

Consolidated Financial Results

First quarter for the year ending March 31, 2015

August 7, 2014
TAIYO YUDEN CO., LTD.

Financial Summary

1Q for the Year Ending March 2015

- Net sales were ¥48.1 billion and slightly less than initially expected
- Operating loss was ¥0.6 billion driven by two main factors:
 - Increased upfront fixed costs to enhance production systems in preparation for rising demand of our super high-end products in the 2Q and beyond
 - Temporary costs of ¥1.4 billion related to the consolidation of sites for RF devices and disposal of inventory assets that had been placed on hold for some time, etc.

Earnings Forecast for the Year Ending March 2015

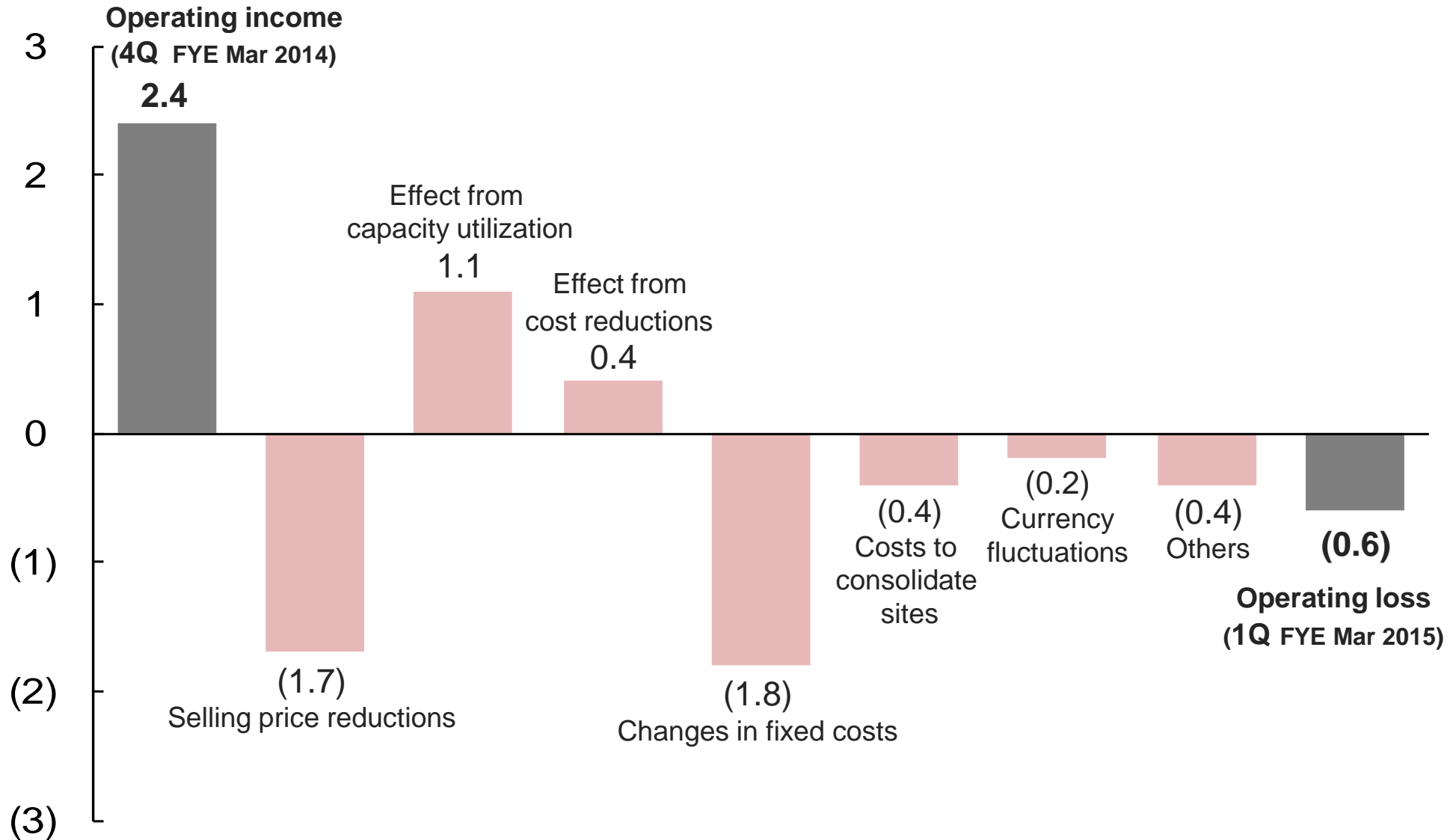
- The first half earnings forecast was revised downward
- The full-year earnings forecast remains unchanged driven by an anticipated increase in sales from new smartphone models in 3Q and beyond

1Q- Consolidated Financial Results (Q/Q)

¥ in millions	FYE Mar 31, 2014	FYE Mar 31, 2015	Change Q/Q	
	4Q (01 Jan 2014 – 31 Mar 2014)	1Q (01 Apr 2014 – 30 Jun 2014)	Amount	%
Net sales	49,881	48,107	(1,774)	(3.6)
Operating income (loss)	2,426	(651)	(3,077)	—
Ordinary income (loss)	2,045	(585)	(2,630)	—
Net income (loss)	988	(1,100)	(2,088)	—

1Q - Factors driving Operating Income (Q/Q)

(¥ in billion)



1Q – Financial Results by Product Segment (Q/Q)

¥ in millions		FYE Mar 31, 2014 4Q	FYE Mar 31, 2015 1Q	Change Q/Q	
				Amount	%
Capacitors		25,184	24,026	(1,158)	(4.6)
Ferrite and applied products		8,365	8,611	245	2.9
Integrated modules & devices		9,948	9,760	(188)	(1.9)
Other electronic components		1,234	1,157	(77)	(6.3)
Electronic components		44,733	43,555	(1,178)	(2.6)
Optical media products		3,633	2,960	(673)	(18.5)
Others		1,514	1,591	77	5.1
Optical media and others		5,148	4,552	(596)	(11.6)
Total net sales		49,881	48,107	(1,774)	(3.6)
Electronic components		2,078	(865)	(2,943)	—
Optical media and others		348	214	(133)	(38.4)
Total operating income (loss)		2,426	(651)	(3,077)	—

1Q - Key Expenditure Figures (Q/Q)

¥ in millions	FYE Mar 31, 2014 4Q	FYE Mar 31, 2015 1Q	Change Q/Q	
			Amount	%
R&D expenses	1,972	2,015	43	2.2
Capital investment	5,420	4,029	(1,391)	(25.7)
Depreciation expenses	5,595	5,153	(442)	(7.9)

Number of Employees

Consolidated	16,435	17,369	934	—
Non-consolidated	2,572	2,599	27	—

Yen to USD Exchange Rate

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

¥ in billions	4Q	1Q	Fluctuation	Impact on Net sales on Operating income
Average	103.19 yen	102.23 yen	0.96 yen appreciated	(0.4) (0.2)
Last day	102.88 yen	101.35 yen	1.53 yen appreciated	—

Forecast of Consolidated Performance

for the year ending March 31, 2015

1H - Forecast

¥ in millions	1H FYE 2015 (01 Apr 2014 – 30 Sep 2014)		Change		1H FYE 2014 (01 Apr 2013 – 30 Sep 2013)
	Previous Forecast [as of 14 May 2014]	Revised Forecast [as of 07 Aug 2014]	Amount	%	Actual Result
Net sales	108,000	105,000	(3,000)	(2.8)	105,550
Operating income	6,500	2,500	(4,000)	(61.5)	7,196
Ordinary income	6,500	2,500	(4,000)	(61.5)	7,439
Net income	4,000	700	(3,300)	(82.5)	4,260

Exchange rate assumption:

An average exchange rate will be US\$1: ¥102 for 2Q of the year ending March 31, 2015.

1H - Forecast by Product Segment

¥ in millions		1H FYE 2015		Change		1H FYE 2014
		Previous Forecast	Revised Forecast	Amount	%	Actual Result
	Capacitors	55,000	52,500	(2,500)	(4.5)	52,065
	Ferrite and applied products	20,000	18,500	(1,500)	(7.5)	17,748
	Integrated modules & devices	23,000	23,000	0	0.0	22,071
	Other electronic components	2,000	2,000	0	0.0	2,838
	Electronic components	100,000	96,000	(4,000)	(4.0)	94,723
	Optical media products	6,000	6,000	0	0.0	6,786
	Others	2,000	3,000	1,000	50.0	4,039
	Optical media and others	8,000	9,000	1,000	12.5	10,826
	Total net sales	108,000	105,000	(3,000)	(2.8)	105,550

Full-Year Forecast

¥ in millions	FYE 2014 (01 Apr 2013 – 31 Mar 2014)	FYE 2015 (01 Apr 2014 – 31 Mar 2015)	Change	
	Actual Result	Forecast [as of 14 May 2014]	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 will be US\$1: ¥102 for 2Q-4Q of the fiscal year ending March 31, 2015.

Supplementary Information

1Q - Consolidated Financial Results (Y/Y)

¥ in millions	FYE 2014	FYE 2015	Change Y/Y	
	1Q (01 Apr 2013 – 30 Jun 2013)	1Q (01 Apr 2014 – 30 Jun 2014)	Amount	%
Net sales	51,748	48,107	(3,641)	(7.0)
Operating income (loss)	3,282	(651)	(3,933)	—
Ordinary income (loss)	3,842	(585)	(4,428)	—
Net income (loss)	3,138	(1,100)	(4,238)	—

1Q - Financial Results by Product Segment (Y/Y)

¥ in millions		FYE 2014 1Q	FYE 2015 1Q	Change Y/Y	
				Amount	%
Capacitors		25,861	24,026	(1,835)	(7.1)
Ferrite and applied products		8,402	8,611	208	2.5
Integrated modules & devices		10,532	9,760	(772)	(7.3)
Other electronic components		1,587	1,157	(429)	(27.1)
Electronic components		46,384	43,555	(2,829)	(6.1)
Optical media products		3,357	2,960	(396)	(11.8)
Others		2,006	1,591	(414)	(20.7)
Optical media and others		5,364	4,552	(811)	(15.1)
Total net sales		51,748	48,107	(3,641)	(7.0)
Electronic components		3,573	(865)	(4,439)	—
Optical media and others		(291)	214	505	—
Total operating income (loss)		3,282	(651)	(3,933)	—

1Q - Sales of Electronic Components by Market Sector

	FYE 2014				FYE 2015	Change Q/Q
	1Q	2Q	3Q	4Q	1Q	%
Consumer products	23%	24%	22%	21%	21%	(1)%
Information equipment	22%	21%	24%	23%	23%	(1)%
Communication equipment	39%	39%	38%	39%	38%	(4)%
Automobiles/Industrial equipment	12%	12%	12%	14%	16%	13%
Components/Others	4%	4%	4%	3%	2%	(31)%
Total Electronic components	100%	100%	100%	100%	100%	(3)%

*TAIYO YUDEN estimate

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