

Financial and Non-financial Highlights

TAIYO YUDEN CO., LTD. and Subsidiaries
Years Ended March 31 and as of March 31

[Financial]

Net sales **¥244.1 billion**
5.8% up ↗ (YoY)

Operating income **¥20.2 billion**
63.3% up ↗

Operating margin **8.3%**
2.9pt up ↗

Ordinary income **¥20.5 billion**
83.5% up ↗

Net income attributable to owners of parent company **¥16.3 billion**
201.3% up ↗

R&D expenses **¥10.5 billion**
5.7% up ↗

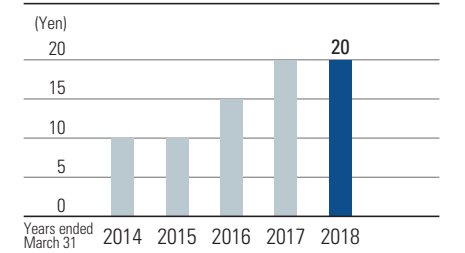
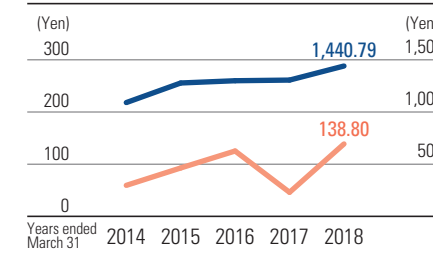
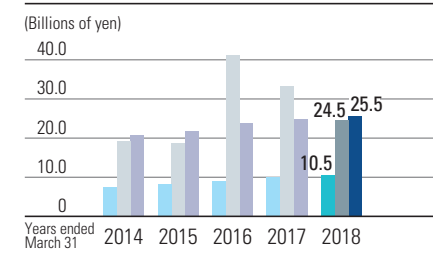
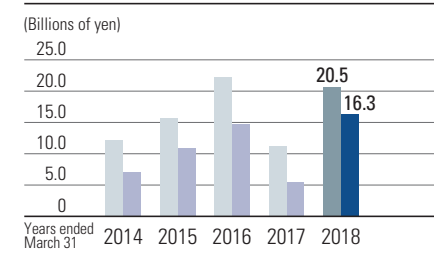
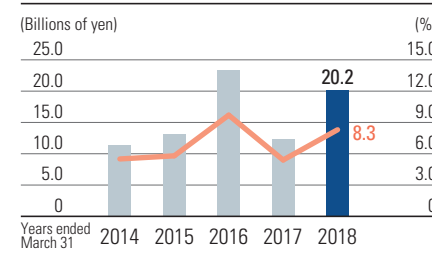
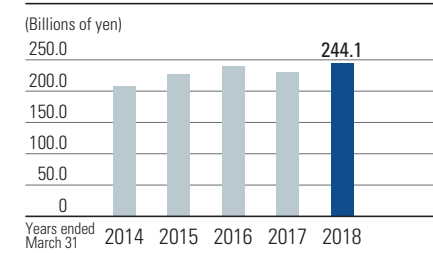
Capital investments **¥24.5 billion**
26.0% down ↘

Depreciation and amortization **¥25.5 billion**
2.7% up ↗

BPS **¥1,440.79**

EPS **¥138.80**

Cash dividends **¥20**



Growth in communication equipment-related components, primarily those for smartphones, and steady growth in automobile and industrial equipment-related components, both of which are TAIYO YUDEN's focus markets, resulted in an uptrend in net sales.

Despite ongoing initiatives to increase profitability, including improvements in production efficiency, both operating income and margin are in a state of fluctuation attributable to the impact of the exchange rate and other factors.

Ordinary income has closely tracked fluctuations in operating income. Whereas the fiscal year ended in March 31, 2017 coincided with business structure improvement expenses, net income attributable to owners of parent company improved significantly because such expenses did not occur during the fiscal year ended in March 30, 2018.

Faced with the imminent arrival of 5G networks, as well as greater automotive-related demand, TAIYO YUDEN continues to make aggressive capital investments, while at the same time increasing R&D expenses aimed at energizing new business and new product development.

As a result of the upward trends in both net income attributable to the owners of parent company and net assets, both BPS and EPS are trending upwards.

Having stated "Responsibility to Provide Returns to Shareholders" as one of our Management Philosophies, TAIYO YUDEN's medium-term business plan targets a more robust earnings structure and improved financial structure, while at the same time targeting a total return ratio of 30%, including repurchased shares.

ROE **10.1%**
6.6pt up ↗

ROA **7.3%**
3.1pt up ↗

Cash flows from operating activities **¥33.9 billion**

Cash flows from investing activities **¥(26.9) billion**

Free cash flows **¥7.0 billion**

Total assets **¥289.1 billion**
6.6% up ↗

Net assets **¥170.1 billion**
10.4% up ↗

Equity ratio **58.7%**
1.9pt up ↗

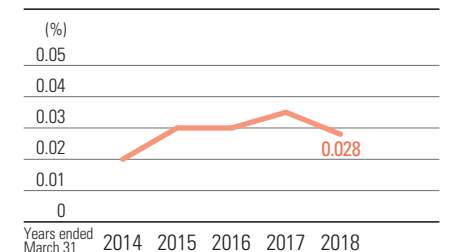
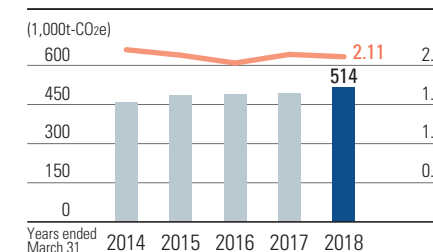
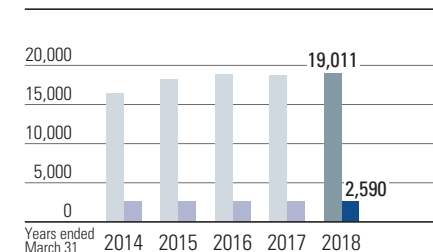
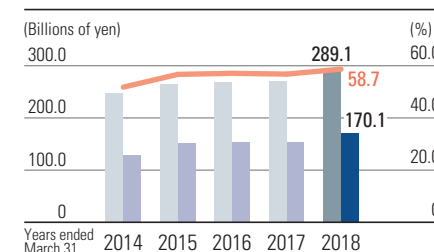
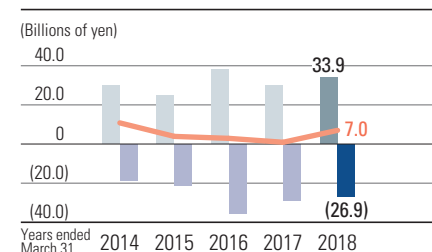
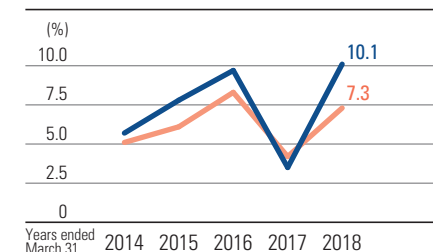
[Non-financial]

Number of employees [consolidated] **19,011**
1.4% up ↗

Number of employees [non-consolidated] **2,590**
0.2% up ↗

Greenhouse gas emissions **514 t-CO₂e**
4.3% up ↗

Incidence rate of injuries and illness **0.028%**
0.007pt down ↘



Having established a medium-term plan that continues to target an ROE of at least 10% by the fiscal year ending March 31, 2021, TAIYO YUDEN has been working to enhance profitability by expanding in the focus markets of automobiles and industrial equipment, and by undertaking productivity improvement activities.

Cash flows from operating activities trended upwards as a result of higher earnings. Meanwhile, increases in expenditures attributable to property, plant, and equipment purchases stemming from capital investments have also led to continued investment cash flow outlays.

Given the strong demand, the scale continues to expand, leading to growth in total assets. Meanwhile, holding down increases in interest-bearing debt has resulted in an equity ratio that remains in the upper 50% range.

The impact of increasing production capacity has led to an increase in the number of employees. However, promoting greater production efficiency has kept this increase in the number of employees minimal compared with the growth in capacity.

Increases in productivity has led to a sharp increase in greenhouse gas emissions. However, further increasing production efficiency by revising production processes, primarily for our main products, has led to an improvement in emissions per unit of sale.

As a result of conducting risk assessments for all work sites and promoting measures to prevent the occurrence of work-related accidents and work-related illnesses, the medium-term plan target of less than 0.040% for the incidence rate of injuries and illness continues to be met.