.7
Ordinary income	15,653	22,263	6,609	42.2
Net income attributable to owners of parent company	10,919	14,751	3,831	35.1
Yen to USD average exchange rate	108.42 yen	120.75 yen	12.33 yen depreciated	

- Impact of exchange rate fluctuation: 19.8 billion yen on net sales and 11.0 billion yen on operating income.
(including the impact of currencies other than US dollars)

Factors driving Operating Income in FYE March 2016



Financial Results by Product Segment (Y/Y)

¥ in million	FYE Mar 31, 2015	FYE Mar 31, 2016	Change Y/Y	
			Amount	%
Capacitors	114,363	123,675	9,311	8.1
Ferrite and applied products	41,948	46,463	4,515	10.8
Integrated modules & devices	52,797	57,696	4,898	9.3
Others	17,986	12,551	(5,435)	(30.2)
Total net sales	227,095	240,385	13,290	5.9

Key Expenditure Figures (Y/Y)

¥ in million	FYE Mar 31, 2015	FYE Mar 31, 2016	Increase/(Decrease)
R&D expenses	8,237	9,024	786
Capital investment	18,773	41,261	22,488
Depreciation expenses	21,813	23,767	1,953

In addition to the construction of a new plant building at the production subsidiary, NIIGATA TAIYO YUDEN, investments were made to enhance capacity for capacitors, inductors and communication devices, and capital investment rose.

Forecast of Consolidated Performance

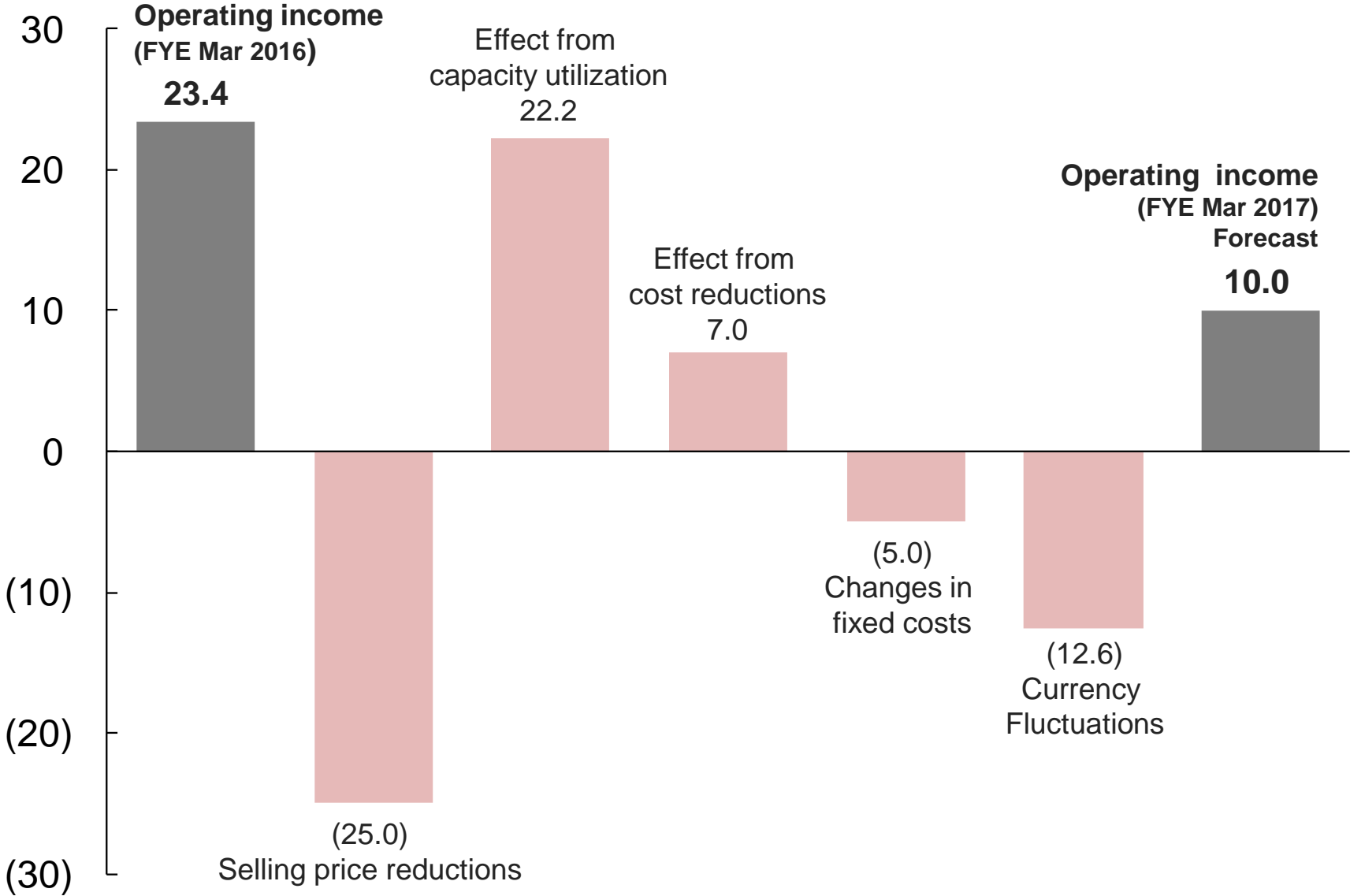
for the year ending March 31, 2017

Full-Year Forecast

¥ in million	FYE Mar 31, 2016 (01 Apr 2015 – 31 Mar 2016)	FYE Mar 31, 2017 (01 Apr 2016 – 31 Mar 2017) FORECAST	Change	
			Amount	%
Net sales	240,385	225,000	(15,385)	(6.4)
Operating income	23,370	10,000	(13,370)	(57.2)
Ordinary income	22,263	9,000	(13,263)	(59.6)
Net income attributable to owners of parent company	14,751	4,000	(10,751)	(72.9)
Yen to USD average exchange rate	120.75 yen	105.00 yen	15.75 yen appreciated	

Factors behind Operating Income in FYE March 2017

(¥ in billion)



Full-Year Forecast by Product Segment

¥ in million	FYE Mar 31, 2016	FYE Mar 31, 2017 FORECAST	Change Y/Y	
			Amount	%
Capacitors	123,675	119,000	(4,675)	(3.8)
Ferrite and applied products	46,463	43,000	(3,463)	(7.5)
Integrated modules & devices	57,696	58,000	304	0.5
Others	12,551	5,000	(7,551)	(60.2)
Total Net Sales	240,385	225,000	(15,385)	(6.4)

Key Expenditure Figures

¥ in million	FYE Mar 31, 2016	FYE Mar 31, 2017 FORECAST	Increase/ (Decrease)
R&D expenses	9,024	10,000	976
Capital investment	41,261	30,000	(11,261)
Depreciation expenses	23,767	26,000	2,233

Supplementary Information

Sales of Electronic Components by Market Sector (Y/Y)

	FYE Mar 31, 2015	FYE Mar 31, 2016	Change Y/Y
Consumer products	19%	15%	(14)%
Information equipment	16%	15%	(2)%
Communication equipment	42%	46%	20%
Automobiles/ Industrial equipment	21%	23%	19%
Components/ Others	2%	1%	(8)%

*TAIYO YUDEN estimate

4Q - Consolidated Revenue and Earnings

¥ in million	Year ended March 31, 2016				Change Q/Q	
	1Q (01 Apr 2015– 30 Jun 2015)	2Q (01 Jul 2015– 30 Sep 2015)	3Q (01 Oct 2015– 31 Dec 2015)	4Q (01 Jan 2016– 31 Mar 2016)	Amount	%
Net sales	56,518	65,591	63,967	54,308	(9,658)	(15.1)
Operating income	5,037	9,216	6,804	2,311	(4,493)	(66.0)
Ordinary income	5,052	8,785	7,266	1,159	(6,107)	(84.0)
Net income attributable to owners of parent company	3,058	4,890	6,433	368	(6,065)	(94.3)

4Q - Net Sales by Product Segment

¥ in million	Year ended March 31, 2016				Change Q/Q	
	1Q	2Q	3Q	4Q	Amount	%
Capacitors	28,427	33,798	33,218	28,231	(4,987)	(15.0)
Ferrite and applied products	10,634	13,236	13,145	9,446	(3,699)	(28.1)
Integrated modules & devices	14,153	15,455	13,292	14,794	1,502	11.3
Others	3,302	3,101	4,310	1,836	(2,474)	(57.4)
Total net sales	56,518	65,591	63,967	54,308	(9,658)	(15.1)

Half-Year Consolidated Revenue and Earnings Forecast

¥ in million	Year ended March 31, 2016		Year ending March 31, 2017 FORECAST	
	1H (01 Apr 2015– 30 Sep 2015)	2H (01 Oct 2015– 31 Mar 2016)	1H (01 Apr 2016– 30 Sep 2016)	2H (01 Oct 2016– 31 Mar 2017)
Net sales	122,109	118,275	113,000	112,000
Operating income	14,253	9,116	5,000	5,000
Ordinary income	13,837	8,426	4,500	4,500
Net income attributable to owners of parent company	7,948	6,802	2,000	2,000

Half-Year Forecast by Product

¥ in million	FYE Mar 31, 2016		FYE Mar 31, 2017 FORECAST	
	1H	2H	1H	2H
Capacitors	62,225	61,449	59,500	59,500
Ferrite and applied products	23,871	22,592	21,500	21,500
Integrated modules & devices	29,608	28,087	29,500	28,500
Others	6,404	6,146	2,500	2,500
Total net sales	122,109	118,275	113,000	112,000

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