



We will continue steadfast implementation of structural reform while accelerating growth strategies.

TAIYO YUDEN

太陽誘電株式会社

I wish to thank our investors, business partners, local communities, and all stakeholders for your continued support.

In the consolidated fiscal year ended March 2014, TAIYO YUDEN posted substantial increases in net sales of 7.9% year over year to ¥208.2 billion, operating income of 134.2% year over year to ¥11.3 billion, and net income of 274.3% year over year to ¥6.9 billion. The results reflect our diligent efforts to advance structural reform and success with our growth strategies focused on high value-added super high-end products with additional support from a weaker Japanese Yen. We are transforming TAIYO YUDEN into a company capable of consistently generating profits and believe we have established a sustainable growth path for the Company.

Nevertheless, we are still not fully satisfied with our performance. Insufficient lineup and mistimed product development for some of our core products along with lower level of production volume in the applications and models incorporating our products caused our sales and income results to fall short of our initial plan. I assure you that everyone at TAIYO YUDEN is aware that we did not live up to stakeholder expectations in the fiscal year ended in March 2014.

While addressing the causes of the shortcomings, we are stepping up measures to strengthen the Company's market, products, customer base, and financial bases to ensure we survive and thrive in the rapidly changing market conditions we face. We are also aiming to continually establish the Company's position as a trusted and stable supplier as seen by a wide range of customers in many different markets.

We are grateful for the continued support and guidance we receive from our stakeholders as we push forward with our endeavors.

President and Chief Executive Officer
Eiji Watanuki

A handwritten signature in black ink that reads "E. Watanuki". The signature is written in a cursive, flowing style.