

Consolidated Financial Results

Second quarter for the year ending March 31, 2015

November 6, 2014
TAIYO YUDEN CO., LTD.

Financial Summary

2Q for FYE March 2015

- Net sales of ¥57 billion and operating income of ¥3.1 billion for the three-month period were in line with expectation as of August 2014.
- Super high-end product sales increased driven by demand for new smartphone models.
- Sales composition ratio of super high-end products increased to 36%, compared with 29% in 1Q.
- Electronic components sales for communication equipment increased 41% Q/Q and its composition ratio was 44%.

Earnings Forecast for FYE March 2015

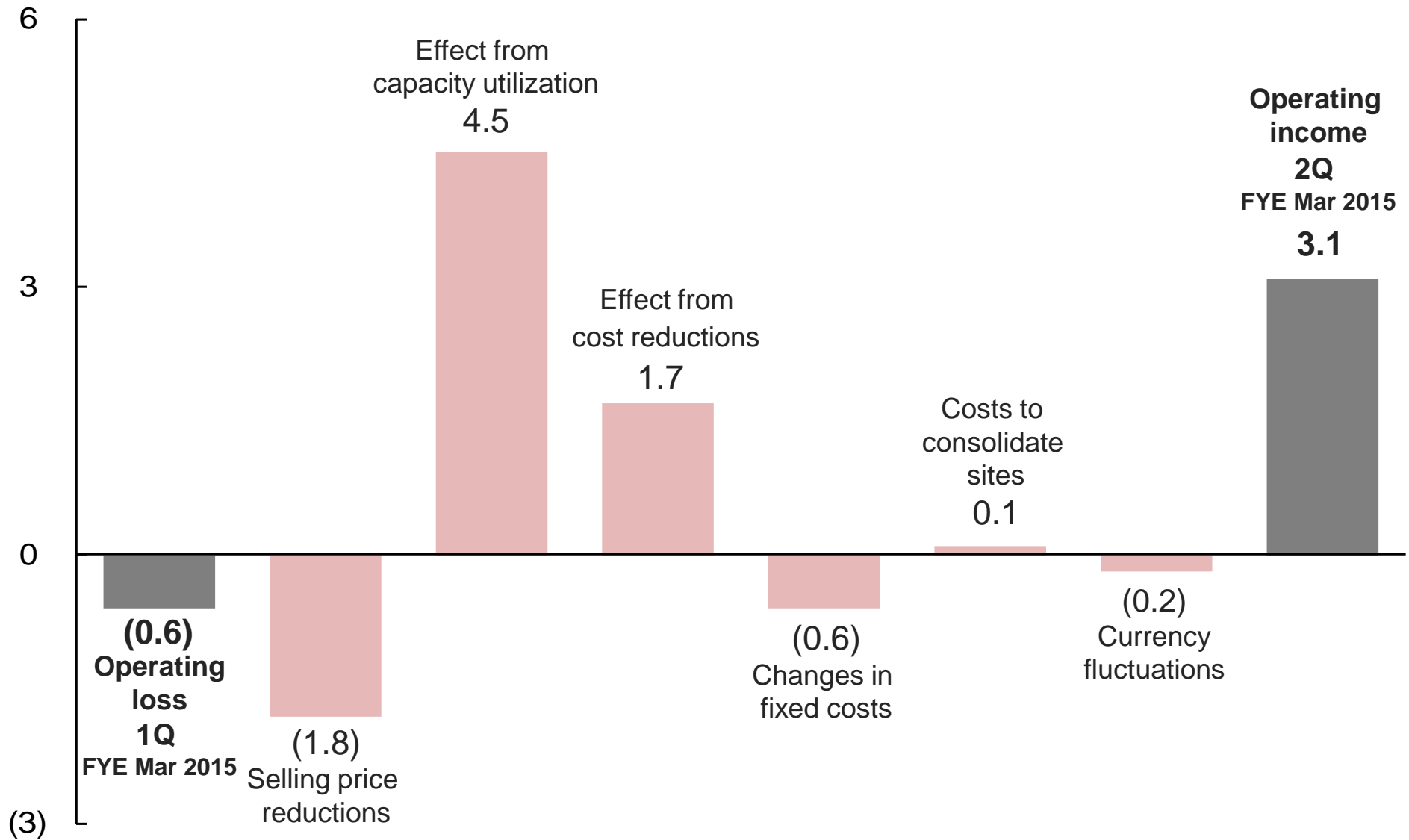
- There is no change in full-year forecast as we anticipate an increase in sales for smartphones in 3Q.

2Q - Consolidated Financial Results (Q/Q)

¥ in millions	FYE Mar 31, 2015		Change Q/Q	
	1Q (01 Apr 2014 – 30 Jun 2014)	2Q (01 Jul 2014 – 30 Sep 2014)	Amount	%
Net sales	48,107	57,077	8,970	18.6
Operating income (loss)	(651)	3,120	3,771	—
Ordinary income (loss)	(585)	4,113	4,698	—
Net income (loss)	(1,100)	1,827	2,927	—

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

(¥ in billions)



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

¥ in millions		FYE Mar 31, 2015		Change Q/Q	
		1Q	2Q	Amount	%
Capacitors		24,026	27,716	3,690	15.4
Ferrite and applied products		8,611	10,448	1,837	21.3
Integrated modules & devices		9,760	13,483	3,723	38.1
Other electronic components		1,157	1,016	(141)	(12.2)
Electronic components		43,555	52,664	9,109	20.9
Optical media products		2,960	2,969	8	0.3
Others		1,591	1,444	(147)	(9.3)
Optical media and others		4,552	4,412	(139)	(3.1)
Total net sales		48,107	57,077	8,970	18.6
Electronic components		(865)	2,868	3,734	—
Optical media and others		214	251	37	17.3
Total operating income (loss)		(651)	3,120	3,771	—

2Q - Key Expenditure Figures (Q/Q)

¥ in millions	FYE Mar 31, 2015		Change Q/Q	
	1Q	2Q	Amount	%
R&D expenses	2,015	1,982	(33)	(1.6)
Capital investment	4,029	4,296	267	6.6
Depreciation expenses	5,153	5,094	(59)	(1.1)

Number of Employees

Consolidated	17,369	17,777	408	—
Non-consolidated	2,599	2,597	(2)	—

Yen to USD Exchange Rate

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

¥	1Q	2Q	Fluctuation	Impact on Net sales on Operating income
Average	102.23 yen	102.26 yen	0.03 yen Depreciated	¥0.0 billion ¥(0.2) billion
Last day	101.35 yen	109.45 yen	8.10 yen Depreciated	—

Full-Year Forecast

¥ in millions	FYE Mar 31, 2014 (01 Apr 2013 – 31 Mar 2014)	FYE Mar 31, 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

- There is no change in full-year forecast.
- Exchange rate assumption: An average exchange rate will be US\$1: ¥107 for 3Q-4Q of the fiscal year ending March 31, 2015.

Supplementary Information

1H - Consolidated Financial Results (Y/Y)

¥ in millions	FYE Mar 31, 2014 1H (01 Apr 2013 – 30 Sep 2013)	FYE Mar 31, 2015 1H (01 Apr 2014 – 30 Sep 2014)	Change Y/Y	
			Amount	%
Net sales	105,550	105,184	(365)	(0.3)
Operating income	7,196	2,468	(4,727)	(65.7)
Ordinary income	7,439	3,527	(3,911)	(52.6)
Net income	4,260	726	(3,533)	(82.9)

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

¥ in millions		FYE Mar 31, 2014 1H	FYE Mar 31, 2015 1H	Change Y/Y	
				Amount	%
Capacitors		52,065	51,742	(322)	(0.6)
Ferrite and applied products		17,748	19,060	1,311	7.4
Integrated modules & devices		22,071	23,243	1,171	5.3
Other electronic components		2,838	2,173	(665)	(23.4)
Electronic components		94,723	96,219	1,495	1.6
Optical media products		6,786	5,929	(856)	(12.6)
Others		4,039	3,035	(1,004)	(24.9)
Optical media and others		10,826	8,965	(1,861)	(17.2)
Total net sales		105,550	105,184	(365)	(0.3)
Electronic components		7,405	2,003	(5,402)	(73.0)
Optical media and others		(209)	465	675	—
Total operating income		7,196	2,468	(4,727)	(65.7)

1H - Key Expenditure Figures (Y/Y)

¥ in millions	FYE Mar 31, 2014 1H	FYE Mar 31, 2015 1H	Change Y/Y	
			Amount	%
R&D expenses	3,554	3,998	443	12.5
Capital investment	7,699	8,326	626	8.1
Depreciation expenses	9,921	10,248	327	3.3

Number of Employees

Consolidated	16,613	17,777	1,164	—
Non-consolidated	2,650	2,597	(53)	—

Yen to USD Exchange Rate

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

	FYE Mar 31, 2014 1H	FYE Mar 31, 2015 1H	Fluctuation	Impact on Net sales on Operating income
Average	98.12 yen	102.24 yen	4.12 yen Depreciated	¥ 3.4 billion ¥ 1.0 billion
Last day	97.69 yen	109.45 yen	11.76 yen Depreciated	—

2Q - Sales of Electronic Components by Market Sector

	FYE Mar 31, 2014			FYE Mar 31, 2015		Change Q/Q
	2Q	3Q	4Q	1Q	2Q	
Consumer products	24%	22%	21%	21%	20%	17%
Information equipment	21%	24%	23%	23%	20%	7%
Communication equipment	39%	38%	39%	38%	44%	41%
Automobiles/Industrial equipment	12%	12%	14%	16%	14%	6%
Components/Others	4%	4%	3%	2%	2%	(6)%
Total Electronic components	100%	100%	100%	100%	100%	21%

*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.

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