

Company name: TAIYO YUDEN CO., LTD.
 URL: <http://www.ty-top.com/>
 Representative: Shoichi Tosaka, 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 Nine Months Ended December 31, 2015 (April 1, 2015 – December 31, 2015)

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

Overview of Operating Results

Item	Period	Nine months ended December 31, 2014		Nine months ended December 31, 2015		Increase/(Decrease)	
		Amount	Share [%]	Amount	Share [%]	Amount	[%]
Net sales		167,229	100.0	186,077	100.0	18,847	11.3
Operating income		8,176	4.9	21,058	11.3	12,882	157.5
Ordinary income		10,541	6.3	21,104	11.3	10,562	100.2
Income before income taxes and minority interests		10,108	6.0	17,610	9.5	7,501	74.2
Net income attributable to owners of parent company		5,954	3.6	14,382	7.7	8,428	141.6
Comprehensive income		20,599	-	8,287	-	(12,311)	(59.8)
Net income per share [Yen]			50.57		122.15		
Diluted net income per share [Yen]			46.61		112.62		
R&D expenses			6,083		6,701	618	10.2
Capital investment			13,309		23,671	10,361	77.9
Depreciation and amortization			15,889		17,226	1,336	8.4

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

	As of March 31, 2015	As of December 31, 2015	Increase/(Decrease)	
			Amount	[%]
Total assets	265,454	279,636	14,182	5.3
Net assets	150,856	158,068	7,212	4.8
Equity ratio	56.7%	56.4%	(0.3) pt	-
Net assets per share [Yen]	1,278.07	1,339.52	61.45	4.8

Net Sales by Product Segment

Product segment	Nine months ended December 31, 2014		Nine months ended December 31, 2015		Increase/(Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	[%]
Capacitors	84,205	50.4	95,443	51.3	11,238	13.3
Ferrite and applied products	31,074	18.6	37,017	19.9	5,943	19.1
Integrated modules & devices	38,910	23.3	42,901	23.1	3,990	10.3
Others	13,039	7.8	10,714	5.8	(2,324)	(17.8)
Total	167,229	100.0	186,077	100.0	18,847	11.3

TAIYO YUDEN

Consolidated Results for the nine months ended December 31, 2015

February 3, 2016

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 December 31, 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	%
Nine months ended December 31, 2015	186,077	11.3	21,058	157.5	21,104	100.2	14,382	141.6
Nine months ended December 31, 2014	167,229	5.6	8,176	(8.5)	10,541	3.9	5,954	(0.8)

Note: Comprehensive income ended on December 31, 2015 8,287 million yen ; (59.8%) ended on December 31, 2014 20,599 million yen ; 27.8%

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2015	122.15	112.62
Nine months ended December 31, 2014	50.57	46.61

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2015	279,636	158,068	56.4	1,339.52
As of March 31, 2015	265,454	150,856	56.7	1,278.07

(Reference) Shareholder's equity As of December 31, 2015 157,728 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	—	5.00	—		
Year ending March 31, 2016 (forecast)				10.00	15.00

Note: No changes in the forecasted dividend during the third quarter ended December 31, 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
Year ending March 31, 2016	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	246,000	8.3	23,000	74.9	23,000	46.9	13,000	19.1	110.40

Note: There are no changes in the forecasted results during the third quarter ended December 31, 2015.

4. Note

(1) Changes in principal subsidiaries during the nine months ended Dec. 31, 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 December 31, 2015 120,481,395 shares

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

b. Number of treasury stock:

As of December 31, 2015 2,731,518 shares

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

c. Average number of common shares outstanding:

Nine months ended December 31, 2015 117,749,075 shares

Nine months ended December 31, 2014 117,747,547 shares

Others :

1. This financial press release is out of scope of the review 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

During the nine-month period ended December 31, 2015, the business environment surrounding the Group generally showed a tone of recovery for the global economy as a whole due to ongoing steady growth in developed countries, while uncertainty persists in some of these countries, despite the slowdown observed in China and other emerging nations.

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. 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. The Companies are vigorously increasing production capacity for capacitors, inductors, and RF devices in order to achieve these growth strategies.

As of December 2015, the Group has withdrawn from the recording media business, where the market is continuing to shrink. The Companies are aiming for business structure improvement by concentrating management resources on growth sectors to reconfigure our business.

Overview of Business Performance

Consolidated net sales for the nine-month period ended December 31, 2015

totalled ¥186,077 million, which is an increase of 11.3% compared to the corresponding period of the previous fiscal year. Operating income was ¥21,058 million, an increase of 157.5%, an ordinary income was ¥21,104 million, an increase of 100.2% compared to the corresponding period of the previous fiscal year. The Company recorded ¥1,810 million in business structure improvement expenses and ¥1,430 million in loss on evaluation of investment securities as extraordinary losses. The business structure improvement expenses include the withdrawal from the recording media business and integration of sites in the RF devices business. As a result, net income attributable to owners of the parent company amounted to ¥14,382 million, up by 141.6% from the same period of the previous fiscal year.

Exchange Rate

The average foreign currency exchange rate for the nine-month period ended December 31, 2015 was US\$1:¥121.54. This is a depreciation of ¥16.57 as compared to the average realized in the corresponding period of the previous fiscal year of US\$1:¥104.97.

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 nine-month period 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 nine-month period ended December 31, 2015, capacitor sales for consumer products, i.e. TVs, and 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 13.3% year over year to ¥95,443 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 nine-month period ended December 31, 2015, sales increased by 19.1% to ¥37,017 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 nine-month period ended December 31, 2015, sales for power supply modules decreased year over year and sales for high frequency modules, FBAR/SAW devices for mobile communications increased year over year. This resulted in a 10.3% increase in total sales for this product segment year over year to ¥42,901 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 nine-month period ended December 31, 2015, sales in this segment decreased 17.8% year over year to ¥10,714 million.

(2) Consolidated Financial Condition

Assets

Total assets as of December 31, 2015 increased ¥14,182 million to ¥279,636 million compared with the end of the previous fiscal year.

Current assets increased ¥7,634 million in comparison to the previous fiscal year. This was mainly attributable to an increase of ¥5,431 million in trade notes and accounts receivables, ¥3,412 million in merchandise and finished

products, and to a decrease of ¥1,627 million in cash and deposits. Fixed assets increased by ¥6,548 million due mainly to an increase in property, plant and equipment of ¥8,279 million and a decrease in investment securities of ¥1,511 million.

Liabilities

Total liabilities as of December 31, 2015 were ¥121,568 million, an increase of ¥6,970 million as compared to the balance at March 31, 2015. This was mainly due to an increase of ¥4,913 million in short-term borrowings, and ¥2,016 million in other current liabilities.

Net Assets

Net assets as of December 31, 2015 increased ¥7,212 million to ¥158,068 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 November 5, 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 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 nine-month period ended December 31, 2015.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
ASSETS		
Current assets:		
Cash and deposits	46,709	45,081
Trade notes and accounts receivable	55,773	61,204
Merchandise and finished products	15,564	18,977
Work in process	16,014	17,056
Raw materials and supplies	12,555	12,717
Other	8,635	7,926
Allowance for doubtful receivables	(281)	(359)
Total current assets	154,971	162,605
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	73,929	72,731
Machinery and equipment	240,195	244,110
Tools, furniture and fixtures	21,569	22,030
Land	8,635	8,631
Construction in progress	8,123	14,034
Accumulated depreciation	(254,745)	(255,550)
Net property, plant and equipment	97,708	105,988
Intangible fixed assets:		
Other	715	715
Total intangible fixed assets	715	715
Investments and other assets:		
Investment securities	9,071	7,559
Other	3,347	3,129
Allowance for doubtful receivables	(360)	(361)
Total investments and other assets	12,058	10,327
Total fixed assets	110,482	117,031
Total assets	265,454	279,636

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
LIABILITIES		
Current liabilities:		
Trade notes and accounts payable	23,899	24,184
Short-term borrowings	12,366	17,280
Current portion of long-term borrowings	5,269	6,200
Income taxes payable	1,708	2,699
Accrued bonuses for employees	3,249	1,354
Accrued bonuses for directors and corporate auditors	109	139
Other	20,116	22,132
Total current liabilities	66,719	73,991
Long-term liabilities:		
Convertible bonds with stock acquisition rights	20,082	20,071
Long-term borrowings	16,569	15,746
Accrued retirement benefits for directors and corporate auditors	129	138
Net defined benefit liability	2,872	3,091
Other	8,224	8,529
Total long-term liabilities	47,878	47,577
Total liabilities	114,597	121,568
NET ASSETS		
Shareholders' equity:		
Common stock	23,557	23,557
Capital surplus	41,495	41,494
Retained earnings	83,339	96,544
Treasury stock	(3,413)	(3,410)
Total shareholders' equity	144,978	158,185
Accumulated other comprehensive income		
Net unrealized holding gains on securities	2,125	1,974
Deferred gains (losses) on hedges	7	38
Foreign currency translation adjustments	3,774	(2,002)
Post retirement benefit liability adjustments of foreign subsidiaries	(396)	(468)
Total accumulated other comprehensive income	5,511	(457)
Stock acquisition rights	227	324
Non-controlling interests	139	16
Total net assets	150,856	158,068
Total liabilities and net assets	265,454	279,636

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

(Consolidated Statements of Operations)

(Nine months ended December 31, 2015 and 2014)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net sales	167,229	186,077
Cost of sales	129,283	134,545
Gross profit	37,945	51,531
Selling, general and administrative expenses	29,769	30,473
Operating income	8,176	21,058
Non-operating income:		
Interest income	265	225
Dividend income	81	122
Equity in earnings of affiliate	9	30
Gain on foreign exchange	2,056	-
Subsidy income	755	197
Other	210	255
Total non-operating income	3,378	831
Non-operating expenses:		
Interest expense	245	204
Interest on bonds	55	-
Loss on foreign exchange	-	191
Compensation expenses	161	58
Depreciation of inactive noncurrent assets	253	235
Other	297	94
Total non-operating expenses	1,013	785
Ordinary income	10,541	21,104
Extraordinary gains:		
Gain on sales of property, plant and equipment	22	35
Other	2	-
Total extraordinary gains	24	35
Extraordinary losses:		
Loss on disposal and sales of property, plant and equipment	335	215
Impairment loss	36	73
Loss on evaluation of investment securities	1	1,430
Business structure improvement expenses	83	1,810
Other	0	0
Total extraordinary losses	457	3,529
Income before income taxes	10,108	17,610
Income taxes - current	3,046	3,267
Income taxes - deferred	1,082	69
Total income taxes	4,128	3,337
Net income	5,979	14,272
Net income (loss) attributable to non-controlling interests	25	(109)
Net income attributable to owners of parent company	5,954	14,382

(Consolidated Statements of Comprehensive Income)

(Nine months ended December 31, 2015 and 2014)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Net income	5,979	14,272
Other comprehensive income		
Net unrealized holding gains (losses) on securities	1,161	(151)
Deferred gains (losses) on hedges	(17)	31
Foreign currency translation adjustments	13,470	(5,793)
Post retirement benefit liability adjustments of foreign subsidiaries	4	(71)
Total other comprehensive income (loss)	14,619	(5,985)
Comprehensive income	20,599	8,287
(Breakdown)		
Comprehensive income attributable to shareholders	20,573	8,413
Comprehensive income (loss) attributable to non-controlling interest	25	(125)

(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	Nine months ended December 31, 2014		Nine months ended December 31, 2015		Increase/ (Decrease)	
	Amount	Share [%]	Amount	Share [%]	Amount	%
Capacitors	84,205	50.4	95,443	51.3	11,238	13.3
Ferrite and applied products	31,074	18.6	37,017	19.9	5,943	19.1
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Others	13,039	7.8	10,714	5.8	(2,324)	(17.8)
Total	167,229	100.0	186,077	100.0	18,847	11.3

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