

Company name: TAIYO YUDEN CO., LTD.
 URL: <http://www.ty-top.com/>
 Representative: Eiji Watanuki, President and Chief Executive Officer
 Contact: Finance and Accounting Department, Management Planning Headquarters
 Telephone number: +81-3-3832-0101
 Listing exchange: Tokyo Stock Exchange (Code Number: 6976)

Consolidated Results for the Three Months Ended June 30, 2015 (April 1, 2015 – June 30, 2015)

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

Overview of Operating Results

Item	Three months ended June 30, 2014		Three months ended June 30, 2015		Increase/(Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Net sales	48,107	100.0	56,518	100.0	8,411	17.5
Operating income (loss)	(651)	(1.4)	5,037	8.9	5,688	-
Ordinary income (loss)	(585)	(1.2)	5,052	8.9	5,637	-
Income (loss) before income taxes and minority interests	(669)	(1.4)	4,471	7.9	5,141	-
Net income (loss) attributable to owners of parent company	(1,100)	(2.3)	3,058	5.4	4,158	-
Comprehensive income (loss)	(771)	-	3,884	-	4,655	-
Net income (loss) per share [Yen]		(9.35)		25.97		
Diluted net income per share [Yen]		-		23.95		
R&D expenses		2,015		2,178		162 8.1
Capital investment		4,029		6,202		2,173 53.9
Depreciation and amortization		5,153		5,493		339 6.6

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

	As of March 31, 2015	As of June 30, 2015	Increase/(Decrease)	
			Amount	[%]
Total assets	265,454	273,852	8,398	3.2
Net assets	150,856	154,164	3,308	2.2
Equity ratio	56.7%	56.2%	(0.5)pt	-
Net assets per share [Yen]	1,278.07	1,306.53	28.46	2.2

Net Sales by Product Segment

Product segment	Three months ended June 30, 2014		Three months ended June 30, 2015		Increase/(Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Capacitors	24,382	50.7	28,427	50.3	4,044	16.6
Ferrite and applied products	8,635	18.0	10,634	18.8	1,998	23.1
Integrated modules & devices	10,885	22.6	14,153	25.0	3,267	30.0
Others	4,203	8.7	3,302	5.8	(900)	(21.4)
Total	48,107	100.0	56,518	100.0	8,411	17.5

TAIYO YUDEN

Consolidated Results for the three months ended June 30, 2015

August 5, 2015

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, 2015 to June 30, 2015

(1) Operating results

(Percentages represent changes from the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	56,518	17.5	5,037	-	5,052	-	3,058	-
Three months ended June 30, 2014	48,107	(7.0)	(651)	-	(585)	-	(1,100)	-

Note: Comprehensive income

ended on June 30, 2015 3,884 million yen ; - % ended on June 30, 2014 (771) million yen ; - %

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2015	25.97	23.95
Three months ended June 30, 2014	(9.35)	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2015	273,852	154,164	56.2	1,306.53
As of March 31, 2015	265,454	150,856	56.7	1,278.07

(Reference) Shareholder's equity As of June 30, 2015 153,843 million yen As of March 31, 2015 150,489 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, 2015	—	5.00	—	5.00	10.00
Year ending March 31, 2016	—				
Year ending March 31, 2016 (forecast)		5.00	—	10.00	15.00

Note: No changes in the forecasted dividend during the first quarter ended June 30, 2015.

3. Forecasts of operating results for the period from April 1, 2015 to March 31, 2016.

(Percentages represent changes from same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	120,000	14.1	10,000	305.0	10,000	183.5	6,500	794.4	55.20
Year ending March 31, 2016	244,000	7.4	19,000	44.5	19,000	21.4	12,000	9.9	101.91

Note: There are no changes in the forecasted results during the first quarter ended June 30, 2015.

4. Note

(1) Changes in principal subsidiaries during the three months ended June 30, 2015: 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 June 30, 2015 120,481,395 shares

As of March 31, 2015 120,481,395 shares

b. Number of treasury stock:

As of June 30, 2015 2,731,441 shares

As of March 31, 2015 2,734,253 shares

c. Average number of common shares outstanding:

Three months ended
June 30, 2015 117,747,806 shares

Three months ended
June 30, 2014 117,747,772 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.

Table of contents

1. Qualitative Information Concerning Financial Statements and Other.....	1
(1) Consolidated Operating Results.....	1
(2) Consolidated Financial Condition.....	3
(3) Forecasts of Consolidated Operating Results	4
2. Summary Information and Notes.....	4
(1) Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements	4
3. Consolidated Financial Statements.....	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income.....	8
Consolidated Statements of Operations (Three months ended June 30, 2015 and 2014).....	8
Consolidated Statements of Comprehensive Income (Three months ended June 30, 2015 and 2014).....	9
(3) Notes on Consolidated Financial Statements.....	10
(Notes on Premise of Going Concern).....	10
(Notes in Case of Significant Changes to Shareholders' Equity).....	10
4. Supplementary Information.....	10
(1) Net Sales by Product Segment.....	10

1. Qualitative Information Concerning Financial Statements and Other

(1) Consolidated Operating Results

Economy and Market Conditions

During the three-month period ended June 30, 2015 (April 1, 2015 to June 30, 2015), the business environment surrounding the Group exhibited a recovery trend in line with that of the world economy. This recovery was led by the economy of major developed nations such as the United States and European countries, and was offset by slower economic growth in other regions.

Company Actions Planned to Offset These Conditions

TAIYO YUDEN Group is strengthening the five basic elements in its business including market, product, customer, finance, and human resources through the implementation of growth strategy initiatives and structural improvements with the aim of achieving the medium-term targets.

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. We are vigorously increasing production capacity for capacitors, inductors, and RF devices to meet strong demand in applications such as smartphones for which high performance and high functionality is rapidly advancing. In addition, the Companies have endeavoured 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, 2015 totaled ¥56,518 million, which is an increase of 17.5% compared to the

corresponding period of the previous fiscal year. Operating income was ¥5,037 million, which was an operating loss of ¥651 million, an ordinary income was ¥5,052 million, which was an ordinary loss of ¥585 million in the same period of the previous fiscal year. The Company recorded ¥580 million in business structure improvement expenses accompanying the withdrawal from the optical media business and posted ¥3,058 million in net income attributable to owners of parent company (¥1,100 million net loss attributable to owners of parent company 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, 2015 was US\$1:¥120.24. This is a depreciation of ¥18.01 as compared to the average realized in the corresponding period of the previous fiscal year of US\$1:¥102.23.

Net Sales by Product Segment

From the first quarter of the year ending March 31, 2016, the Company revised its product segments. The principal changes are the inclusion of energy devices, which had previously been included in “Other electronic components,” in “Others” and the inclusion of the product mounting business of a subsidiary company, which had previously been included in “Others,” in “Integrated modules & devices.”

Comparisons with figures for the first quarter of the year ended March 31, 2015 are based on post-revision product segments.

Capacitors

The capacitor product segment is comprised of multilayer ceramic capacitors. For the three-month period ended June 30, 2015, capacitor sales for consumer products, i.e. TVs, information equipment, i.e. PCs, decreased year over year. This decrease was offset by an increase year over year in capacitor sales for communication equipment, which focused on smartphones, and automobiles/industrial equipment. In total, sales for this product segment increased 16.6% year over year to ¥28,427 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, 2015, sales increased by 23.1% to ¥10,634 million as compared to the same period of the previous fiscal year. Product sales for consumer products and information equipment were lower as compared to the corresponding period of the previous fiscal year. This was offset by an increase in sales for communication equipment and automobiles/industrial equipment.

Integrated Modules & Devices

This product segment is comprised of FBAR/SAW devices for mobile communications, a wide range of power supply and high frequency modules, embedded-parts multilayer wiring substrates “EOMIN™” and our product mounting business done by a subsidiary company. For the three-month period ended June 30, 2015, sales for power supply modules and high frequency modules decreased year over year and sales for FBAR/SAW devices for mobile communications increased year over year. This resulted in an 30.0% increase in total sales for this product segment year over year to ¥14,153 million.

Others

For this product segment, the Company manufactures and sells energy devices and CD-Rs, DVD-Rs as well as recordable Blu-ray Discs(BD-Rs). For the three-month period ended June 30, 2015, sales in this segment decreased 21.4% year over year to ¥3,302 million.

(2) Consolidated Financial Condition

Changes in Financial Condition

Assets

Total assets as of June 30, 2015 increased ¥8,398 million to ¥273,852 million compared with the end of the previous fiscal year.

Current assets increased ¥2,818 million in comparison to the previous fiscal year. This was mainly attributable to an increase of ¥2,605 million in cash and deposits, ¥2,074 million in merchandise and finished products, ¥2,580

million in work in process and decrease of ¥3,034 million in trade notes and accounts receivable. Fixed assets increased by ¥5,580 million due mainly to an increase in property, plant and equipment of ¥6,103 million.

Liabilities

Total liabilities as of June 30, 2015 were ¥119,687 million, an increase of ¥5,089 million as compared to the balance at March 31, 2015. This was mainly due to an increase of ¥2,000 million in current portion of long-term borrowings and ¥3,658 million in other current liabilities.

Net Assets

Net assets as of June 30, 2015 increased ¥3,308 million to ¥154,164 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, 2016 that was previously announced on May 11, 2015.

2. Summary Information and Notes

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

(Changes in accounting policy)

The “Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013, hereinafter the “Business Combinations Accounting Standard”), the “Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013, hereinafter the “Consolidated Financial Statements Accounting Standards”), and the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereinafter the “Business Divestitures Accounting Standard”) have been applied from the first quarter of the year ending March 31, 2016. As a result, for subsidiaries the Company continues to control, differences arising due to changes in the

equity share are entered in capital surplus and costs associated with the acquisition of shares are now treated as expenses in the consolidated fiscal year in which they are incurred. In addition, for business combinations that are implemented at and after the beginning of the first quarter of the year ending March 31, 2016, revisions to the allocation of the cost of acquisitions as determined by provisional accounting treatment are reflected in the quarterly consolidated financial statements for the quarter in which the business combination took place. Additionally, the Company has changed the method of presenting consolidated quarterly net income and changed “minority interests in consolidated subsidiaries” to “non-controlling interests in consolidated subsidiaries”. To reflect these changes, the Company has reclassified its quarterly consolidated financial statements for the first quarter of the previous fiscal year and consolidated financial statements for the previous fiscal year.

The Company has applied these standards in accordance with the transitional treatment prescribed in Para. 58-2 (4) of the Business Combinations Accounting Standard, Para. 44-5 (4) of the Consolidated Financial Statements Accounting Standard, and Para. 57-4 (4) of the Business Divestitures Accounting Standard, and will continue to apply these standards from the beginning of the first quarter of the year ending March 31, 2016 into the future.

There is no impact on the quarterly consolidated financial statement for the first quarter of the year ending March 31, 2016.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
ASSETS		
Current assets:		
Cash and deposits	46,709	49,315
Trade notes and accounts receivable	55,773	52,738
Merchandise and finished products	15,564	17,638
Work in process	16,014	18,594
Raw materials and supplies	12,555	12,283
Other	8,635	7,479
Allowance for doubtful receivables	(281)	(261)
Total current assets	154,971	157,789
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	73,929	74,748
Machinery and equipment	240,195	243,945
Tools, furniture and fixtures	21,569	22,268
Land	8,635	8,636
Construction in progress	8,123	13,454
Accumulated depreciation	(254,745)	(259,241)
Net property, plant and equipment	97,708	103,812
Intangible fixed assets:		
Other	715	748
Total intangible fixed assets	715	748
Investments and other assets:		
Investment securities	9,071	8,600
Other	3,347	3,268
Allowance for doubtful receivables	(360)	(367)
Total investments and other assets	12,058	11,501
Total fixed assets	110,482	116,062
Total assets	265,454	273,852

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	23,899	24,451
Short-term borrowings	12,366	12,352
Current portion of long-term borrowings	5,269	7,269
Income taxes payable	1,708	1,751
Accrued bonuses for employees	3,249	1,683
Accrued bonuses for directors and corporate auditors	109	42
Other	20,116	23,775
Total current liabilities	66,719	71,326
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,082	20,078
Long-term borrowings	16,569	16,269
Accrued retirement benefits for directors and corporate auditors	129	135
Net defined benefit liability	2,872	3,075
Other	8,224	8,801
Total long-term liabilities	47,878	48,361
Total liabilities	114,597	119,687
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,495	41,494
Retained earnings	83,339	85,808
Treasury stock	(3,413)	(3,410)
Total shareholders' equity	144,978	147,450
Accumulated other comprehensive income		
Net unrealized holding gains on securities	2,125	1,567
Deferred gains (losses) on hedges	7	37
Foreign currency translation adjustments	3,774	5,286
Post retirement benefit liability adjustments of foreign subsidiaries	(396)	(498)
Total accumulated other comprehensive income	5,511	6,393
Stock acquisition rights	227	224
Non-controlling interests	139	96
Total net assets	150,856	154,164
Total liabilities and net assets	265,454	273,852

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

(Consolidated Statements of Operations)

(Three months ended June 30, 2015 and 2014)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net sales	48,107	56,518
Cost of sales	39,040	41,415
Gross profit	9,066	15,103
Selling, general and administrative expenses	9,717	10,065
Operating income (loss)	(651)	5,037
Non-operating income:		
Interest income	107	77
Dividend income	28	42
Equity in earnings of affiliate	-	4
Gain on foreign exchange	-	31
Subsidy income	475	5
Other	32	32
Total non-operating income	643	193
Non-operating expenses:		
Interest expense	93	65
Interest on bonds	18	-
Equity in losses of affiliate	2	-
Loss on foreign exchange	270	-
Depreciation of inactive noncurrent assets	72	58
Other	120	54
Total non-operating expenses	577	178
Ordinary income (loss)	(585)	5,052
Extraordinary gains:		
Gain on sales of property, plant and equipment	2	24
Other	2	-
Total extraordinary gains	4	24
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	84	23
Loss on evaluation of investment securities	1	1
Business structure improvement expenses	-	580
Other	2	-
Total extraordinary losses	89	605
Income (loss) before income taxes	(669)	4,471
Income taxes - current	439	1,091
Income taxes - deferred	(8)	370
Total income taxes	431	1,461
Net income (loss)	(1,100)	3,009
Net income (loss) attributable to non-controlling interests	(0)	(48)
Net income (loss) attributable to owners of parent company	(1,100)	3,058

(Consolidated Statements of Comprehensive Income)

(Three months ended June 30, 2015 and 2014)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net income (loss)	(1,100)	3,009
Other comprehensive income		
Net unrealized holding gains on securities	266	(558)
Deferred gains (losses) on hedges	52	30
Foreign currency translation adjustments	8	1,505
Post retirement benefit liability adjustments of foreign subsidiaries	1	(102)
Total other comprehensive income	329	874
Comprehensive income (loss)	(771)	3,884
(Breakdown)		
Comprehensive income (loss) attributable to shareholders	(771)	3,940
Comprehensive income (loss) attributable to non-controlling interests	(0)	(55)

(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.

4. Supplementary Information

(1) Net Sales by Product Segment

(Millions of yen)

Product segment	Three months ended June 30, 2014		Three months ended June 30, 2015		Increase/ (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	%
Capacitors	24,382	50.7	28,427	50.3	4,044	16.6
Ferrite and applied products	8,635	18.0	10,634	18.8	1,998	23.1
Integrated modules & devices	10,885	22.6	14,153	25.0	3,267	30.0
Others	4,203	8.7	3,302	5.8	(900)	(21.4)
Total	48,107	100.0	56,518	100.0	8,411	17.5

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