

# Consolidated Financial Results

Third quarter for the year ending March 31, 2017

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# Financial Summary

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## 3Q for the Year Ending March 2017

- Net sales increased 1% Q/Q to 60.2 billion yen.
  - Net sales of capacitors and integrated modules & devices increased. Sales for use in communication equipment and automobiles/industrial equipment were healthy.
- Operating income increased 34% Q/Q to 4.3 billion yen.
  - Operating income rose due to such factors as the effects of capacity utilization and cost reductions

## Earnings Forecast for the Year Ending March 2017

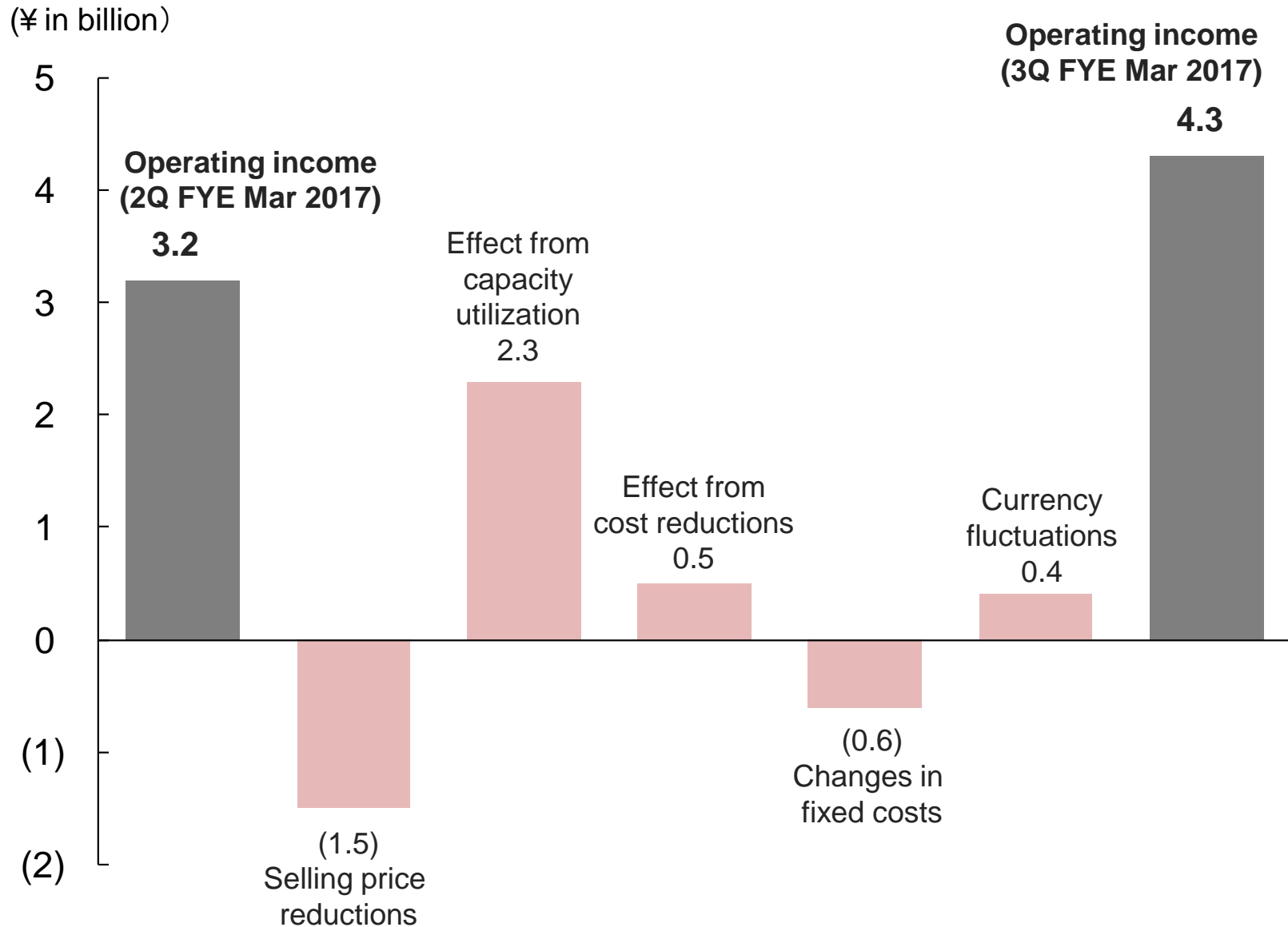
- Full-year forecast has been revised upward.
  - The main factor was the impact of exchange rates due to the depreciation in the value of the yen.

## 3Q- Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2017		Change Q/Q	
	2Q (01 Jul 2016 – 30 Sep 2016)	3Q (01 Oct 2016 – 31 Dec 2016)	Amount	%
Net sales	59,561	60,185	624	1.0
Operating income	3,216	4,298	1,082	33.7
Ordinary income	2,202	6,676	4,473	203.1
Net income attributable to owners of parent company	683	4,067	3,384	495.5
Yen to USD average exchange rate	103.69 yen	104.69 yen	1.00 yen depreciated	

- Impact of exchange rate fluctuation: 0.4 billion yen on net sales and 0.4 billion yen on operating income. (including the impact of currencies other than US dollars)

# 3Q - Factors driving Operating Income (Q/Q)



## 3Q - Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2017		Change Q/Q	
	2Q	3Q	Amount	%
Capacitors	30,120	30,580	460	1.5
Ferrite and applied products	11,594	10,959	(635)	(5.5)
Integrated modules & devices	16,490	16,804	314	1.9
Others	1,355	1,841	485	35.8
Total net sales	59,561	60,185	624	1.0

# 3Q - Sales of Electronic Components by Market Sector (Q/Q)

	FYE Mar 31, 2017		Change in net sales
	2Q	3Q	
Consumer products	13%	12%	(12)%
Information equipment	15%	14%	(6)%
Communication equipment	48%	50%	4%
Automobiles/Industrial equipment	22%	23%	4%
Components/Others	2%	1%	(8)%

※TAIYO YUDEN estimate

# Key Expenditure Figures

¥ in million	FYE Mar 31, 2017		Percentage of completion
	1-3Q (01 Apr 2016 – 31 Dec 2016)	Full year forecast	
R&D expenses	7,204	10,000	72.0%
Capital investment	23,225	30,000	77.4%
Depreciation expenses	18,055	25,000	72.2%

- Full year forecast for depreciation expenses reduced from previous ¥26.0 billion

**Forecast of Consolidated Performance  
for the Year ending March 31, 2017**

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# Forecast of Consolidated Performance

¥ in million	FYE Mar 31, 2017 (1 Apr 2016 – 31 Mar 2017)		Change	
	Previous forecast [ as of 7 Nov 2016 ]	Revised forecast [ as of 6 Feb 2017 ]	Amount	%
Net sales	225,000	230,000	5,000	2.2
Operating income	10,000	12,000	2,000	20.0
Ordinary income	7,500	11,000	3,500	46.7
Net income attributable to owners of parent company	3,000	5,000	2,000	66.7

- Financial results forecasts revised upward mainly due to exchange rate fluctuations.
- Exchange rate assumption: An average exchange rate will be US\$1:¥113 for the fourth quarter of the year ending March, 2017.

# Forecast by Product Classification

¥ in million	FYE Mar 31, 2017 (1 Apr 2016 – 31 Mar 2017)		Change	
	Previous forecast	Revised forecast	Amount	%
Capacitors	113,000	116,500	3,500	3.1
Ferrite and applied products	41,000	41,000	0	0.0
Integrated modules & devices	65,000	66,500	1,500	2.3
Others	6,000	6,000	0	0.0
Total net sales	225,000	230,000	5,000	2.2

## Supplementary Information

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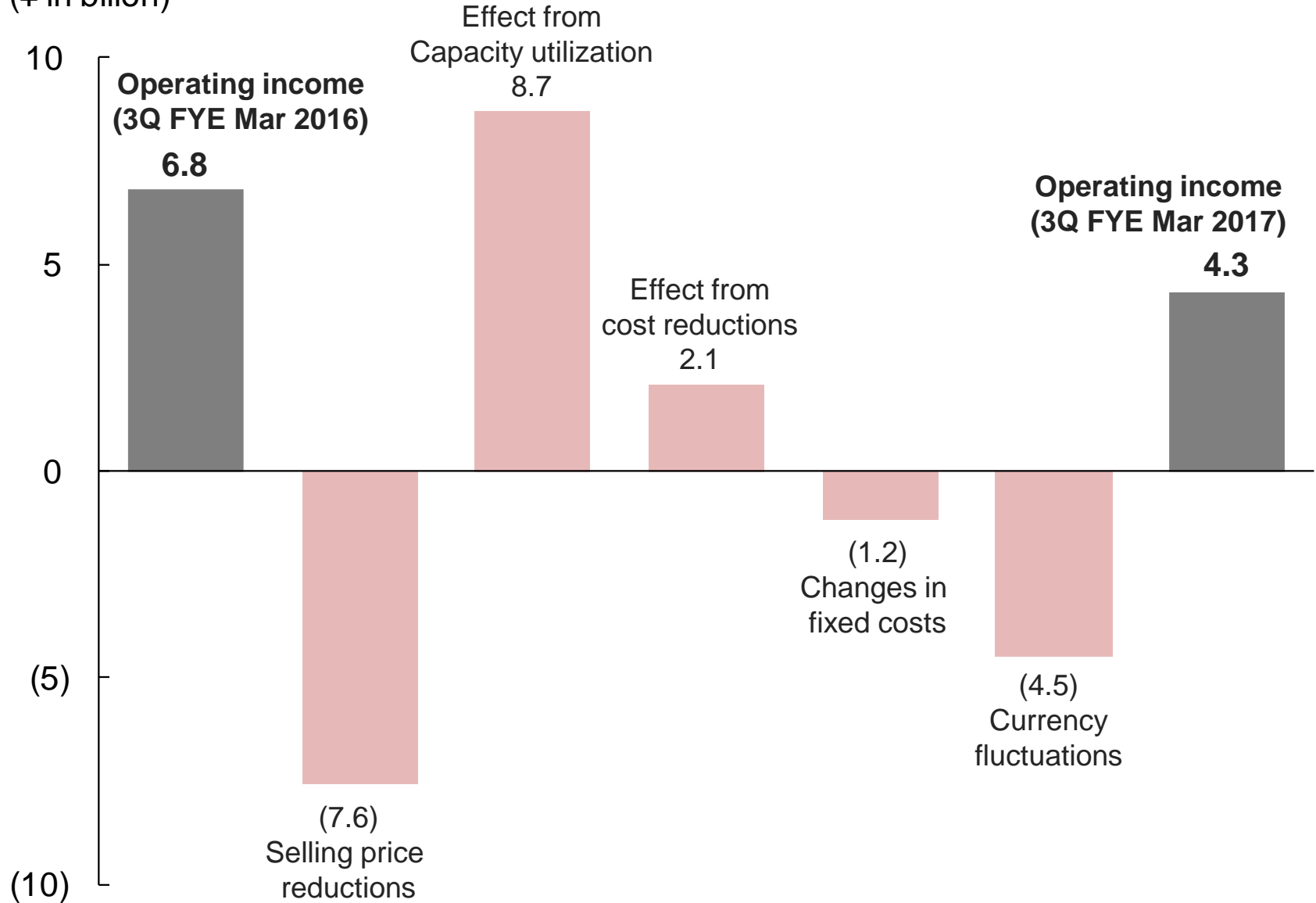
## 3Q- Consolidated Financial Results (Y/Y)

¥ in millions	FYE Mar 31, 2016	FYE Mar 31, 2017	Change Y/Y	
	3Q (01 Oct 2015 – 31 Dec 2015)	3Q (01 Oct 2016 – 31 Dec 2016)	Amount	%
Net sales	63,967	60,185	(3,781)	(5.9)
Operating income	6,804	4,298	(2,505)	(36.8)
Ordinary income	7,266	6,676	(590)	(8.1)
Net income attributable to owners of parent company	6,433	4,067	(2,366)	(36.8)
Yen to USD average exchange rate	120.97 yen	104.69 yen	16.28 yen appreciated	

- Impact of exchange rate fluctuation: (8.1) billion yen on net sales and (4.5) billion yen on operating income. (including the impact of currencies other than US dollars)

# 3Q - Factors driving Operating Income (Y/Y)

(¥ in billion)



## 3Q - Financial Results by Product Segment (Y/Y)

¥ in million	FYE Mar 31, 2016 3Q	FYE Mar 31, 2017 3Q	Change Y/Y	
			Amount	%
Capacitors	33,218	30,580	(2,638)	(7.9)
Ferrite and applied products	13,145	10,959	(2,186)	(16.6)
Integrated modules & devices	13,292	16,804	3,512	26.4
Others	4,310	1,841	(2,469)	(57.3)
Total net sales	63,967	60,185	(3,781)	(5.9)

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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**