

Consolidated Financial Results

Second quarter for the year ending March 31, 2014

November 11, 2013
TAIYO YUDEN CO., LTD.

1H - Consolidated Financial Results (Y/Y)

Profitability improved considerably.
Operating income increased five times and net income moved into the black.

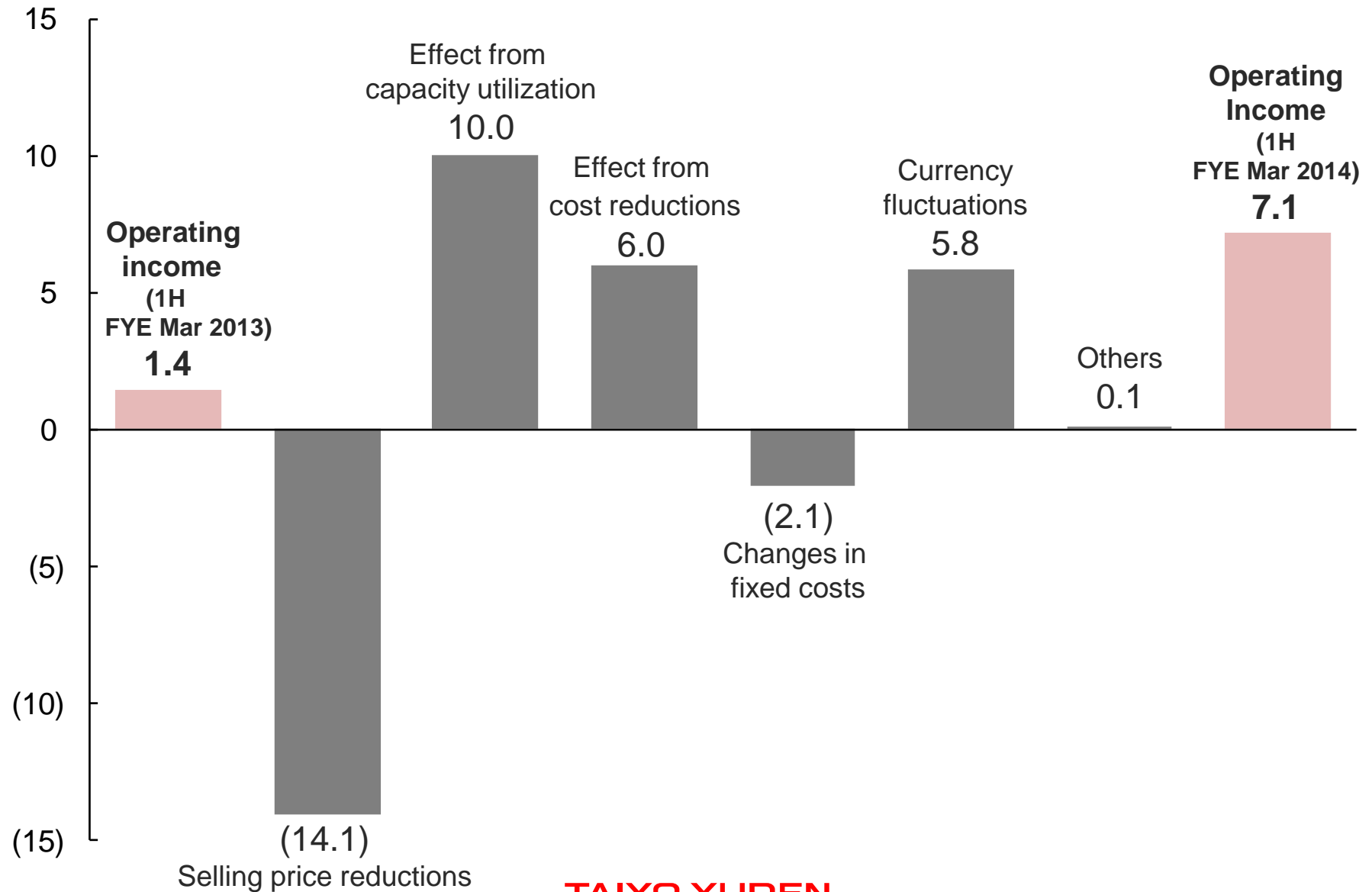
¥ in millions	FYE Mar 31, 2013	FYE Mar 31, 2014	Growth Y/Y	
	1H (01 Apr 2012 – 30 Sep 2012)	1H (01 Apr 2013 – 30 Sep 2013)	Amount	%
Net sales	95,442	105,550	10,107	10.6
Operating income	1,457	7,196	5,739	393.9
Ordinary income	138	7,439	7,301	—
Net income (loss)	(625)	4,260	4,886	—

Extraordinary loss:

Structural reforms announced on June 17, 2013 were implemented at a subsidiary that manufactures optical media products, resulting in business structure improvement expense of ¥862 million.

1H - Factors driving Operating Income (Y/Y)

(¥ in billions)



1H – Financial Results by Product Segment (Y/Y)

Electronic components product group realized a Y/Y increase in sales and income. Optical media and others group had reduced operating losses in the period.

¥ in millions		FYE Mar 31, 2013	FYE Mar 31, 2014	Growth Y/Y	
		1H	1H	Amount	%
Capacitors		41,570	52,065	10,495	25.2
Ferrite and applied products		14,212	17,748	3,535	24.9
Integrated modules & devices		26,808	22,071	(4,737)	(17.7)
Other electronic components		2,260	2,838	578	25.6
Electronic components		84,851	94,723	9,872	11.6
Optical media products		7,295	6,786	(508)	(7.0)
Others		3,296	4,039	743	22.6
Optical media and others		10,591	10,826	234	2.2
Total Net Sales		95,442	105,550	10,107	10.6

Electronic components		1,793	7,405	5,612	312.9
Optical media and others		(336)	(209)	127	—
Total Operating Income (loss)		1,457	7,196	5,739	393.9

1H - Key Expenditure Figures (Y/Y)

¥ in millions	FYE Mar 31, 2013	FYE Mar 31, 2014	Change Y/Y	
	1H	1H	Amount	%
R&D expenses	3,293	3,554	261	7.9
Capital investment	12,073	7,699	(4,373)	(36.2)
Depreciation expenses	9,300	9,921	620	6.7

Number of Employees

Consolidated	16,411	16,613	202	—
Non-consolidated	2,635	2,650	15	—

Yen to USD Exchange Rate and Impact

Note: The results from the impact of exchange-rate fluctuations include the impact of currencies other than US dollars.

¥ in billions	1H	1H	Fluctuation	Impact on Net sales on Operating income
Average	80.14 yen	98.12 yen	17.98 yen depreciated	+14.7 +5.7
Last day	77.57 yen	97.69 yen	20.12 yen depreciated	—

2Q - Consolidated Financial Results (Q/Q)

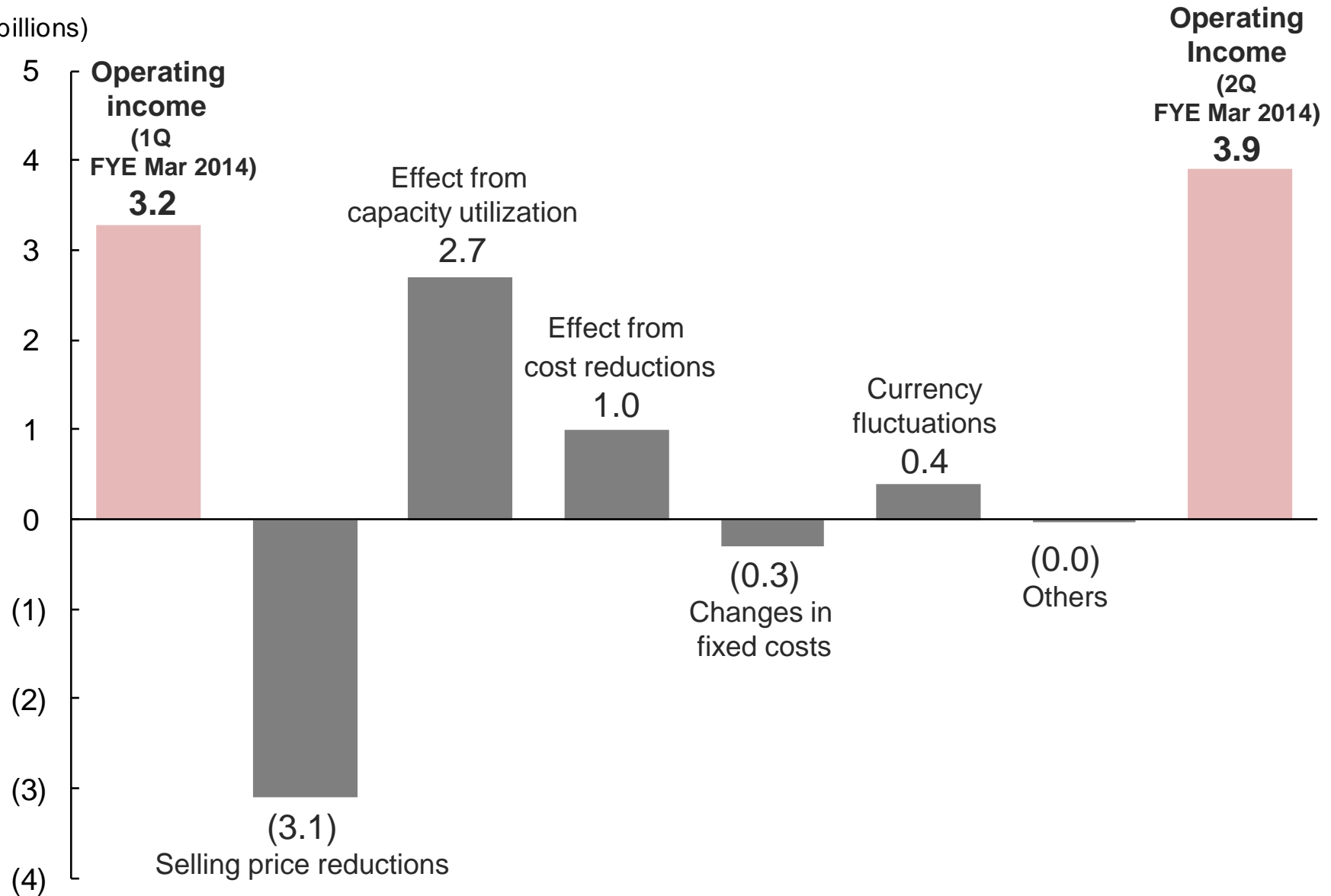
¥ in millions	FYE Mar 31, 2014		Growth Q/Q	
	1Q (01 Apr 2013 – 30 Jun 2013)	2Q (01 Jul 2013 – 30 Sep 2013)	Amount	%
Net sales	51,748	53,801	2,052	4.0
Operating income	3,282	3,913	631	19.2
Ordinary income	3,842	3,596	(246)	(6.4)
Net income	3,138	1,122	(2,015)	(64.2)

Extraordinary loss:

Structural reforms announced on June 17, 2013 were implemented at a subsidiary that manufactures optical media products, resulting in business structure improvement expense of ¥862 million.

2Q - Factors driving Operating Income (Q/Q)

(¥ in billions)



2Q - Financial Results by Product Segment (Q/Q)

Electronic components, Optical media and others each realized a Q/Q increase in sales and income.

¥ in millions		FYE Mar 31, 2014		Growth Q/Q	
		1Q	2Q	Amount	%
Capacitors		25,861	26,203	341	1.3
Ferrite and applied products		8,402	9,345	943	11.2
Integrated modules & devices		10,532	11,538	1,005	9.6
Other electronic components		1,587	1,251	(335)	(21.2)
Electronic components		46,384	48,339	1,954	4.2
Optical media products		3,357	3,429	71	2.1
Others		2,006	2,033	26	1.3
Optical media and others		5,364	5,462	97	1.8
Total Net Sales		51,748	53,801	2,052	4.0

Electronic components		3,573	3,831	257	7.2
Optical media and others		(291)	82	373	—
Total Operating Income (loss)		3,282	3,913	631	19.2

2Q - Key Expenditure Figures (Q/Q)

¥ in millions	FYE Mar 31, 2014		Change Q/Q	
	1Q	2Q	Amount	%
R&D expenses	1,781	1,773	(8)	(0.5)
Capital investment	3,582	4,117	535	14.9
Depreciation expenses	4,893	5,028	134	2.7

Number of Employees

Consolidated	16,718	16,613	(105)	—
Non-consolidated	2,644	2,650	6	—

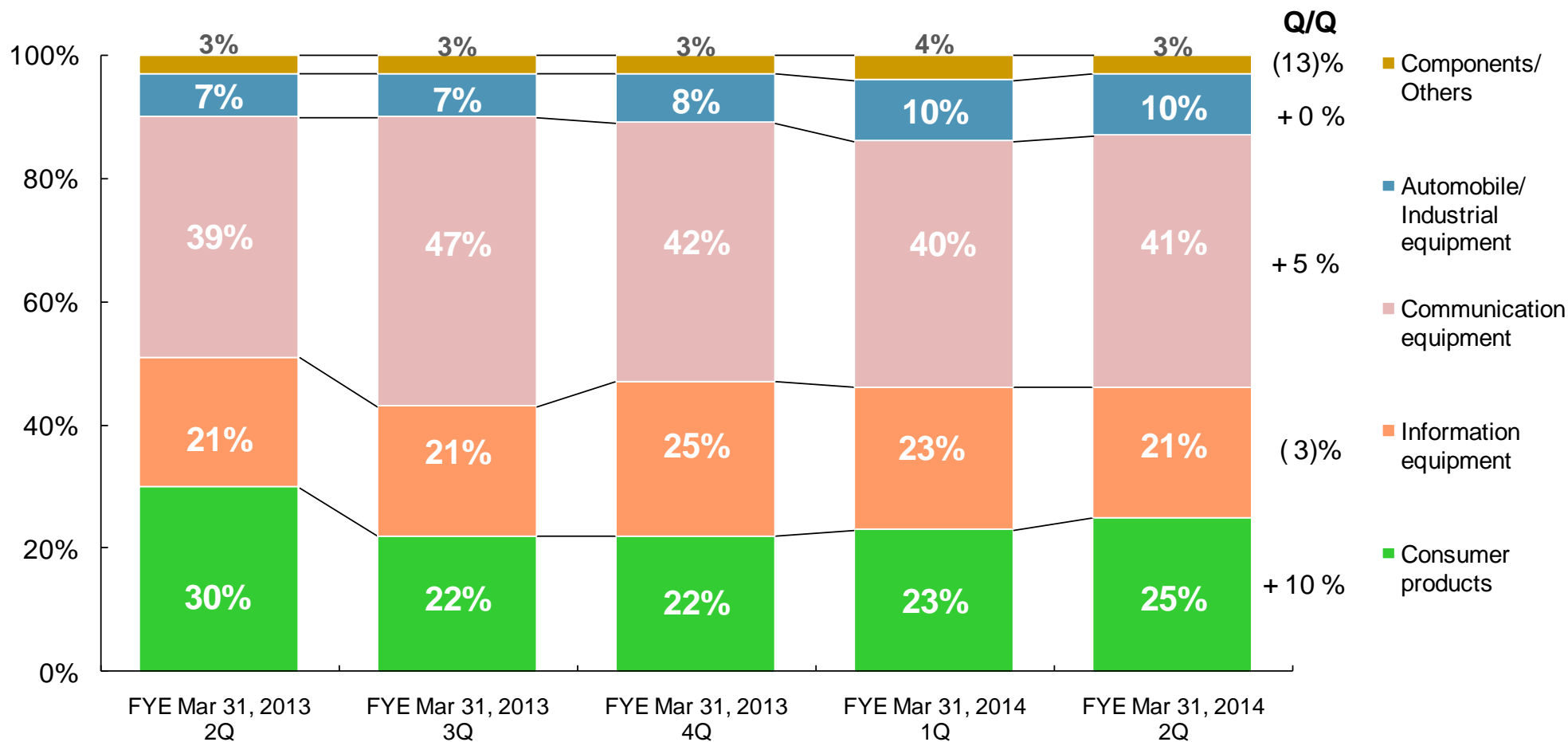
Yen to USD Exchange Rate and Impact

Note: The results from the impact of exchange-rate fluctuations include the impact of currencies other than US dollars.

¥ in billions	1Q	2Q	Fluctuation	Impact on Net sales on Operating Income
Average	97.88 yen	98.36 yen	0.48 yen depreciated	+0.2 +0.4
Last day	98.58 yen	97.69 yen	0.89 yen appreciated	—

2Q - Sales of Electronic Components by Market Sector

The share of sales for products used in consumer products and communication equipment increased.



Forecast of Consolidated Performance

for the year ending March 31, 2014

Full-Year Forecast

¥ in millions	FYE Mar 31, 2014 (01 Apr 2013 – 31 Mar 2014)		Change		FYE Mar 31, 2013 (01 Apr 2012 – 31 Mar 2013)
	Previous Forecast [as of 14 May, 2013]	Revised Forecast [as of 11 Nov, 2013]	Amount	%	Actual Result
Net sales	220,000	210,000	(10,000)	(4.5)	192,903
Operating income	20,000	14,000	(6,000)	(30.0)	4,850
Ordinary income	19,000	14,000	(5,000)	(26.3)	7,118
Net income	13,000	9,000	(4,000)	(30.8)	1,867

Exchange rate assumption:

An average exchange rate will be US\$1: ¥98 for the second half of the fiscal year ending March 31, 2014.

Full-Year Forecast by Product Segment

¥ in millions		FYE Mar 31, 2014		Change		FYE Mar 31, 2013
		Previous Forecast	Revised Forecast	Amount	%	Actual Result
Capacitors	106,000	104,500	(1,500)	(1.4)	89,852	
Ferrite and applied products	36,000	36,000	0	0.0	28,490	
Integrated modules & devices	53,000	43,000	(10,000)	(18.9)	47,804	
Other electronic components	6,000	5,000	(1,000)	(16.7)	4,778	
Electronic components	201,000	188,500	(12,500)	(6.2)	170,925	
Optical media products	12,500	13,500	1,000	8.0	15,412	
Others	6,500	8,000	1,500	23.1	6,565	
Optical media and others	19,000	21,500	2,500	13.2	21,978	
Total Net Sales	220,000	210,000	(10,000)	(4.5)	192,903	

2H - Forecast

¥ in millions	FYE Mar 31, 2014			
	Previous Forecast [as of 14 May, 2013]		Actual Result	Revised Forecast [as of 11 Nov, 2013]
	1H (01 Apr 2013 – 30 Sep 2013)	2H (01 Oct 2013 – 31 Mar 2014)	1H (01 Apr 2013 – 30 Sep 2013)	2H (01 Oct 2013 – 31 Mar 2014)
Net sales	108,000	112,000	105,550	104,450
Operating income	10,000	10,000	7,196	6,804
Ordinary income	9,500	9,500	7,439	6,561
Net income	6,500	6,500	4,260	4,740

2H - Forecast by Product Segment

¥ in millions		FYE Mar 31, 2014			
		Previous Forecast		Actual Result	Revised Forecast
		1H	2H	1H	2H
Capacitors	54,000	52,000	52,065	52,435	
Ferrite and applied products	17,000	19,000	17,748	18,252	
Integrated modules & devices	25,000	28,000	22,071	20,929	
Other electronic components	3,000	3,000	2,838	2,162	
Electronic components	99,000	102,000	94,723	93,777	
Optical media products	6,000	6,500	6,786	6,714	
Others	3,000	3,500	4,039	3,961	
Optical media and others	9,000	10,000	10,826	10,674	
Total Net Sales	108,000	112,000	105,550	104,450	

Note: The change in accounting policy is applied retroactively. As a result, the results of the fiscal year ended March 31, 2013 differ from past presentation.

Forward-looking statements

This document contains information about the plans, business results, and strategies of TAIYO YUDEN CO., LTD. and the TAIYO YUDEN Group. These forward-looking statements other than historical facts represent judgments made by the Company based on information available at present and are inherently subject to a variety of uncertainties. TAIYO YUDEN cannot provide any guarantee as to the attainment of certain figures in the future. The Company's actual activities and business results could differ significantly due to changes including, but not limited to, changes in the electronics market in which the Company's business activities are centered. Readers should not overly rely on the information contained in this document.

TAIYO YUDEN