

Consolidated Financial Results

Second quarter for the year ending March 31, 2017

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Financial Summary

2Q for the Year Ending March 2017

- Net sales increased 11% Q/Q to 59.6 billion yen and operating income increased 55% Q/Q to 3.2 billion yen.
 - Net Sales of capacitors and inductors increased, mainly for use in smartphones. Sales of FBAR/SAW devices also remained robust.

1H for the Year Ending March 2017

- Net sales of 113.0 billion yen and operating income of 5.3 billion yen achieved initial financial results forecasts.

Earnings Forecast for the Year Ending March 2017

- Ordinary income and net income attributable to owners of parent company forecasts have been revised downward.
 - The exchange rate for the yen remains high, and loss on foreign exchange was recorded as non-operating expenses in 1H.
 - The forecasts for net sales and operating income are unchanged.

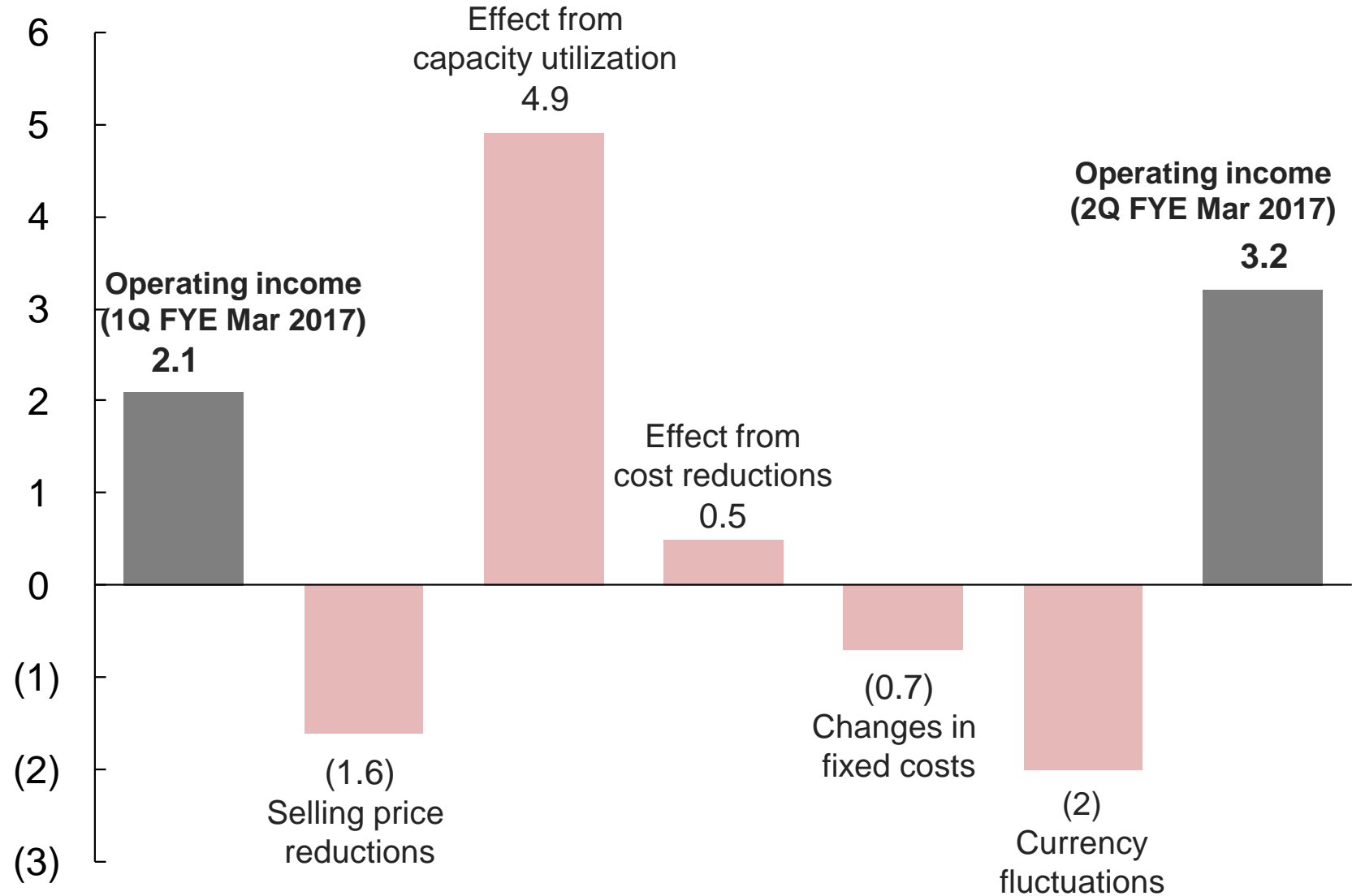
2Q- Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2017	FYE Mar 31, 2017	Change Q/Q	
	1Q (01 Apr 2016 – 30 Jun 2016)	2Q (01 Jul 2016 – 30 Sep 2016)	Amount	%
Net sales	53,471	59,561	6,090	11.4
Operating income	2,074	3,216	1,142	55.1
Ordinary income	829	2,202	1,373	165.4
Net income attributable to owners of parent company	224	683	458	204.3
Yen to USD average exchange rate	110.70 yen	103.69 yen	7.01 yen appreciated	

- Impact of exchange rate fluctuation: (3.5) billion yen on net sales and (2.0) billion yen on operating income. (including the impact of currencies other than US dollars)

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

(¥ in billion)



2Q - Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2017		Change Q/Q	
	1Q	2Q	Amount	%
Capacitors	26,963	30,120	3,156	11.7
Ferrite and applied products	9,243	11,594	2,351	25.4
Integrated modules & devices	15,860	16,490	630	4.0
Others	1,404	1,355	(48)	(3.4)
Total net sales	53,471	59,561	6,090	11.4

2Q - Sales of Electronic Components by Market Sector (Q/Q)

	FYE Mar 31, 2017		Change in net sales
	1Q	2Q	Q/Q
Consumer products	13%	13%	12%
Information equipment	14%	15%	17%
Communication equipment	47%	48%	14%
Automobiles/Industrial equipment	24%	22%	2%
Components/Others	2%	2%	11%

※TAIYO YUDEN estimate

1H- Consolidated Financial Results (Y/Y)

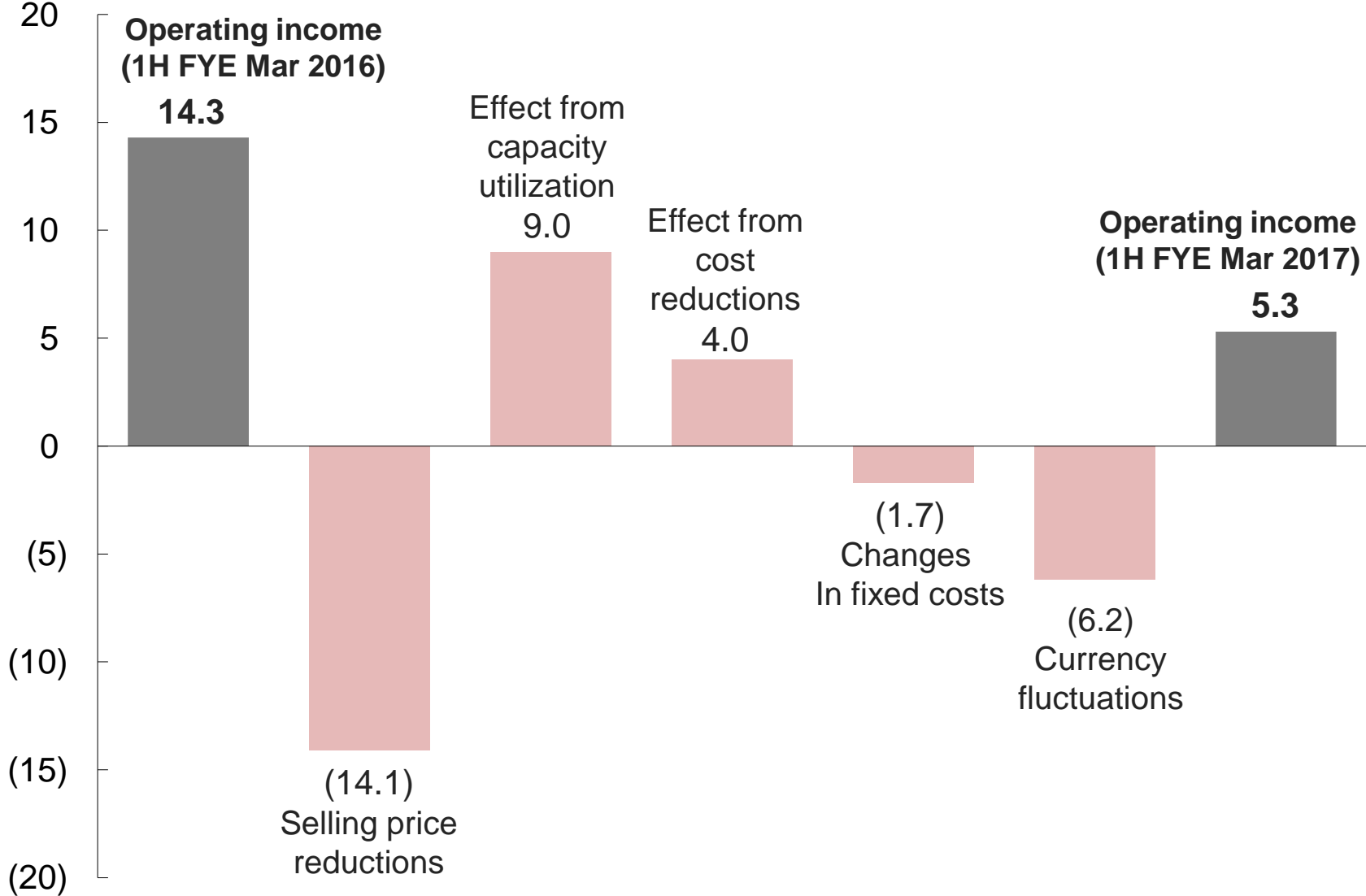
¥ in million	FYE Mar 31, 2016	FYE Mar 31, 2017	Change Y/Y	
	1H (01 Apr 2015 – 30 Sep 2015)	1H (01 Apr 2016 – 30 Sep 2016)	Amount	%
Net sales	122,109	113,032	(9,077)	(7.4)
Operating income	14,253	5,290	(8,963)	(62.9)
Ordinary income	13,837	3,032	(10,804)	(78.1)
Net income attributable to owners of parent company	7,948	907	(7,041)	(88.6)

Yen to USD average exchange rate	121.83 yen	107.19 yen	14.64 yen appreciated
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- Impact of exchange rate fluctuation: (13.9) billion yen on net sales and (6.2) billion yen on operating income. (including the impact of currencies other than US dollars)

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

(¥ in billion)



1H - Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2016 1H	FYE Mar 31, 2017 1H	Change Y/Y	
			Amount	%
Capacitors	62,225	57,083	(5,141)	(8.3)
Ferrite and applied products	23,871	20,838	(3,033)	(12.7)
Integrated modules & devices	29,608	32,351	2,742	9.3
Others	6,404	2,759	(3,644)	(56.9)
Total net sales	122,109	113,032	(9,077)	(7.4)

1H - Key Expenditure Figures

¥ in million	FYE Mar 31, 2017		Percentage of completion
	1H	Full year forecast	
R&D expenses	4,568	10,000	45.7%
Capital investment	14,812	30,000	49.4%
Depreciation expenses	11,823	26,000	45.5%

Forecast of Consolidated Performance

for the Year ending March 31, 2017

Forecast of Consolidated Performance

¥ in million	FYE Mar 31, 2017					
	1H		Full Year (01 Apr 2016 – 31 Mar 2017)			
	Forecast	Actual	Previous forecast	Revised forecast	Change	
Amount					%	
Net sales	113,000	113,032	225,000	225,000	0	0.0
Operating income	5,000	5,290	10,000	10,000	0	0.0
Ordinary income	4,500	3,032	9,000	7,500	(1,500)	(16.7)
Net income attributable to owners of parent company	2,000	907	4,000	3,000	(1,000)	(25.0)

- There is no change in full-year forecasts for net sales and operating income.
- 1H results for ordinary income and net income attributable to owners of parent company underperformed initial forecasts due to loss on foreign exchange. In conjunction with this, the full-year forecasts have been revised downward.
- Exchange rate assumption:
An average exchange rate will be US\$1: ¥102 for the second half of the year ending March 31, 2017.

Forecast of Consolidated Performance by Product Classification

¥ in million	FYE Mar 31, 2017					
	1H		Full Year (01 Apr 2016 – 31 Mar 2017)			
	Forecast	Actual	Previous forecast	Revised forecast	Change	
					Amount	%
Capacitors	59,500	57,083	119,000	113,000	(6,000)	(5.0)
Ferrite and applied products	21,500	20,838	43,000	41,000	(2,000)	(4.7)
Integrated modules & devices	29,500	32,351	58,000	65,000	7,000	12.1
Others	2,500	2,759	5,000	6,000	1,000	20.0
Total net sales	113,000	113,032	225,000	225,000	0	0.0

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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