

Consolidated Results for First Half of FY March 2017

**Tetsuji Yamanishi
Corporate Officer**

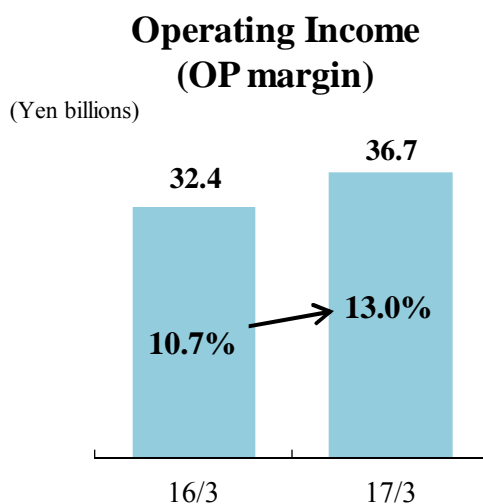
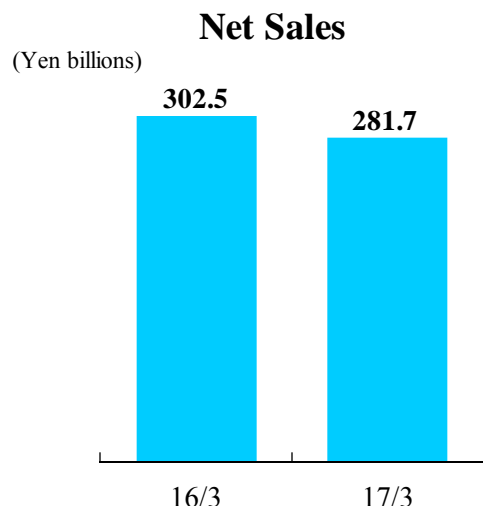
Key points concerning earnings for First Half of FY March 2017

- ◆ **Net sales declined 1.4% and operating income declined 2.9% year on year. Net income increased 3.8% year on year.**
- ◆ **The passive components segment secured a year on year increase in operating income, driven by improved earnings on high-frequency components. Operating income achieved a new record on both a first-half basis and a quarterly basis.**
- ◆ **Both sales and operating income on rechargeable batteries increased year on year due to an expansion of sales for the Chinese smartphone market. Operating income achieved a new record on a first-half basis.**
- ◆ **The HDD market is projected to perform slightly better than the initial forecast of a 10% reduction year on year.
(Number of units: previous fiscal year 444 million, initial forecast for this fiscal year 400 million, current forecast 410 million)**

Consolidated Results for First Half of FY March 2017

	(Yen billions)	FY March 2016 Results through 2Q (2015.4.1-2015.9.30)	FY March 2017 Results through 2Q (2016.4.1-2016.9.30)	Change	
				Yen billions	%
Net Sales		587.6	579.2	(8.4)	-1.4
Operating Income		45.6	44.3	(1.3)	-2.9
Operating Income Margin		7.8%	7.6%	-0.2pt	-
Income before Income Taxes		44.1	44.3	0.2	0.5
Net Income		31.5	32.7	1.2	3.8
Earning Per Share (JPY)		249.69	259.01	-	-
Ex-rate	US\$ (JPY)	121.80	105.41	Appreciated by 13.5%	
	EURO (JPY)	135.11	118.36	Appreciated by 12.4%	
Ex-rate impact to Net sales & Operating Income		Net sales : Decreased by about 85.7 billion Yen Operating income : Decreased by about 18.1 billion Yen			

First Half Results - Passive Components Segment



16/3: FY March 2016

Net Sales 281.7 billion yen (down 6.9% year on year)

Operating Income 36.7 billion yen (up 13.3% year on year)

◆ Ceramic Capacitors

- Sales decreased year on year.
- Sales to the automobile market increased, while sales to the ICT and the industrial equipment markets decreased.

◆ Inductive Devices

- Sales decreased year on year.
- Sales to the automobile market increased, while sales to the ICT market decreased.

◆ High-frequency Components

- Sales increased year on year.
- Sales of discrete products and diversity modules increased.
- Operating income margin also increased year on year.

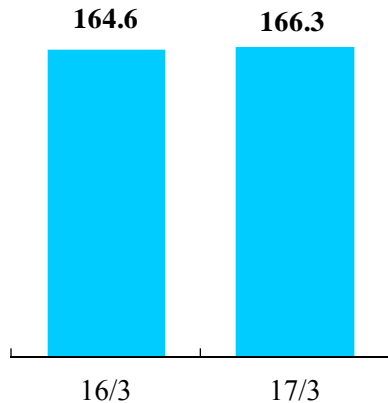
◆ Piezoelectric Material Products

- Sales decreased year on year.
- Sales for VCM and OIS for Chinese smartphone remained strong.

First Half Results - Magnetic Application Products Segment

Net Sales

(Yen billions)



Net Sales 166.3 billion yen (up 1.0% year on year)

Operating income 4.1 billion yen (down 50.0% year on year)

◆ HDD Heads

- Sales increased year on year.
- HDD head sales were stronger than initially projected, despite the sluggish HDD market.

◆ Magnets

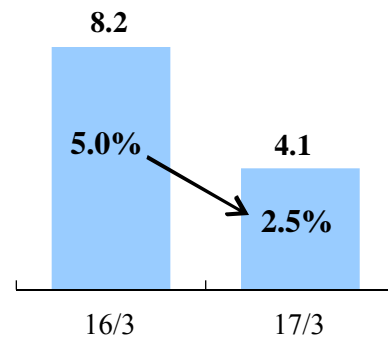
- Sales decreased year on year.
- Sales to the HDD market decreased.

◆ Power Supplies

- Sales decreased year on year.
- Sales to the industrial equipment market decreased.

Operating Income (OP margin)

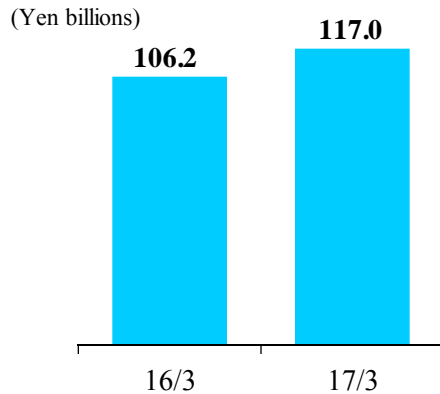
(Yen billions)



16/3: FY March 2016

First Half Results - Film Application Products Segment

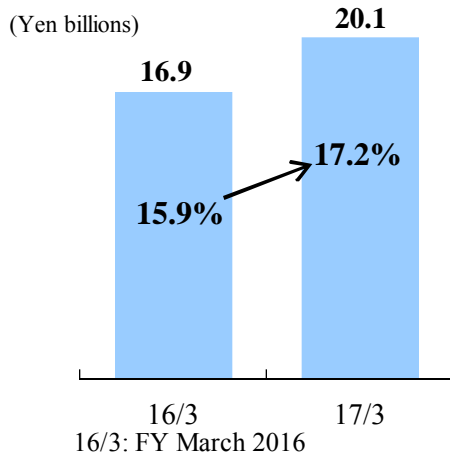
Net Sales



Net sales 117.0 billion yen (up 10.2% year on year)

Operating income 20.1 billion yen (up 18.9% year on year)

Operating Income (OP margin)



◆ Energy Devices (Rechargeable Batteries)

- Sales increased year on year.
- Sales for smartphones increased significantly.
- Sales for new applications other than smartphones were also strong.
- Operating income margin also increased year on year.

Quarterly Results by Segment

(Yen billions)		2Q of FY March 2016 (A)	1Q of FY March 2017 (B)	2Q of FY March 2017 (C)	YoY Change (C)-(A)		QoQ Change (C)-(B)	
					Yen billions	%	Yen billions	%
Net Sales	Capacitors	39.5	34.4	33.7	(5.8)	-14.7	(0.7)	-2.0
	Inductive Devices	40.2	35.7	35.5	(4.7)	-11.7	(0.2)	-0.6
	Other Passive Components	72.6	67.6	74.8	2.2	3.0	7.2	10.7
	Passive Components	152.2	137.7	144.0	(8.2)	-5.4	6.3	4.6
	Recording Devices	60.7	61.0	62.3	1.6	2.6	1.3	2.1
	Other Magnetic Application Products	24.6	21.4	21.6	(3.0)	-12.2	0.2	0.9
	Magnetic Application Products	85.3	82.4	83.9	(1.4)	-1.6	1.5	1.8
	Film Application Products	63.3	51.8	65.2	1.9	3.0	13.4	25.9
	Other	7.3	6.9	7.3	0.0	0.0	0.4	5.8
	Total	308.1	278.8	300.4	(7.7)	-2.5	21.6	7.7
Operating Income	Passive Components	17.4	16.0	20.7	3.3	19.0	4.7	29.4
	Magnetic Application Products	4.5	1.7	2.4	(2.1)	-46.7	0.7	41.2
	Film Application Products	11.8	7.1	13.0	1.2	10.2	5.9	83.1
	Other	0.1	(1.4)	(2.0)	(2.1)	-	(0.6)	42.9
	Sub total	33.7	23.4	34.1	0.4	1.2	10.7	45.7
	Corporate and Eliminations	(6.3)	(6.9)	(6.3)	0.0	-	0.6	-
	Total	27.4	16.5	27.8	0.4	1.5	11.3	68.5
Operating Income margin		8.9%	5.9%	9.3%	+0.4pt	-	+3.4pt	-
Ex-rate	US\$ (JPY)	122.31	108.37	102.47				
	EURO (JPY)	136.06	122.41	114.36				

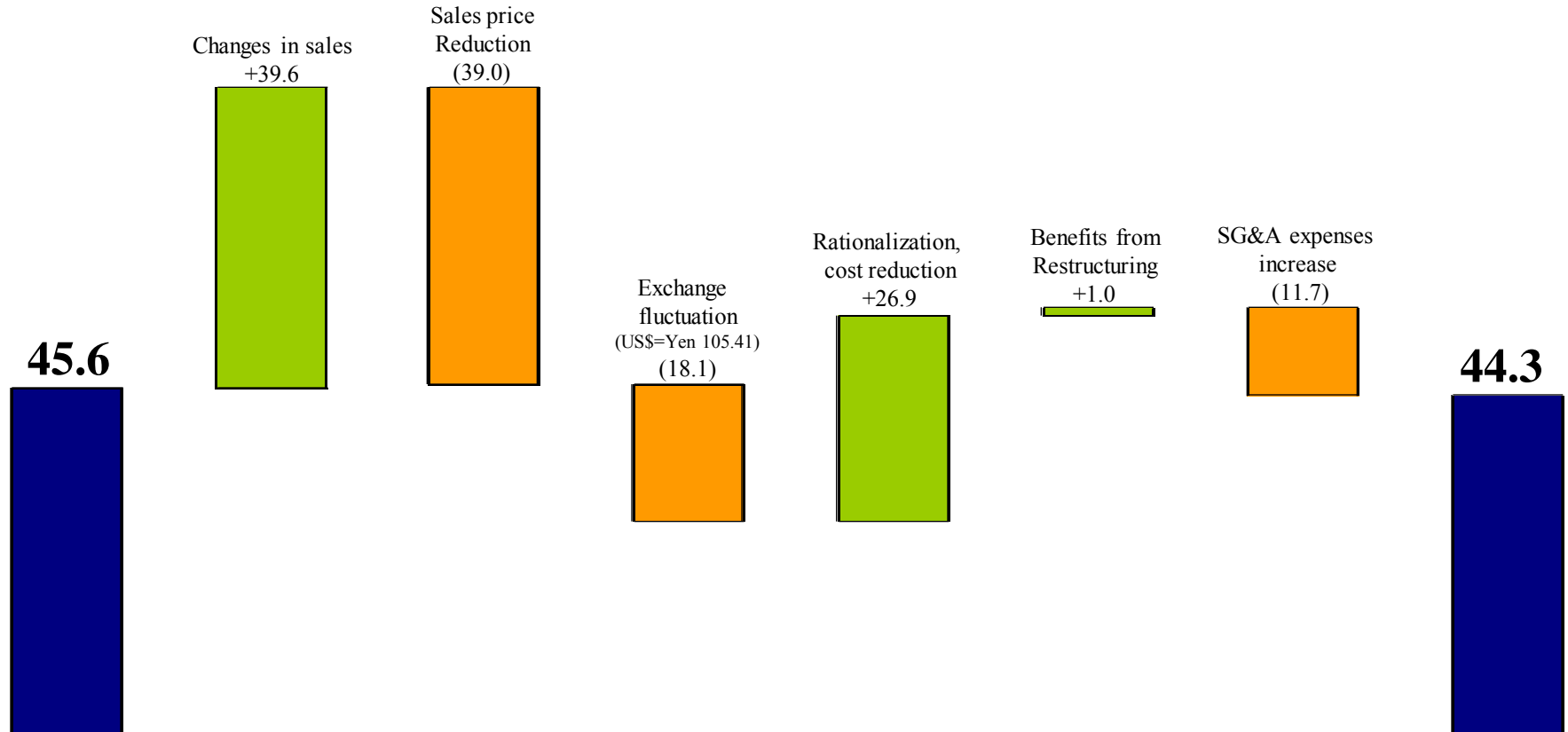
Breakdown of Operating Income Changes

First Half of
FY March 2016
45.6 billion yen

Operating Income -1.3 billion yen

First Half of
FY March 2017
44.3 billion yen

(Yen billions)



Consolidated Results for 2Q of FY March 2017

	(Yen billions)	FY March 2016 2Q Results	FY March 2017 2Q Results	Change	
				Yen billions	%
Net Sales		308.1	300.4	(7.7)	-2.5
Operating Income		27.4	27.8	0.4	1.5
Operating Income Margin		8.9%	9.3%	+0.4pt	-
Income before Income Taxes		25.1	27.9	2.8	11.2
Net Income		18.4	20.3	1.9	10.3
Earning Per Share (JPY)		145.72	160.71	-	-
Ex-rate	US\$ (JPY)	122.31	102.47	Appreciated by 16.2%	
	EURO (JPY)	136.06	114.36	Appreciated by 15.9%	
Ex-rate impact to Net sales & Operating Income	Net sales : Decreased by about 53.8 billion Yen Operating income : Decreased by about 12.2 billion Yen				

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