Notes to Consolidated Financial Statements

TAIYO YUDEN CO., LTD. and Subsidiaries
March 31, 2015 and 2014

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of TAIYO YUDEN CO., LTD. (the "Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of consolidated overseas subsidiaries are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, and partially reflect the adjustments which are necessary to conform with Japanese GAAP.

The accompanying consolidated financial statements have been reformatted and translated into English (with some expanded descriptions) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. Certain supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2015, which was 120 yen to 1 U.S. dollar. The translations should not be construed as representations of what the Japanese yen amounts have been, could have been, or could in the future be when converted into U.S. dollars at this or any other rate of exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Consolidation Policies

The consolidated financial statements include the accounts of the Company and all of its subsidiaries (together the "Companies"). The Japanese accounting standards for consolidation require the control or influence concept for the consolidation scope of subsidiaries and equity-method affiliates. As of March 31, 2015 and 2014, the numbers of consolidated subsidiaries were 30 and 33, respectively. The number of equity-method affiliate is 1, unchanged during the current 2 fiscal years. Significant intercompany accounts, transactions and unrealized profits have been eliminated in consolidation.

DONGGUAN TAIYO YUDEN CO., LTD., which was a wholly-owned subsidiary of the Company, has been merged into TAIYO YUDEN (GUANGDONG) CO., LTD., which is a subsidiary of the Company, in the fiscal year ended March 31, 2015.

TAIYO YUDEN ENTERPRISES COMPANY LIMITED has been eliminated from the scope of consolidation due to completion of liquidation.

TAIYO YUDEN (SUZHOU) CO., LTD. has been eliminated from the scope of consolidation due to a share transfer to a third party in the fiscal year ended March 31, 2015.

Bifrostec Inc. was eliminated from the scope of consolidation due to allocation of new shares to a third party in the fiscal year ended March 31, 2014. The exclusion of Bifrostec Inc. would not have a material effect on the total consolidated amount of net income and retained earnings as well as on the overall consolidated financial statements.

The difference between cost of the Company's investment securities in subsidiaries and its equity in their net assets at the dates of acquisition ("goodwill" or "negative goodwill acquired before March 2010") is being amortized over the subsequent five-year periods. Investment in affiliate is accounted for by the equity method. Net income (loss) includes the equity in the current net earnings (losses) of such company after the elimination of unrealized intercompany profit.

(2) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposit, and short-term investments with original maturities of three months or less, that are readily convertible into known amount of cash and are so near maturity that they present negligible risk of changes in value.

(3) Foreign Currency Transactions

Short-term and long-term foreign currency monetary items are translated into Japanese yen at appropriate fiscal year-end current rates. The resulting net gains are shown as “Gain on foreign exchange” in the accompanying consolidated statements of income.

(4) Foreign Currency Financial Statements

In translating the financial statements of foreign subsidiaries for the purpose of consolidation, all assets and liabilities are translated into Japanese yen at appropriate fiscal year-end current rates while net assets accounts are translated at historical rates. Revenue and expense items are translated at the average rates during the fiscal year. The resulting translation differences are shown as “Foreign currency translation adjustments” in net assets at March 31, 2015 and 2014 in the accompanying consolidated balance sheets.

(5) Debt and Equity Securities

The Companies classify debt and equity securities, depending on management's intent, as follows:

(i) Held-to-maturity debt securities, for which management has the positive intent and ability to hold to maturity, are reported at amortized cost.

(ii) Available-for-sale securities represent securities not classified as either trading securities or held-to-maturity debt securities. Available-for-sale securities, which have fair value, are reported at fair value with unrealized gains, net of applicable taxes.

Available-for-sale securities, which do not have fair value, are stated at cost using the moving-average method. Equities of limited liability partnerships for investment business and of other similar partnerships (defined as "securities" by Article 2, Section 2 of the Financial Instruments and Exchange Act) are valued at the net equity equivalents based on the recently available financial statements of the partnership corresponding to the reporting dates of the financial statements defined by the partnership agreements.

(6) Inventories

Inventories are stated primarily at cost, determined by the average method for merchandise, finished products and work in process and by the first-in, first-out (FIFO) method for raw materials and supplies, modified by the writing down below cost to net realizable value.

(7) Property, Plant and Equipment (Except for the leased assets)

Property, plant and equipment are stated at cost. For the Company and domestic consolidated subsidiaries, depreciation is principally computed by the declining-balance method at rates based on the estimated useful lives of the assets, except that the straight-line method is applied to building acquired on and after April 1, 1998. Useful lives of the assets and residual value of the assets are mainly estimated in consistent with the method accepted under the corporate tax law in Japan. For foreign subsidiaries, depreciation is principally computed by straight-line method.

(8) Leased Assets

(i) Leased assets, ownership of which is considered to be transferred to the lessee, are depreciated in the same manner as property, plant and equipment.

(ii) Leased assets, ownership of which is not considered to be transferred to the lessee, are depreciated over the leased term by the straight-line method with no residual value, except for finance leases commencing prior to March 31, 2008, which are accounted for in the same manner as operating leases.

(9) Allowance for Doubtful Receivables

The Company and its domestic consolidated subsidiaries provide the allowance for doubtful accounts based on the percentage of actual bad debt losses against the balance of total receivables and the amount of uncollectible receivables estimated on an individual basis. Overseas consolidated subsidiaries record the allowance based primarily on the amount of uncollectible receivables estimated on an individual basis.

(10) Net Defined Benefit

Accrued retirement benefits for employees at certain consolidated subsidiaries are provided at the amount incurred during the fiscal year, which is based on the estimated present value of the defined benefit obligation less the estimated fair value of plan assets at the end of the fiscal year. Also, certain consolidated subsidiaries provide allowance for accrued pension and severance costs.

(11) Accrued Retirement Benefits for Directors and Corporate Auditors

Certain subsidiaries of the Company provide lump-sum severance benefits for directors and corporate auditors. The accrued retirement benefits for directors and corporate auditors are provided at the amount which would be required based on their internal regulations if all directors and corporate auditors retired at the balance sheet date.

(12) Accrued Bonuses for Employees

Accrued bonuses to employees are provided by the estimated amounts, which are obligated to pay to employees after the fiscal year-end, based on services provided during the current period.

(13) Accrued Bonuses for Directors

Accrued bonuses to directors are provided by the estimated amounts, which are obligated to pay to directors after the fiscal year-end, based on services provided during the current period.

(14) Income Taxes

The provision for income taxes is computed based on the pretax income for the financial reporting purposes. Deferred tax assets and liabilities are recognized for expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. A valuation allowance is recorded to reduce deferred tax assets if it is not probable that deferred tax assets will be realized in the future.

The Company and certain domestic subsidiaries adopt a consolidated tax return system.

(15) Research and Development Costs

Expenditures by the Company and certain subsidiaries for development of specified new products are charged to income as incurred and were 8,237 million yen (68,645 thousand dollar) and 7,353 million yen for the years ended March 31, 2015 and 2014, respectively.

(16) Derivative and Hedging Activities

Companies are required to state derivative instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative instruments are used for hedging purposes.

The Company defers recognition of gains or losses resulting from changes in fair value of derivative instruments until the related losses or gains on the hedged items are recognized.

If interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

The derivative transactions are executed and managed by the finance and accounting department in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

(17) Per Share Information

Basic earnings per share is computed by dividing net earnings available to common shareholders by the weighted-average number of common shares outstanding in each period, retroactively adjusted for stock splits. Basic earnings per share for the years ended March 31, 2015 and 2014 are computed in accordance with Japanese accounting standards.

Diluted earnings per share reflects the potential dilution that could occur if stock acquisition rights were exercised or convertible bonds are converted into common stock. Diluted earnings per share of common stock assumes full conversion of the outstanding convertible bonds at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding stock acquisition rights. Diluted earnings per share for the years ended March 31, 2015 and 2014 are computed in accordance with Japanese accounting standards.

Cash dividends per share consist of interim and year-end dividends and are accounted for in the year they are declared rather than in the year in which they are actually paid.

(18) Certain Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the presentation of the current year. These reclassifications have no significant impact on previously reported results of operations or retained earnings.

(19) New Accounting Standards Not Yet Applied

"Accounting Standard for Business Combinations" (ASBJ Statement No. 21, revised on September 13, 2013)
"Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, revised on September 13, 2013)
"Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, revised on September 13, 2013)
"Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2, revised on September 13, 2013)
"Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, revised on September 13, 2013)
"Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4, revised on September 13, 2013)

a. Outline

These accounting standards and guidance for them have been mainly revised accounting treatments currently applied in terms of followings:

i Change in interest in controlled subsidiary in which a parent continues to control such as in a case of acquiring additional interest of the subsidiary

ii Accounting treatment of acquisition related cost

iii Change in presentation of net income, and change of shareholders' equity in terminology from minority interests to non-controlling interests.

iv Change in accounting for transitional accounting in business combination

b. Scheduled date of adoption

The Company plans to apply these standards and guidance from the beginning of the fiscal year ending March 31, 2016. However change in accounting for transitional accounting in business combination will be applied from business combination on and after the beginning of the fiscal year ending March 31, 2016.

c. Impact of adoption of these accounting standards and guidance

At the time of preparation of the accompanying the consolidated financial statements, the impact of application of theses standards is currently under assessment.

3. FINANCIAL INSTRUMENTS

(1) Qualitative information on financial instruments

a. Group policy for financial instruments

The Companies, which mainly produce and market electronic components, procure short-term operating funds with bank loans, and long-term funds for capital investment, etc. with bank loans and issuance of bonds in accordance with a capital investment plan.

Temporary surplus funds are managed as safe and secure financial funds such as short-term deposits. The Company uses derivatives to hedge risks stated below, and do not intend to use them for speculative purpose.

b. Risk management for financial instruments

Trade notes and accounts receivable which are operating receivables are exposed to consumer credit risk. Therefore, the Companies manage due dates and balance for each customer, and make efforts to early recognize concerns about collectability and reduce its risks due to deterioration in financial conditions, etc.

Investment securities consisting mainly of shares of companies with which the Companies have business relationship are managed by grasping fair values and financial conditions of issuers on a regular basis.

Payment due dates of most trade notes and accounts payable which are operating payables are within one year.

The Company uses borrowings, bonds and convertible bond with stock acquisition rights mainly for the purpose of procuring funds necessary for capital investment. As long-term loans with floating interest rate are exposed to the risk of interest-rate fluctuations, the Company uses derivative transactions (interest-rate swaps) to hedge the risk.

Operating receivables in foreign currency which arise from the Company's global business development are exposed to the risk of exchange-rate fluctuations. The Company uses forward exchange contracts as hedging instruments for operating receivables in foreign currency to reduce the risk of exchange-rate fluctuations, in principle. The Company also makes forward exchange contracts to hedge risks from operating receivables in foreign currency which are surely brought about by forecasted transactions related to exports. The Company makes derivatives transactions only with high-rated financial institutions.

In accordance with the internal risk management regulations providing for trading authority, the ceiling and other matters, the finance and accounting department executes derivative transactions, and manage them by recording details of transactions and checking balances with counterparties.

A manager of finance and accounting department reports monthly results of transactions to a Chief of Headquarters in charge, and he/she reports to the Board of Directors. Consolidated subsidiaries and affiliate do not use derivatives.

The Company unifies the management of funds of the entire Group based on funding plans prepared by each group company in order to allow them to secure adequate liquidity.

c. Supplemental information on market value of financial instruments

Financial instruments without market quotations are stated at reasonably calculated value. Such value is calculated based on variable factors. Therefore, the value may be changed depending on prerequisites to be adopted.

(2) Fair values of financial instruments

Book values and fair values of the financial instruments on the consolidated balance sheets at March 31, 2015 and 2014 are as follows. When it is extremely difficult to measure a fair value of financial instrument, such financial instrument is not included in the table shown below.

	Millions of yen		
	2015		
	Book value	Fair value	Difference
(1) Cash, cash equivalents and time deposits	¥46,710	¥46,710	–
(2) Trade notes and accounts receivable	55,773	55,773	–
(3) Investment securities:			
1) Held-to-maturity debt securities	0	0	–
2) Available-for-sale securities	8,218	8,218	–
Total assets	¥110,701	¥110,701	–
(4) Trade notes and accounts payable	23,900	23,900	–
(5) Short-term borrowings	12,366	12,366	–
(6) Other accounts payable	11,435	11,435	–
(7) Income taxes payable	1,709	1,709	–
(8) Bonds payable	–	–	–
(9) Convertible bonds with stock acquisition rights	20,082	22,600	¥2,518
(10) Long-term borrowings (*2)	21,840	21,766	(74)
Total liabilities	¥91,332	¥93,776	¥2,444
(11) Derivative transactions (*3)	¥(187)	¥(187)	–

	Millions of yen		
	2014		
	Book value	Fair value	Difference
(1) Cash, cash equivalents and time deposits	¥59,251	¥59,251	–
(2) Trade notes and accounts receivable	43,013	43,013	–
(3) Investment securities:			
1) Held-to-maturity debt securities	0	0	–
2) Available-for-sale securities	3,912	3,912	–
Total assets	¥106,176	¥106,176	–
(4) Trade notes and accounts payable	18,598	18,598	–
(5) Short-term borrowings	10,624	10,624	–
(6) Other accounts payable	6,430	6,430	–
(7) Income taxes payable	1,160	1,160	–
(8) Bonds payable	8,000	8,019	¥19
(9) Convertible bonds with stock acquisition rights (*1)	20,461	21,312	851
(10) Long-term borrowings (*2)	34,335	34,169	(166)
Total liabilities	¥99,608	¥100,312	¥704
(11) Derivative transactions (*3)	¥(7)	¥(7)	–

	Thousands of U.S. dollars		
	2015		
	Book value	Fair value	Difference
(1) Cash, cash equivalents and time deposits	$389,247	$389,247	–
(2) Trade notes and accounts receivable	464,775	464,775	–
(3) Investment securities:			
1) Held-to-maturity debt securities	2	2	–
2) Available-for-sale securities	68,480	68,480	–
Total assets	$922,504	$922,504	–
(4) Trade notes and accounts payable	199,164	199,164	–
(5) Short-term borrowings	103,054	103,054	–
(6) Other accounts payable	95,296	95,296	–
(7) Income taxes payable	14,238	14,238	–
(8) Bonds payable	–	–	–
(9) Convertible bonds with stock acquisition rights	167,351	188,333	$20,982
(10) Long-term borrowings (*2)	181,997	181,384	(613)
Total liabilities	$761,100	$781,469	$20,369
(11) Derivative transactions (*3)	$(1,554)	$(1,554)	–

(*1) Bonds payable and convertible bonds with stock acquisition rights include current portion.
(*2) Long-term borrowings includes current portion.
(*3) Derivatives transactions are stated in net of assets and liabilities. The figures in parenthesis indicate net liabilities.

Note 1: Measurement methods for fair value of financial instruments and matters concerning securities and derivative transactions

Assets:

(1) Cash, cash equivalents and time deposits and (2) Trade notes and accounts receivable

Since these are settled in short term, their fair values are close to book values. Accordingly, they are stated at book value.

(3) Investment securities

Equity securities are stated at price on exchange market, and bonds are stated at price offered by correspondent financial institutions.

Liabilities:

(4) Trade notes and accounts payable, (5) Short-term borrowings, (6) Other accounts payable and (7) Income taxes payable

Since these are settled in short term, their fair values are close to book values. Accordingly, they are stated at book value.

(8) Bonds payable and (9) Convertible bonds with stock acquisition rights

The prices offered by correspondent financial institutions are regarded as fair values.

(10) Long-term borrowings

The fair values of long-term borrowings are measured as present values obtained by discounting total amount of principal and interest at the estimated interest rate if similar borrowings were newly made. Long-term borrowings with floating interest rates are subject to the preferential accounting method for interest-rate swaps. Their fair values are calculated by discounting the total amount of principal and interest treated together with relevant interest-rate swaps at the estimated interest rate if similar borrowings were newly made.

(11) Derivative transactions

The fair values of forward exchange contracts are stated at prices offered by financial institutions.

As derivative transactions subject to the preferential accounting method for interest-rate swaps are treated together with hedged long-term borrowings, their fair values are included in the fair values of relevant long-term borrowings.

Note 2: Financial instruments of which fair value is extremely difficult to be identified

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
	Book value	Book value	Book value
Available-for-sale securities:			
Unlisted equity securities	¥10	¥12	$84
Investments in affiliate	572	574	4,764
Equities of limited liability partnerships for investment business and of other similar partnerships	272	362	2,267

As for financial instruments shown above, there is no market price and future cash flow cannot be estimated. Accordingly, since it is considered very difficult to identify their fair value, they are not included in "Assets (3) 2) Available-for-sale securities."

Note 3: Planned redemption amounts after March 31, 2015 and 2014 for monetary assets and investment securities

	Millions of yen	
	2015	
	Within 1 year	Over 1 year and within 5 year
Cash, cash equivalents and time deposits	¥46,631	-
Trade notes and accounts receivable	55,773	-
Investment securities		
Held-to-maturity debt securities	0	-

	Millions of yen	
	2014	
	Within 1 year	Over 1 year and within 5 year
Cash, cash equivalents and time deposits	¥59,171	-
Trade notes and accounts receivable	43,013	-
Investment securities		
Held-to-maturity debt securities	0	¥0

	Thousands of U.S. dollars	
	2015	
	Within 1 year	Over 1 year and within 5 year
Cash, cash equivalents and time deposits	$388,591	-
Trade notes and accounts receivable	464,775	-
Investment securities		
Held-to-maturity debt securities	2	-

4. DEBT AND EQUITY SECURITIES

(1) Held-to-maturity debt securities
Information as of March 31, 2015 and 2014 is not shown as it is immaterial.

(2) Available-for-sale securities

	Millions of Yen		
	2015		
	Book value	Acquisition cost	Unrealized Gain/loss
Securities for which book value of consolidated balance sheets exceeds acquisition cost			
Stock	¥5,536	¥2,651	¥2,885
Corporate bonds	-	-	-
Other	72	43	29
Subtotal	¥5,608	¥2,694	¥2,914
Securities for which book value of consolidated balance sheets does not exceed acquisition cost			
Stock	¥2,610	¥2,749	(¥139)
Corporate bonds	-	-	-
Other	-	-	-
Subtotal	¥2,610	¥2,749	¥(139)
Total	¥8,218	¥5,443	¥2,775

	Millions of Yen		
	2014		
	Book value	Acquisition cost	Unrealized Gain/loss
Securities for which book value of consolidated balance sheets exceeds acquisition cost			
Stock	¥3,622	¥2,355	¥1,267
Corporate bonds	-	-	-
Other	53	42	11
Subtotal	¥3,675	¥2,397	¥1,278
Securities for which book value of consolidated balance sheets does not exceed acquisition cost			
Stock	¥237	¥269	¥(32)
Corporate bonds	-	-	-
Other	-	-	-
Subtotal	¥237	¥269	¥(32)
Total	¥3,912	¥2,666	¥1,246

	Thousands of U.S. Dollars		
	2015		
	Book value	Acquisition cost	Unrealized Gain/loss
Securities for which book value of consolidated balance sheets exceeds acquisition cost			
Stock	$46,135	$22,092	$24,043
Corporate bonds	-	-	-
Other	595	353	242
Subtotal	$46,730	$22,445	$24,285
Securities for which book value of consolidated balance sheets does not exceed acquisition cost			
Stock	$21,750	$22,909	($1,159)
Corporate bonds	-	-	-
Other	-	-	-
Subtotal	$21,750	$22,909	$(1,159)
Total	$68,480	$45,354	$23,126

(3) Impaired securities
For the years ended March 31, 2015 and 2014, the Company recorded an impairment loss on "Available-for-sale securities". The Company omits the detail about the fiscal year ended March 2015, since the amount of loss is immaterial, as though 135 million yen (all the loss is on other marketable securities) in the fiscal year ended March 2014.

The Company posts the entire amount of impairment loss on all securities whose fair value at the end of the fiscal year is less than 50% of the acquisition cost.

For securities whose fair value at the end of the fiscal year decreases by 30 to 50% from their acquisition cost, the Company posts an impairment loss when it is judged necessary, by examining the impact and recoverability of the amount.

5. INDEBTEDNESS

Short-term borrowing at March 31, 2015 and 2014 principally consist of borrowings from banks at average annual rates of approximately 0.64% and 0.71%, respectively.

Long-term debts at March 31, 2015 and 2014 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Long-term borrowings from banks and other financial institutions			
Due within one year, weighted average interest rate 0.84% at March 31, 2015, and 1.12% at March 31, 2014	¥5,270	¥12,473	$43,914
Due after one year, weighted average interest rate 0.86% at March 31, 2015, and 0.86% at March 31, 2014	16,570	21,862	138,083
Euro Yen zero coupon convertible bonds due 2014			
Due within one year	-	365	-
Due after one year	-	-	-
Euro Yen zero coupon convertible bonds due 2021			
Due within one year	-	-	-
Due after one year	20,000	20,000	166,667
Bonds payable			
Due within one year	-	8,000	-
Due after one year	-	-	-
Lease liabilities			
Due within one year			
Lease that deem to transfer ownership to lessee	-	-	-
Lease that do not transfer ownership to lessee	319	303	2,660
Due after one year			
Lease that deem to transfer ownership to lessee	-	-	-
Lease that do not transfer ownership to lessee	486	736	4,052
Total	42,645	63,739	355,376
Less current portion	(5,589)	(21,141)	(46,574)
Long-term debts, less current portion	¥37,056	¥42,598	$308,802

The average interest rate per annum for lease that do not transfer ownership to lessee is not presented since lease liabilities are stated at the amounts before deducting interest portion which is included in total lease liabilities.
The conversion price per share of Euro Yen zero coupon convertible bonds due 2014 for the year ended March 31, 2014 was 3,746 yen (31.22 dollar) - fixed price.
The conversion price per share of Euro Yen zero coupon convertible bonds due 2021 for the years ended March 31, 2015 and 2014 were 2,069 yen (17.24 dollar) - fixed price.

The aggregate annual maturities of long-term debts other than lease liabilities as of March 31, 2015 are as follows:

For the year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2016	¥5,270	$43,914
2017	5,769	48,077
2018	10,644	88,702
2019	19	157
2020	18	151
2021 and thereafter	20,120	167,662
Total	¥41,840	$348,663

The annual maturities of lease liabilities as of March 31, 2015 are as follows:

For the year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2016	¥319	$2,660
2017	268	2,232
2018	160	1,329
2019	44	370
2020	6	51
2021 and thereafter	8	70
Total	¥805	$6,712

6. RETIREMENT BENEFITS

Outline of retirement benefit plans

The Company and certain domestic subsidiaries have defined contribution pension plans, prepaid retirement plans.
Certain overseas subsidiaries mainly adopted lump-sum retirement benefit plans.
Overseas subsidiaries have applied International Financial Reporting Standards ("IFRS"). "Employee Benefits" ("IAS" No. 19 amended on June 16, 2011) became effective from the fiscal year beginning on and after January 1, 2013. Effective from the fiscal year ended March 31, 2014, certain overseas subsidiaries have adopted the standard.

a. Defined benefit pension plans

(1) The reconciliation of defined benefit obligation for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Defined benefit obligation at beginning of year	¥3,141	¥2,323	$26,178
Service costs	654	610	5,450
Interest cost	120	76	996
Actuarial (gain) loss	517	22	4,310
Benefits paid	(299)	(466)	(2,495)
Other	339	576	2,831
Defined benefit obligation at end of year	¥4,472	¥3,141	$37,270

Retirement benefit costs incurred by the domestic consolidated subsidiaries that applied the simplification method or benefit formula were recorded as service cost.

(2) The reconciliation of plan assets for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Fair value of plan assets at beginning of year	¥1,216	¥978	$10,134
Interest income	49	37	409
Actuarial gain (loss)	13	11	108
Employer's contribution	205	101	1,709
Benefits paid	(26)	(244)	(217)
Other	165	333	1,376
Fair value of plan assets at end of year	¥1,622	¥1,216	$13,519

(3) Reconciliation between the balances of defined benefits obligation and plan assets and net defined benefit liability and net defined benefit asset recorded in the consolidated balance sheets as of March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Funded defined benefits obligation	¥2,035	¥1,552	$16,964
Plan assets	(1,622)	(1,216)	(13,519)
	413	336	3,445
Unfunded defined benefits obligation	2,437	1,589	20,306
Total net liability (asset) for retirement benefit	¥2,850	¥1,925	$23,751
Net defined benefit liability	¥2,872	¥1,936	$23,935
Net defined benefit asset	(22)	(11)	(184)
Total net liability (asset) for retirement benefit	¥2,850	¥1,925	$23,751

(4) Components of retirement benefit costs for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Service costs	¥654	¥610	$5,450
Net interest	70	39	587
Amortization of actuarial differences	10	9	83
Total retirement benefit cost for the fiscal year	¥734	¥658	$6,120

The company applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No.18).
Accordingly, the total amounts of actuarial differences have been amortized by a certain period of fixed years within average expected future service years.

(5) Adjustments in defined benefit obligation of overseas subsidiaries, excluding the income tax effect accounting, for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Actuarial differences	¥(459)	¥2	$(3,825)

(6) Accumulated amounts of adjustments in defined benefit obligation of overseas subsidiaries, excluding the income tax effect, as of March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Unrecognized actuarial differences	¥(515)	¥(57)	$(4,296)

(7) Plan assets
(i) The proportions of plan assets as of March 31, 2015 and 2014 were as follows:

	2015	2014
Debt securities	70	77 %
Cash and deposit with bank	22	20
Other	8	3
Total	100	100 %

79% and 99% of plan assets are retirement benefit trusts established for lump-sum retirement plans as of March 31, 2015 and 2014, respectively.

(ii) Rates of expected return
The rates of expected return are not set since the overseas subsidiaries applied the IAS No. 19.

(8) Actuarial assumptions

	2015	2014
Discount rates (overseas subsidiaries)	3.50 - 5.07 %	2.80 - 5.01 %
Expected rate of salary increase	0.85 - 5.25 %	0.85 - 5.00 %

b. Defined contribution pension plans
The required contribution amounts to the defined contribution pension plans by the Companies were 1,213 million yen (10,109 thousand dollar) and 1,197 million yen as of March 31, 2015 and 2014, respectively.

7. NET ASSETS

Under the Companies Act of Japan ("the Act") , in cases where dividend distribution of surplus is made, the lesser of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve, must be set aside as additional paid-in capital or legal earnings reserve. Additional paid-in capital and legal earnings reserve are included in capital surplus and retained earnings, respectively, in the accompanying consolidated balance sheets. Under the Act, all additional paid-in capital and legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends. The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Act. Appropriations are not accrued in the consolidated financial statements for the corresponding period, but are recorded in the subsequent accounting period after shareholders' approval has been obtained.

8. INCOME TAXES

Income taxes in Japan applicable to the Company and domestic subsidiaries for the years ended March 31, 2015 and 2014 were comprised of (1) a corporation tax at the rate of 25.5% and 28% on taxable income, respectively, (2) enterprise tax of approximately 7% on taxable income and (3) prefectural and residence taxes of approximately 19% of the amount of the corporation tax. Enterprise tax is deductible for income tax purposes when paid.
Income taxes of foreign subsidiaries are generally based on tax rates applicable in the country of incorporation.

Significant components of the deferred tax assets and liabilities as of March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Deferred tax assets			
Inventories	¥1,224	¥487	$10,198
Accrued expenses	329	290	2,742
Retirement benefits	2,010	2,339	16,752
Net defined benefit liability	593	483	4,944
Enterprise tax payables	134	95	1,116
Accrued bonuses	1,039	927	8,655
Investment securities	296	319	2,468
Excess depreciation	1,155	1,577	9,629
Lump-sum depreciable assets	151	116	1,262
Allowance for doubtful receivables	107	181	893
Unused tax loss carry-forward	15,918	19,206	132,647
Other	1,643	1,698	13,685
Offset	(90)	(145)	(750)
Subtotal	24,509	27,573	204,241
Valuation allowance	(22,402)	(26,207)	(186,681)
Total deferred tax assets	¥2,107	¥1,366	$17,560
Deferred tax liabilities			
Undistributed earnings of foreign subsidiaries	¥3,489	¥2,942	$29,076
Inventories	746	660	6,218
Reserves	781	874	6,504
Unrealized holding gains on investment securities	740	291	6,167
Other	1,412	1,218	11,771
Offset	(90)	(145)	(750)
Total deferred tax liabilities	¥7,078	¥5,840	$58,986

Main items of the reconciliations of the normal income tax rate to the effective income tax rates are as follows:

	2015	2014
Statutory tax rate	35.4 %	37.8 %
(Reconciliations)		
Differences in statutory tax rates of foreign subsidiaries	(11.3)	(15.7)
Undistributed earnings of foreign subsidiaries	4.2	5.1
Valuation allowance	(10.5)	1.3
Foreign tax	4.5	0.6
Unrealized profit included in inventories	2.1	(1.3)
Amortization of goodwill	1.4	2.2
Decrease of deferred tax assets and liablities due to income tax rates change	(1.4)	0.3
Others - net	1.6	1.0
Effective income tax rate	26.0 %	31.3 %

The "Act on Partial Revision of the Income Tax Act (Act No.9 of 2015)" and the "Act on Partial Revision of the Local Income Tax Act (Act No.2 of 2015)" were promulgated on March 31, 2015 and the effective statutory tax rate utilized for the measurements of deferred tax assets and deferred tax liabilities was changed from 35.4% for the fiscal year ended March 31, 2015 to 32.8% in connection with temporary differences expected to be settled or realized in the fiscal year beginning on April 1, 2015, and to 32.1% for temporary differences expected to be settled or realized in the fiscal year beginning on April 1, 2016 and thereafter.
As a result, deferred tax assets, deferred tax liabilities, income taxes - deferred, net unrealized holding gains (losses) on securities<net of taxes>, and deferred gains (losses) on hedges<net of taxes>, decreased by 16 million yen (131 thousand dollars), 296 million yen (2,463 thousand dollars), 203 million yen (1,691 thousand dollars), increased by 77 million yen (639 thousand dollars) and 0 million yen (2 thousand dollars), respectively.

9. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Summary of net assets (liabilities) and net payment for the business transfer is as follows:

March 31, 2015

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥824	$6,871
Non-current assets	1,373	11,446
Current liabilities	(447)	(3,729)
Long-term liabilities	(122)	(1,018)
Foregin currency translation adjustments	(188)	(1,564)
Gain on business transfer	103	855
Consideration for business transfer	1,543	12,861
Cash and cash equivalents of alienated company	(237)	(1,977)
Less: Income from business transfer	1,306	10,884
Balance of accrued amounts receivable from business transfer	(1,043)	(8,694)
Less: Income from business transfer	¥263	$2,190

10. LEASE TRANSACTIONS

Operating Lease
The amounts of noncancellable future lease payments as of March 31, 2015 and 2014 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2015	2014	2015
Future lease payments			
Within one year	¥211	¥278	$1,762
Over one year	320	339	2,664
Total	¥531	¥617	$4,426

11. IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT

The Companies categorize their business assets by segmentation for management accounting, and idle assets by individual asset. Property, plant and equipment such as head office and laboratories are categorized as common assets.
For the idle assets with no specific utilization plan or low profitability, their book values have been written down to the recoverable amount and such reduction was recorded as impairment loss on property, plant and equipment. The companies use memorandum value as the recoverable amount for the applicable assets.

For the years ended March 31, 2015 and 2014, the Companies recognized impairment loss on property, plant and equipment as follows:

For the year ended March 31, 2015

Classification	Description	Location	Millions of Yen	Thousands of U.S. Dollars
Machinery and Equipment, Others	Idle assets	Tamamura, Gunma Nakanojo, Gunma Chuo, Tokyo Tongyeong, Korea Others	¥95	$790

For the year ended March 31, 2014

Classification	Description	Location	Millions of Yen
Machinery and Equipment, Others	Idle assets	Tamamura, Gunma Haruna, Gunma Nakanojo, Gunma Date, Fukushima Yawatabara, Gunma Others	¥622

12. CONTINGENT LIABILITIES

At March 31, 2015, the Companies had no contingent liabilities.

At March 31, 2014, the Companies had the following contingent liabilities:

	Millions of Yen
	2014
As guarantor of bank loans and indebtedness	¥1

13. NOTES TO CONSOLIDATED STATEMENTS OF INCOME

Gain on business transfer for the year ended March 31, 2015 consists of the followings:

	Millions of Yen	Thousands of U.S. Dollars
	2015	2015
Gain on sales of affliated company's share	¥472	$3,931
Special redevelopment support cost	(166)	(1,387)
Inventory evaluation loss	(82)	(680)
Loss on disposal of property, plants, equipments	(60)	(503)
Others	(61)	(506)
Total	¥103	$855

14. DERIVATIVE TRANSACTIONS

The fair values of derivatives held by the Companies as of March 31, 2015 and 2014 are summarized as follows. Fair value is computed based on quotes and others by financial institutions and others.

(1) Derivative transactions for which hedge accounting is not applied

	Millions of Yen			
	2015			
	Contract amount	Due after one year	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts: Selling: U.S. Dollar	¥16,593	-	¥(205)	¥(205)
Foreign exchange forward contracts: Buying: U.S. Dollar	¥593	-	¥7	¥7

	Millions of Yen			
	2014			
	Contract amount	Due after one year	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts: Selling: U.S. Dollar	¥12,874	-	¥15	¥15
Foreign exchange forward contracts: Buying: U.S. Dollar	¥1,532	-	¥11	¥11

	Thousands of U.S. Dollars			
	2015			
	Contract amount	Due after one year	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts: Selling: U.S. Dollar	$138,272	-	$(1,709)	$(1,709)
Foreign exchange forward contracts: Buying: U.S. Dollar	$4,939	-	$62	$62

(2) Derivative transactions for which hedge accounting is applied

		Millions of Yen		
		2015		
		Contract amount	Due after one year	Fair value
Foreign exchange forward contracts: Selling: U.S. Dollar	Future transaction	¥6,606	-	¥13
Foreign exchange forward contracts: Buying: U.S. Dollar	Future transaction	¥602	-	(¥2)
Interest-rate swaps: Fixed interest payment and floating interest receipt	Long-term borrowings	¥10,800	¥10,500	-

		Millions of Yen		
		2014		
		Contract amount	Due after one year	Fair value
Foreign exchange forward contracts: Selling: U.S. Dollar	Future transaction	¥6,130	-	(¥41)
Foreign exchange forward contracts: Buying: U.S. Dollar	Future transaction	¥1,534	-	¥9
Interest-rate swaps: Fixed interest payment and floating interest receipt	Long-term borrowings	¥17,550	¥6,750	-

		Thousands of U.S. Dollars		
		2015		
		Contract amount	Due after one year	Fair value
Foreign exchange forward contracts: Selling: U.S. Dollar	Future transaction	$55,051	-	$105
Foreign exchange forward contracts: Buying: U.S. Dollar	Future transaction	$5,013	-	($13)
Interest-rate swaps: Fixed interest payment and floating interest receipt	Long-term borrowings	$90,000	$87,500	-

For the specific treatment of interest-rate swaps, because they are account for in combination with the hedged long-term borrowings, their fair value is included in the fair value of the long-term borrowings.

15. STOCK OPTION PLAN

The Company grants stock options to its directors and operating officers in line with resolutions of the board of directors meetings.

Expenses for stock options amounting to 57 million yen (473 thousand dollar) and 62 million yen were recognized in selling, general and administrative expenses in 2015 and 2014, respectively.

For the years ended March 31, 2015 and 2014, a standard option pricing model (i.e., Black-Scholes) was used to measure the fair value of stock options granted to its directors and operating officers.

The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with risk-free interest rates of 0.37% in 2015, 0.16% and 0.71% in 2014, dividends per share of 10 yen (0.83 dollar) in 2015, 10 yen in 2014, and volatility factor of the expected market value of the Company's common stock of 48.4% in 2015, 47.2% and 47.8% in 2014, determined by weekly historical price for the past 8.2 years in 2015, 3.3 years and 8.1 years in 2014, which is the same period as expected life of the option.

A summary of the Company's stock options outstanding at March 31, 2015 is as follows:

Date of resolution	June 28, 2007	June 28, 2007	June 27, 2008	May 25, 2009
Date of grant	July 13, 2007	July 13, 2007	July 14, 2008	June 9, 2009
Number of options	32,000 shares of Common stock	46,000 shares of Common stock	46,000 shares of Common stock	37,000 shares of Common stock
Exercise price	¥1	¥1	¥1	¥1
Exercise period	From July 14, 2007 to July 13, 2027	From July 14, 2007 to July 13, 2027	From July 15, 2008 to July 14, 2028	From June 10, 2009 to June 9, 2029
Fair value (per share)	¥2,761	¥2,761	¥966	¥947
Options outstanding at March 31, 2014 (share)	6,000	10,000	10,000	10,000
Granted (share)	-	-	-	-
Exercised (share)	-	-	-	-
Forfeited/Expired (share)	-	-	-	-
Options outstanding at March 31, 2015 (share)	6,000	10,000	10,000	10,000

Date of resolution	June 29, 2010	June 29, 2011	April 25, 2012	May 24, 2013
Date of grant	July 21, 2010	July 14, 2011	May 11, 2012	June 10, 2013
Number of options	39,000 shares of Common stock	44,000 shares of Common stock	38,000 shares of Common stock	10,000 shares of Common stock
Exercise price	¥1	¥1	¥1	¥1
Exercise period	From July 22, 2010 to July 21, 2030	From July 14, 2011 to July 13, 2031	From May 11, 2012 to May 10, 2032	From June 10, 2013 to June 9, 2033
Fair value (per share)	¥1,013	¥948	¥739	¥1,625
Options outstanding at March 31, 2014 (share)	14,000	22,000	23,000	6,000
Granted (share)	-	-	-	-
Exercised (share)	-	-	-	-
Forfeited/Expired (share)	-	-	-	-
Options outstanding at March 31, 2015 (share)	14,000	22,000	23,000	6,000

Date of resolution	June 27, 2013	June 27, 2014
Date of grant	July 12, 2013	July 14, 2014
Number of options	31,000 shares of Common stock	55,000 shares of Common stock
Exercise price	¥1	¥1
Exercise period	From July 12, 2013 to July 11, 2033	From July 14, 2014 to July 13, 2034
Fair value (per share)	¥1,476	¥1,032
Options outstanding at March 31, 2014 (share)	31,000	-
Granted (share)	-	55,000
Exercised (share)	-	-
Forfeited/Expired (share)	-	-
Options outstanding at March 31, 2015 (share)	31,000	55,000

16. COMPREHENSIVE INCOME

Reclassification and income tax effects attributable to other comprehensive income for the years ended March 31, 2015 and 2014 were as follows:

	Millions of Yen		Thousands of U.S. dollars
	2015	2014	2015
Net unrealized holding gains (losses) on securities:			
Gains (losses) arising during the year	¥1,595	¥565	$13,290
Reclassifications and adjustments	-	-	-
Before income tax effects	1,595	565	13,290
Income tax effects	(449)	(147)	(3,739)
Net unrealized holding gains (losses) on securities	1,146	418	9,551
Deferred gains (losses) on hedges:			
Gains (losses) arising during the year	(452)	(167)	(3,768)
Reclassifications and adjustments	495	112	4,127
Before income tax effects	43	(55)	359
Income tax effects	(4)	8	(31)
Deferred gains (losses) on hedges	39	(47)	328
Foreign currency translation adjustments:			
Adjustments arising during the year	11,813	6,572	98,435
Reclassifications and adjustments	(249)	-	(2,074)
Foreign currency translation adjustments	11,564	6,572	96,361
Adjustment in defined benefit obligation of overseas subsidiaries:			
Gains (losses) arising during the year	(469)	(7)	(3,908)
Reclassifications and adjustments	10	9	83
Before income tax effects	(459)	2	(3,825)
Income tax effects	97	(24)	806
Adjustment in defined benefit obligation of overseas subsidiaries	(362)	(22)	(3,019)
Total other comprehensive income	¥12,387	¥6,921	$103,221

17. SEGMENT INFORMATION

(1) General information about reportable segments

The Companies' reportable segments are those for which separately financial information is available and regular evaluation by the Company's Board of Directors is being performed in order to decide how resources are allocated among the Companies.

The Companies consist of two segments identified by the nature of the business, including "Electronic Components" and "Optical media and others".

"Electronic Components" consists of "Capacitors," "Ferrite and Applied Products," "Integrated Modules and Devices," and "Other Electronic Components".

"Optical media and others" mainly provides recording-media products and implementation business of subsidiaries.

(2) Basis of measurement about reportable segment income or loss, segment assets and other material items

The accounting policies of each reportable segment are consistent to those disclosed in Note "2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES".

Income by reportable segments is based on operating income. Liabilities are not disclosed because they are not provided to the highest decision-making body periodically.

(3) The Companies' reportable segments consist of "Electronic Components" and "Optical media and others". However, the disclosure of segment information for the years ended March 31, 2015 and 2014 has been omitted, since "Optical media and others" are immaterial to the segment total.

(4) Transactions by geographical areas

(i) Sales

Millions of Yen			
2015			
Japan	China	Other areas	Total
¥32,038	¥90,596	¥104,461	¥227,095

Millions of Yen			
2014			
Japan	China	Other areas	Total
¥36,885	¥70,821	¥100,517	¥208,223

Thousands of U.S. dollars			
2015			
Japan	China	Other areas	Total
$266,989	$754,966	$870,507	$1,892,462

We omit the disclosure about sales to Korea from this fiscal year since the sales amounts become immaterial. Also, we disclose previous fiscal year result with reflecting the above change and reclassification.

(ii) Property, plant and equipment

Millions of Yen				
2015				
Japan	China	Malaysia	Other areas	Total
¥53,914	¥16,980	¥14,055	¥12,760	¥97,709

Millions of Yen				
2014				
Japan	China	Malaysia	Other areas	Total
¥52,732	¥15,913	¥13,183	¥12,569	¥94,397

Thousands of U.S. dollars				
2015				
Japan	China	Malaysia	Other areas	Total
$449,283	$141,501	$117,125	$106,330	$814,239

(5) Information about impairment loss on property, plant and equipment by reportable segments

	Millions of Yen			
	2015			
	Electronic Components	Optical media and others	Adjustments	Total
Impairment loss	¥85	¥10	-	¥95

	Millions of Yen			
	2014			
	Electronic Components	Optical media and others	Adjustments	Total
Impairment loss	¥122	¥500	-	¥622

	Thousands of U.S. dollars			
	2015			
	Electronic Components	Optical media and others	Adjustments	Total
Impairment loss	$705	$85	-	$790

(6) Information about amortization and the balance of (negative) goodwill by reportable segments

	Millions of Yen			
	2015			
	Electronic Components	Optical media and others	Adjustments	Total
(Goodwill)				
Amortization	¥601	-	-	¥601
Balance	-	-	-	-
(Negative goodwill)				
Amortization	-	-	-	-
Balance	-	-	-	-

	Millions of Yen			
	2014			
	Electronic Components	Optical media and others	Adjustments	Total
(Goodwill)				
Amortization	¥601	-	-	¥601
Balance	¥601	-	-	¥601
(Negative goodwill)				
Amortization	-	¥10	-	¥10
Balance	-	-	-	-

	Thousands of U.S. dollars			
	2015			
	Electronic Components	Optical media and others	Adjustments	Total
(Goodwill)				
Amortization	$5,005	-	-	$5,005
Balance	-	-	-	-
(Negative goodwill)				
Amortization	-	-	-	-
Balance	-	-	-	-

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18. EARNINGS PER SHARE

Reconciliation of the basic and diluted earnings per share ("EPS") for the years ended March 31, 2015 and 2014 were as follows:

For the year ended March 31, 2015	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Earnings	Weighted Average Shares	EPS	
Basic EPS				
Earnings allocated to common shareholders	¥10,919	117,747	¥92.74	$0.77
Effect of dilutive securities				
Convertible bonds	-	-	-	-
Convertible bonds with stock acquisition rights	(9)	9,667	-	-
Stock acquisition rights	-	178	-	-
Diluted EPS				
Earnings for computation	¥10,910	127,592	¥85.51	$0.71

For the year ended March 31, 2014	Millions of Yen	Thousands of Shares	Yen
	Net Earnings	Weighted Average Shares	EPS
Basic EPS			
Earnings allocated to common shareholders	¥6,990	117,711	¥59.38
Effect of dilutive securities			
Convertible bonds	-	-	-
Convertible bonds with stock acquisition rights	(3)	2,416	-
Stock acquisition rights	-	154	-
Diluted EPS			
Earnings for computation	¥6,987	120,281	¥58.09

19. SUBSEQUENT EVENT

The following appropriations of retained earnings at March 31, 2015 were approved at the Company's shareholders' meeting held on June 26, 2015:

	Millions of Yen	Thousands of U.S. Dollars
Cash dividend, 5.00 yen (0.04 dollar) per share	¥589	$4,906

CONSOLIDATED SUBSIDIARIES and EQUITY-METHOD AFFILIATE

CONSOLIDATED SUBSIDIARIES

Domestic (Japan)	**Ownership**
TAIYO YUDEN CHEMICAL TECHNOLOGY CO., LTD. (Former Taiyo Chemical Industry Co., Ltd.)	100.0%
TAIYO YUDEN TECHNO SOLUTIONS CO., LTD. (Former Akagi Electronics Co., Ltd.)	100.0%
Sun Vertex Co., Ltd.	100.0%
FUKUSHIMA TAIYO YUDEN CO., LTD. (Former That's Fukushima Co., Ltd.)	100.0%
Kankyo Assist Co., Ltd.	100.0%
Niigata Taiyo Yuden Co., Ltd.	100.0%
TAIYO YUDEN ENERGY DEVICE CO., LTD.	100.0%
WAKAYAMA TAIYO YUDEN CO., LTD. (Former Chuki Seiki Co., Ltd.)	100.0%
Victor Advanced Media Co., Ltd.	65.0%
TAIYO YUDEN Mobile Technology Co., Ltd.	100.0%

Overseas	**Ownership**
TAIWAN TAIYO YUDEN CO., LTD.	100.0%
KOREA TAIYO YUDEN CO., LTD.	100.0%
TAIYO YUDEN (SINGAPORE) PTE. LTD.	100.0%
HONG KONG TAIYO YUDEN CO., LTD.	100.0%
TAIYO YUDEN (U.S.A.) INC.	100.0%
TAIYO YUDEN EUROPE GmbH	100.0%
KOREA TONG YANG YUJUN CO., LTD.	100.0%
TAIYO YUDEN (PHILIPPINES), INC.	100.0%
TAIYO YUDEN (SARAWAK) SDN. BHD.	100.0%
TAIYO YUDEN (MALAYSIA) SDN. BHD.	100.0%
TAIYO YUDEN (GUANGDONG) CO., LTD.	100.0%
KOREA KYONG NAM TAIYO YUDEN CO., LTD.	100.0%
TAIYO YUDEN (SHANGHAI) TRADING CO., LTD.	100.0%
TAIYO YUDEN (TIANJIN) ELECTRONICS CO., LTD.	100.0%
TAIYO YUDEN (SHENZHEN) ELECTRONICS TRADING CO., LTD.	100.0%
TAIYO YUDEN (CHINA) CO., LTD.	100.0%
JVC ADVANCED MEDIA U.S.A. INC.	65.0%
JVC Advanced Media EUROPE GmbH	65.0%
JVC Advanced Media (Tianjin) Co., Ltd.	65.0%
TAIYO YUDEN TRADING (THAILAND) CO., LTD	49.0%

EQUITY-METHOD AFFILIATE

Domestic (Japan)	**Ownership**
START Lab Inc.	49.9%