**VALUE CREATION STORY**

**[ Financial ]**

Net sales ¥244.1 billion 5.8% up ¥233.4 billion
Operating income ¥20.2 billion 63.3% up ¥12.5 billion
Operating margin 8.3% 2.9pt up 6.4%
Ordinary income ¥20.5 billion 83.5% up ¥11.3 billion
Net income attributable to owners of parent company ¥16.3 billion 201.3% up ¥5.5 billion

**Growth in communication equipment-related components, primarily those for smartphones, and steady growth in automobile and industrial components, primarily those for smartphones, has led to increased sales and profit margins. The ROE has also shown an uptrend in net sales.**

**ROE 10.1%**

Depreciation and amortization ¥25.5 billion 2.7% up ¥19.8 billion
R&D expenses ¥10.5 billion 5.7% up ¥9.9 billion
Capital investments ¥24.5 billion 26.0% down ¥19.3 billion
Cash dividends ¥20

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.

**ROA 7.3%**

Ordinary income per share ¥1,440.79
EPS ¥138.80
BPS ¥1,440.79

**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 continues to target an ROE of at least 10% by the fiscal year ending March 31, 2021.**

**BPS 58.7% 1.9pt up**

**Cash from operating activities ¥33.9 billion**

**Net assets ¥289.1 billion 6.6% up ¥270.2 billion**

**Free cash flows ¥7.0 billion**

Ordinary income attributable to owners of parent company ¥16.3 billion

Ordinary income ¥20.5 billion

**Faceted 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.**

**Total assets ¥292.1 billion 6.8% up ¥272.2 billion**

**Equity ratio 58.7% 1.9pt up**

**[ Non-financial ]**

**Number of employees (consolidated) 19,011 1.4% up 18,800**

**Greenhouse gas emissions 514,000 t-CO2e 4.3% up**

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

**Number of employees (non-consolidated) 2,590 0.2% up 2,560**

**Incidence of injuries and illness continues to be met.**

Cash flows from operating activities increased by ¥15 billion compared to the previous year, and cash flows from investing activities decreased by ¥3.6 billion.

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

Cash from operating activities ¥33.9 billion

Cash from investing activities ¥(26.9) billion

**Free cash flows ¥7.0 billion**

**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.**

**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.**

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

Cash from operating activities ¥33.9 billion

Cash from investing activities ¥(26.9) billion

**Free cash flows ¥7.0 billion**

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

**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 0.06% for the incidence rate of injuries and illness continues to be met.**

**Number of employees (non-consolidated) 2,590 0.2% up 2,560**

**Number of employees (non-consolidated) 2,590 0.2% up 2,560**

**Increases in productivity have 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.**