

Consolidated Financial Results

First quarter for the year ending March 31, 2017

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August 3, 2016

1Q for the Year Ending March 2017

- Net sales decreased 2% Q/Q to 53.5 billion yen and operating income decreased 10% Q/Q to 2.1 billion yen.
 - Net sales and operating income both increased Q/Q (net sales up 4%, operating income up 70%) when impact of exchange rates is excluded.
 - While sales to particular customers were rather flat, sales of communication devices to customers in China were healthy.

Earnings Forecast for the Year Ending March 2017

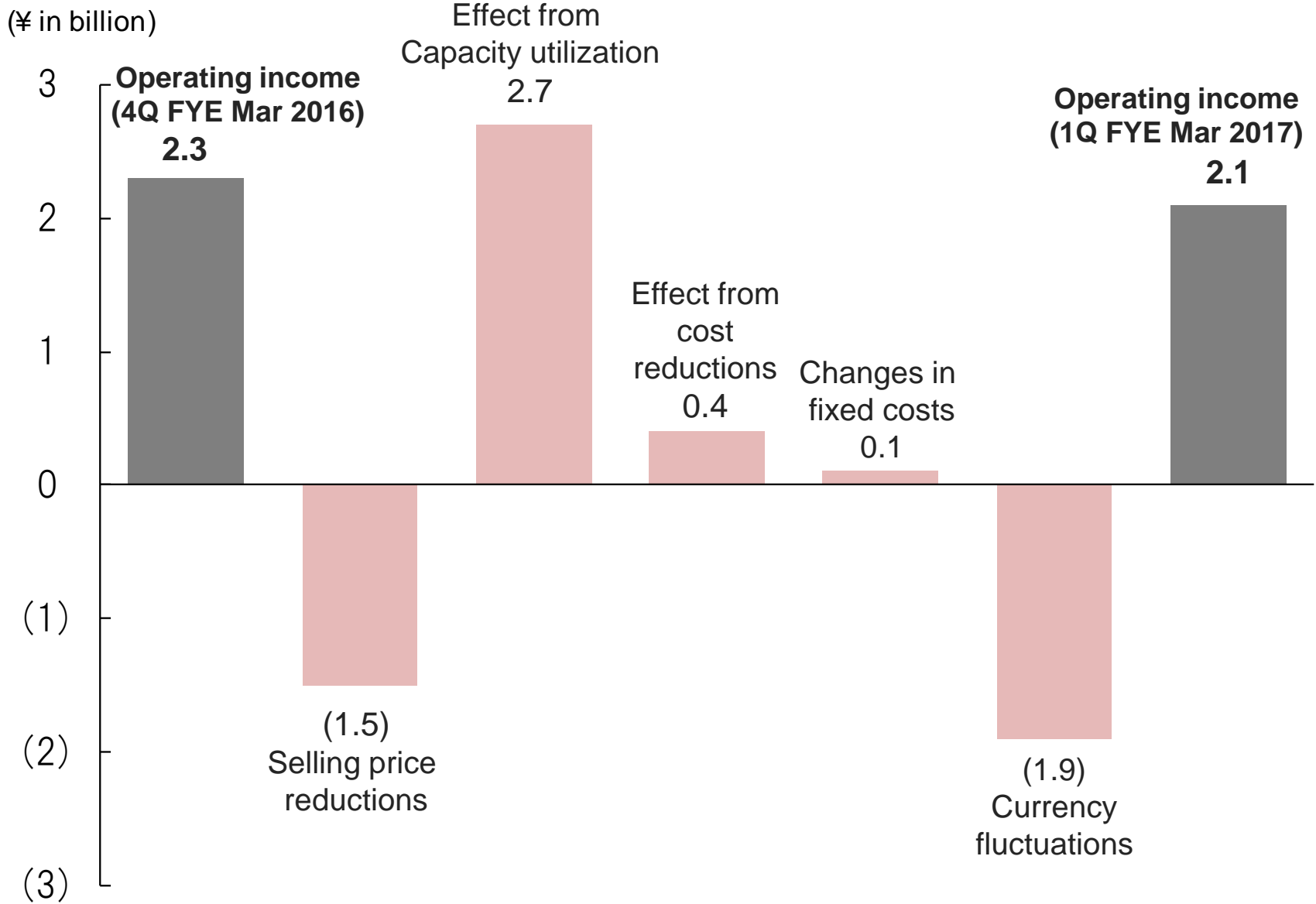
- There is no change in full-year forecast.
 - We expect an expansion in demand for capacitors, inductors, and communication devices for use in smartphones from 2Q. Demand for automobiles/industrial equipment will also be solid.

1Q- Consolidated Financial Results (Q/Q)

¥ in millions	FYE Mar 31, 2016	FYE Mar 31, 2017	Change Q/Q	
	4Q (01 Jan 2016 – 31 Mar 2016)	1Q (01 Apr 2016 – 30 Jun 2016)	Amount	%
Net sales	54,308	53,471	(837)	(1.5)%
Operating income	2,311	2,074	(237)	(10.3)%
Ordinary income	1,159	829	(329)	(28.4)%
Net income attributable to owners of parent company	368	224	(144)	(39.1)%
Yen to USD average exchange rate	118.39 yen	110.70 yen	7.69 yen appreciated	

- Impact of exchange rate fluctuation: (3.1) billion yen on net sales and (1.9) billion yen on operating income. (including the impact of currencies other than US dollars)

1Q - Factors driving Operating Income (Q/Q)



1Q - Financial Results by Product Segment (Q/Q)

¥ in millions	FYE Mar 31, 2016 4Q	FYE Mar 31, 2017 1Q	Change Q/Q	
			Amount	%
Capacitors	28,231	26,963	(1,267)	(4.5)%
Ferrite and applied products	9,446	9,243	(203)	(2.2)%
Integrated modules & devices	14,794	15,860	1,065	7.2%
Others	1,836	1,404	(432)	(23.5)%
Total net sales	54,308	53,471	(837)	(1.5)%

1Q - Sales of Electronic Components by Market Sector

	FYE Mar 31, 2016 4Q	FYE Mar 31, 2017 1Q	Change Q/Q
Consumer products	13%	13%	(3)%
Information equipment	17%	14%	(17)%
Communication equipment	44%	47%	6%
Automobiles/Industrial equipment	25%	24%	(6)%
Components/Others	1%	2%	26%

※TAIYO YUDEN estimate

Key Expenditure Figures

¥ in million	FYE Mar 31, 2017		Percentage of completion
	Full year forecast	1Q	
R&D expenses	10,000	2,261	22.6%
Capital investment	30,000	6,437	21.5%
Depreciation expenses	26,000	5,888	22.6%

Forecast of Consolidated Performance

¥ in millions	FYE Mar 31, 2016 Actual results (01 Apr 2015 – 31 Mar 2016)	FYE Mar 31, 2017		Change Y/Y (Full year)	
		1H (01 Apr 2016 - 30 Sep 2016)	Full year (01 Apr 2016 – 31 Mar 2017)	Amount	%
Net sales	240,385	113,000	225,000	(15,385)	(6.4)%
Operating income	23,370	5,000	10,000	(13,370)	(57.2)%
Ordinary income	22,263	4,500	9,000	(13,263)	(59.6)%
Net income attributable to owners of parent company	14,751	2,000	4,000	(10,751)	(72.9)%

- There is no change in forecasts.

- Exchange rate assumption:

An average exchange rate will be US\$1: ¥105 for the 2Q-4Q of the year ending March 31, 2017.

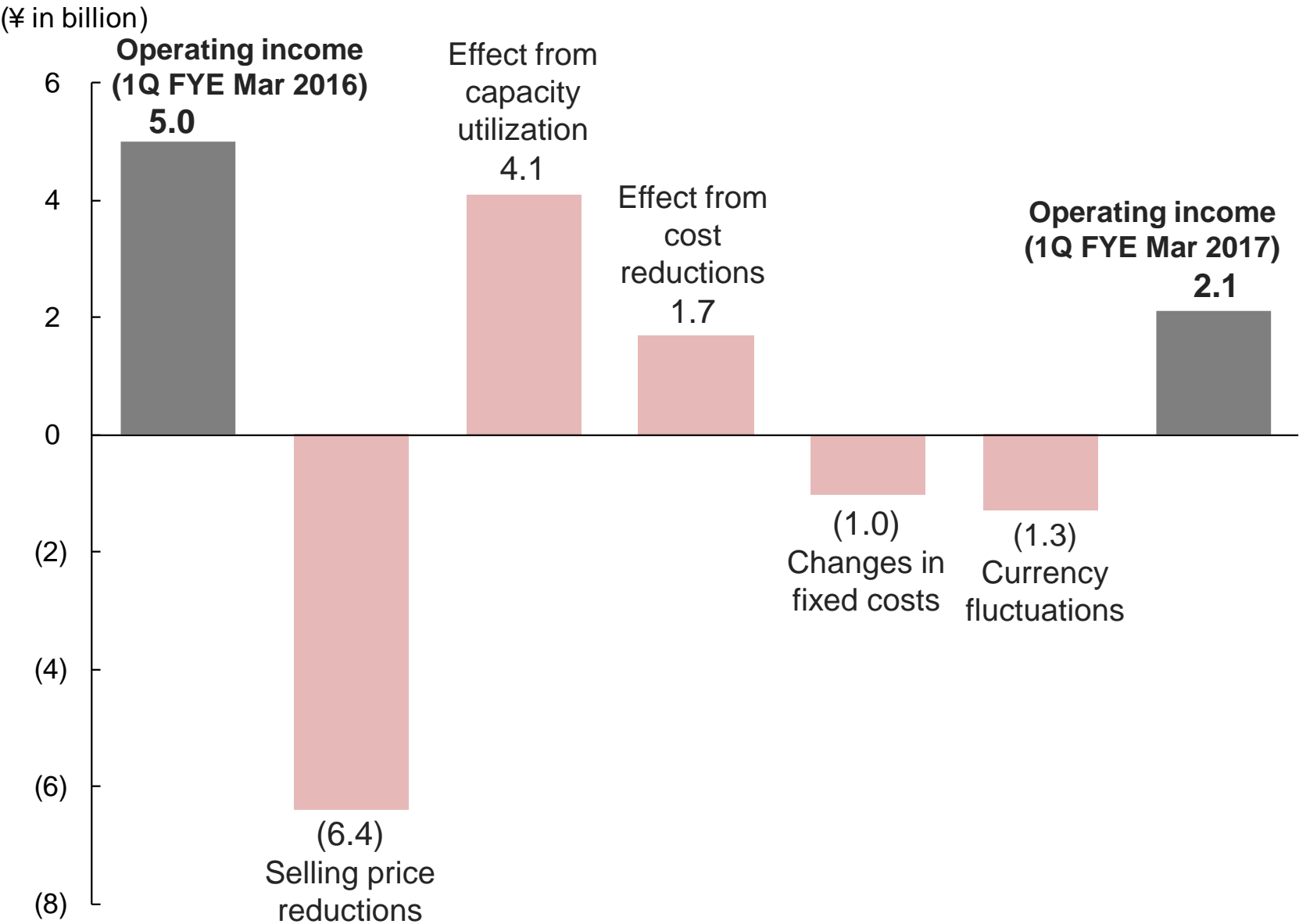
Supplementary Information

1Q- Consolidated Financial Results (Y/Y)

¥ in millions	FYE Mar 31, 2016 1Q (01 Apr 2015 – 30 Jun 2015)	FYE Mar 31, 2017 1Q (01 Apr 2016 – 30 Jun 2016)	Change Y/Y	
			Amount	%
Net sales	56,518	53,471	(3,047)	(5.4)%
Operating income (loss)	5,037	2,074	(2,963)	(58.8)%
Ordinary income (loss)	5,052	829	(4,222)	(83.6)%
Net income attributable to owners of parent company	3,058	224	(2,833)	(92.7)%
Yen to USD average exchange rate	120.24 yen	110.70 yen	9.54 yen appreciated	

- Impact of exchange rate fluctuation: (4.3) billion yen on net sales and (1.3) billion yen on operating income. (including the impact of currencies other than US dollars)

1Q - Factors driving Operating Income (Y/Y)



1Q - Financial Results by Product Segment (Y/Y)

¥ in millions	FYE Mar 31, 2016 1Q	FYE Mar 31, 2017 1Q	Change Y/Y	
			Amount	%
Capacitors	28,427	26,963	(1,463)	(5.1)%
Ferrite and applied products	10,634	9,243	(1,391)	(13.1)%
Integrated modules & devices	14,153	15,860	1,706	12.1%
Others	3,302	1,404	(1,898)	(57.5)%
Total net sales	56,518	53,471	(3,047)	(5.4)%

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.

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