

Consolidated Financial Results

First quarter for the year ending March 31, 2019

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Financial Summary

1Q for the Year Ending March 2019

- Net sales were flat Q/Q at 59.6 billion yen. Operating income increased 34% Q/Q to 6.0 billion yen. Demand for use in automobiles, primarily capacitors, was strong.

Earnings Forecast for the Year Ending March 2019

- The forecasts for first half have been revised upward. Demand for high reliability and leading-edge products is expected to be at a level that exceeds initial forecasts due to advances of electronic components in automobiles and industrial equipment and further improvements in smartphone functionality and performance.
- Taking these factors into consideration, the full-year financial results forecasts have also been revised upward.

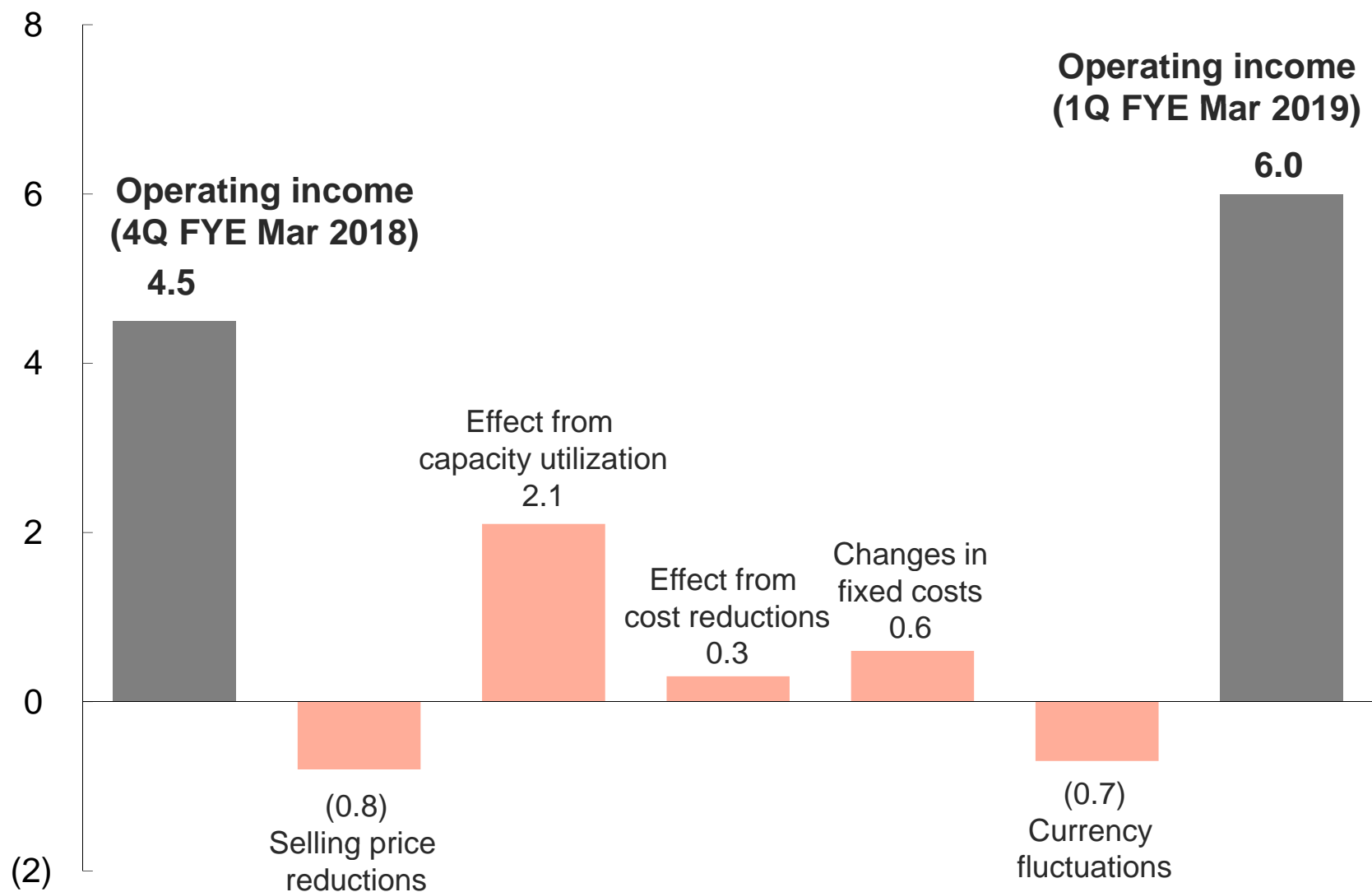
1Q – Consolidated Financial Results (Q/Q)

¥ in million	FYE Mar 31, 2018 4Q (01 Jan 2018 – 31 Mar 2018)		FYE Mar 31, 2019 1Q (01 Apr 2018 – 30 Jun 2018)		Change Q/Q	
	Net sales	59,883	100.0%	59,576	100.0%	(307)
Operating income	4,460	7.4%	5,981	10.0%	1,520	34.1%
Ordinary income	3,935	6.6%	6,896	11.6%	2,960	75.2%
Net income attributable to owners of parent company	3,675	6.1%	5,645	9.5%	1,970	53.6%
Yen to USD average exchange rate	110.62 yen		107.76 yen		2.86yen appreciated	
Impact of exchange rate fluctuation	(1.1) billion yen on net sales, (0.7) billion yen on operating income * Including the impact of currencies other than US dollars					
R&D expenses	2,781		3,246		464	16.7%
Capital investment	8,040		5,038		(3,001)	(37.3)%
Depreciation expenses	6,733		6,065		(668)	(9.9)%

* The operating results of ELNA CO., LTD., which became a consolidated subsidiary of TAIYO YUDEN in April 2018, have not been included in the consolidated operating results for the TAIYO YUDEN Group shown above.

1Q – Factors driving Operating Income (Q/Q)

(¥ in billion)



1Q – Financial Results by Product Classification (Q/Q)

¥ in million	FYE Mar 31, 2018 4Q		FYE Mar 31, 2019 1Q		Change Q/Q	
Capacitors	37,290	62.3%	36,184	60.7%	(1,106)	(3.0)%
Ferrite and applied products	9,006	15.0%	9,228	15.5%	221	2.5%
Integrated modules & devices	12,722	21.2%	13,208	22.2%	485	3.8%
Others	863	1.4%	954	1.6%	91	10.6%
Total net sales	59,883	100.0%	59,576	100.0%	(307)	(0.5)%

Financial Results by Product Classification (Q/Q)

(¥ in billion)



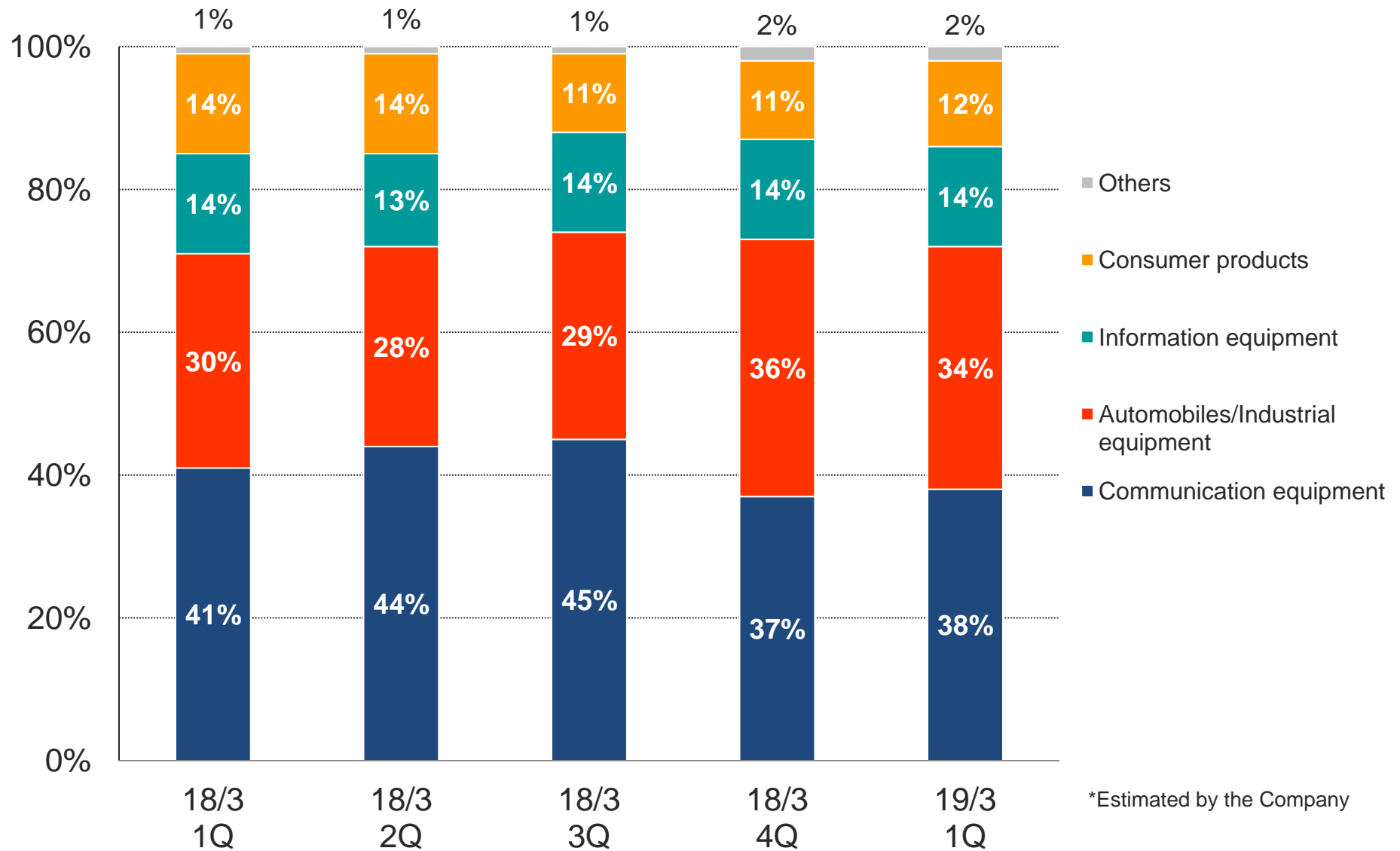
- **Capacitors** (3.0)% Q/Q
 Sales for use in information equipment and automobiles increased, but sales for use in communication equipment and industrial equipment fell.

- **Ferrite and applied products** +2.5% Q/Q
 Sales for use in consumer products and automobiles increased.

- **Integrated modules & devices** +3.8% Q/Q
 Sales for use in communications devices (FBAR/SAW) increased.

■ Capacitors
 ■ Ferrite and applied products
 ■ Integrated modules & devices
 ■ Others

Sales of Electronic Components by Market Sector



Forecast of Consolidated Performance

for the Year ending March 31, 2019

Forecasts of Consolidated Performance

¥ in million	FYE Mar 31, 2019 1H				FYE Mar 31, 2019 Full year			
	Initial forecasts	Revised forecasts	Change		Initial forecasts	Revised forecasts	Change	
Net sales	125,000	130,000	5,000	4.0%	255,000	260,000	5,000	2.0%
Operating income	9,500	13,000	3,500	36.8%	21,000	24,500	3,500	16.7%
Ordinary income	9,000	13,500	4,500	50.0%	20,000	24,500	4,500	22.5%
Net income attributable to owners of parent company	5,000	9,000	4,000	80.0%	13,000	17,000	4,000	30.8%
R&D expenses	—				13,000	13,000	0	0.0%
Capital investment	—				43,000	43,000	0	0.0%
Depreciation expenses	—				27,000	27,000	0	0.0%

- 1H and full-year operating results forecasts revised upward. 1H only revised and the increases added to the full-year forecasts. Assumption for average exchange rate on 2Q is US\$1:¥110.
- Initial 2H forecasts not revised and unchanged. Assumption for average exchange rate from 3Q onward is US\$1:¥105.
- * As ELNA CO., LTD., which became a consolidated subsidiary of TAIYO YUDEN in April 2018, has not published forecasts for operating results, figures related to ELNA have not been included in the above forecasts for the operating results for the TAIYO YUDEN Group.

Forecasts of Consolidated Performance by Product Classification

¥ in million	FYE Mar 31, 2019 1H				FYE Mar 31, 2019 Full year			
	Initial forecasts	Revised forecasts	Change		Initial forecasts	Revised forecasts	Change	
Capacitors	77,500	80,500	3,000	3.9%	158,000	161,000	3,000	1.9%
Ferrite and applied products	19,000	20,500	1,500	7.9%	39,000	40,500	1,500	3.8%
Integrated modules & devices	26,500	27,000	500	1.9%	54,000	54,500	500	0.9%
Others	2,000	2,000	0	0	4,000	4,000	0	0.0%
Total net sales	125,000	130,000	5,000	4.0%	255,000	260,000	5,000	2.0%

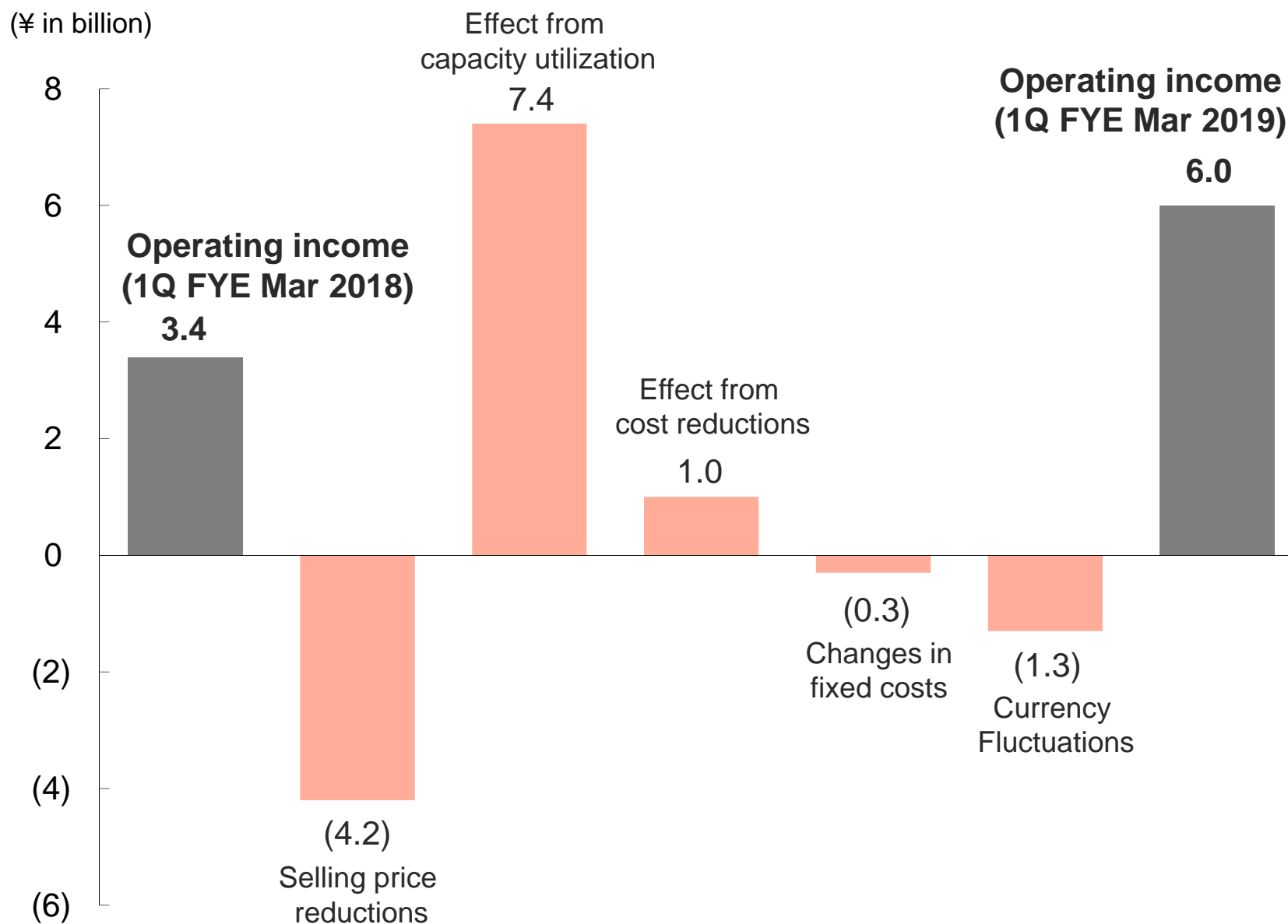
Supplementary Information

1Q – Consolidated Financial Results (Y/Y)

¥ in million	FYE Mar 31, 2018		FYE Mar 31, 2019		Change Y/Y	
	1Q		1Q			
Net sales	54,072	100.0%	59,576	100.0%	5,503	10.2%
Operating income	3,412	6.3%	5,981	10.0%	2,568	75.3%
Ordinary income	4,421	8.2%	6,896	11.6%	2,474	56.0%
Net income attributable to owners of parent company	3,113	5.8%	5,645	9.5%	2,532	81.3%
Yen to USD average exchange rate	111.81yen		107.76yen		4.05yen appreciated	
Impact of exchange rate fluctuation	(1.1) billion yen on net sales, (1.3) billion yen on operating income * Including the impact of currencies other than US dollars					
R&D expenses	2,794		3,246		451	16.2%
Capital investment	4,895		5,038		143	2.9%
Depreciation expenses	6,193		6,065		(128)	(2.1)%

* The operating results of ELNA CO., LTD., which became a consolidated subsidiary of TAIYO YUDEN in April 2018, have not been included in the consolidated operating results for the TAIYO YUDEN Group shown above.

1Q – Factors driving Operating Income (Y/Y)

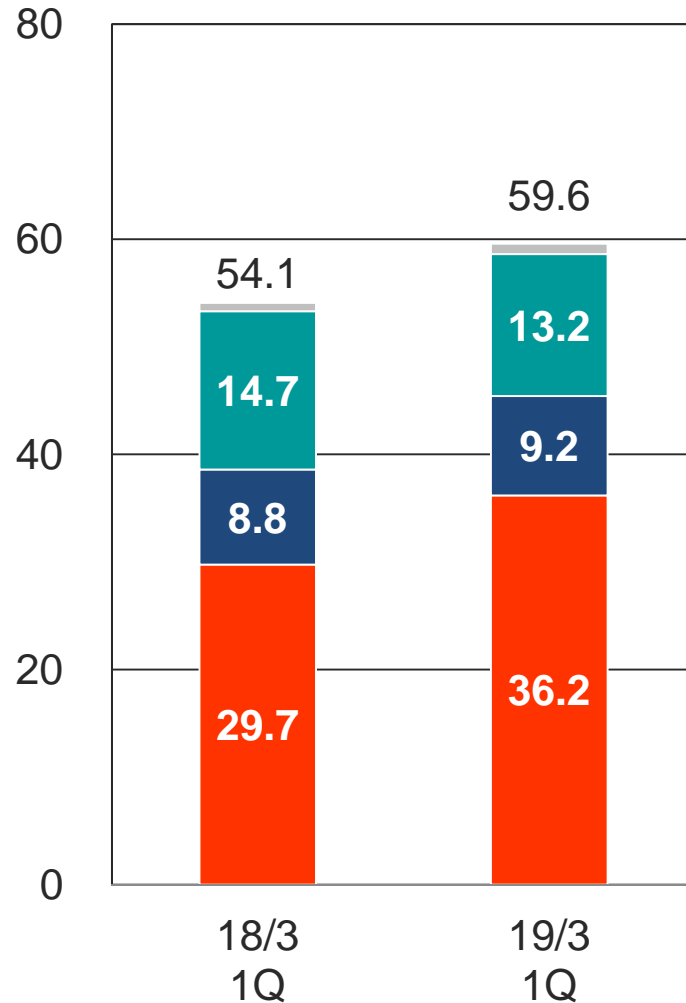


1Q – Financial Results by Product Classification (Y/Y)

¥ in million	FYE Mar 31, 2018 1Q		FYE Mar 31, 2019 1Q		Change Y/Y	
Capacitors	29,747	55.0%	36,184	60.7%	6,436	21.6%
Ferrite and applied products	8,847	16.4%	9,228	15.5%	381	4.3%
Integrated modules & devices	14,711	27.2%	13,208	22.2%	(1,502)	(10.2)%
Others	766	1.4%	954	1.6%	188	24.6%
Total net sales	54,072	100.0%	59,576	100.0%	5,503	10.2%

Financial Results by Product Classification (Y/Y)

(¥ in billion)



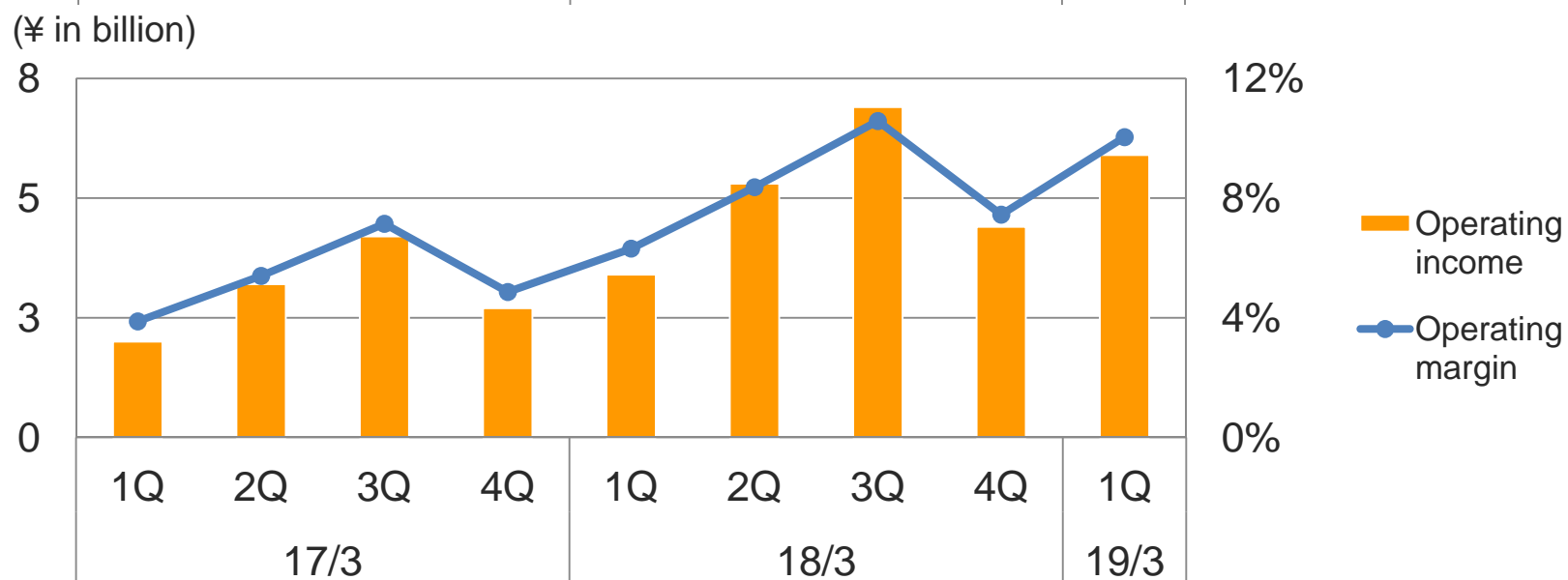
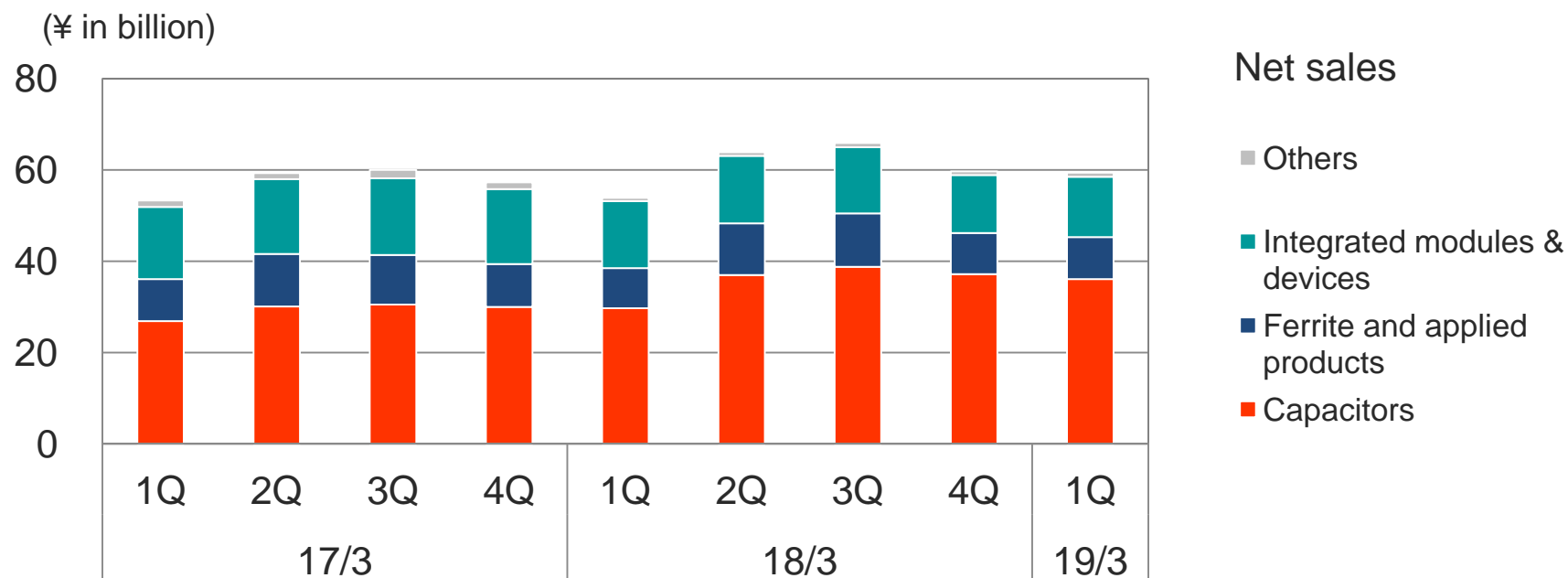
Capacitors	+21.6% Y/Y
Sales for use in all equipment increased. In particular, sales for use in communication equipment and automobiles/industrial equipment increased dramatically.	
Ferrite and applied products	+4.3% Y/Y
Sales for use in consumer products and automobiles/industrial equipment increased.	
Integrated modules & devices	(10.2)%Y/Y
Sales decreased, primarily for use in power supply modules.	

■ Capacitors
 ■ Ferrite and applied products
 ■ Integrated modules & devices
 ■ Others

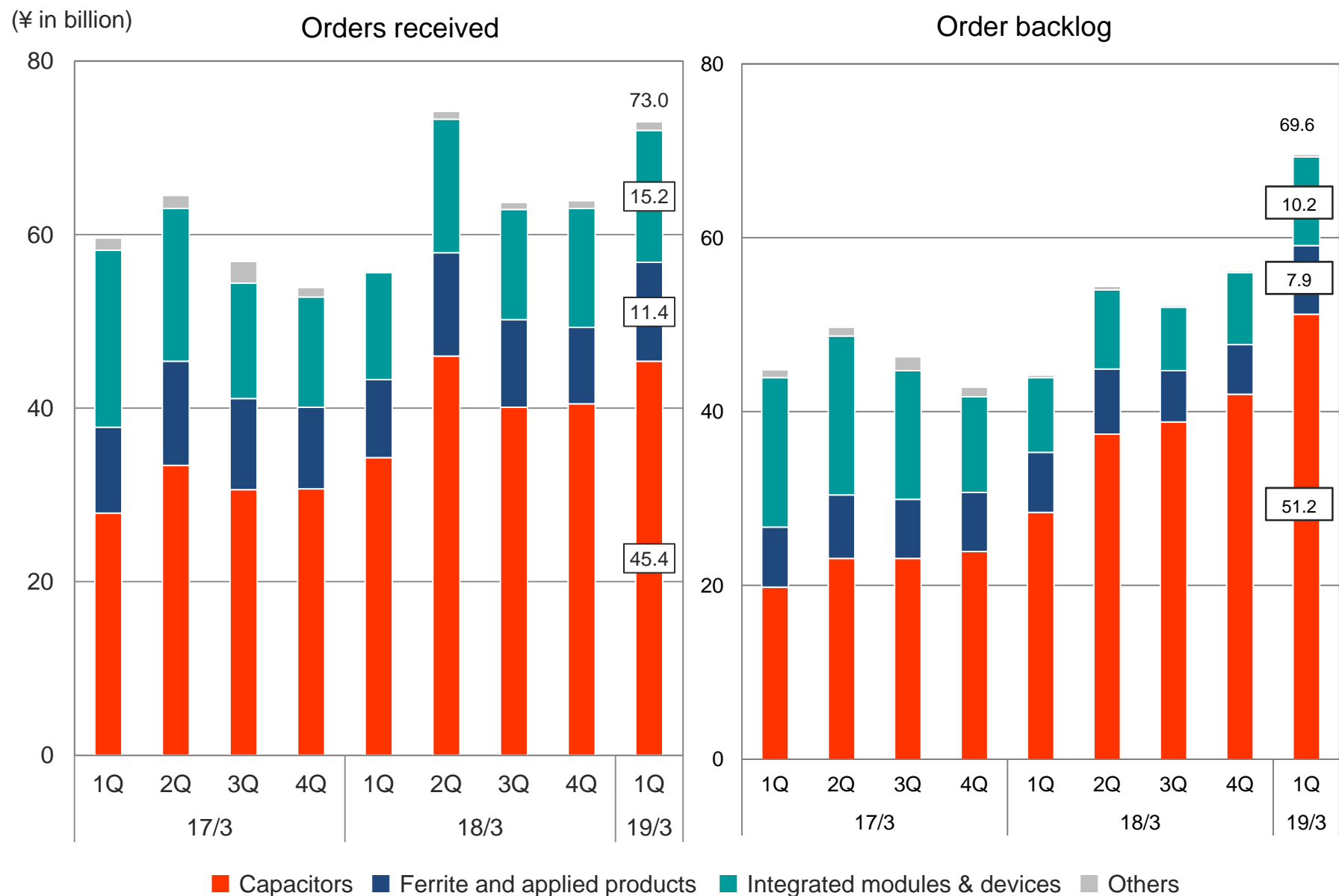
Consolidated Earnings Trends (Quarterly)

¥ in million	FYE Mar 31, 2017				FYE Mar 31, 2018				FYE Mar 31, 2019
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net sales	53,471	59,561	60,185	57,498	54,072	64,107	66,053	59,883	59,576
Capacitors	26,963	30,120	30,580	30,002	29,747	37,019	38,800	37,290	36,184
Ferrite and applied products	9,243	11,594	10,959	9,475	8,847	11,376	11,746	9,006	9,228
Integrated modules & devices	15,860	16,490	16,804	16,424	14,711	14,871	14,533	12,722	13,208
Others	1,404	1,355	1,841	1,595	766	840	972	863	954
Operating income	2,074	3,216	4,298	2,795	3,412	5,362	6,985	4,460	5,981
Ordinary income	829	2,202	6,676	1,491	4,421	5,599	6,596	3,935	6,896
Net income attributable to owners of parent company	224	683	4,067	454	3,113	4,265	5,301	3,675	5,645
Yen to USD average exchange rate (yen)	110.70	103.69	104.69	114.63	111.81	111.11	112.23	110.62	107.76

Consolidated Earnings Trends (Quarterly)



Orders Received and Order Backlog Trends (Quarterly)



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