

Consolidated Financial Results

Year ended March 31, 2017

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Financial Summary

FYE March 2017

- Net sales fell 4% Y/Y and operating income fell 47% primarily due to the impact of fluctuating exchange rates.
- Demand for FBAR/SAW devices for smartphones and components for automobiles and industrial equipment was strong and sales increased.

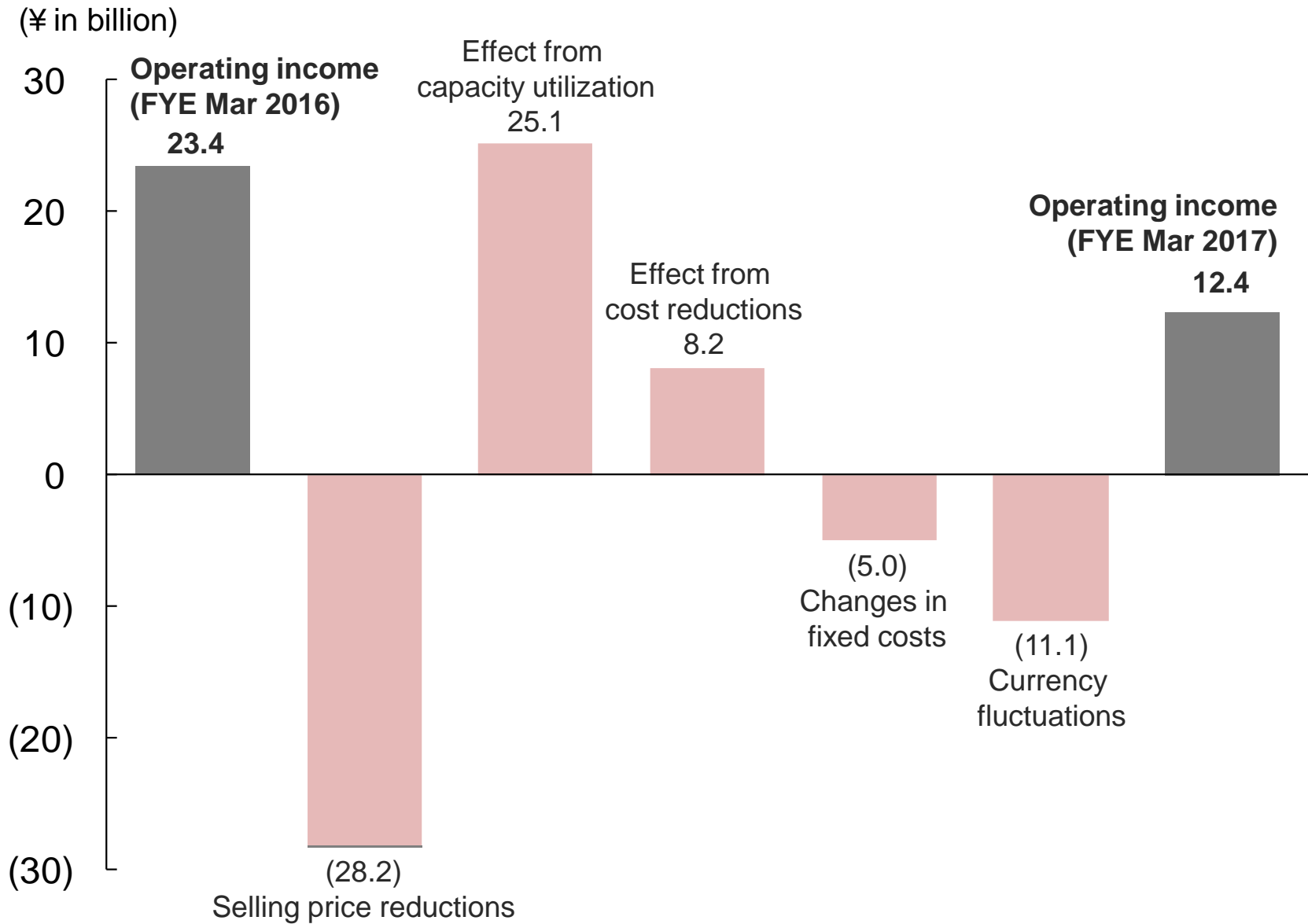
Earnings Forecast for FYE March 2018

- Forecast net sales of 242.0 billion yen and operating income of 15.0 billion yen means all-time high net sales and 21% operating income growth.
- Communication devices and components for automobiles and industrial equipment will continue to drive earnings growth.

Summary of Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2016 (01 Apr 2015 – 31 Mar 2016)		FYE Mar 31, 2017 (01 Apr 2016 – 31 Mar 2017)		Change Y/Y	
Net sales	240,385	100.0%	230,716	100.0%	(9,669)	(4.0) %
Operating income	23,370	9.7%	12,385	5.4%	(10,985)	(47.0) %
Ordinary income	22,263	9.3%	11,200	4.9%	(11,062)	(49.7) %
Net income attributable to owners of parent company	14,751	6.1%	5,428	2.4%	(9,322)	(63.2) %
Yen to USD average exchange rate	120.75 yen		108.43 yen		12.32 yen appreciated	
Impact of exchange rate fluctuation	Net sales (23.5) billion yen, Operating income (11.1) billion yen ※Including the impact of currencies other than US dollars					
R&D expenses	9,024		10,008		983	10.9 %
Capital investment	41,261		33,161		(8,100)	(19.6) %
Depreciation expenses	23,767		24,908		1,141	4.8 %

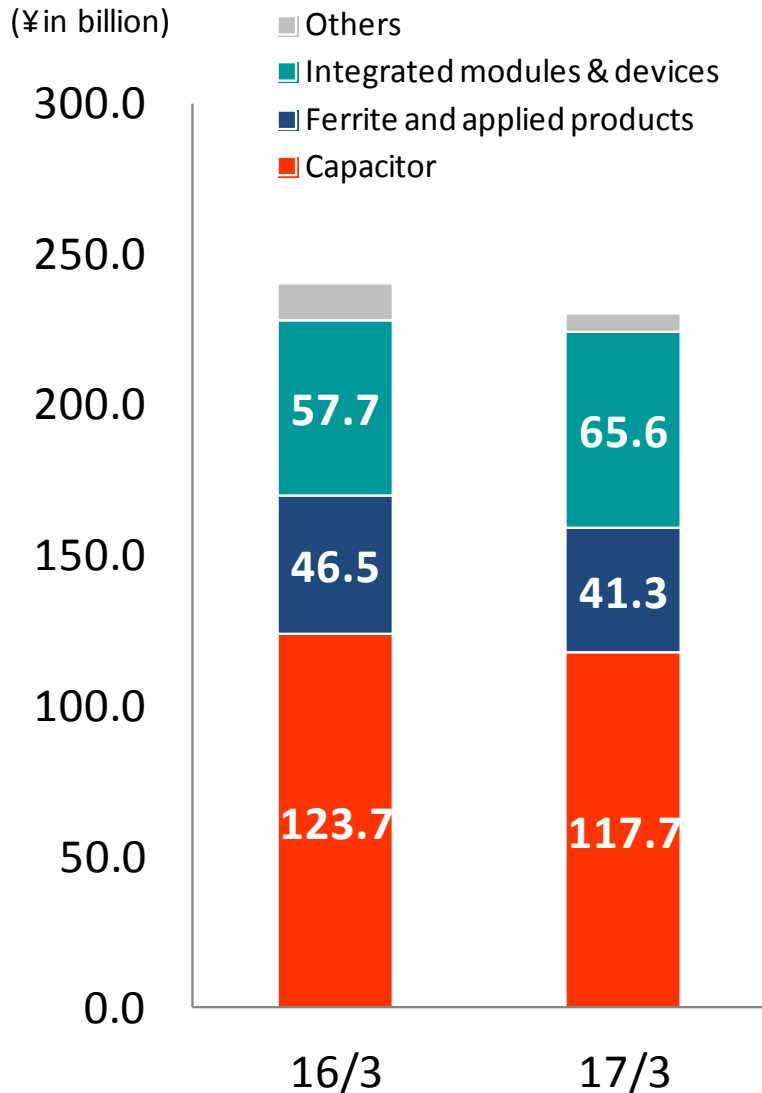
Factors behind Operating Income in FYE March 2017



Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2016		FYE Mar 31, 2017		Change Y/Y	
Capacitors	123,675	51.4%	117,666	51.0%	(6,008)	(4.9)%
Ferrite and applied products	46,463	19.3%	41,273	17.9%	(5,190)	(11.2)%
Integrated modules & devices	57,696	24.0%	65,580	28.4%	7,884	13.7%
Others	12,551	5.2%	6,196	2.7%	(6,354)	(50.6)%
Total net sales	240,385	100.0%	230,716	100.0%	(9,669)	(4.0)%

Financial Results by Product Classification (Y/Y)



■ Capacitor (4.9)%Y/Y

- Strong performance by products for automotive electronics, products for social infrastructure-related industrial equipment and products for notebook PCs
- Decline in products for smartphones and tablets, affected by appreciation in value of yen

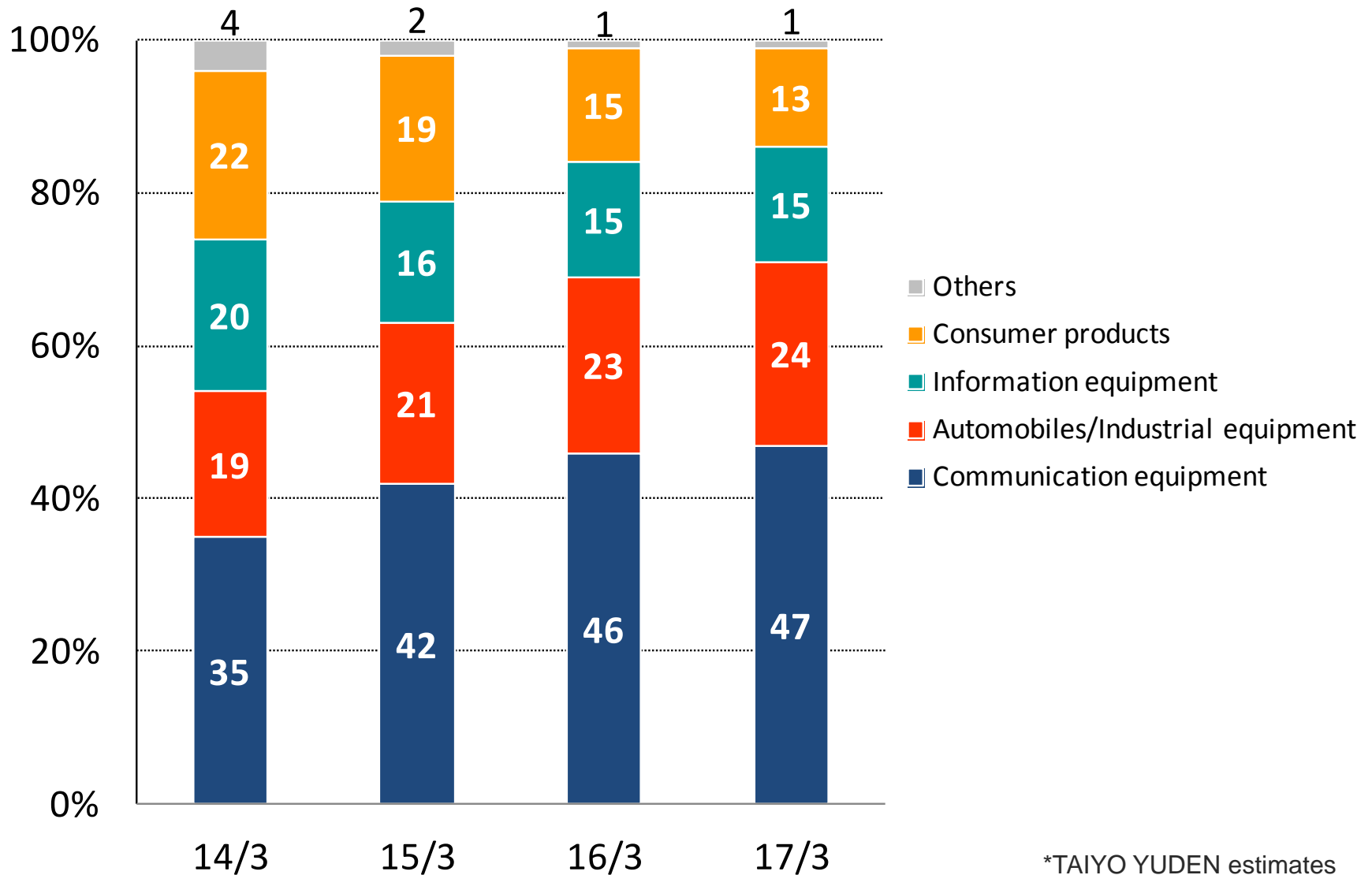
■ Ferrite and applied products (11.2)%Y/Y

- Significant decline in products for smartphones

■ Integrated modules & devices 13.7%Y/Y

- Sales of communications devices (FBAR/SAW) for smartphones in Greater China region increased significantly.
- Sales of embedded-parts multilayer wiring substrate EOMIN™ for double-lens smartphone camera modules increased.

Sales of Electronic Components by Market Sector



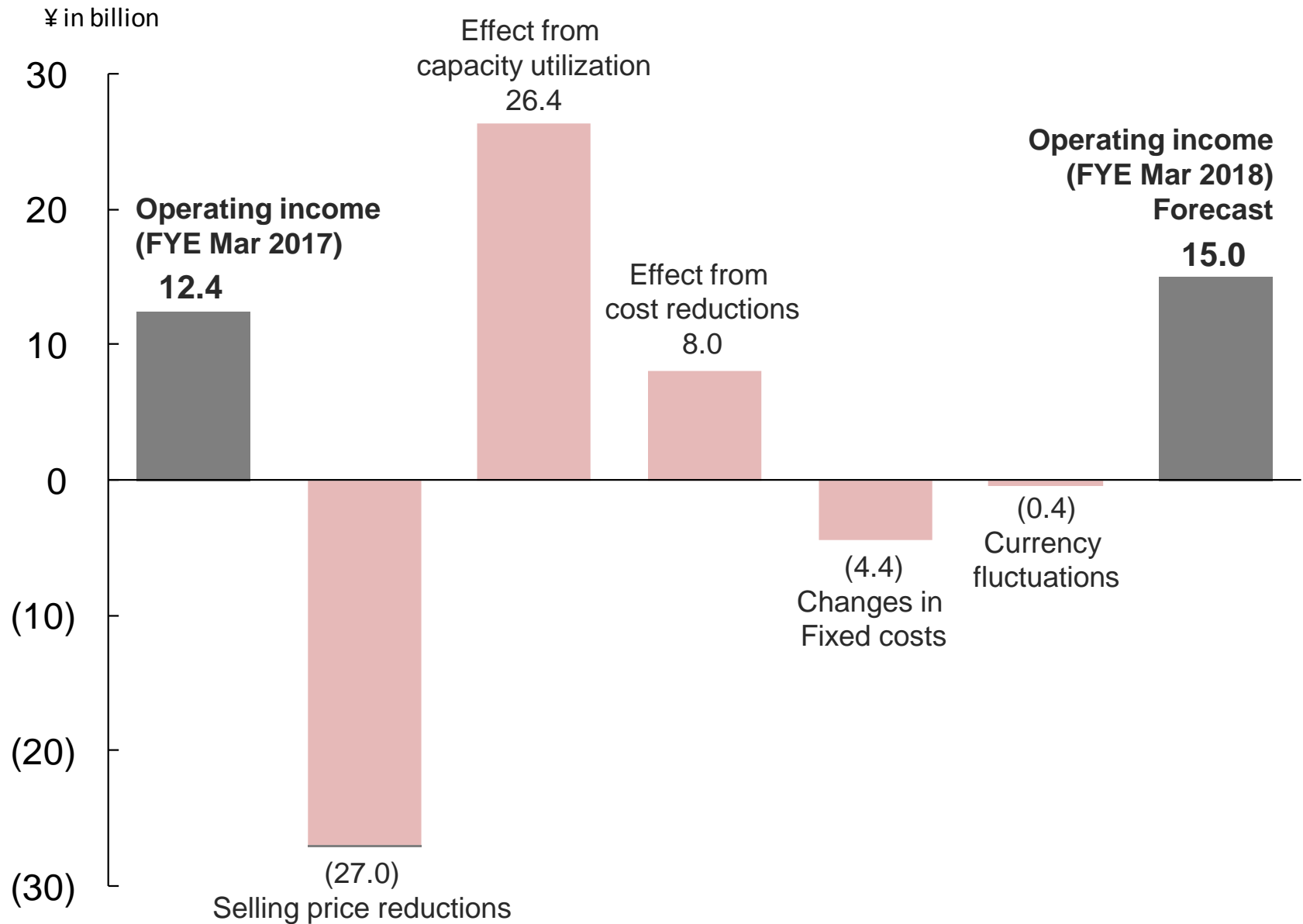
*TAIYO YUDEN estimates

Forecast of Consolidated Performance for the year ending March 31, 2018

Full-Year Forecast

¥ in million	FYE Mar 31, 2017		FYE Mar 31, 2018 Forecast		Change	
Net sales	230,716	100.0%	242,000	100.0%	11,284	4.9%
Operating income	12,385	5.4%	15,000	6.2%	2,615	21.1%
Ordinary income	11,200	4.9%	15,000	6.2%	3,800	33.9%
Net income attributable to owners of parent company	5,428	2.4%	9,000	3.7%	3,572	65.8%
Yen to USD average exchange rate	108.43 yen		108.00 yen		0.43yen appreciated	
R&D expenses	10,008		11,000		992	9.9%
Capital investment	33,161		27,000		(6,161)	(18.6)%
Depreciation expenses	24,908		27,000		2,092	8.4%

Factors behind Operating Income in FYE March 2018



Full-Year Forecast by Product Classification

¥ in million	FYE Mar 31, 2017		FYE Mar 31, 2018 Forecast		Change	
Capacitors	117,666	51.0%	125,000	51.7%	7,334	6.2%
Ferrite and applied products	41,273	17.9%	41,500	17.1%	227	0.5%
Integrated modules & devices	65,580	28.4%	73,000	30.2%	7,420	11.3%
Others	6,196	2.7%	2,500	1.0%	(3,696)	(59.7)%
Total net sales	230,716	100.0%	242,000	100.0%	11,284	4.9%

Supplementary Information

Consolidated Earnings Trends (Half Yearly)

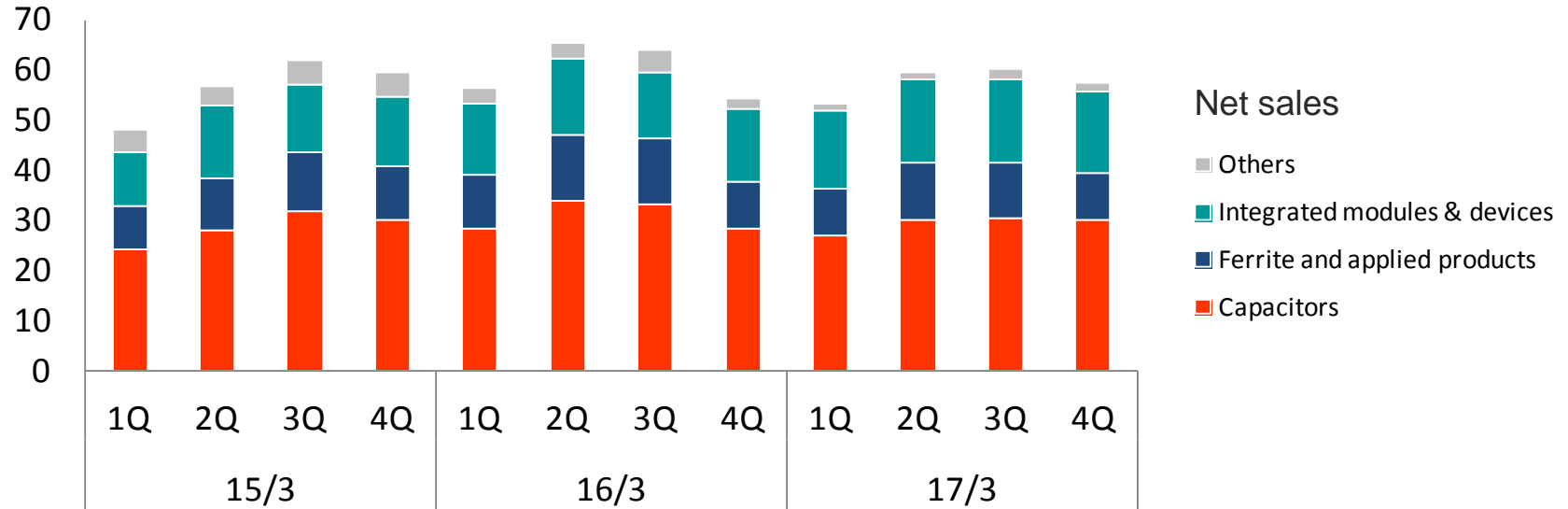
¥ in million	FYE Mar 31, 2016		FYE Mar 31, 2017		FYE Mar 31, 2018 Forecast	
	1H	2H	1H	2H	1H	2H
Net sales	122,109	118,275	113,032	117,684	119,000	123,000
Capacitors	62,225	61,449	57,083	60,582	62,500	62,500
Ferrite and applied products	23,871	22,592	20,838	20,435	20,500	21,000
Integrated modules & devices	29,608	28,087	32,351	33,229	34,500	38,500
Others	6,404	6,146	2,759	3,436	1,500	1,000
Operating income	14,253	9,116	5,290	7,094	7,000	8,000
Ordinary income	13,837	8,426	3,032	8,167	7,000	8,000
Net income attributable to owners of parent company	7,948	6,802	907	4,521	4,000	5,000
Yen to USD average exchange rate	121.83 yen	119.68 yen	107.19 yen	109.66 yen	108.00 yen	108.00 yen

Consolidated Earnings Trends (Quarterly)

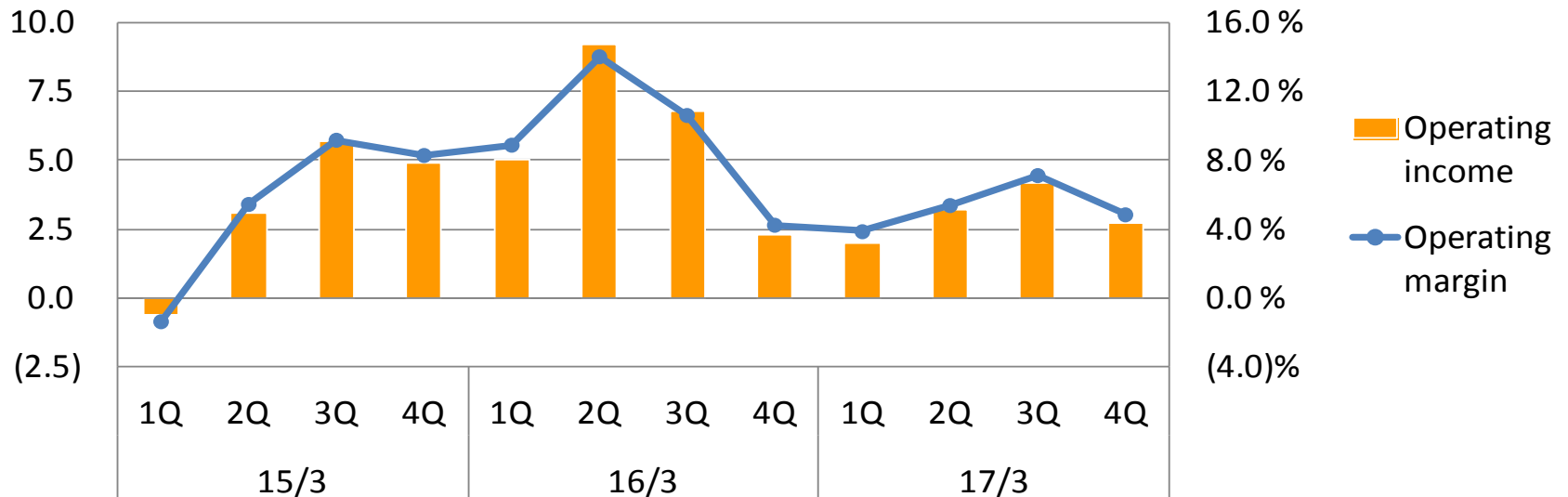
¥ in million	FYE Mar 31, 2016				FYE Mar 31, 2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	56,518	65,591	63,967	54,308	53,471	59,561	60,185	57,498
Capacitors	28,427	33,798	33,218	28,231	26,963	30,120	30,580	30,002
Ferrite and applied products	10,634	13,236	13,145	9,446	9,243	11,594	10,959	9,475
Integrated modules & devices	14,153	15,455	13,292	14,794	15,860	16,490	16,804	16,424
Others	3,302	3,101	4,310	1,836	1,404	1,355	1,841	1,595
Operating income	5,037	9,216	6,804	2,311	2,074	3,216	4,298	2,795
Ordinary income	5,052	8,785	7,266	1,159	829	2,202	6,676	1,491
Net income attributable to owners of parent company	3,058	4,890	6,433	368	224	683	4,067	454
Yen to USD average exchange rate	120.24 yen	123.41 yen	120.97 yen	118.39 yen	110.70 yen	103.69 yen	104.69 yen	114.63 yen

Consolidated Earnings Trends (Quarterly)

(¥ in billion)



(¥ in billion)



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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