

Consolidated Financial Results

Year ended March 31, 2014

May 14, 2014
TAIYO YUDEN CO., LTD.

Summary of Consolidated Results (Y/Y)

Our growth strategies and structural improvements yielded an increase in profitability.

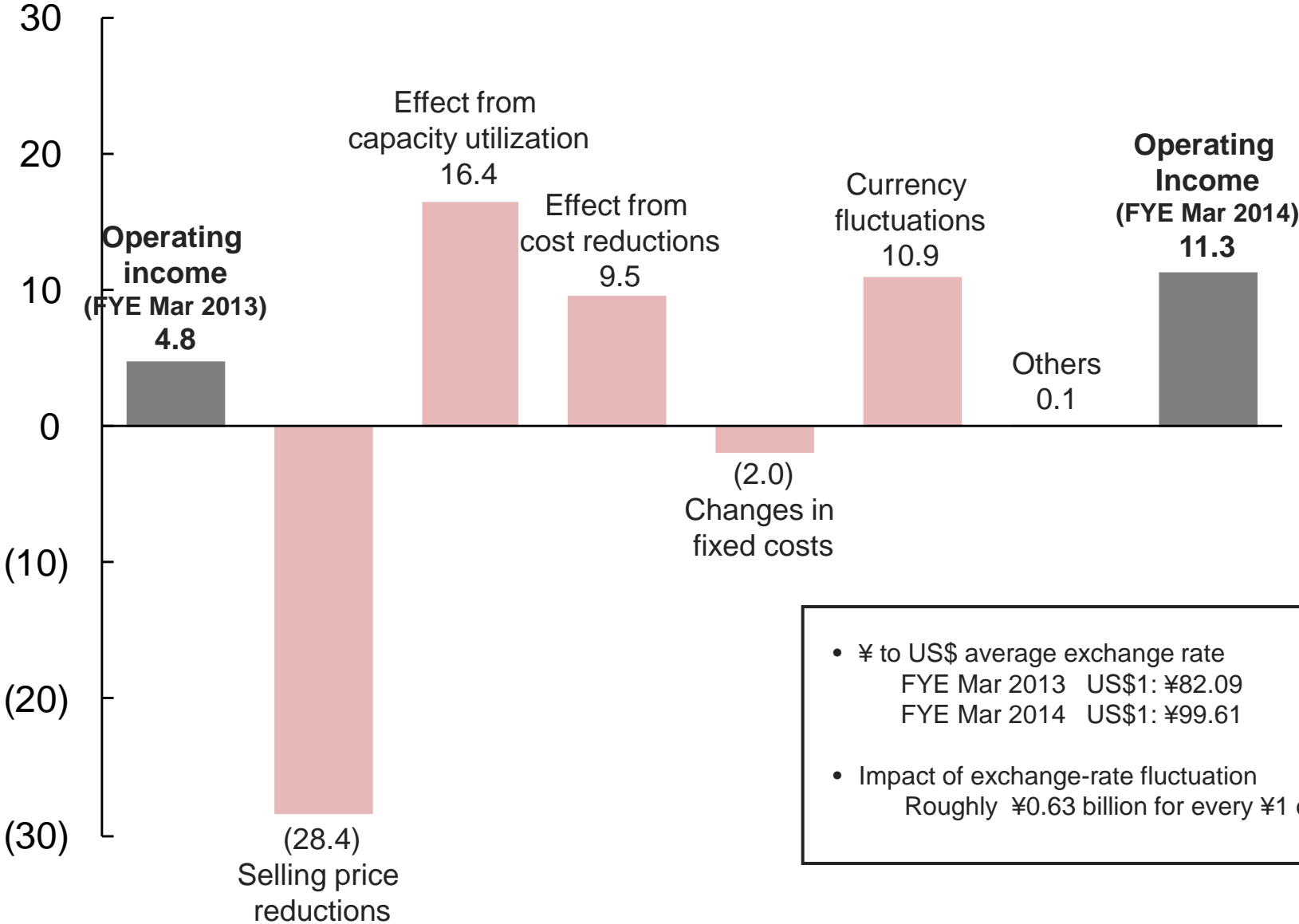
¥ in million	Year ended March 31, 2013 (01 Apr 2012 – 31 Mar 2013)	Year ended March 31, 2014 (01 Apr 2013 – 31 Mar 2014)	Growth Y/Y	
			Amount	%
Net sales	192,903	208,222	15,318	7.9
Operating income	4,850	11,358	6,508	134.2
Ordinary income	7,118	12,192	5,074	71.3
Net income	1,867	6,989	5,122	274.3

- Extraordinary loss

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

Factors driving Operating Income in FYE March 2014

(¥ in billion)



- ¥ to US\$ average exchange rate
 FYE Mar 2013 US\$1: ¥82.09
 FYE Mar 2014 US\$1: ¥99.61
- Impact of exchange-rate fluctuation
 Roughly ¥0.63 billion for every ¥1 change

Net Sales by Product (Y/Y)

Electronic components product group realized a Y/Y increase in sales and income.
Optical media and others group returned to being profitable.

¥ in million	Year ended March 31, 2013 (01 Apr 2012 – 31 Mar 2013)	Year ended March 31, 2014 (01 Apr 2013 – 31 Mar 2014)	Growth Y/Y	
			Amount	%
Capacitors	89,852	104,233	14,380	16.0
Ferrite and applied products	28,490	34,745	6,255	22.0
Integrated modules & devices	47,804	42,375	(5,428)	(11.4)
Other electronic components	4,778	5,284	506	10.6
Electronic components	170,925	186,640	15,714	9.2
Optical media products	15,412	14,232	(1,179)	(7.7)
Others	6,565	7,349	783	11.9
Optical media and others	21,978	21,582	(395)	(1.8)
Total Net Sales	192,903	208,222	15,318	7.9

Electronic components	5,075	11,162	6,086	119.9
Optical media and others	(224)	196	421	—
Total Operating Income	4,850	11,358	6,508	134.2

Key Expenditure Figures (Y/Y)

¥ in million	Year ended March 31, 2013 (01 Apr 2012 – 31 Mar 2013)	Year ended March 31, 2014 (01 Apr 2013 – 31 Mar 2014)	Change Y/Y	
			Amount	%
R&D expenses	6,840	7,353	513	7.5
Capital investment	20,702	19,126	(1,576)	(7.6)
Depreciation expenses	19,832	20,750	917	4.6

Number of Employees

Consolidated	15,915	16,435	520	—
Non-consolidated	2,632	2,572	(60)	—

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 billion	Year ended March 31, 2013 (01 Apr 2012 – 31 Mar 2013)	Year ended March 31, 2014 (01 Apr 2013 – 31 Mar 2014)	Fluctuation	Impact on Net sales on Operating income
Average	82.09 yen	99.61 yen	17.52 yen depreciated	+28.6 +10.9
Last day	94.01 yen	102.88 yen	8.87 yen depreciated	—

Summary of Consolidated Results (Q/Q)

Net sales declined compared to the previous quarter while operating income increased.

¥ in million	Year ended March 31, 2014				Growth Q/Q	
	1Q (01 Apr 2013 – 30 Jun 2013)	2Q (01 Jul 2013 – 30 Sep 2013)	3Q (01 Oct 2013 – 31 Dec 2013)	4Q (01 Jan 2014 – 31 Mar 2014)	Amount	%
Net sales	51,748	53,801	52,791	49,881	(2,909)	(5.5)
Operating income	3,282	3,913	1,736	2,426	690	39.8
Ordinary income	3,842	3,596	2,707	2,045	(662)	(24.5)
Net income	3,138	1,122	1,740	988	(752)	(43.2)

Net Sales by Product (Q/Q)

Net sales fell compared to the previous quarter driven by reduced capacitor revenues.

¥ in million		Year ended March 31, 2014				Growth Q/Q	
		1Q	2Q	3Q	4Q	Amount	%
	Capacitors	25,861	26,203	26,983	25,184	(1,799)	(6.7)
	Ferrite and applied products	8,402	9,345	8,632	8,365	(266)	(3.1)
	Integrated modules & devices	10,532	11,538	10,356	9,948	(407)	(3.9)
	Other electronic components	1,587	1,251	1,211	1,234	23	2.0
	Electronic components	46,384	48,339	47,183	44,733	(2,449)	(5.2)
	Optical media products	3,357	3,429	3,813	3,633	(179)	(4.7)
	Others	2,006	2,033	1,795	1,514	(280)	(15.6)
	Optical media and others	5,364	5,462	5,608	5,148	(459)	(8.2)
	Total Net Sales	51,748	53,801	52,791	49,881	(2,909)	(5.5)
	Electronic components	3,573	3,831	1,677	2,078	400	23.9
	Optical media and others	(291)	82	58	348	289	499.0
	Total Operating Income	3,282	3,913	1,736	2,426	690	39.8

Forecast of Consolidated Performance

for the year ending March 31, 2015

Full-Year Forecast

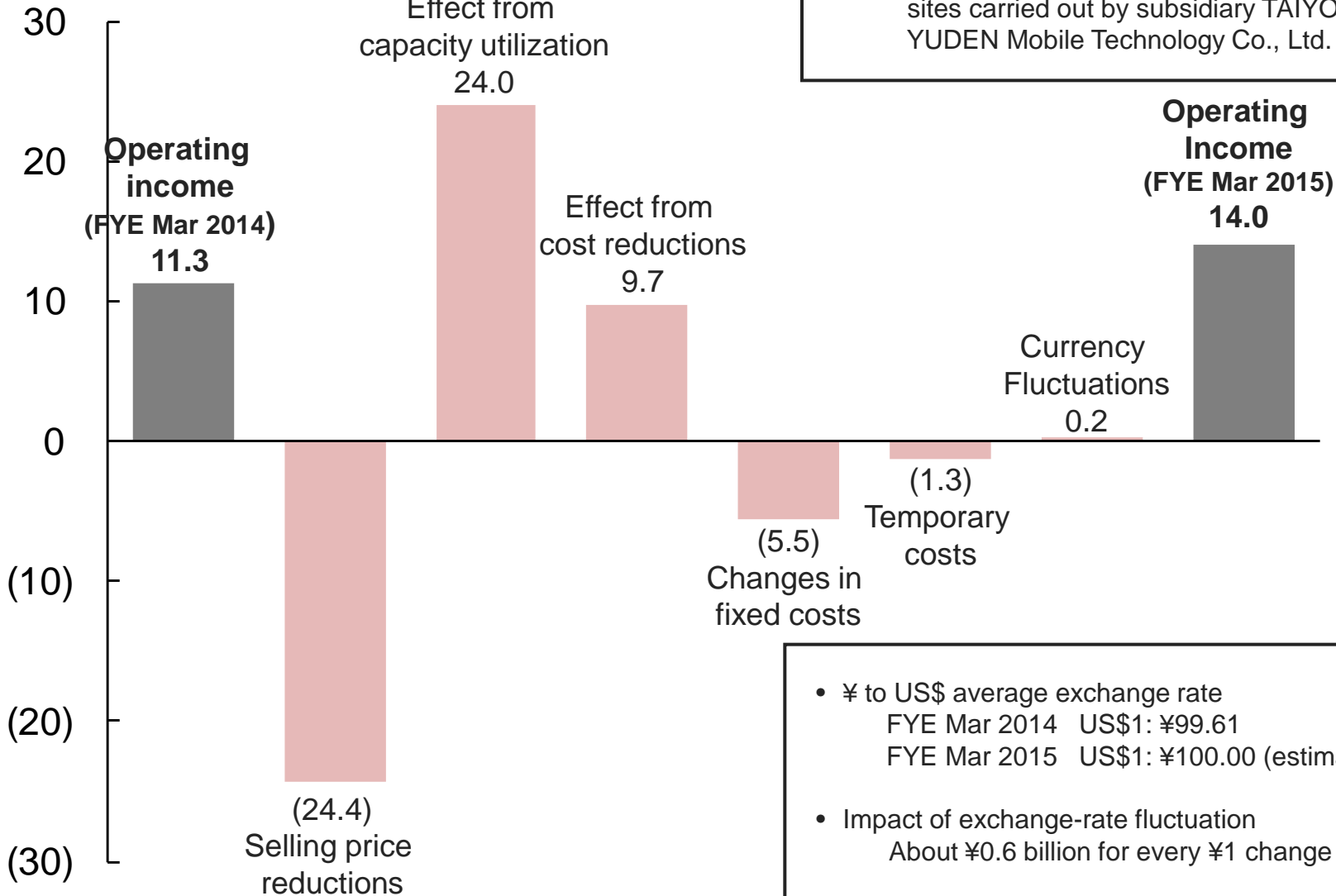
The Company is forecasting an increase in revenue and profitability with net sales of ¥220,000 million and operating income of ¥14,000 million

¥ in million	Year ended March 31, 2014 (01 Apr 2013 – 31 Mar 2014)	Year ending March 31, 2015 (01 Apr 2014 – 31 Mar 2015) FORECAST	Change	
			Amount	%
Net sales	208,222	220,000	11,778	5.7
Operating income	11,358	14,000	2,642	23.3
Ordinary income	12,192	14,000	1,808	14.8
Net income	6,989	8,500	1,511	21.6

Exchange rate assumption: An average exchange rate of US\$1: ¥100 for the year ending March 31, 2015.

Factors behind Operating Income in FYE March 2015

(¥ in billion)



- Temporary costs
Costs associated with the consolidation of sites carried out by subsidiary TAIYO YUDEN Mobile Technology Co., Ltd.

- ¥ to US\$ average exchange rate
FYE Mar 2014 US\$1: ¥99.61
FYE Mar 2015 US\$1: ¥100.00 (estimated)
- Impact of exchange-rate fluctuation
About ¥0.6 billion for every ¥1 change

Full-Year Forecast by Product

Sales of Capacitors, Ferrite and applied products, and Integrated modules & devices are expected to increase Y/Y.

¥ in million	Year ended March 31, 2014 (01 Apr 2013 – 31 Mar 2014) ACUTAL	Year ending March 31, 2015 (01 Apr 2014 – 31 Mar 2015) FORECAST	Growth Y/Y	
			Amount	%
Capacitors	104,233	113,000	8,767	8.4
Ferrite and applied products	34,745	41,000	6,255	18.0
Integrated modules & devices	42,375	46,000	3,625	8.6
Other electronic components	5,284	4,000	(1,284)	(24.3)
Electronic components	186,640	204,000	17,360	9.3
Optical media products	14,232	12,000	(2,232)	(15.7)
Others	7,349	4,000	(3,349)	(45.6)
Optical media and others	21,582	16,000	(5,582)	(25.9)
Total	208,222	220,000	11,778	5.7

Key Expenditure Figures

¥ in million	Year ended March 31, 2014 (01 Apr 2013 – 31 Mar 2014) ACTUAL	Year ending March 31, 2015 (01 Apr 2014 – 31 Mar 2015) FORECAST	Increase/ (Decrease)	
			Amount	%
R&D expenses	7,353	8,500	1,147	15.6
Capital investment	19,126	23,500	4,374	22.9
Depreciation expenses	20,750	23,000	2,250	10.8

- R&D expenses

- Focused development of new products and technologies in line with medium-to long-term growth.

- Capital investment

- Focus on adding capacity for super high-end products (capacitors, inductors, SAW/FBAR devices for mobile communications) including an investment in the Ome Operation Center of TAIYO YUDEN Mobile Technology Co., Ltd. established in April 2014.

Supplementary Information

Sales of Electronic Components by market Sector

¥ in billion	Year ended March 31, 2013 (01 Apr 2012 – 31 Mar 2013)		Year ended March 31, 2014 (01 Apr 2013 – 31 Mar 2014)		Y/Y Increase/ (Decrease)	
	Amount	Composition ratio	Amount	Composition ratio	Amount	%
Consumer products	42.7	25%	41.8	22%	(0.8)	(2)%
Information equipment	38.3	22%	41.8	22%	3.4	9%
Communication equipment	66.1	39%	72.2	39%	6.0	9%
Automobiles/ Industrial equipment	16.3	10%	23.6	13%	7.2	45%
Components/ Others	7.3	4%	7.1	4%	(0.1)	(3)%
Total Electronic components	170.9	100%	186.6	100%	15.7	9%

■ Sales of Key target market and its sales ratio

Key target market	25.0	13%	36.1	17%	11.0	44%
--------------------------	-------------	------------	-------------	------------	-------------	------------

*Key target market: Automobiles, Industrial equipment, Communication base station, Server, Environmental energy, healthcare etc.

*TAIYO YUDEN estimate

Half-Year Consolidated Revenue and Earnings Forecast

¥ in million	Year ended March 31, 2014 ACTUAL		Year ending March 31, 2015 FORECAST	
	1H (01 Apr 2013– 30 Sep 2013)	2H (01 Oct 2013– 31 Mar 2014)	1H (01 Apr 2014– 30 Sep 2014)	2H (01 Oct 2014– 31 Mar 2015)
Net sales	105,550	102,672	108,000	112,000
Operating income	7,196	4,162	6,500	7,500
Ordinary income	7,439	4,752	6,500	7,500
Net income	4,260	2,728	4,000	4,500

Half-Year Forecast by Product

¥ in million		Year ended March 31, 2014 ACTUAL		Year ending March 31, 2015 FORECAST	
		1H (01 Apr 2013– 30 Sep 2013)	2H (01 Oct 2013– 31 Mar 2014)	1H (01 Apr 2014– 30 Sep 2014)	2H (01 Oct 2014– 31 Mar 2015)
	Capacitors	52,065	52,167	55,000	58,000
	Ferrite and applied products	17,748	16,997	20,000	21,000
	Integrated modules & devices	22,071	20,304	23,000	23,000
	Other electronic components	2,838	2,446	2,000	2,000
	Electronic components	94,723	91,916	100,000	104,000
	Optical media products	6,786	7,446	6,000	6,000
	Others	4,039	3,309	2,000	2,000
	Optical media and others	10,826	10,756	8,000	8,000
	Total	105,550	102,672	108,000	112,000

Important Information

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