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

Consolidated Results for the Three Months Ended June 30, 2014 (April 1, 2014 – June 30, 2014)

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

Overview of Operating Results

Item	Three months ended June 30, 2013		Three months ended June 30, 2014		Increase/(Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Net sales	51,748	100.0	48,107	100.0	(3,641)	(7.0)
Operating income (loss)	3,282	6.3	(651)	(1.4)	(3,933)	-
Ordinary income (loss)	3,842	7.4	(585)	(1.2)	(4,428)	-
Income (loss) before income taxes and minority interests	3,686	7.1	(669)	(1.4)	(4,356)	-
Net income (loss)	3,138	6.1	(1,100)	(2.3)	(4,238)	-
Comprehensive income (loss)	5,824	-	(771)	-	(6,595)	-
Net income (loss) per share [Yen]		26.68		(9.35)		
Diluted net income per share [Yen]		26.63		-		
R&D expenses		1,781		2,015	234	13.1
Capital investment		3,582		4,029	447	12.5
Depreciation and amortization		4,893		5,153	260	5.3

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

	As of March 31, 2014	As of June 30, 2014	Increase/(Decrease)	
			Amount	[%]
Total assets	247,596	244,930	(2,666)	(1.1)
Net assets	128,556	127,194	(1,361)	(1.1)
Equity ratio	51.8%	51.9%	0.1pt	-
Net assets per share [Yen]	1,090.26	1,078.70	(11.56)	(1.1)

Net Sales by Product Segment

Product segment	Three months ended June 30, 2013		Three months ended June 30, 2014		Increase/(Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Capacitors	25,861	50.0	24,026	49.9	(1,835)	(7.1)
Ferrite and applied products	8,402	16.2	8,611	17.9	208	2.5
Integrated modules & devices	10,532	20.3	9,760	20.3	(772)	(7.3)
Other electronic components	1,587	3.1	1,157	2.4	(429)	(27.1)
Electronic components	46,384	89.6	43,555	90.5	(2,829)	(6.1)
Optical media products	3,357	6.5	2,960	6.2	(396)	(11.8)
Others	2,006	3.9	1,591	3.3	(414)	(20.7)
Optical media and others	5,364	10.4	4,552	9.5	(811)	(15.1)
Total	51,748	100.0	48,107	100.0	(3,641)	(7.0)

TAIYO YUDEN

Consolidated Results for the three months ended June 30, 2014

August 7, 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, 2014 to June 30, 2014

(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	%
Three months ended June 30, 2014	48,107	(7.0)	(651)	-	(585)	-	(1,100)	-
Three months ended June 30, 2013	51,748	11.2	3,282	196.1	3,842	-	3,128	-

Note: Comprehensive income
 ended on June 30, 2014 (771) million yen ; - % ended on June 30, 2013 5,824 million yen ; - %

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	(9.35)	-
Three months ended June 30, 2013	26.68	26.63

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2014	244,930	127,194	51.9	1,078.70
As of March 31, 2014	247,596	128,556	51.8	1,090.26

(Reference) Shareholder's equity As of June 30, 2014 127,014 million yen As of March 31, 2014 128,375 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, 2014	—	5.00	—	5.00	10.00
Year ending March 31, 2015	—				
Year ending March 31, 2015 (forecast)		5.00	—	5.00	10.00

Note: No changes in the forecasted dividend during the first quarter ended June 30, 2014.

3. Forecasts of operating results for the period from April 1, 2014 to March 31, 2015.

(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, 2014	105,000	(0.5)	2,500	(65.3)	2,500	(66.4)	700	(83.6)	5.94
Year ending March 31, 2015	220,000	5.7	14,000	23.3	14,000	14.8	8,500	21.6	72.19

Note: There are changes in the forecasted results during the first quarter ended June 30, 2014.

4. Note

(1) Changes in principal subsidiaries during the three months ended June 30, 2014: 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: No

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 June 30, 2014 120,481,395 shares As of March 31, 2014 120,481,395 shares

b. Number of treasury stock:

As of June 30, 2014 2,733,678 shares As of March 31, 2014 2,733,602 shares

c. Average number of common shares outstanding:

Three months ended June 30, 2014 117,747,772 shares Three months ended June 30, 2013 117,625,729 shares

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 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

(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 “TAIYO YUDEN Group” or “the Companies”) in the three-month period ended June 30, 2014 showed certain parts of the global economy remained sluggish and that developed countries are seeing signs of a recovery.

Company Actions Planned to Offset These Conditions

TAIYO YUDEN Group continues to implement measures that balance a growth strategy and structural reforms with an emphasis on improving profitability. The Companies’ growth strategy calls for an increase in sales of their highly competitive super high-end products that support key growth applications for devices such as smartphones and tablet devices. And, to accommodate rising demand for RF devices used in smartphones, the Company’s subsidiary TAIYO YUDEN Mobile Technology Co., Ltd. established an operation center in Ome, Tokyo to increase production capacity and capabilities. In addition, the Companies have endeavored to diversify and expand sales channels, to strengthen system solution proposal capabilities, and to promote sales of high reliability products, positioning electrical components used in automobiles, industrial equipment, healthcare, and environmental energy as focus markets. A key structural reform initiative is the focus on improving the break-even point, which includes managing net profits using a “mini company system” and continually enhancing the Company’s structure.

Overview of Business Performance

Consolidated net sales for the three-month period ended June 30, 2014 totaled ¥48,107 million, which is a decrease of 7.0% compared to the corresponding period of the previous fiscal year. The Companies incurred an operating loss of ¥651 million, compared to an operating profit of ¥3,282

million for the same period of the previous fiscal year, and an ordinary loss of ¥585 million compared to an ordinary profit of ¥3,842 million for the corresponding period of the previous fiscal year. The Companies incurred a net loss of ¥1,100 million compared with a net income of ¥3,138 million in the same period of the previous fiscal year.

Exchange Rate

The average foreign currency exchange rate for the three-month period ended June 30, 2014 was US\$1: ¥102.23. This is a depreciation of ¥4.35 as compared to the average realized in the same period of the previous fiscal year of US\$1: ¥97.88.

Net Sales by Product Segment

Electronic Components

Capacitors

The capacitor product segment is comprised of multilayer ceramic capacitors. For the three-month period ended June 30, 2014, sales for automobiles/industrial equipment increased year over year, but sales for consumer products, i.e. TVs, information equipment, i.e. PCs, and communication equipment, which focused on smartphones, decreased year over year, which caused sales to fall 7.1% year over year to ¥24,026 million.

Ferrite and Applied Products

This product segment is comprised of various inductors including metal power inductor “MCOIL™”, wire-wound inductors and multilayer chip inductors. In the three-month period ended June 30, 2014, sales increased by 2.5% to ¥8,611 million as compared to the same period of the previous fiscal year. Product sales for consumer products and communication equipment were lower as compared to the corresponding period of the previous fiscal year. However, this was offset by the increase in sales for information equipment and automobiles/industrial equipment.

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

three-month period ended June 30, 2014, sales for SAW/FBAR devices for mobile communications increased year over year, but sales for power supply modules and high frequency modules decreased year over year, which resulted in a 7.3% decrease in total sales for this product segment year over year to ¥9,760 million.

Other Electronic Components

This segment is mainly made up of energy devices. For the three-month period ended June 30, 2014, sales decreased 27.1% to ¥1,157 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 three-month period ended June 30, 2014 fell to ¥2,960 million, 11.8% 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 three-month period ended June 30, 2014, sales in this segment decreased 20.7% year over year to ¥1,591 million.

(2) Consolidated Financial Condition

Changes in Financial Condition

Assets

Total assets as of June 30, 2014 decreased ¥2,666 million to ¥244,930 million compared with the end of the previous fiscal year.

Current assets decreased ¥3,081 million in comparison to the previous fiscal year. This was mainly attributable to a decrease of ¥6,921 million in cash and deposits and increase of ¥1,627 million in merchandise and finished products, ¥1,444 million in work in process and ¥1,368 million in other.

Fixed assets increased by ¥415 million due mainly to an increase in property, plant and equipment of ¥397 million.

Liabilities

Total liabilities as of June 30, 2014 were ¥117,736 million, a decrease of ¥1,304 million as compared to the balance at March 31, 2014. This was mainly due to a decrease in current portion of long-term borrowings of ¥4,001 million and an increase in other current liabilities of ¥ 3,211 million.

Net Assets

Net assets as of June 30, 2014 decreased ¥ 1,361 million to ¥127,194 million compared with the end of the previous fiscal year.

(3) Forecasts of Consolidated Operating Results

TAIYO YUDEN revised its consolidated operating results forecasts for the six months ending September 30, 2014, previously announced on May 14, 2014. For details and the revised figures, please refer to our current press release “TAIYO YUDEN Revises Forecasts of Results” announced today August 7, 2014.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
ASSETS		
Current assets:		
Cash and deposits	59,250	52,328
Trade notes and accounts receivable	43,012	42,183
Merchandise and finished products	14,179	15,807
Work in process	13,457	14,902
Raw materials and supplies	9,927	10,162
Other	4,254	5,622
Allowance for doubtful receivables	(322)	(327)
Total current assets	143,759	140,677
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	70,723	71,224
Machinery and equipment	226,115	227,601
Tools, furniture and fixtures	20,257	20,561
Land	7,697	8,435
Construction in progress	4,481	5,997
Accumulated depreciation	(234,877)	(239,026)
Net property, plant and equipment	94,397	94,794
Intangible fixed assets:		
Goodwill	600	450
Other	811	781
Total intangible fixed assets	1,412	1,231
Investments and other assets:		
Investment securities	4,859	5,100
Other	3,493	3,445
Allowance for doubtful receivables	(325)	(321)
Total investments and other assets	8,027	8,225
Total fixed assets	103,837	104,252
Total assets	247,596	244,930

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	18,597	20,671
Current portion of bonds payable	8,000	8,000
Current portion of convertible bonds with subscription rights	365	-
Short-term borrowings	10,623	9,558
Current portion of long-term borrowings	12,472	8,471
Income taxes payable	1,159	941
Accrued bonuses for employees	2,746	1,610
Accrued bonuses for directors and corporate auditors	74	27
Other	14,352	17,563
Total current liabilities	68,392	66,844
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,096	20,092
Long-term borrowings	21,861	21,846
Accrued retirement benefits for directors and corporate auditors	117	120
Net defined benefit liability	1,936	2,162
Other	6,635	6,669
Total long-term liabilities	50,647	50,892
Total liabilities	119,040	117,736
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,495	41,495
Retained earnings	73,597	71,906
Treasury stock	(3,412)	(3,412)
Total shareholders' equity	135,236	133,545
Accumulated other comprehensive income		
Net unrealized holding gains on securities	979	1,246
Deferred gains (losses) on hedges	(31)	20
Foreign currency translation adjustments	(7,774)	(7,765)
Post retirement benefit liability adjustments of foreign subsidiaries	(34)	(32)
Total accumulated other comprehensive income	(6,860)	(6,531)
Stock acquisition rights	170	170
Minority interests	9	8
Total net assets	128,556	127,194
Total liabilities and net assets	247,596	244,930

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

(Consolidated Statements of Operations)

(Three months ended June 30, 2014 and 2013)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	51,748	48,107
Cost of sales	39,441	39,040
Gross profit	12,306	9,066
Selling, general and administrative expenses	9,024	9,717
Operating income (loss)	3,282	(651)
Non-operating income:		
Interest income	60	107
Dividend income	24	28
Equity in earnings of affiliate	1	-
Gain on foreign exchange	800	-
Subsidy income	6	475
Other	40	32
Total non-operating income	934	643
Non-operating expenses:		
Interest expense	130	93
Interest on bonds	18	18
Equity in losses of affiliate	-	2
Loss on foreign exchange	-	270
Depreciation of inactive noncurrent assets	116	72
Other	109	120
Total non-operating expenses	374	577
Ordinary income (loss)	3,842	(585)
Extraordinary gains:		
Gain on sales of property, plant and equipment	15	2
Other	-	2
Total extraordinary gains	15	4
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	40	84
Loss on evaluation of investment securities	129	1
Other	1	2
Total extraordinary losses	171	89
Income (loss) before income taxes and minority interests	3,686	(669)
Income taxes - current	460	439
Income taxes - deferred	97	(8)
Total income taxes	557	431
Income (loss) before minority interests	3,129	(1,100)
Minority interests in income (loss)	(8)	(0)
Net income (loss)	3,138	(1,100)

(Consolidated Statements of Comprehensive Income)

(Three months ended June 30, 2014 and 2013)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income (loss) before minority interests	3,129	(1,100)
Other comprehensive income		
Net unrealized holding gains on securities	216	266
Deferred gains (losses) on hedges	(96)	52
Foreign currency translation adjustments	2,575	8
Post retirement benefit liability adjustments of foreign subsidiaries	-	1
Total other comprehensive income	2,694	329
Comprehensive income (loss)	5,824	(771)
(Breakdown)		
Comprehensive income (loss) attributable to shareholders	5,833	(771)
Comprehensive income (loss) attributable to minority interest	(8)	(0)

(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.

3. Supplementary Information

(1) Net Sales by Product Segment

(Millions of yen)

Product segment	Three months ended June 30, 2013		Three months ended June 30, 2014		Increase/ (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	%
Capacitors	25,861	50.0	24,026	49.9	(1,835)	(7.1)
Ferrite and applied products	8,402	16.2	8,611	17.9	208	2.5
Integrated modules & devices	10,532	20.3	9,760	20.3	(772)	(7.3)
Other electronic components	1,587	3.1	1,157	2.4	(429)	(27.1)
Electronic components	46,384	89.6	43,555	90.5	(2,829)	(6.1)
Optical media products	3,357	6.5	2,960	6.2	(396)	(11.8)
Others	2,006	3.9	1,591	3.3	(414)	(20.7)
Optical media and others	5,364	10.4	4,552	9.5	(811)	(15.1)
Total	51,748	100.0	48,107	100.0	(3,641)	(7.0)

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