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

Consolidated Results for the Nine Months Ended December 31, 2013 (April 1, 2013 – December 31, 2013)

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

Overview of Operating Results

Item	Period		Nine months ended December 31, 2012		Nine months ended December 31, 2013		Increase/(Decrease)	
	Amount	Share[%]	Amount	Share[%]	Amount	%	Amount	%
Net sales	146,031	100.0	158,341	100.0	12,309	8.4		
Operating income	3,213	2.2	8,932	5.6	5,718	177.9		
Ordinary income	4,058	2.8	10,147	6.4	6,088	150.0		
Income before income taxes and minority interests	3,010	2.1	8,316	5.3	5,306	176.3		
Net income	2,265	1.6	6,001	3.8	3,735	164.9		
Comprehensive income	6,859	-	16,112	-	9,253	134.9		

Net income per share [Yen]	19.26	50.99
Diluted net income per share [Yen]	19.23	50.92

R&D expenses	5,024	5,381	356	7.1
Capital investment	17,334	13,706	(3,628)	(20.9)
Depreciation and amortization	14,349	15,155	806	5.6

Notes: Share data is computed as a ratio of net sales.

	As of March 31, 2013	As of December 31, 2013	Increase/(Decrease)	
			Amount	%
Total assets	225,945	238,091	12,146	5.4
Net assets	115,826	130,803	14,976	12.9
Equity ratio	51.1%	54.9%	3.8pt	-
Net assets per share [Yen]	982.02	1,109.38	127.36	13.0

Net Sales by Product Segment

Product segment	Nine months ended December 31, 2012		Nine months ended December 31, 2013		Increase/(Decrease)	
	Amount	Share[%]	Amount	Share[%]	Amount	%
Capacitors	66,665	45.6	79,049	49.9	12,383	18.6
Ferrite and applied products	21,469	14.7	26,380	16.7	4,910	22.9
Integrated modules & devices	37,966	26.0	32,427	20.5	(5,538)	(14.6)
Other electronic components	3,595	2.5	4,049	2.5	454	12.6
Electronic components	129,697	88.8	141,906	89.6	12,209	9.4
Optical media products	11,552	7.9	10,599	6.7	(953)	(8.3)
Others	4,781	3.3	5,834	3.7	1,053	22.0
Optical media and others	16,333	11.2	16,434	10.4	100	0.6
Total	146,031	100.0	158,341	100.0	12,309	8.4

Consolidated Results for the nine months ended December 31, 2013

February 13, 2014

Preparation of supplementary materials for the quarterly financial results: Yes
Holding of presentation of quarterly financial results: Yes (For institutional investors and investment analysts)

1. Consolidated financial results for the period from April 1, 2013 to December 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	%
Nine months ended December 31, 2013	158,341	8.4	8,932	177.9	10,147	150.0	6,001	164.9
Nine months ended December 31, 2012	146,031	3.3	3,213	—	4,058	—	2,265	—

Note: Comprehensive income

ended on December 31, 2013 16,112 million yen , 134.9% ended on December 31, 2012 6,859 million yen , -%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2013	50.99	50.92
Nine months ended December 31, 2012	19.26	19.23

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2013	238,091	130,803	54.9	1,109.38
As of March 31, 2013	225,945	115,826	51.1	982.02

(Reference) Shareholder's equity As of Dec. 31, 2013 130,627 million yen As of March 31, 2013 115,511 million yen

2. Dividend information

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2013	—	5.00	—	5.00	10.00
Year ending March 31, 2014	—	5.00	—		
Year ending March 31, 2014 (forecast)				5.00	10.00

Note: No changes in the forecasted dividend during the third quarter ended December 31, 2013.

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
Year ending March 31, 2014	210,000	8.9	14,000	188.6	14,000	96.7	9,000	382.0	76.43

Note: There are no changes in the forecasted results during the third quarter ended December 31, 2013.

4. Note

(1) Changes in principal subsidiaries during the nine months ended Dec. 31, 2013: No

(2) Adoption of specific accounting procedures for quarterly consolidated reporting: No.

(3) 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: No

d. Restatement: No

(4) Number of common shares outstanding :

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

As of Dec. 31, 2013 120,481,395 shares As of March 31, 2013 120,481,395 shares

b. Number of treasury stock:

As of Dec. 31, 2013 2,733,175 shares As of March 31, 2013 2,855,179 shares

c. Average number of common shares outstanding:

Nine months ended Dec. 31, 2013 117,699,570 shares Nine months ended Dec. 31, 2012 117,611,255 shares

Others :

1. This financial press release is out of scope of the review procedure based on the Financial Instruments and Exchange Act in Japan. As of time of press release date, the quarterly review 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. Qualitative Information Concerning Financial Statements and Other

As noted in “2. Summary Information and Notes, (1) Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements,” IAS 19 Employee Benefits (revised June 16, 2011) has been applied to certain foreign subsidiaries beginning with the first quarter of this fiscal year. As a result, the data used for comparison reflects retroactive application for both the previous nine-month period (April 1, 2012-December 31, 2012) and the previous fiscal year-end.

(1) Consolidated Operating Results

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 nine-month period ending December 31, 2013 we have seen a steady recovery and some regional growth as well as certain parts of the global economy remaining sluggish. In the Company’s view, the future outlook for the global economy as it relates to the market for our products shows continued gradual recovery with a great deal of uncertainty persisting.

The Company experienced mixed results in the market with overall higher demand for electronic components. The key factors were growth from the smartphone and tablet device markets as well as advancements in electronic components used in automobiles. This was offset by weaker market conditions for PCs and TVs.

Company Actions Planned to Offset These Conditions

TAIYO YUDEN has implemented and will continue to implement measures to improve profitability in order to attain the targets set in its medium-term management plan that will conclude in the fiscal year ending March 2015. Under this plan, the Companies have increased sales of super high-end products used in key growth markets such as the smartphone and tablet device markets. These products include capacitors, inductors and SAW/FBAR devices for mobile communications. The Companies are also

focusing on markets where growth can be anticipated, such as electrical components used in automobiles and industrial equipment. And, as part of our strategic mid-term plan we have expanded the lineup of high reliability products and will continue to do so.

Overview of Each Business Segment

Electronic Components

- The Company strengthened its production system and expanded sales of our super high-end products. There are examples of this stated below. These products support the smartphone and automobile markets and address the continued growth in demand for those markets.
 - EIA01005- and EIA0201-sized ultra small multilayer ceramic capacitors
 - Ultra thin multilayer ceramic capacitors
 - Small and high capacitance multilayer ceramic capacitors with 330 μ F, etc.
 - Metal power inductors MCOIL™ used for newly developed metallic magnetic materials
 - High frequency multilayer high-Q chip inductors
 - Ultra small multilayer chip inductors
 - SAW/FBAR devices for mobile communications

Optical Media and Others

- The Company is moving ahead with its structural reforms previously announced and will continue to implement measures aimed at enhancing the profitability of its optical media products.

Overview of Business Performance

Consolidated net sales for the nine-month period ended December 31, 2013 totaled ¥158,341 million, an increase of 8.4% compared to the corresponding period of the previous fiscal year. The Company achieved an operating profit of ¥8,932 million, an increase of 177.9% as compared to the corresponding period of the previous fiscal year, and an ordinary profit of ¥10,147 million, an increase of 150.0% as compared to the corresponding period of the previous fiscal year. The Company achieved a net income of ¥6,001 million,

an increase of 164.9% as compared to the corresponding period of the previous fiscal year.

Exchange Rate

The average foreign currency exchange rate for the nine-month period ended December 31, 2013 was US\$1: ¥98.42. This is a depreciation of ¥18.54 compared with the average realized in the same period of the previous fiscal year of US\$1: ¥79.88.

Net sales by product segment

Electronic Components

Capacitors

This product segment is comprised of multilayer ceramic capacitors. In the nine-month period ended December 31, 2013, sales were ¥79,049 million, a year-over-year increase of 18.6%. Product sales for all equipment types increased compared to the corresponding period of the previous fiscal year.

Ferrite and Applied Products

This product segment is comprised of various inductors including multilayer and wire-wound types. In the nine-month period ended December 31, 2013, sales increased by 22.9% to ¥26,380 million as compared to the same period of the previous fiscal year. This increase was largely attributable to increased product sales for information equipment, i.e. PCs, communication equipment, which focused on smartphones, and automobiles/industrial equipment. These increases were offset by a year-over-year decline in sales for consumer products, i.e. TVs.

Integrated Modules & Devices

This product segment is comprised of SAW/FBAR devices for mobile communications, a wide range of power supply and high frequency modules, and embedded-parts multilayer wiring substrates EOMIN™. For the nine-month period ended December 31, 2013, sales of high frequency modules increased year over year, but sales of SAW/FBAR devices for mobile communications and power supply modules decreased year over year, which caused overall sales to fall 14.6% year over year to ¥32,427 million.

Other Electronic Components

This segment is mainly made up of energy devices. For the nine-month period ended December 31, 2013, sales increased 12.6% to ¥4,049 million as compared to the corresponding period of the previous fiscal year.

Optical Media and Others

Optical Media Products

For this product segment, the Company manufactures and sells CD-Rs, DVD-Rs/DVD+Rs as well as recordable Blu-ray Discs (BD-Rs). Optical media product sales in the nine-month period ended December 31, 2013 fell to ¥10,599 million, 8.3% decrease 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 nine-month period ended December 31, 2013, sales in this segment increased 22.0% year over year to ¥5,834 million.

(2) Consolidated Financial Condition

Changes in Financial Condition

Assets

Total assets as of the end of the nine-month period ended December 31, 2013 increased ¥12,146 million to ¥238,091 million compared with the end of the previous fiscal year ended March, 31, 2013.

Current assets increased ¥14,517 million. This was mainly attributable to increase of ¥7,027 million in cash and deposits, ¥5,251 million in trade notes and accounts receivable, ¥1,058 million in work in process, and ¥689 million in raw materials and supplies.

Fixed assets decreased by ¥2,371 million due mainly to a decrease in property, plant and equipment of ¥2,440 million.

Liabilities

Total liabilities at the end of the nine-month period ended December 31,

2013 decreased ¥2,830 million to ¥107,288 million as compared to the balance at March 31, 2013. This was mainly due to an decrease in short-term borrowings of ¥3,511 million.

Net Assets

Net assets as of the end of the nine-month period ended December 31, 2013 increased ¥14,976 million to ¥130,803 million compared with the end of the previous fiscal year.

(3) Forecasts of Consolidated Operating Results

There is no change in the forecasts of consolidated operating results for the fiscal year ending March 31, 2014 that was previously announced on November 11, 2013.

2. Summary Information and Notes

(1) Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements

(Changes in accounting policy attributed to changes in accounting standards)

IAS 19 *Employee Benefits* (revised June 16, 2011) has been applied to the Company's consolidated financial statements of the fiscal year started after January 1, 2013. This accounting standard has been applied to certain foreign subsidiaries beginning with the first quarter of this fiscal year. As a result, the Company has modified the way to recognize actuarial gains and losses, the net amount of past service costs, and net interest related to defined benefit liability.

This change in accounting policy is applied retroactively, and the quarterly and annual consolidated financial statements of the previous fiscal year now reflect this retroactive application. Income before income taxes and minority interests for the previous nine-month period decreased ¥142 million. The cumulative effect that this change had on the Company's net assets at the beginning of the previous fiscal year is also immaterial, but the balance of retained earnings at the end of the previous fiscal year decreased by ¥134 million.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
ASSETS		
Current assets:		
Cash and deposits	35,356	42,383
Trade notes and accounts receivable	41,655	46,906
Merchandise and finished products	15,023	15,201
Work in process	11,086	12,144
Raw materials and supplies	9,832	10,522
Other	4,649	5,033
Allowance for doubtful receivables	(271)	(343)
Total current assets	117,332	131,850
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	68,214	71,070
Machinery and equipment	212,367	226,297
Tools, furniture and fixtures	19,262	20,186
Land	7,689	7,699
Construction in progress	9,357	4,853
Accumulated depreciation	(218,116)	(233,774)
Net property, plant and equipment	98,774	96,333
Intangible fixed assets:		
Goodwill	1,201	750
Other	824	795
Total intangible fixed assets	2,025	1,545
Investments and other assets:		
Investment securities	4,360	5,147
Other	3,733	3,547
Allowance for doubtful receivables	(282)	(333)
Total investments and other assets	7,812	8,361
Total fixed assets	108,612	106,241
Total assets	225,945	238,091

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	17,950	19,110
Current portion of convertible bonds with subscription rights	-	365
Short-term borrowings	20,242	16,730
Current portion of long-term borrowings	4,899	14,223
Income taxes payable	1,049	1,898
Accrued bonuses for employees	2,981	1,241
Accrued bonuses for directors and corporate auditors	75	93
Other	17,246	14,810
Total current liabilities	64,443	68,474
Long-term liabilities:		
Bonds payable	8,000	8,000
Convertible bonds with stock acquisition rights	365	-
Long-term borrowings	29,364	22,254
Accrued retirement benefits for employees	1,416	1,774
Accrued retirement benefits for directors and corporate auditors	125	113
Negative goodwill	10	-
Other	6,393	6,671
Total long-term liabilities	45,674	38,814
Total liabilities	110,118	107,288
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,484	41,495
Retained earnings	67,803	72,628
Treasury stock	(3,564)	(3,412)
Total shareholders' equity	129,280	134,268
Accumulated other comprehensive income		
Net unrealized holding gains on securities	562	1,201
Deferred gains (losses) on hedges	14	(77)
Foreign currency translation adjustments	(14,346)	(4,764)
Total accumulated other comprehensive income	(13,769)	(3,640)
Stock acquisition rights	274	170
Minority interests	40	4
Total net assets	115,826	130,803
Total liabilities and net assets	225,945	238,091

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

(Consolidated Statements of Operations)

(Nine months ended December 31, 2013 and 2012)

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net sales	146,031	158,341
Cost of sales	118,398	122,147
Gross profit	27,633	36,193
Selling, general and administrative expenses	24,419	27,261
Operating income	3,213	8,932
Non-operating income:		
Interest income	116	199
Dividend income	87	80
Equity in earnings of affiliate	21	7
Gain on foreign exchange	1,260	1,564
Subsidies	36	130
Other	167	128
Total non-operating income	1,690	2,110
Non-operating expenses:		
Interest expense	418	395
Interest on bonds	55	55
Depreciation of inactive noncurrent assets	228	303
Other	144	141
Total non-operating expenses	845	895
Ordinary income	4,058	10,147
Extraordinary gains:		
Gain on sales of property, plant and equipment	15	22
Other	0	-
Total extraordinary gains	15	22
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	85	260
Impairment loss	283	548
Loss on evaluation of investment securities	427	131
Business structure improvement expense	254	863
Other	13	49
Total extraordinary losses	1,064	1,853
Income before income taxes and minority interests	3,010	8,316
Income taxes - current	1,026	2,000
Income taxes - deferred	(265)	333
Total income taxes	760	2,333
Income before minority interests	2,249	5,983
Minority interests in income (loss)	(16)	(17)
Net income	2,265	6,001

(Consolidated Statements of Comprehensive Income)

(Nine months ended December 31, 2013 and 2012)

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income before minority interests	2,249	5,983
Other comprehensive income		
Net unrealized holding gains (losses) on securities	(129)	638
Deferred gains (losses) on hedges	(138)	(91)
Foreign currency translation adjustments	4,878	9,581
Total other comprehensive income	4,610	10,129
Comprehensive income	6,859	16,112
(Breakdown)		
Comprehensive income attributable to shareholders	6,874	16,130
Comprehensive income (loss) attributable to minority interest	(15)	(17)

(3) Notes on Consolidated Financial Statements

(Notes on Premise of Going Concern)

No relevant items to report.

(Notes in Case of Significant Changes to Shareholders' Equity)

No relevant items to report.

(Significant Subsequent Events)

Issuance of Bonds

On January 9, 2014, Board of Directors of the Company resolved of Euro Yen zero coupon convertible bonds with stock acquisition rights (tenkanshasaigata shinkabu yoyakuken-tsuki shasai) due 2021, and the payments for the Bonds were completed on January 27, 2014. An outline of the issue is as follows.

(1) Securities Offered (aggregate principal amount)

¥20,100,000,000

(2) Issue Price

100.5% of face amount (face amount for each bond: ¥10,000,000)

(3) Offer Price

103.0 % of principal amount

(4) Closing Date

January 27, 2014 (London time)

(5) Coupon Rate

Zero

(6) Redemption Price

100.0% of principal amount

(7) Redemption Date

January 27, 2021

(8) Matters concerning stock acquisition rights

a. Class of shares covered by stock acquisitions rights:

Common stock of the Company

b. Aggregate number of stock acquisition rights to be issued:

2,000 rights and the number obtained by dividing the aggregate principal amount of the bonds related to the replacement certificates of the bonds with stock acquisition rights by ¥10,000,000

c. Initial conversion price:

¥2,069 per share

d. Exercise period:

February 10, 2014 – January 13, 2021

(9) Security

No security

(10) Use of Proceeds

a. Capital expenditure in Japan for increasing the Group's production capacity in respect of super high-end product in the Electronic Components segment;

b. Repayment of the Company's series 1 unsecured bonds, which are expected maturity; and

c. Repayment of borrowings.

4. Supplementary Information

(1) Net Sales by Product Segment

(Millions of yen)

Product segment	Nine months ended December 31, 2012		Nine months ended December 31, 2013		Increase/ (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	%
Capacitors	66,665	45.6	79,049	49.9	12,383	18.6
Ferrite and applied products	21,469	14.7	26,380	16.7	4,910	22.9
Integrated modules & devices	37,966	26.0	32,427	20.5	(5,538)	(14.6)
Other electronic components	3,595	2.5	4,049	2.5	454	12.6
Electronic components	129,697	88.8	141,906	89.6	12,209	9.4
Optical media products	11,552	7.9	10,599	6.7	(953)	(8.3)
Others	4,781	3.3	5,834	3.7	1,053	22.0
Optical media and others	16,333	11.2	16,434	10.4	100	0.6
Total	146,031	100.0	158,341	100.0	12,309	8.4

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