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 Listing exchange: Tokyo Stock Exchange (Code Number: 6976)

Consolidated Results for the Year Ended March 31, 2013 (April 1, 2012 – March 31, 2013)

Unit: Millions of yen (Millions of yen rounded down unless otherwise stated)

Overview of Operating Results

Item	Year ended March 31, 2012		Year ended March 31, 2013		Increase/(Decrease)	
	Amount	Share[%]	Amount	Share[%]	Amount	[%]
Net sales	183,795	100.0	192,903	100.0	9,108	5.0
Operating income (loss)	(8,010)	(4.4)	4,993	2.6	13,004	-
Ordinary income (loss)	(9,070)	(4.9)	7,260	3.8	16,331	-
Income (loss) before income taxes and minority interests	(14,624)	(8.0)	4,021	2.1	18,646	-
Net income (loss)	(21,599)	(11.8)	2,000	1.0	23,600	-
Comprehensive income (loss)	(22,150)	-	12,435	-	34,585	-
Net income (loss) per share [Yen]	(183.70)		17.01			
Diluted net income per share [Yen]	-		16.98			
R&D expenses	8,068		6,840		(1,228)	(15.2)
Capital investment	26,450		20,702		(5,747)	(21.7)
Depreciation and amortization	19,250		19,832		582	3.0

Notes:

- Share data is computed as a ratio of net sales.
- Although diluted shares exist for the year ended March 31, 2012, diluted net income per share is not disclosed since there is net loss per share for the period.

	As of March 31, 2012		As of March 31, 2013		Increase/(Decrease)	
	Amount	[%]	Amount	[%]	Amount	[%]
Total assets	208,461		225,927		17,465	8.4
Net assets	104,400		115,961		11,560	11.1
Equity ratio	49.9%		51.2%		1.3pt	-
Net assets per share [Yen]	884.70		983.16		98.46	11.1

Net Sales by Product Segment

Product segment	Year ended March 31, 2012		Year ended March 31, 2013		Increase/(Decrease)	
	Amount	Share[%]	Amount	Share[%]	Amount	[%]
Capacitors	82,796	45.0	89,852	46.6	7,056	8.5
Ferrite and applied products	27,929	15.2	28,490	14.7	560	2.0
Integrated modules & devices	46,041	25.1	47,804	24.8	1,762	3.8
Other electronic components	4,084	2.2	4,778	2.5	694	17.0
Electronic components	160,851	87.5	170,925	88.6	10,073	6.3
Optical media products	16,152	8.8	15,412	8.0	(739)	(4.6)
Others	6,791	3.7	6,565	3.4	(225)	(3.3)
Optical media and others	22,943	12.5	21,978	11.4	(965)	(4.2)
Total	183,795	100.0	192,903	100.0	9,108	5.0

Consolidated Results for the year ended March 31, 2013

May 14, 2013

Preparation of supplementary materials for the annual financial results: Yes

Holding of presentation of annual financial results: Yes (For institutional investors and investment analysts)

1. Consolidated financial results for the period from April 1, 2012 to March 31, 2013

(1) Operating results (Percentages represent changes from the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2013	192,903	5.0	4,993	—	7,260	—	2,000	—
Year ended March 31, 2012	183,795	(12.6)	(8,010)	—	(9,070)	—	(21,599)	—

Note: Comprehensive income ended on March 31, 2013 12,435 million yen ; -% ended on March 31, 2012 (22,150) million yen ; -%

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Year ended March 31, 2013	17.01	16.98	1.8	3.3	2.6
Year ended March 31, 2012	(183.70)	-	(18.7)	(4.2)	(4.4)

(Reference) Equity in earnings of affiliates Year ended March 31, 2013 7 million yen Year ended March 31, 2012 69 million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2013	225,927	115,961	51.2	983.16
As of March 31, 2012	208,461	104,400	49.9	884.70

(Reference) Shareholder's equity As of March 31, 2013 115,645 million yen As of March 31, 2012 104,024 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2013	19,496	(18,157)	2,334	33,280
Year ended March 31, 2012	5,534	(28,945)	11,388	26,671

2. Dividend information

	Cash dividends per share					Total annual dividend	Dividend payout ratio	Dividend on net assets
	First	Second	Third	Year	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2012	-	2.50	-	2.50	5.00	587	-	0.5
Year ended March 31, 2013	-	5.00	-	5.00	10.00	1,176	58.8	1.1
Year ending March 31, 2014 (Forecast)	-	5.00	-	5.00	10.00		9.0	

3. Forecasts of operating results for the period from April 1, 2013 to March 31, 2014

(Percentages represent changes from same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2013	108,000	13.2	10,000	586.2	9,500	-	6,500	-	55.26
Year ending March 31, 2014	220,000	14.0	20,000	300.5	19,000	161.7	13,000	549.9	110.52

4. Note

(1) Changes in principal subsidiaries during year ended March 31, 2013: No

(2) Changes in accounting policies and accounting estimates, and restatements

a. Changes in accounting policies due to the revision of accounting standards: Yes

b. Changes in accounting policies by the reasons other than "a": No

c. Changes in accounting estimates: Yes

d. Restatement: No

(3) Number of common shares outstanding :

a. Number of common shares outstanding (including treasury stock):

As of March 31, 2013	120,481,395 shares	As of March 31, 2012	120,481,395 shares
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b. Number of treasury stock:

As of March 31, 2013	2,855,179 shares	As of March 31, 2012	2,899,010 shares
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c. Average number of common shares outstanding:

Fiscal Year ended March 31, 2013	117,614,804 shares	Fiscal Year ended March 31, 2012	117,583,616 shares
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Others :

1. This financial press release is out of scope of the audit procedure based on the Financial Instruments and Exchange Act in Japan. As of time of press release date, the annual audit procedure is ongoing.

2. Forecasts of operating results include a number of assumptions based on information currently available and certain premises which were judged to be rational. Please note that these forecasts may significantly differ from actual results with various factors.

3. TAIYO YUDEN will post the financial supplementary data on its web-site.

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1. Analysis of Operating Results and Financial Condition

(1) Analysis of Operating Results

1. Operating Results for the Year Ended March 31, 2013

Economy and Market Conditions

The economic environment surrounding TAIYO YUDEN CO., LTD. (“TAIYO YUDEN” or “the Company”) and its subsidiaries (together “the Companies”) in the year ending March 31, 2013 remained challenging, despite a gradual recovery in the global economy and the rapid depreciation of the yen that began in the second half of the Company’s fiscal year.

The electronics industry has seen continued growth from the smartphone and tablet PC markets. In contrast to this, the PC and television markets remain sluggish. Overall this has caused weaker demand for electronic components.

Company Actions Planned to Offset These Conditions

TAIYO YUDEN group has implemented a series of structural reforms that are measures management believes will improve operations and foster growth needed to achieve the targets established for the year ending March 31, 2015, which is the final year of the Company’s medium-term management plan. The measures implemented to improve operations include the process of shifting the production of capacitors and inductors offshore from Japan to other countries, which is consistent with efforts to maximize the use of its overseas production sites. Our growth strategies include the expansion of sales and the emphasis on super high-end products, including capacitors, inductors and SAW/FBAR devices. As a result, the Company was able to improve profitability and realize positive net income.

Overview of Each Business Segment

Electronic components

- The Company strengthened its production system and expanded sales of our super high-end products. Examples of this are stated below. These products support the smartphone market and address the continued growth in demand for that market.
 - EIA01005- and EIA0201-sized ultra small multilayer ceramic capacitors and small, high-capacitance multilayer ceramic capacitors

- Metal power inductors “MCOIL™” used for newly developed metallic magnet materials
- High frequency multilayer high-Q chip inductors and ultra small multilayer chip inductors
- SAW/FBAR devices

Optical media and others

- The Company continued with initiatives aimed at returning the optical media products business back to profitability.

Overview of Business Performance

Consolidated net sales for the year ended March 31, 2013 totaled ¥192,903 million, an increase of 5.0% compared to the previous fiscal year. The Company achieved an operating profit of ¥4,993 million, compared to an operating loss of ¥8,010 million for the previous fiscal year. The Company recorded a gain on foreign exchange of ¥2,895 million as non-operating income, which was attributable to the depreciation of the yen in the fiscal third quarter and onward. Ordinary income was ¥7,260 million, compared to an ordinary loss of ¥9,070 million during the previous fiscal year. The Company posted a gain on sales of property, plant and equipment of ¥905 million as an extraordinary gain and an extraordinary loss due to a settlement package of ¥2,822 million yen. As a result, net income was ¥2,000 million, compared to a net loss of ¥21,599 million recorded in the previous fiscal year.

Exchange Rate

The average foreign currency exchange rate for the year ended March 31, 2013 was US\$1: ¥82.09. This marked a depreciation of ¥3.07 compared with the average realized in the previous fiscal year of US\$1: ¥79.02.

Net sales by product category

Electronic Components

Capacitors

Sales for the multilayer ceramic capacitors for the year ended March 31, 2013 were ¥89,852 million, a year-over-year increase of 8.5%. Product sales for consumer products, i.e. TVs, were lower as compared to the previous fiscal year. However, this was offset by the increase in sales for communication equipment, which focused on smartphones, and electronic components, i.e. LCD panels.

Ferrite and applied products

This product segment is comprised of ferrite cores. Applied products include

a variety of inductors. In the year ended March 31, 2013, sales increased by 2.0% to ¥28,490 million as compared to the previous fiscal year. Product sales for consumer products and electronic components were lower as compared to the previous fiscal year. However, this was offset by the increase in sales for information equipment, i.e. PCs and communication equipment.

Integrated Modules & Devices

This product segment is comprised of SAW/FBAR devices, a wide range of power supply and high frequency modules and embedded-parts multilayer wiring substrates, “EOMINTM”. For the year ended March 31, 2013, sales of power supply and high frequency modules were lower as compared to the previous fiscal year. This was offset by the increase in sales of SAW/FBAR devices. The segment sales increased by 3.8% year over year to ¥47,804 million.

Other electronic components

This segment is mainly made up of energy devices. For the year ended March 31, 2013, sales increased by 17.0% to ¥4,778 million as compared to the previous fiscal year.

Optical media and others

Optical media products

The Company manufactures and sells CD-Rs, DVD-Rs/DVD+Rs as well as recordable Blu-ray Discs (BD-Rs) in this product segment. Sales for CD-Rs and DVD-R/DVD+R products decreased and optical media product sales in the year ended March 31, 2013 fell to ¥15,412 million, 4.6% lower compared with the corresponding period of the previous fiscal year.

Others

Sales in this segment are primarily generated from our product mounting business done by a subsidiary company. For the year ended March 31, 2013, sales in this segment fell by 3.3% year over year to ¥6,565 million.

Note:

Effective for the year ended March 31, 2013, the Company has changed the product segment previously listed as “Modules” to “Integrated Modules & Devices”. In addition, SAW/FBAR devices and high frequency integrated module components previously included in “Other Electronic Components” are now included in “Integrated Modules & Devices.” Furthermore, energy devices previously included in “Capacitors” are now included in “Other Electronic Components.”

Data for the previous fiscal year used for comparison purposes represents data after product segment changes were made.

2. Outlook for the Year Ending March 31, 2014

Consolidated operating results forecasts for the year ending March 31, 2014 are as follows.

(Billions of yen unless otherwise stated)

Item \ Period	Six months ending September 30, 2013		Year ending March 31, 2014	
	Amount	YoY (%)	Amount	YoY (%)
Net sales	108.0	13.2	220.0	14.0
Operating income	10.0	586.2	20.0	300.5
Ordinary income	9.5	-	19.0	161.7
Net income	6.5	-	13.0	549.9

The market environment for the year ending March 2014 indicates that further advancements in functionality and market expansion and growth for equipment, such as smartphones and tablet PCs, will drive the adoption of the Company's high value added super high-end product lineup. In order to capture this increased demand, the Company will reinforce its production system for capacitors, inductors and SAW/FBAR devices, and aim to increase sales of these products. The Company has positioned the industrial equipment and automotive segments as key target markets for which it will reinforce its product lineup and take steps to expand its sales system.

Forecasts are based on an estimated average foreign currency exchange rate of US1:¥95 for the year ending March 31, 2014.

Disclaimer concerning forecasts of operating results:

The aforementioned forecasts of results are based on information available as of the date of this report. As a result, information contained in this document may include uncertainties and items that are not of historical fact.

Accordingly, actual results may differ materially from forecasts due to a variety of factors.

(2) Analysis of Financial Condition

Cash Flows

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013	Increase (Decrease)
Cash flows from operating activities	5,534	19,496	13,962
Cash flows from investing activities	(28,945)	(18,157)	10,787
Cash flows from financing activities	11,388	2,334	(9,053)
Effect of exchange rate changes on cash and cash equivalents	(117)	2,934	3,052
Net increase (decrease) in cash and cash equivalents	(12,140)	6,608	18,748
Cash and cash equivalents at beginning of the year	38,811	26,671	(12,140)
Cash and cash equivalents at end of the year	26,671	33,280	6,608

Operating activities

Net cash provided by operating activities for the year ended March 31, 2013 was ¥19,496 million, an increase of 252.3% compared with the previous fiscal year. The contributing factors are; income before income taxes and minority interests of ¥4,021 million; depreciation and amortization of ¥19,832 million; business structure improvement expense of ¥254 million; impairment loss of ¥345 million; settlement package of ¥2,822 million; decrease in trade receivables of ¥5,308 million; and increase in inventories of ¥2,768 million.

Investing activities

Net cash used in investing activities for the year ended March 31, 2013 totaled ¥18,157 million, a decrease of 37.3% compared with the previous fiscal year. The largest cash outflow was ¥19,533 million paid for purchases of property, plant and equipment.

Financing activities

Net cash provided by financing activities for the year ended March 31, 2013 totaled ¥2,334 million, a decrease of 79.5% compared with the previous

fiscal year. This was primarily attributed to a net increase in short-term borrowings of ¥10,765 million, proceeds from long-term borrowings of ¥17,000 million, repayments of long-term borrowings of ¥4,181 million, and redemption of current portion of convertible bonds with stock acquisition rights to shares of ¥19,635 million.

As a result of the aforementioned activities, cash and cash equivalent as of March 31, 2013 increased ¥6,608 million from the end of the previous fiscal year, to ¥33,280 million.

Reference: Trends in Cash Flow-Related indicators

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013
Equity ratio (%)	61.6	58.7	57.4	49.9	51.2
Equity ratio (%) (Market capitalization basis)	38.8	73.5	59.3	49.7	61.9
Cash flow to interest-bearing liabilities (years)	3.9	2.1	1.9	10.8	3.3
Interest coverage ratio (times)	25.3	41.9	51.5	13.7	34.3

Equity ratio = Shareholders' equity / Total assets

Equity ratio (Market capitalization basis) = Market capitalization / Total assets

Cash flow to interest-bearing liabilities = Interest-bearing liabilities / Cash flow

Interest coverage ratio = Cash flow / Interest expenditure

Notes:

1. All indicators have been calculated from consolidated financial figures.
2. Market capitalization is calculated based on the number of shares issued and outstanding less treasury stock.
3. Cash flow refers to cash flows from operating activities as shown on the consolidated statements of cash flows.
4. Interest-bearing liabilities comprise all debt on which interest is paid in the liabilities section of the consolidated balance sheets as well as noninterest-bearing convertible bonds with stock acquisition rights. Interest expenditure represents interest paid as shown on the consolidated statements of cash flows.

(3) Basic Policy on Profit Distribution and Current / Subsequent Fiscal Year Dividend

TAIYO YUDEN recognizes that distributing profits to its shareholders is one of management's most important responsibilities. Today, the Company must develop a stable and sustainable earnings structure as well as improve its

financial standing. Until now, it has been our policy to provide a stable annual dividend of 10 yen per share.

Over the medium term, the Company will build a stable and sustainable earnings structure by achieving the targets set out in the three-year medium-term management plan, which commenced the fiscal year ended March 31, 2013. The plan is also set to show improvements in financial standing. As a result, the Company plans on returning more profits to its shareholders and has established a new dividend policy to achieve a total return ratio(*) of 30%. This initiative will be achieved through the purchase of treasury stock and so on.

(*)[Payment of cash dividends + purchase of treasury stock]/ net income)

The Company has stipulated that an interim dividend can be offered based on a resolution by our Board of Directors and has established a basic policy to offer two dividends per annum in the form of an interim dividend and year-end dividend.

The interim dividend is determined by the Company's Board of Directors. The year-end dividend is decided at the general shareholders' meeting.

2. Management Policy

(1) Basic Management Policy of the Company

The Company's management philosophy focuses on three principles: 1) employee well-being, 2) betterment of local communities, and 3) responsibility to provide returns to shareholders. Management recognizes that its mission and the social responsibility of the Company are to continually develop its businesses while serving society and public interests globally.

The Company aspires to be a company that can satisfy the diverse needs of our many stakeholders and be a trusted partner to those stakeholders. The Company has established a system that can deliver quality products required by its customers to meet their demand per the time constraints set and while also meeting the stringent quality requirements at competitive pricing. Our creed is "customer-first." The Company also pursues product and business development that fully responds to the needs of its customers.

(2) Medium- to Long-term Management Strategy of the Company and Target Management Indicators

TAIYO YUDEN is pushing forward with measures to improve profitability. These measures are balanced structural improvements and growth strategies

and are defined in the targets laid out in its medium-term management plan, which ends in the year ending March 31, 2015. As part of its growth strategies, the Company will market its high competitive super high-end products that satisfy customer needs for use in growth equipment, which include smartphones and tablet PCs. The Company will also increase sales in key target markets, such as industrial equipment, automotive, healthcare and renewable energy as part of its efforts to enhance corporate value.

The Company is also undertaking continued efforts to improve its profitability and financial stability as well as enhance its asset efficiency. Target management indicators focus on cash flow management and include positive free cash flow and net cash flow for the year ending March 31, 2016. Our consolidated return on equity target is to exceed eight percent.

(3) Challenges that Must be Addressed by the Company

At present, the Company is implementing the following measures for each product category as part of our effort to improve our profitability and the financial position of the Company.

1. Capacitors

The Company will launch ultra small multilayer ceramic capacitors for high-growth devices like smartphones and tablet PCs. And, the Company will strengthen its technology position and introduce cutting edge super high-end products for each of these sizes as part of our efforts to develop a production system that meets growing demand for capacitors. The Company will also look to strengthen our product line-up in markets that require superior quality, such as industrial equipment, automotive and healthcare markets. The Company will seek to promote expansion in the multilayer ceramic capacitor market by actively introducing new products with high-value 100 μ F and greater characteristics for the electrolytic capacitor market, with the goal to achieve further growth within the segment. And, as part of our efforts to achieve greater efficiencies as it relates to our production systems, the Company will seek to maximize the utilization of our overseas sites by accelerating production of high-end products at those overseas locations, which until now high-end products have been manufactured in Japan only.

2. Ferrite and applied products

The Company will further accelerate our rollout of super high-end products for multilayer chip inductors and wire-wound inductors that meet the needs of our customers. Especially, the Company will undertake product development for super high-end power inductors “MCOIL™”

that use new metallic materials capable of conducting even higher currents of electricity in a much smaller case sizes. The Company will also enhance our line-up of super compact 0402 size products for high frequency multilayer chip inductors and multilayer chip beads. As with capacitors, the Company is working to develop a production system that is more efficient and maximizes the utilization of our overseas production sites.

3. Integrated modules & devices

The Company has implemented structural reforms and has shifted from a conventional business model focused on modules to one centered on integrated modules & devices. The Company will further develop our presence in the high frequency business focusing on SAW/FBAR technologies. We will actively launch super high-end products that use our proprietary developed embedded-parts multilayer wiring substrate “EOMIN®” and strengthen the power supply business, including regeneration systems for energy markets. For SAW/FBAR devices, the Company will work to build a production system that can accommodate the expansion in the smartphone and tablet PC markets with a focus on increasing the number of embedded-parts.

4. Other electronic components

The Company will initiate development for energy device related products, such as polyacene capacitors and lithium ion capacitors. At the same time, the Company will develop applications in advanced technology sectors and expand sales in the energy sector. In particular, the Company will reinforce products for back-up power supply applications for equipment used in centralized meter reading systems and smart meters, where future growth is anticipated.

5. Optical media products

The Company’s primary goal is to secure stable earnings and is working to rationalize its production system in conjunction with market contraction as well as transform its business model for the consumer CD-Rs, DVD-Rs and BD-Rs. The Company will also look to cultivate and develop the archive market where its strength of high quality products can be fully leveraged.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
ASSETS		
Current assets:		
Cash and deposits	27,912	35,356
Trade notes and accounts receivable	41,865	41,655
Merchandise and finished products	13,099	15,023
Work in process	8,529	11,086
Raw materials and supplies	8,920	9,832
Deferred tax assets	404	536
Other	3,956	4,112
Allowance for doubtful receivables	(289)	(271)
Total current assets	104,398	117,332
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	64,204	68,214
Machinery and equipment	192,930	212,367
Tools, furniture and fixtures	18,212	19,262
Land	7,686	7,689
Construction in progress	10,396	9,357
Accumulated depreciation	(199,409)	(218,116)
Net property, plant and equipment	94,021	98,774
Intangible fixed assets:		
Goodwill	1,801	1,201
Other	823	824
Total intangible fixed assets	2,624	2,025
Investments and other assets:		
Investment securities	4,550	4,360
Deferred tax assets	579	838
Other	2,532	2,876
Allowance for doubtful receivables	(246)	(282)
Total investments and other assets	7,416	7,794
Total fixed assets	104,062	108,594
Total assets	208,461	225,927

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	15,345	17,950
Current portion of convertible bonds with subscription rights	19,635	-
Short-term borrowings	9,031	20,242
Current portion of long-term borrowings	4,147	4,899
Accrued amounts payable	7,593	8,713
Income taxes payable	586	1,049
Deferred tax liabilities	615	697
Accrued bonuses for employees	1,741	2,981
Accrued bonuses for directors and corporate auditors	-	75
Provision for business structure improvement	474	-
Other	10,585	7,835
Total current liabilities	69,757	64,443
Long-term liabilities:		
Bonds Payable	8,000	8,000
Convertible bonds with stock acquisition rights	365	365
Long-term borrowings	17,297	29,364
Lease obligations	1,662	1,010
Deferred tax liabilities	3,649	4,377
Accrued retirement benefits for employees	1,659	1,263
Accrued retirement benefits for directors and corporate auditors	107	125
Negative goodwill	31	10
Other	1,530	1,004
Total long-term liabilities	34,303	45,522
Total liabilities	104,061	109,966
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,471	41,484
Retained earnings	66,820	67,938
Treasury stock	(3,625)	(3,564)
Total shareholders' equity	128,222	129,415
Accumulated other comprehensive income		
Net unrealized holding gains on securities	433	562
Deferred gains (losses) on hedges	5	14
Foreign currency translation adjustments	(24,637)	(14,346)
Total accumulated other comprehensive income	(24,198)	(13,769)
Stock acquisition rights	329	274
Minority interests	46	40
Total net assets	104,400	115,961
Total liabilities and net assets	208,461	225,927

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Operations)

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Net sales	183,795	192,903
Cost of sales	157,064	155,100
Gross profit	26,731	37,803
Selling, general and administrative expenses	34,742	32,809
Operating income (loss)	(8,010)	4,993
Non-operating income:		
Interest income	183	149
Dividend income	93	88
Gain on foreign exchange	-	2,895
Equity in earnings of affiliate	69	7
Subsidy income	71	121
Life insurance dividends income	40	69
Other	179	240
Total non-operating income	638	3,571
Non-operating expenses:		
Interest expense	410	556
Interest on bonds	11	73
Bond issuance cost	40	-
Loss on foreign exchange	526	-
Depreciation of inactive noncurrent assets	349	418
Other	360	255
Total non-operating expenses	1,698	1,304
Ordinary income (loss)	(9,070)	7,260
Extraordinary gains:		
Gain on sales of property, plant and equipment	29	905
Gain on change of employee retirement benefit plan	55	-
Gain on negative goodwill	11	-
Other	-	63
Total extraordinary gains	96	969
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	495	217
Impairment loss	268	345
Loss on disposal of inventories	141	135
Loss on devaluation of investment securities	442	427
Settlement package	-	2,822
Business structure improvement expenses	4,276	254
Other	25	4
Total extraordinary losses	5,650	4,207
Income (loss) before income taxes and minority interests	(14,624)	4,021
Income taxes – current	1,139	1,737
Income taxes – deferred	5,831	277
Total income taxes	6,971	2,014
Income (loss) before minority interests	(21,595)	2,007
Minority interests in income	4	6
Net income (loss)	(21,599)	2,000

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Income (loss) before minority interests	(21,595)	2,007
Other comprehensive income		
Net unrealized holding gains (losses) on securities	52	128
Deferred gains (losses) on hedges	55	8
Foreign currency translation adjustments	(662)	10,290
Total other comprehensive income (loss)	(555)	10,427
Comprehensive income (loss)	(22,150)	12,435
(Breakdown)		
Comprehensive income (loss) attributable to shareholders	(22,154)	12,429
Comprehensive income (loss) attributable to minority interest	3	5

(3) Consolidated Statements of changes in net assets

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of the year	23,557	23,557
Balance at the end of the year	23,557	23,557
Capital surplus		
Balance at the beginning of the year	41,471	41,471
Changes of items during the year		
Disposal of treasury stock	-	12
Total changes of items during the year	-	12
Balance at the end of the year	41,471	41,484
Retained earnings		
Balance at the beginning of the year	89,301	66,820
Changes of items during the year		
Dividends from surplus	(881)	(882)
Net income (loss)	(21,599)	2,000
Total changes of items during the year	(22,481)	1,118
Balance at the end of the year	66,820	67,398
Treasury stock		
Balance at the beginning of the year	(3,620)	(3,625)
Changes of items during the year		
Purchase of treasury stock	(4)	(8)
Disposal of treasury stock	-	70
Total changes of items during the year	(4)	61
Balance at the end of the year	(3,625)	(3,564)
Total shareholders' equity		
Balance at the beginning of the year	150,709	128,222
Changes of items during the year		
Dividends from surplus	(881)	(882)
Net income (loss)	(21,599)	2,000
Purchase of treasury stock	(4)	(8)
Disposal of treasury stock	-	82
Total changes of items during the year	(22,486)	1,192
Balance at the end of the year	128,222	129,415
Accumulated other comprehensive income		
Net unrealized holding gains on securities		
Balance at the beginning of the year	381	433
Changes of items during the year		
Net changes of items other than shareholders' equity	52	128
Total changes of items during the year	52	128
Balance at the end of the year	433	562
Deferred gains or losses on hedges		
Balance at the beginning of the year	(49)	5
Changes of items during the year		
Net changes of items other than shareholders' equity	55	8
Total changes of items during the year	55	8
Balance at the end of the year	5	14

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Foreign currency translation adjustment		
Balance at the beginning of the year	(23,975)	(24,637)
Changes of items during the year		
Net changes of items other than shareholders' equity	(662)	10,291
Total changes of items during the year	(662)	10,291
Balance at the end of the year	(24,637)	(14,346)
Accumulated other comprehensive income		
Balance at the beginning of the year	(23,643)	(24,198)
Changes of items during the year		
Net changes of items other than shareholders' equity	(554)	10,428
Total changes of items during the year	(554)	10,428
Balance at the end of the year	(24,198)	(13,769)
Stock acquisition rights		
Balance at the beginning of the year	287	329
Changes of items during the year		
Net changes of items other than shareholders' equity	41	(54)
Total changes of items during the year	41	(54)
Balance at the end of the year	329	274
Minority interests		
Balance at the beginning of the year	272	46
Changes of items during the year		
Net changes of items other than shareholders' equity	(226)	(5)
Total changes of items during the year	(226)	(5)
Balance at the end of the year	46	40
Total net assets		
Balance at the beginning of the year	127,626	104,400
Changes of items during the year		
Dividends from surplus	(881)	(882)
Net income (loss)	(21,599)	2,000
Purchase of treasury stock	(4)	(8)
Disposal of treasury stock	-	82
Net changes of items other than shareholders' equity	(739)	10,368
Total changes of items during the year	(23,225)	11,560
Balance at the end of the year	104,400	115,961

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Operating activities:		
Income (loss) before income taxes and minority interests	(14,624)	4,021
Depreciation and amortization	19,250	19,832
Impairment loss on property, plant and equipment	268	345
Business structure improvement expenses	4,276	254
Amortization of goodwill	844	600
Amortization of negative goodwill	(20)	(20)
Gain on negative goodwill	(11)	-
Increase (decrease) in allowance for doubtful receivables	70	(13)
Increase (decrease) in accrued bonuses for employees	(1,207)	1,210
Increase (decrease) in accrued bonuses for directors and corporate auditors	(46)	75
Increase (decrease) in accrued retirement benefits for directors and corporate auditors	(25)	15
Interest and dividend income	(276)	(237)
Interest expense	410	556
Interest on bonds	11	73
Equity in earnings of affiliate	(69)	(7)
(Gain) loss on disposal and sales of property, plant and equipment	466	(688)
(Gain) loss on devaluation of investment securities	442	427
Settlement package	-	2,822
(Increase) decrease in trade receivables	(1,115)	5,308
(Increase) decrease in inventories	1,549	(2,768)
Increase (decrease) in trade payables	(1,154)	(1,216)
Other	(687)	(3,030)
Subtotal	8,350	27,563
Interest and dividends received	281	298
Interest paid	(403)	(567)
Settlement package paid	-	(2,822)
Business structure improvement expense	(1,112)	(3,418)
Income taxes (paid) refunded	(1,581)	(1,556)
Net cash provided by operating activities	5,534	19,496
Investing activities:		
Purchases of property, plant and equipment	(29,101)	(19,533)
Proceeds from sales of property, plant and equipment	73	1,194
Purchases of investment securities	(200)	(37)
Net (increase) decrease in time deposits	(122)	(565)
Proceeds from sales of investment securities	5	169
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(44)
Other	401	659
Net cash used in investing activities	(28,945)	(18,157)

(Millions of yen)

	Year ended March 31, 2012	Year ended March 31, 2013
Financing activities:		
Net increase (decrease) in short-term borrowings	6,053	10,765
Proceeds from long-term borrowings	12,000	17,000
Repayments of long-term borrowings	(12,563)	(4,181)
Redemption of current portion of convertible bonds with acquisition rights	-	(19,635)
Proceeds from issuance of bonds	7,959	-
Proceeds from stock issuance to minority shareholders	5	-
Expenditure for purchase of shares from minority shareholder	(223)	(11)
Purchases of treasury stock	(4)	(8)
Payments of cash dividends	(879)	(879)
Repayments of lease obligations	(958)	(713)
Other	-	0
Net cash provided by financing activities	11,388	2,334
Effect of exchange rate changes on cash and cash equivalents	(117)	2,934
Net increase (decrease) in cash and cash equivalents	(12,140)	6,608
Cash and cash equivalents at beginning of the year	38,811	26,671
Cash and cash equivalents at end of the year	26,671	33,280

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No relevant items to report.

(Basis of Presentation of Consolidated Financial Statements)

1. Scope of consolidation

The Company has 34 consolidated subsidiaries. Below is a list of the Company's primary subsidiaries.

TAIWAN TAIYO YUDEN CO., LTD.
KOREA TAIYO YUDEN CO., LTD.
TAIYO YUDEN (SINGAPORE) PTE. LTD.
HONG KONG TAIYO YUDEN CO., LTD.
TAIYO YUDEN (U.S.A.) INC.
TAIYO YUDEN (PHILIPPINES), INC.
TAIYO YUDEN (SARAWAK) SDN. BHD.
TAIYO YUDEN (GUANGDONG) CO., LTD.
KOREA KYONG NAM TAIYO YUDEN CO., LTD.
NIIGATA TAIYO YUDEN CO., LTD.
TAIYO YUDEN Mobile Technology Co., Ltd.

2. Scope of equity method

The Company holds one affiliated company accounted for under the equity method.

3. Summary of significant accounting policies

i Valuation standards and methods for important assets

Inventories

Merchandise and finished products: Historical cost basis using mainly the periodic average method (the balance sheet value is calculated with inventory write-down based on decreased profitability)

Works in progress: Historical cost basis using the periodic average method (balance sheet value is calculated with inventory write-down based on decreased profitability)

Raw materials and supplies: Historical cost basis using the first-in

first-out method (balance sheet value calculated within inventory write-down based on decreased profitability)

ii Depreciation and amortization

Property, plant and equipment (excluding lease assets)

The Company and its consolidated domestic subsidiaries primarily use the declining-balance method of depreciation. The straight-line method of depreciation is used for buildings (excluding accompanying facilities) acquired after April 1, 1998 by the Company and its consolidated domestic subsidiaries. In addition, the same standards as those methods defined in the Corporation Tax Act of Japan are used primarily for useful life and residual value.

The Company's consolidated overseas subsidiaries primarily use the straight-line method of depreciation.

(Changes in Accounting Policies)

(Changes in depreciation method)

The Company and its consolidated domestic subsidiaries have changed the depreciation method used for property, plant and equipment acquired on or after April 1, 2012 based on revision made to Japan's Corporation Tax Act. This change has taken effect beginning with the first quarter of this fiscal year.

As a result, compared to the previous depreciation method prior to these changes, the Company's operating income increased by ¥328 million, ordinary income by ¥342 million, and income before income taxes and minority interests by ¥342 million.

(Segment information)

1. Segment information

i. Overview of reportable segments

Reportable segments of the Company are components of an entity about which separate financial information is available and such information is evaluated regularly by the Company's Board of Directors in deciding how to allocate resources and in assessing performance.

The Company's business segments are categorized according to the nature of the business and reportable business segments are defined as *electronic components* and *optical media and others*.

The electronic components business segment consists of capacitors, ferrite and applied products, integrated modules & devices, and other electronic components. The optical media and others business segment consists primarily of optical media products and the mounting business of a subsidiary.

ii. Calculation for net sales, segment income or loss, assets and other items of reportable segments

Accounting treatment for reportable segments is the same as the treatment described in "Basis of Presentation of Consolidated Financial Statements." Income of reportable segments is based on operating income.

Data on liabilities is not disclosed because it is not regularly provided to the highest organ of decision making.

(Changes in depreciation method)

Effective from the first quarter of the consolidated fiscal year ended March 31, 2013, the Company and its domestic consolidated subsidiaries have changed their depreciation method for property, plant and equipment acquired on or after April 1, 2012 based on revision made to Japan's Corporation Tax Act.

As a result, compared to the previous depreciation method prior to these changes, the profits of the electronic components segment increased by ¥320 million, while losses of the optical media and others segment decreased by ¥7 million.

iii. Net sales, segment income or loss, assets and other items of reportable segments

Year ended March 31, 2012 (April 1, 2011 – March 31, 2012) (Millions of yen)

	Electronic components	Optical media and others	Adjustments	Total
Net sales				
Customers	160,851	22,943	-	183,795
Inter-segment or Transfer	-	-	-	-
Total	160,851	22,943	-	183,795
Segment loss	(6,689)	(1,321)	-	(8,010)
Segment assets	159,073	13,617	35,770	208,461
Other items				
Depreciation expenses	17,984	1,266	-	19,250
Increase in property, plant and equipment and intangible fixed assets	26,152	611	-	26,764

Year ended March 31, 2013 (April 1, 2012 – March 31, 2013) (Millions of yen)

	Electronic components	Optical media and others	Adjustments	Total
Net sales				
Customers	170,925	21,978	-	192,903
Inter-segment or Transfer	-	-	-	-
Total	170,925	21,978	-	192,903
Segment income (loss)	5,217	(224)	-	(4,993)
Segment assets	169,337	12,913	43,676	225,927
Other items				
Depreciation expenses	18,733	1,099	-	19,832
Increase in property, plant and equipment and intangible fixed assets	20,475	396	-	20,871

Notes:

1. Segment asset adjustments include cash and deposits, investment securities and deferred tax assets.
2. Depreciation expenses include amortization of long-term prepaid expenses.
3. The increase in property, plant and equipment and intangible fixed assets includes the increase in

long-tem prepaid expenses.

4. Total for reportable segments, discrepancies between amounts on consolidated financial statements, and main reasons for these discrepancies (adjustment of differences):

The total for reportable segments is the same as the amounts noted on the Company's consolidated financial statements.

2. *Related Information*

Year ended March 31, 2012 (April 1, 2011 – March 31, 2012)

- i. Information for each product and service

Information for each product and service has been omitted here because it is disclosed in "4. Other; (2) Production, Orders and Sales Results; 4.Sales Results."

- ii. Information for each region

a. Net sales (Millions of yen)

Japan	China	South Korea	Other countries or regions	Total
44,825	54,875	21,002	63,092	183,795

Note: Net sales are grouped according to the country or region of the customer's business address.

b. Property, plant and equipment (Millions of yen)

Japan	China	Malaysia	Other countries or regions	Total
58,605	11,712	11,042	12,661	94,021

- iii Information for each main customer

Information for each main customer has been omitted because no customer accounts for more than 10% of net sales on the consolidated profit and loss statement.

Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

- i. Information for each product and service

Information for each product and service has been omitted here because it is disclosed in "4. Other; (2) Production, Orders and Sales Results; 4.Sales Results."

ii. Information for each region

a. Net sales (Millions of yen)

Japan	China	South Korea	Other countries and regions	Total
41,646	58,871	19,731	72,654	192,903

Note: Net sales are grouped according to the country or region of the customer's business address.

b. Property, plant and equipment (Millions of yen)

Japan	China	Malaysia	Other countries and regions	Total
56,928	14,962	12,823	14,060	98,774

iii. Information for each main customer

Information for each main customer has been omitted because no customer accounts for more than 10% of net sales on the consolidated profit and loss statement.

3. Fixed asset impairment losses for each reportable segment

Year ended March 31, 2012 (April 1, 2011 – March 31, 2012) (Millions of yen)

	Electronic components	Optical media and others	Adjustments	Total
Impairment loss	268	-	-	268

Year ended March 31, 2013 (April 1, 2012 – March 31, 2013) (Millions of yen)

	Electronic components	Optical media and others	Adjustments	Total
Impairment loss	209	136	-	345

(Per Share Information)

	Year ended March 31, 2012 (April 1, 2011 – March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)
Net assets per share	884.70	983.16
Net income (loss) per share	(183.70)	17.01
Diluted net income per share	-	16.98

Notes :

1. Although diluted shares exist in the year ended March 31, 2012, diluted net income per share is not disclosed since there is net loss per share for the period.

2. The following represents the basic data used for calculating net loss per share.

(Millions of yen unless otherwise stated)

	As of March 31, 2012	As of March 31, 2013
Total net assets	104,400	115,961
Deductions from Total net assets	375	315
(Stock acquisition rights)	(329)	(274)
(Minority interests)	(46)	(40)
Net assets at fiscal year-end related to common stock	104,024	115,645
Number of common stock at fiscal year-end used in the calculation of net assets per share (thousand shares)	117,582	117,626

3. The following represents the basic data used for calculating net income (loss) per share .

	Year ended March 31, 2012 (April 1, 2011 – March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)
Net income (loss) per share		
Net income (loss)	(21,599)	2,000
Amounts not allocated to Shareholders	-	-
Net income (loss) related to common stock	(21,599)	2,000
Average number of common stock outstanding (thousand shares)	117,583	117,614
Diluted net income per share		
Adjustments to net income	-	-
Increase in common stock (thousand shares)	-	211
(Stock acquisition rights (thousand shares))	-	(211)
Outline of stock not included in diluted net income per share due to lack of dilutive effect	-	Euro-yen denominated convertible bonds with stock acquisition rights due 2014 (¥365 million)

(Significant Subsequent Events)

Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

No relevant items to report.

4. Other

(1) Changes to Executive Management

1. Change of Representative Director

Retiring representative director

Name	New position	Current position
Yoshiro Kanzaki	Executive Advisor	Chairman and Representative Director

2. Change of Other Directors

Incoming director

Name	New position	Current position
Katsushige Nakano	Director, Senior Operating Officer	General Manager, Strategic Finance and Accounting Division
Shinji Masuyama	Director, Senior Operating Officer	Senior Operating Officer

Retiring director

Name	New position	Current position
Katsumi Yanagisawa	Senior Advisor	Director, Senior Executive Operating Officer

3. Scheduled Appointment Date

June 27, 2013

(2) Production, Orders and Sales Results

1. Production

Product segment	Year ended March 31, 2012		Year ended March 31, 2013	
	Amount	[%]	Amount	[%]
Capacitors	85,674	49.3	93,646	52.9
Ferrite and applied products	27,906	16.0	29,544	16.7
Integrated modules & devices	37,796	21.7	33,466	18.9
Other electronic components	3,563	2.1	3,958	2.2
Electronic components	154,942	89.1	160,616	90.7
Optical media products	12,205	7.0	9,991	5.6
Others	6,747	3.9	6,570	3.7
Optical media and others	18,953	10.9	16,561	9.3
Total	173,895	100.0	177,177	100.0

Note:

1. Amounts are based on average unit sales prices for the period.
2. The aforementioned amounts are exclusive of consumption and related taxes.
3. We have changed the product segment conventionally listed as “modules” to “integrated modules & devices” beginning with the first quarter of the year ended March 31, 2013. In addition, SAW/FBAR devices and high frequency integrated module components previously included in “other electronic components” are now included in “integrated modules & devices.” Furthermore, energy devices conventionally included in “capacitors” are now included in “other electronic components.” Data for the year ended March 31, 2012, used for comparison purposes represents data after product segment changes were made.

2. Orders

Product segment	Year ended March 31, 2012		Year ended March 31, 2013	
	Amount	[%]	Amount	[%]
Capacitors	77,657	43.0	92,470	48.2
Ferrite and applied products	26,763	14.8	28,846	15.0
Integrated modules & devices	49,508	27.4	43,846	22.8
Other electronic components	3,825	2.1	5,085	2.6
Electronic components	157,755	87.3	170,248	88.6
Optical media products	16,154	8.9	15,350	8.0
Others	6,791	3.8	6,565	3.4
Optical media and others	22,945	12.7	21,916	11.4
Total	180,701	100.0	192,164	100.0

Note: The aforementioned amounts are exclusive of consumption and related taxes.

3. Order backlog

Product segment	Year ended March 31, 2012		Year ended March 31, 2013	
	Amount	[%]	Amount	[%]
Capacitors	10,430	45.6	13,047	58.9
Ferrite and applied products	3,599	15.8	3,956	17.9
Integrated modules & devices	8,299	36.3	4,341	19.6
Other electronic components	345	1.5	653	3.0
Electronic components	22,675	99.2	21,997	99.4
Optical media products	189	0.8	127	0.6
Others	-	-	-	-
Optical media and others	189	0.8	127	0.6
Total	22,864	100.0	22,125	100.0

Note: The aforementioned amounts are exclusive of consumption and related taxes.

4. Sales

Product segment	Year ended March 31, 2012		Year ended March 31, 2013	
	Amount	[%]	Amount	[%]
Capacitors	82,796	45.0	89,852	46.6
Ferrite and applied products	27,929	15.2	28,490	14.7
Integrated modules & devices	46,041	25.1	47,804	24.8
Other electronic components	4,084	2.2	4,778	2.5
Electronic components	160,851	87.5	170,925	88.6
Optical media products	16,152	8.8	15,412	8.0
Others	6,791	3.7	6,565	3.4
Optical media and others	22,943	12.5	21,978	11.4
Total	183,795	100.0	192,903	100.0

Note: The aforementioned amounts are exclusive of consumption and related taxes.