

# Consolidated Results for FY March 2016

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## Highlights of the Operating Results for FY March 2016

### ◆ **Net sales achieved a new record at 1,152.3 billion yen.**

Record net sales in the Passive Components and Film Application Products segments. Magnetic Application Products segment recorded a much sharper decline in net sales than initially expected, due to a significant drop in HDD demand.

### ◆ **Operating income increased 29% year on year to 93.4 billion yen.**

Passive Components and Film Application Products achieved new record highs, absorbing the downturn in HDD heads. The Company conducted restructuring in HDD heads in 4Q to prepare for a further slump in HDD demand.

### ◆ **Executing growth investment in line with Medium-Term Management Plan.**

**Expanding from ICT to the automotive and industrial businesses.**

Conducted various M&As to accelerate growth.

Formed business alliance and established joint venture with Qualcomm.

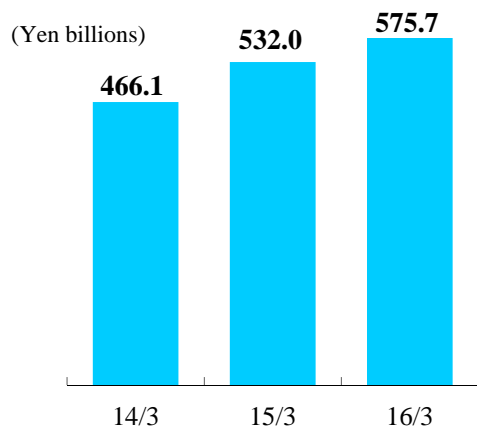
Aggressively invested in strategic growth product expansion.

## Consolidated Full Year Results for FY March 2016

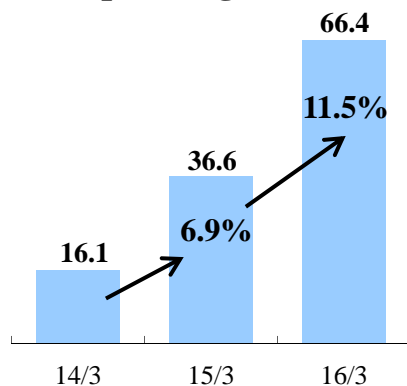
(Yen billions)	FY March 2015 Full Year Results	FY March 2016 Full Year Results	Change	
			Yen billions	%
Net sales	1,082.6	<b>1,152.3</b>	69.7	6.4
Operating income	72.5	<b>93.4</b>	20.9	28.8
Operating income margin	6.7%	<b>8.1%</b>		-
Income before Income Taxes	74.5	<b>91.8</b>	17.3	23.2
Net income	49.4	<b>64.8</b>	15.4	31.2
Earning per share (JPY)	392.78	<b>514.23</b>	-	-
Ex-rate	US\$ (JPY)	109.84	<b>120.13</b>	Depreciated by 9.4%
	EURO (JPY)	138.88	<b>132.67</b>	Appreciated by 4.5%
Ex-rate impact to Net sales & Operating income	Net sales : Increased by about 85.3 billion Yen Operating income : Increased by about 17.3 billion Yen			

# FY March 2016 Results - Passive Components Segment

Net Sales



Operating Income



**Net Sales 575.7 billion yen** (up 8.2% year on year)

**Operating Income 66.4 billion yen** (up 81.4% year on year)

## ● Ceramic Capacitors

- Both sales and profits increased year on year, particularly due to increased sales for automobile market.

## ● Inductive Devices

- Both sales and profits increased year on year, particularly due to increased sales for automobile market.

## ● High-frequency Components

- Both sales and profits increased year on year due to strong sales for the ICT market.
- Profit margins also improved significantly due to increased productivity and improved product mix.

## ● Piezoelectric Material Products

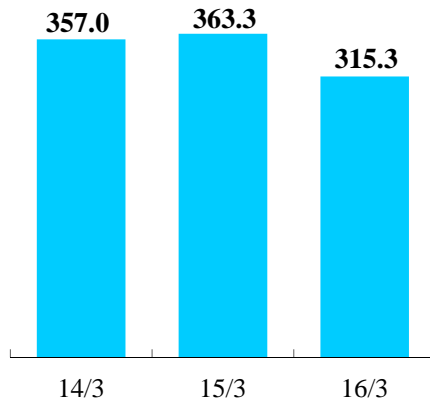
- Both sales and profits increased year on year due to increased sales of OISs for camera modules.

14/3: FY March 2014

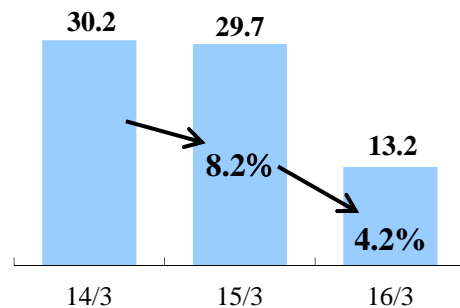
# FY March 2016 Results - Magnetic Application Segment

Net Sales

(Yen billions)



Operating Income



14/3: FY March 2014

**Net sales 315.3 billion yen** (down 13.2% year on year)

**Operating income 13.2 billion yen** (down 55.6% year on year)

## ● Recording Devices

- HDD head shipment volume declined significantly due to contraction of the HDD market (PC demand slowdown and acceleration of switch to SSDs in PCs). Significant decline in sales and profit year on year.

## ● Magnets

- Sales for the HDD market declined, and also declined for the automotive (xEV\*) and industrial machinery markets due to the decline in oil prices and the economic slowdown in China.

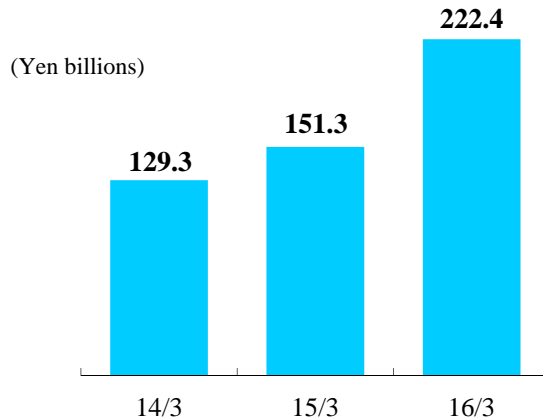
## ● Power Supplies

- Sales to the industrial equipment market of products such as semiconductor manufacturing equipment and measuring equipment remained strong.

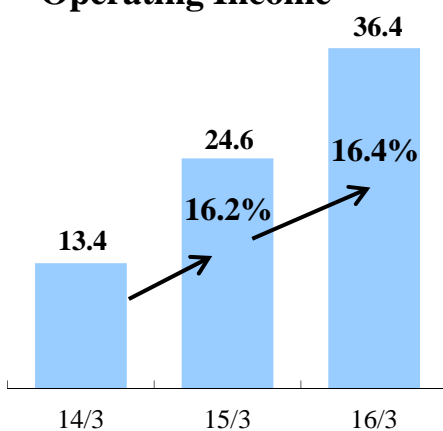
\*xEV : EV, HEV, PHEV

# FY March 2016 Results - Film Application Segment

Net Sales



Operating Income



**Net sales 222.4 billion yen** (up 47.0% year on year)

**Operating income 36.4 billion yen** (up 48.0% year on year)

## ● Energy Devices (Rechargeable Batteries)

- Sales and profits increased significantly year on year.
- Increased share among major customers and expanded customer portfolio.
- Expanded applications beyond smartphones to include drones, etc.

14/3: FY March 2014

## FY March 2016 results by Segment

		FY March 2015 Full Year Results		FY March 2016 Full Year Results		Change	
		Yen billion	%	Yen billion	%	Yen billion	%
Net Sales	Capacitors	149.0	13.8	<b>150.4</b>	13.1	1.4	0.9
	Inductive devices	147.3	13.6	<b>149.2</b>	12.9	1.9	1.3
	Other Passive Components	235.8	21.8	<b>276.1</b>	24.0	40.3	17.1
	<b>Passive Components</b>	<b>532.0</b>	<b>49.1</b>	<b>575.7</b>	<b>50.0</b>	<b>43.7</b>	<b>8.2</b>
	Recording devices	260.5	24.1	<b>219.8</b>	19.1	(40.7)	-15.6
	Other Magnetic Application Products	102.8	9.5	<b>95.5</b>	8.3	(7.3)	-7.1
	<b>Magnetic Application Products</b>	<b>363.3</b>	<b>33.6</b>	<b>315.3</b>	<b>27.4</b>	<b>(48.0)</b>	<b>-13.2</b>
	<b>Film Application Products</b>	<b>151.3</b>	<b>14.0</b>	<b>222.4</b>	<b>19.3</b>	<b>71.1</b>	<b>47.0</b>
	<b>Other</b>	<b>35.9</b>	<b>3.3</b>	<b>38.8</b>	<b>3.4</b>	<b>2.9</b>	<b>8.1</b>
	<b>Total</b>	<b>1,082.6</b>	<b>100.0</b>	<b>1,152.3</b>	<b>100.0</b>	<b>69.7</b>	<b>6.4</b>
Operating Income	Passive Components	36.6	6.9	<b>66.4</b>	11.5	29.8	81.4
	Magnetic Application Products	29.7	8.2	<b>13.2</b>	4.2	(16.5)	-55.6
	Film Application Products	24.6	16.2	<b>36.4</b>	16.4	11.8	48.0
	Other	0.6	1.6	<b>1.9</b>	4.8	1.3	-
	<b>Sub total</b>	<b>91.4</b>	<b>8.4</b>	<b>117.8</b>	<b>10.2</b>	<b>26.4</b>	<b>28.9</b>
	Corporate and eliminations	(18.9)	-	<b>(24.4)</b>	-	(5.5)	-
<b>Total</b>	<b>72.5</b>	<b>6.7</b>	<b>93.4</b>	<b>8.1</b>	<b>20.9</b>	<b>28.8</b>	

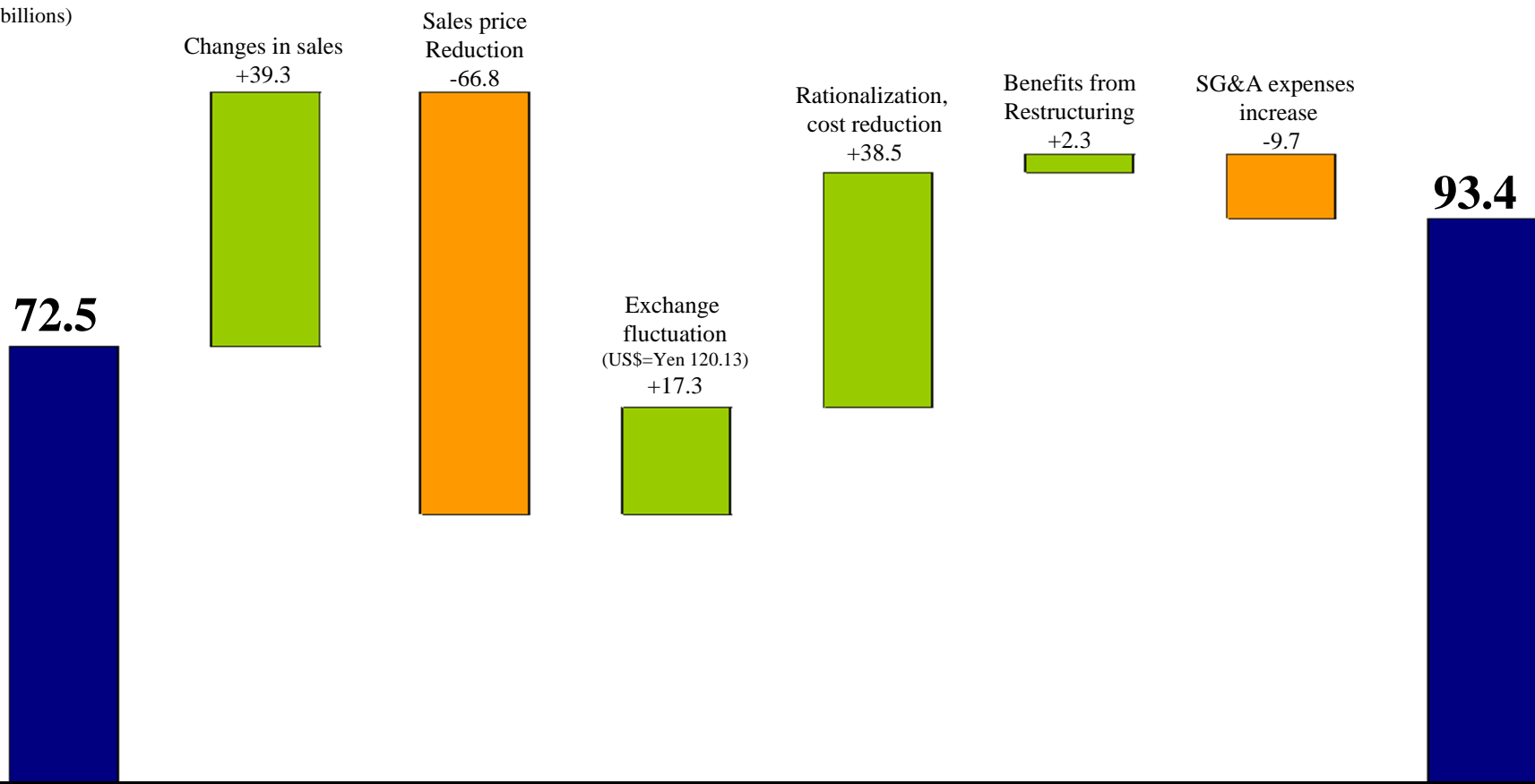
# Breakdown of Operating Income Changes

FY March 2015  
72.5 billion yen

**Operating Income +20.9 billion yen**

FY March 2016  
93.4 billion yen

(Yen billions)





# FY March 2016 Quarterly Results by Segment

		4Q of FY March 2015 (A)	3Q of FY March 2016 (B)	4Q of FY March 2016 (C)	YoY Change (C)-(A)		QoQ Change (C)-(B)	
					Yen billions	%	Yen billions	%
Net Sales	Capacitors	37.6	36.4	<b>35.4</b>	(2.2)	-5.9	(1.0)	-2.7
	Inductive Devices	36.4	37.4	<b>35.4</b>	(1.0)	-2.7	(2.0)	-5.3
	Other Passive Components	62.8	67.7	<b>65.5</b>	2.7	4.3	(2.2)	-3.2
	<b>Passive Components</b>	<b>136.9</b>	<b>141.5</b>	<b>136.3</b>	(0.6)	-0.4	(5.2)	-3.7
	Recording Devices	62.6	58.5	<b>46.0</b>	(16.6)	-26.5	(12.5)	-21.4
	Other Magnetic Application Products	25.9	23.3	<b>22.9</b>	(3.0)	-11.6	(0.4)	-1.7
	<b>Magnetic Application Products</b>	<b>88.5</b>	<b>81.8</b>	<b>68.9</b>	(19.6)	-22.1	(12.9)	-15.8
	<b>Film Application Products</b>	<b>44.1</b>	<b>68.5</b>	<b>46.6</b>	2.5	5.7	(21.9)	-32.0
	<b>Other</b>	<b>10.3</b>	<b>10.0</b>	<b>11.1</b>	0.8	7.8	1.1	11.0
	<b>Total</b>	<b>279.9</b>	<b>301.7</b>	<b>262.9</b>	(17.0)	-6.1	(38.8)	-12.9
Operating Income	<b>Passive Components</b>	8.0	17.5	<b>16.5</b>	8.5	106.3	(1.0)	-5.7
	<b>Magnetic Application Products</b>	6.3	4.7	<b>0.2</b>	(6.1)	-96.8	(4.5)	-95.7
	<b>Film Application Products</b>	9.4	14.6	<b>5.4</b>	(4.0)	-42.6	(9.2)	-63.0
	<b>Other</b>	0.6	(0.1)	<b>1.4</b>	0.8	133.3	1.5	-
	<b>Sub total</b>	24.3	36.7	<b>23.5</b>	(0.8)	-3.3	(13.2)	-36.0
	<b>Corporate and Eliminations</b>	(5.0)	(6.4)	<b>(6.0)</b>	(1.0)	-	0.4	-
	<b>Total</b>	<b>19.4</b>	<b>30.3</b>	<b>17.5</b>	(1.9)	-	(12.8)	-42.2
Operating Income margin		6.9%	10.0%	<b>6.7%</b>	-0.2pt	-	-3.3pt	-
Ex- rate	US\$(JPY)	119.21	121.41	<b>115.46</b>				
	EURO(JPY)	134.74	133.05	<b>127.37</b>				

## Cautionary Statements with Respect to Forward-Looking Statements

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