

## To Our Stakeholders

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I wish to thank all our investors, business partners, members of regional communities we serve, and all shareholders for their continued support.

The overall business environment we operate in was difficult in the year ended March 2013, however we did see positive trends with the world economy showing signs of gradual improvement and the Japanese economy showing improvements with the depreciation of the high yen in the second half of the year under review. At TAIYO YUDEN, we have been working to build a strong business structure that will not be affected by external factors such as these. To accomplish this, we have been implementing structural improvements that have reduced fixed costs by ¥10 billion per year starting in the fall of 2011. In addition, we have been altering our product mix to offer more super high-end products that utilize the key elements of our technical capabilities, capitalizing on one of our strengths. Furthermore, the entire Group has been conducting initiatives supporting our growth strategy. These initiatives are key to our proactive approach to the markets we are focusing on, including automobiles, industrial equipment, health care, and environment/energy-related equipment. As a result, consolidated net sales for the year ended March 2013 totaled ¥192,903 million, operating income was ¥4,993 million, and net income totaled ¥2,000 million. In brief, we have successfully embarked on a new stage of TAIYO YUDEN.

These results and continued initiatives are just the beginning of TAIYO YUDEN's transformation as we aim for higher goals and arouse greater expectations moving forward. We will continue to implement our structural reforms and conduct a further shift to super-high-end products. Through these and other measures, we will boldly focus on and successfully penetrate the markets we are targeting. In the process of doing so, we will be flexible and we will quickly adjust to new possibilities at the same time as properly reacting and adapting to hitherto unseen business conditions and models.

I look forward to a prosperous future for TAIYO YUDEN, and I sincerely ask for your continued support for our endeavors.



A handwritten signature in black ink, reading "E. Watanuki".

Eiji Watanuki  
President and Representative Director